



2016 ANNUAL REPORT

BALLARAT GENERAL CEMETERIES TRUST

*To the
Memory of*
EMMIE
DEARLY BELOVED WIFE OF
CAYIN H. SIMPSON,
BORN 20TH JAN. 1862, DIED 13TH OCT. 1892
ALSO THEIR INFANT SON
STANLEY GAVIN,
BORN 17TH MARCH 1867, DIED 2ND APR. 1887
SAMUEL WALSH,
DIED 18TH JUNE 1897, AGED 68 YEARS
MARY HELEN WALSH,
DAUGHTER OF THE ABOVE
DIED 28TH JULY 1928, AGED 64 YEARS
"THY WILL BE DONE"

ANN
THE WIFE OF
BENJAMIN & JANE LEONARD
A. 011. 2ND DECEMBER 1847
A. 13. 1896

"Remembering The Past
Caring For The Present
Planning For The Future"

ANNUAL REPORT 2015 - 2016

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MESSAGE FROM THE CHAIR OF THE TRUST

I have much pleasure in presenting the Annual Report for The Ballarat General Cemeteries Trust for the year ended 30th June 2016. I was officially appointed as Chair of the Trust earlier this year and thank the Minister and my Trust colleagues for their confidence and support.

During the past twelve months our organisation has gone through significant change. Our highly regarded CEO David Beames retired following 24 years of loyal and dedicated service to the organisation. Our long standing chairman Graeme Hewitt chose not to renominate following many years of outstanding voluntary commitment to the Trust. I would like to personally congratulate and thank both gentlemen for their service to our community.

We welcomed our new energetic CEO Annie de Jong in August 2015 along with two new Trust members earlier this year. Each bring extensive knowledge and experience to the role and compliment the skills of our existing members. With a demonstrated commitment to the principles of good governance the Trust is well positioned to deliver on the goals and aspirations of our 4 year strategic plan.



Invariably change brings both challenges and opportunities and on behalf of the Trust I would like to acknowledge and thank all of our wonderful staff for the outstanding service they provide to our community. The support, respect and consideration shown to families in their time of grief is genuinely appreciated and reflected in community feedback.

Our Community Advisory Committee has continued to consult with a wide range of stakeholders and the community and provides advice to the Trust on future events and activities for the cemetery. The Trust has continued the interactive breakfast meetings with our local Funeral Directors. The Trust is committed to extending these conversations and will expand on our consultation and assistance to our surrounding Class B cemeteries.



The Ballarat General Cemeteries are well recognised for our wonderful botanical gardens along with our significant heritage and history. As custodians of these wonderful community assets we are totally committed to ensuring our business model is sustainable and delivers on the high expectations of our community. We strive to deliver the best possible service whilst ensuring our financial performance sustains our perpetual maintenance obligations.

The Ballarat General Cemeteries continue to operate from a solid foundation of assets built up over the past 157 years. The Trust has a total equity of \$6,613,230 down slightly from the previous year as detailed in the financial section of the annual report. Over the past 3 years the cemetery and crematoria business has become a far more competitive environment with a range of options being offered for cremation and memorialisation.



The challenge for our Trust is to become far more flexible and agile in a rapidly changing business environment without compromising on our core values and caring service to our community.

Our masterplan for the New Cemetery continues to evolve with the continued development of stage 3 of Birdsong Walk which will provide additional natural memorial options for the community along with the opening of Sunset Gardens creating an additional garden beam area. We are very proud of our horticultural learning program with the Ballarat Specialist School and the students continue to enjoy being hands on growing plants for the cemetery gardens.

We have commenced an exciting journey of review and renewal with an emphasis on increased community consultation and engagement. An independent external evaluation of our business conducted over the past few months has provided valuable feedback and recommendations for our consideration and implementation.


During the next twelve months we commit to a full review of our fees and charges, to maximise the skills and capabilities of our loyal employees, to protect and enhance our highly regarded assets and ensure our business model responds to changing market demands.

Our Trust is committed to our mission statement of "Remembering the Past, Caring for the Present and Planning for the Future".

Special thanks to all of our Trust members, CEO and staff for their energy, commitment and support as we strive to provide the best possible service to meet the diverse needs of our growing communities.

JA Verlin AM
Chairperson

"An independent external evaluation of our business conducted over the past few months has provided valuable feedback"



 EMERIE.
 DEARLY BELOVED WIFE OF
 CAVIN W. SIMPSON,
 BORN 23RD JAN. 1862, DIED 18TH OCT. 1887.
 AGE 25 YEARS.
 ALSO THEIR INFANT SON
 STANLEY GAVIE,
 BORN 17TH MARCH 1867, DIED 18TH NOV. 1887.
 AGE 20 YEARS.
 SAMUEL WALSH.
 BORN 18TH JUNE 1867, AGED 68 YEARS.
 MARY HELEN WALSH.
 DAUGHTER OF THE ABOVE.
 DIED 28TH JULY 1928, AGED 64 YEARS.
 "WIFE OF ST. JOHN"

OUR CEMETERIES



RESPONSIBLE BODIES DECLARATION

"IN ACCORDANCE WITH THE FINANCIAL MANAGEMENT ACT 1994 I AM PLEASED TO PRESENT THE REPORT OF OPERATIONS FOR THE BALLARAT GENERAL CEMETERIES TRUST FOR THE YEAR ENDING JUNE 30, 2016



DR J A VERLIN AM
TRUST CHAIRPERSON
BALLARAT GENERAL CEMETERIES TRUST

DATED THIS *25TH* **DAY OF** *august* **2016**

GENERAL INFORMATION

Ballarat General Cemeteries Trust is an Incorporated Association of up to nine Trust Members appointed by Governor in Council.

The appointment of the Trust Members and their power and duties are pursuant to the Cemeteries and Crematoria Act of 2003. All Trust Members are part time with one elected as Chairperson. Under the Act, the Trust has the power to make Rules and Regulations in administering the Cemeteries operation.

The Ballarat General Cemeteries Trust is a Class A trust with five other cemeteries within Victoria. As a Class A trust we have a legislative responsibility to support all other Class B trusts within Victoria.

The Trust is responsible to the Honourable Jill Hennessy MP Minister for Health.

FUNCTION OF THE TRUST

The Ballarat General Cemeteries Trust are responsible for providing to the community of Ballarat and the surrounding areas of Central and Western Victoria, the best possible service and facilities in burial, cremation and memorialisation that fall within the constraints of available funds. The Trust also has a commitment to preserving the heritage and history of both Cemeteries.

The Ballarat General Cemeteries Trust has the responsibility to manage:-

1. The Ballarat Old Cemetery established in 1856
2. The Ballarat New Cemetery established in 1867
3. The Ballarat Crematorium established in 1958

The administration office is situated at the Ballarat New Cemetery, 1250 Doveton Street North, Ballarat.

The Cemeteries & Crematoria Act 2003 specifically state the functions as;

Cemeteries and Crematoria Act 2003 (as amended)
 Part 2 – Cemeteries and Cemetery Trusts

Section 12A Functions of Class A cemetery trusts

1) The functions of a Class A cemetery trust are—

- a) to properly and efficiently manage and maintain each public cemetery for which it is responsible;
- b) to develop, in accordance with this Act, annual plans and strategic plans for the operation of the trust and to monitor compliance with those plans;
- c) to develop annual business plans, strategies and budgets to ensure the efficient and accountable provision of services under the Act and the long term viability of the cemetery trust;
- d) to establish and maintain effective systems to ensure that—
 - i) the services provided by the



ADMINISTRATION

cemetery trust meet the needs of the communities which it serves; and

- ii) the views of those communities are taken into account;
- e) to oversee the organisational structure of the cemetery trust;
- f) to employ a chief executive officer (by whatever title called) for the effective operation and management of the cemetery trust and each public cemetery for which it is responsible;
- g) to monitor the performance of the chief executive officer;
- h) to ensure there are systems in place to enable effective and accountable risk management, financial management and records management of the cemetery trust;
- i) to provide leadership, assistance and advice as requested to listed Class B cemetery trusts;
- j) to establish committees in accordance with the Act and ensure those committees operate

effectively;

- k) to ensure the Secretary is informed as soon as practicable of—
 - i) any significant issues of public concern in relation to the cemetery trust, cemetery or crematoria services provided by that cemetery trust or the public cemeteries for which that cemetery trust is responsible; or
 - ii) any significant risks that affect, or may affect, the cemetery trust or cemetery or crematoria services provided by that cemetery trust or the public cemeteries for which that cemetery trust is responsible;
- l) to develop or adopt a code of conduct for members of the cemetery trust and for staff of the trust;
- m) to ensure members of the cemetery trust receive adequate training to enable them to meet their obligations as members of

the cemetery trust;

- n) to carry out any other function conferred on a Class A cemetery trust by or under this Act or any other Act.
- 2) In exercising its functions, a Class A cemetery trust must have regard to—
 - a) its obligations in relation to funding of the perpetual maintenance of the public cemetery for which it is responsible; and
 - b) the cultural values and religious values (if any) of the community; and
 - c) the heritage values (if any) of the public cemetery for which it is responsible; and
 - d) the need to ensure that it uses its resources in an effective and efficient manner; and
 - e) the need to ensure that public resources across the cemeteries and crematoria sector are used effectively and efficiently.

SUMMARY OF ACTIVITIES FOR THE REPORTING PERIOD

The 2015 – 2016 financial year saw the Trust continue to develop its capital works, equipment replacement, and operations through their Mission Statement of “Remembering the Past, Caring for the Present and Planning for the Future”.

The Trust continued to maintain and present a high standard of botanical cemetery grounds in line with community expectations.

Capital Works

- Continued to develop stage 3 of Birdsong Walk to provide additional natural cremation memorial options for the Ballarat and surrounding community.
- Opening of Sunset Gardens garden lawn area as a burial option for the community, located on the Doveton Street side of the new cemetery.
- Commenced review of its Master Plan which will see significant stakeholder engagement over the next 12 months or so.

Volunteers

- The Work for the Dole program continues to provide significant contribution to the improvement and beautify-

250

NEW CREMATION MEMORIAL SITES

“Through the continuing development of the ‘birdsong walk’ area we are able to provide additional placements in this tranquil setting with native plants and abundant bird life.”

650

NEW GRAVE SITES

“With the development of two new burial areas, Sunset Gardens, which is a garden beam lawn offering a colourful blend of ornamental trees and shrubs and Lawn ‘n’ which beam lawn allowing placement of bronze plaque memorial.”

57

VOLUNTEERS

“Much valuable work has been carried out by our volunteers who take great pride with the work they do.”

63,813

SQUARE METRES OF LAWNS MAINTAINED

“Our commitment to maintaining the cemetery grounds to the highest possible standards has been reflected in the many positive comments received from our community”

ing the surrounds of the Old and New Cemeteries.

- 57 volunteers who completed over 395 hours each volunteering.
- Old Cemetery – grave surround restoration and reinstatement stage 1, including the replacement of brick work, stones and reinstatement of grave surrounds.
- Old Cemetery – maintenance of grounds and clearing of roads and paths
- New Cemetery – Stage 3 Birdsong Walk development.

Marketing and Community Engagement

- The Trust commissioned a project to seek stakeholder feedback on services provided by the cemetery. This included engagement with Funeral Directors, Staff (both indoor and outdoor), Trust Members, Community Advisory Committee and Community Focus Groups.
- The Trust will now develop a full communication and marketing plan that supports the responses from our consultation.
- The Trust has reviewed its branding strategy and new branded marketing material will be released in the new year.

Event and Community Involvement

- Annual Remembrance ceremony supported by the Cemetery to commemorate babies and children lost.
- Rose Pruning Demonstrations – 38 participants enrolled to learn how to manage, prune and propagate roses with our cemetery gardeners.
- Annie Westcott memorial service. The Cemetery partnered with the Ballarat Health Services Trained Nurses league to commemorate a WW1 nurse in the old cemetery where the

grave did not have a plaque to recognise her resting place and military service.

- Continuance of a horticultural learning program with the Ballarat Specialist School which involves the students in the growing of plants for the cemetery gardens.
- We continue to engage with our armed services community groups and link the memorials in our cemeteries to the recognition in our community of our returned service men and women contribution.

Sector Engagement

- Participation in the Strategic Working Group with other Class A Trusts, Department of Health and Human Services and Cemeteries & Crematoria Association of Victoria to provide advice to the government on sector direction and strategic opportunities.
- Participation in group discussions with other Class A trust to discuss collaboration and sharing of community interest.
- Continued support, discussion and consultation with Class B Cemetery Trusts in our

region and the wider western region.

Grants

- Successful in obtaining grants for clearing of a new development area of which native vegetation clearance permit had been received.
- Successful in obtaining a part grant for the establishment of a rotunda shelter within the new Birdsong Walk section.

Governance

- The Board completed an independent review of their performance as part of their strategic planning program.
- The Board participated in governance education and development of a 3 year strategic plan.
- The Board reviewed its Committee structure and made appropriate changes for the benefit and efficient operations of the board. This included all board members being members of the Finance Committee and making the Finance Committee activities a priority in the monthly board meeting.



SERVICES PROVIDED

SUMMARY

Ballarat General Cemeteries Trust provides essential services in burial, memorialisation and cremation services.

Honouring the life of a family member and establishing a lasting legacy is a significant decision. We provide professional and sensitive guidance to our community when choosing the appropriate setting for a loved one.

Ballarat General Cemeteries Trust is a not-for-profit Memorial Park with a long and proud history of meeting the diverse and growing needs of the community.



BURIAL

Beam Lawns - are set in a spacious area of lush lawns, with personalised bronze plaques commemorating loved ones.

Dreamtime Burial Area – in collaboration with local aboriginal community to provide a designated area that represents significant cultural beliefs.

Garden Lawns - featuring carefully maintained lawns lined with fragrant roses, flowering shrubs and trees while other areas consist solely of Australian native plantings.





Headstone Garden Lawn Areas. - havens of peace and tranquillity, these picturesque surroundings feature graves set amongst a serene blending of beautiful trees, shrubs and carefully maintained lawns. Birdsong Gardens, The Terraces and Conifer Gardens provide families with a variety of choices to best reflect the life being honoured

Monumental Sections - in Ballarat New Cemetery are divided into various religious and non-denominational areas and provide for an individually crafted monument to be erected.

RSL Section – Ballarat New Cemetery have a beautifully manicured section that recognises and provide a special area to commemorate our returned service men and women. We have a special association with the Ballarat Avenue of Honour where a number of our service personnel are remembered in both locations of our community.

Babies and Children. - cherishing the memory of young lives lost is an integral part of what we do. Our philosophy of honouring and celebrating those lives is recognised with special, dedicated spaces.



Tree of Memories - is located adjacent to the Babies Lawn and is a tree sculptured in bronze and features hand crafted bronze leaves with individual inscriptions. This memorial provides the opportunity for families to commemorate any baby up to the age of twelve months including those lost through miscarriage, stillbirth or neonatal death.



CREMATION

Memorials pay respect to the departed but they really are for the living. They are a practical way of providing a focal point for precious memories and provide an opportunity to share these memories with family, friends and future generations, including those researching their family history.

Contemplation Garden - provides a place where families may visit after a cremation service. There is no charge for this service which sees the cremated remains placed in a sealed underground cylinder identified with a name plate on a granite block. This is a temporary placement whilst families decide on their permanent memorial.

Niche Walls - are set in surrounding garden areas. The cremated remains, sealed in a special container, are placed within a niche that is faced by a single bronze plaque.

Garden Memorials - The cemetery has available various options for the location of cremated remains in perimeter garden beds, native and bush areas, as well as a variety of shrub selections that provide for both bronze and headstone memorials.

Individual Roses - Selected garden beds of standard bush and weeping roses provide up to six memorial placements at each site. The large variety of roses give an abundant array of colour from October to June



Memorial Shrubs - set throughout the gardens, a variety of trees and shrubs provide for a personal choice of flowering or evergreen memorials. Up to sixteen placements and eight plaques may be made at each site allowing for extensive family memorials to be created and continued for future generations.

Poets Walk - set in a native Australian bushland providing individually positioned rocks in private coves provide a sense of being at peace with nature.

Birdsong Walk - is a tranquil setting with a poetic fusion of sustainable native plantings and calming water features. Meandering streams flow amongst a landscape of rock and granite features highlighted by flowing Australian shrubs with an aspect overlooking water.



THE BALLARAT CREMATORIUM

Tanderra Memorial Gardens – is a picturesque setting of large garden beds within a sweeping lawn area. The Gardens feature a variety of trees and shrubs that transform through each season of the year. Urns containing the cremated remains are placed in the garden beds where memorials in natural stone may be erected in accordance with the Trust regulations. Each memorial has provisions for six placements enabling an ongoing family area to be created.



The Book of Remembrance - serves as a permanent record and dignified memorial. Memorial entries are carefully inscribed by highly skilled artists and entered in the Book under any date(s) selected. Books are displayed in a protective glass case, open on the corresponding day, enabling entries to be viewed at each anniversary in an atmosphere of privacy. Personal copies of entries are also available.

Birch Forest - overlooks birdsong gardens and is set amongst an area of colour that offers memorialisation with an individual tree and provides up to sixteen placements and eight plaques.



WHAT WE DELIVERED DURING 2015-2016

BURIALS 317

CREMATIONS 870

CHAPEL SERVICES
250

PATHS MAINTAINED
7,495 METRES

ROADS MANAGED
6,520 METRES

ROSES CULTIVATED
2,800

TREES MANAGED
4000

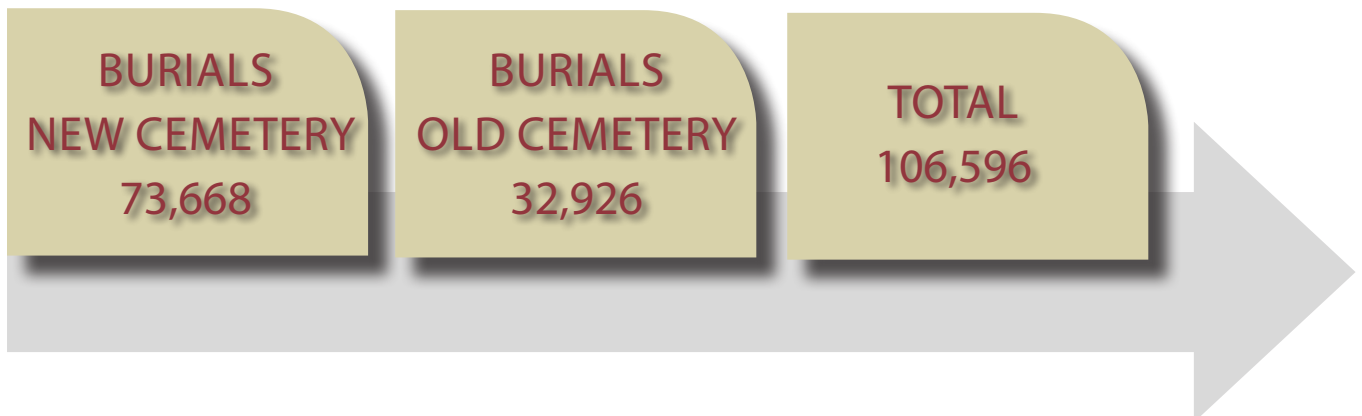
FRUIT TREES
97

LAWNS MAINTAINED
63,813 SQ M



ANNUAL REPORT

BURIAL



Burial services for the financial year totalled 317, an additional 15 services on previous years. 89 burials were pre-purchased for the year with the popular locations being our beautiful lawn sections of the cemetery. 42 placements of ashes in burial locations

CREMATION



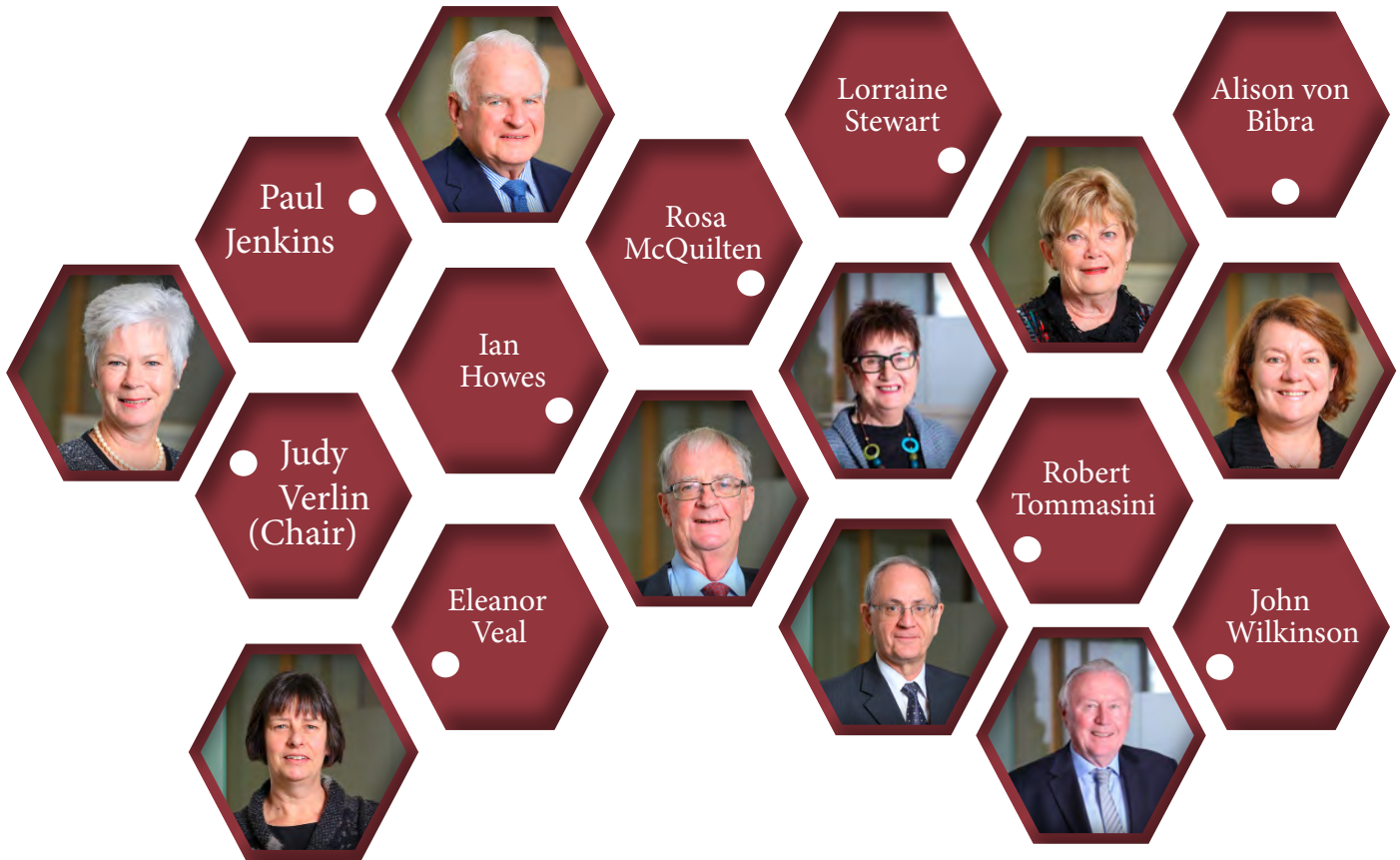
Cremation services for the financial year totalled 870 and serviced areas throughout Western and Central Victoria.

MEMORIALISATION

226 cremation memorials and at need placements were purchased during the 2015-16 financial year.

Our community planned ahead with a further 128 cremation services and 62 memorials/placements were pre-purchased during the year.

OUR TRUST MEMBERS



The Ballarat General Cemeteries Trust is governed by a board of nine Trust Members reporting to the Minister for Health and Human Services the Hon. Jill Hennessy MP through the Cemeteries and Crematoria Regulation Unit of the Department of Health and Human Services.



Changes to appointments during the 2015-2016 year:-

- Dr Judith Verlin AM was appointed as Chair of the Trust from 1st March 2016.
- Mr John Wilkinson was appointed to the Trust as a member from 1st March 2016.
- Ms Rosa McQuilten was appointed to the Trust as a member from 1st March 2016.
- Mr G Hewitt did not seek reappointment to his position at the end of his term - 29th February 2016.
- Ms D. Tsilfidis did not seek reappointment to her position at the end of his term - 29th February 2016.

THE TRUST

Dr J A Verlin AM	Chairperson – Appointed to 31st August 2017
Mr I G Howes	Appointed to 31st August 2017
Mr P Jenkins OAM	Appointed to 31st August 2017
Mrs L E Stuart	Appointed to 31st August 2017
Mr R Tommasini	Appointed to 31st August 2017
Ms E J Veal	Appointed to 31st August 2017
Ms A M von Bibra	Appointed to 31st August 2017
Ms R McQuilten	Appointed to 30th June 2018
Mr J Wilkinson	Appointed to 30th June 2018

INDEPENDENCE OF TRUST MEMBERS

Declarations of conflict of interest are required at the beginning of each Trust meeting. Trust members complete an annual Declaration of Interest Statement.

AUDIT COMMITTEE

The Trust was granted an exemption under directions reference 2.2 Audit Committee and 2.5 internal audits noting the Trust as a small entity with current policies and procedures in place to meet the requirements. The exemption was granted by the Minister of Finance pursuant to Section 8 of the Financial Management Act 1994 and the Financial Management Regulations 2004.

COMMITTEES OF THE TRUST

The Trust has established the following committees to assist in the execution of Trust responsibilities.

The Finance & Audit Committee: - has an advisory role assisting the Trust to fulfil the financial management, planning and major financial decision making functions. On the 27th April 2016 the Trust determined that all members of the trust would be members of this committee and that this committee would be absorbed into the monthly Trust Meeting.

Members

Dr J Verlin AM - Chair
 Mr I G Howes
 Mr P Jenkins OAM
 Mrs L E Stuart
 Mr R Tommasini
 Ms E Veal
 Ms A von Bibra
 Ms R McQuilten
 Mr J Wilkinson

The Risk Management Committee: - has an advisory role assisting the Trust to fulfil the governance and compliance responsibilities of risk management, legislative compliance and internal controls.

Members

Mr R Tommasini – Chair

Mrs L Stuart

Dr J Verlin AM

The Organisation Capacity & Remuneration Committee: - has an advisory role assisting the Trust to fulfil the CEO remuneration and performance management function.

Members

Ms A von Bibra – Chair

Dr J Verlin AM

Mr J. Wilkinson

The Project Committee: - has an advisory role assisting the Trust to oversee the infrastructure planning and major capital works operations as presented in the Trusts Annual and Strategic Plan.

Members

Ms E Veal – Chair

Dr J Verlin AM

Ms R McQuilten

The Community Advisory Committee was established in March 2011 in accordance with the Cemeteries and Crematoria Act 2003 and its purpose is to provide advice and guidance to the Trust in carrying out its community engagement and participation responsibilities.

Members

Mr P Jenkins OAM - Chair

Mrs L Stuart

Mr L Holloway

Mrs S Doon

Mr G Snowden OAM

Mr P Le Lievre

Mr B Kiley

Mrs D Wickham

Mrs A. De Jong CEO



TRUST MEMBERS ATTENDANCE AT MEETINGS

	Trust Meetings	AGM	Risk Management Committee	Finance & Audit Committee	Organisation Capacity & Remuneration Committee	Project Committee	Community Advisory Committee
Meetings Held	10	1	10	4	2	4	5
Mr I Howes	9			4	2		
Mr P Jenkins OAM	10	1		4			5
Mrs L Stuart	9	1	9				5
Mr R Tommasini	10	1	10				
Ms E Veal	9	1				4	
Dr J Verlin AM	9	1	6		2	4	
Ms A von Bibra	9				2		
Members appointed 1st March 2016							
Mrs R McQuilten	2						
Mr J Wilkinson	1						
Members retired 29th February 2016							
Mr G Hewitt	9	1		3		4	5
Ms D Tsilfidis	5						

Note:-Finance and Audit Committee combined with Trust Meeting 27th April 2016

All Trust members attended additional full day meetings for the following purposes:-

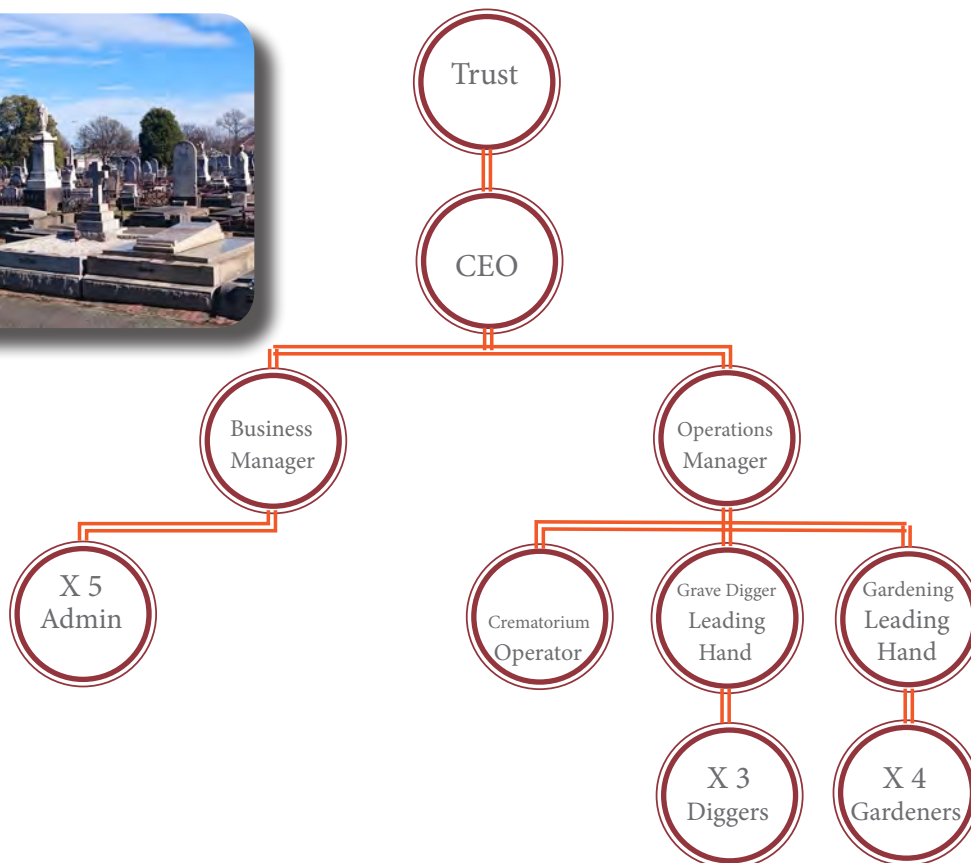
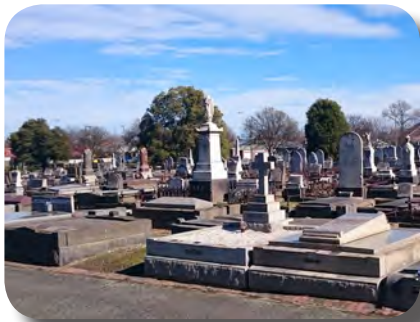
- Governance Training with Governance Today Pty Ltd – 15th March 2016
- Strategic Planning full day facilitated by Governance Today Pty Ltd – 23rd March 2016
- Business Day out with Commerce Ballarat

MANAGEMENT

EMPLOYMENT AND CONDUCT PRINCIPLES

The Ballarat General Cemeteries Trust is committed to ensuring its employment practices and conduct are free of any direct or indirect discrimination on the basis of sex, race, age, disability and all other attributes that apply in Victoria under federal and state laws. Recruitment is conducted according to merit based on relative ability, knowledge, skills and organisational fit. The appointment process is equitable, fair and based on legislative requirements and Ballarat General Cemeteries Trust policies.

ORGANISATIONAL CHART



Chief Executive Officer Ms A. De Jong
 Business Manager Mr K. Murnane

The Business Managers department is responsible for all administration, sales and research functions within the organisation.

Operations Manager Mr N. Monson

The Operations Managers department is responsible for all management and maintenance of the park including the preparation of memorial and burial locations, management of the botanical gardens and crematorium.

LABOUR CATEGORY JUNE 2016	
CEO	1
Executive Team	2
Sales and Administration	5
Crematorium Staff	1
Gravediggers & Gardeners	10
Total	19



RECOGNITION OF SERVICE

The standard of service to the community and presentation of the grounds is recognised as one of the best throughout the state. This is largely due to the quality of the staff and their dedicated service.

30 to 39 Years of Service

Kevin Frawley, Gravedigger
Robert Keen, Gardening

10 to 19 Years of Service

Mark Block, Gardening
Ian Walker, Gravedigger

5 to 9 Years of Service

Brenda Bowers, Administration
Jeanette Cheesman, Administration
Neville Monson, Operations Manager
Kevin Murnane, Business Manager
Peter Silvey, Crematorium
Daryl Tuddenham, Gardening

20 to 29 Years of Service

David Odgers, Gravedigger
David Beames, CEO (retired)

0 to 5 years of Service

Annie De Jong, CEO
Gillian Emmerson, Administration
Janelle Fletcher, Gardening
Jude Leach, Administration
Jenny McGrath, Administration
Bryce McCaughtney, Gardening
Garry McNabb, Gravedigger

THE TRUST ACKNOWLEDGES THE SIGNIFICANT CONTRIBUTION THAT ALL STAFF BRING TO OUR BUSINESS.

GOVERNANCE AND ACCOUNTABILITY

OPERATIONAL OBJECTIVES, FINANCIAL POSITION AND FINANCIAL RESULT FOR 2016/2017

The Trust recorded an operating deficit of \$21,588 before adjustments in the value of the Trust's Managed Funds. This result now includes costs associated with the recognition of on costs on staff Leave Entitlements, the transfer out of expenses associated with the Birdsong Development to WIP-Inventory and the recognition of a "Provision for Loss on Pre-paid Fees" cost item first recognised this year. This all resulted in an Operating deficit of \$33,481.

Income is down approximately \$200,000 on last year which is mainly attributed to two items (a) a reduction in Government Grants, and (b) last year included recognition of the income from the dam works, which is not included this year.

The Balance Sheet shows the Trust is in a relatively strong position with Assets in excess of \$10 Million with a slight growth over the past 12 months.

There are really only two significant movements in the Assets area (a) a reduction in debtors associated with the payment of the account for the dam works, and (b) a movement of Inventory between Current and Non-Current Assets.

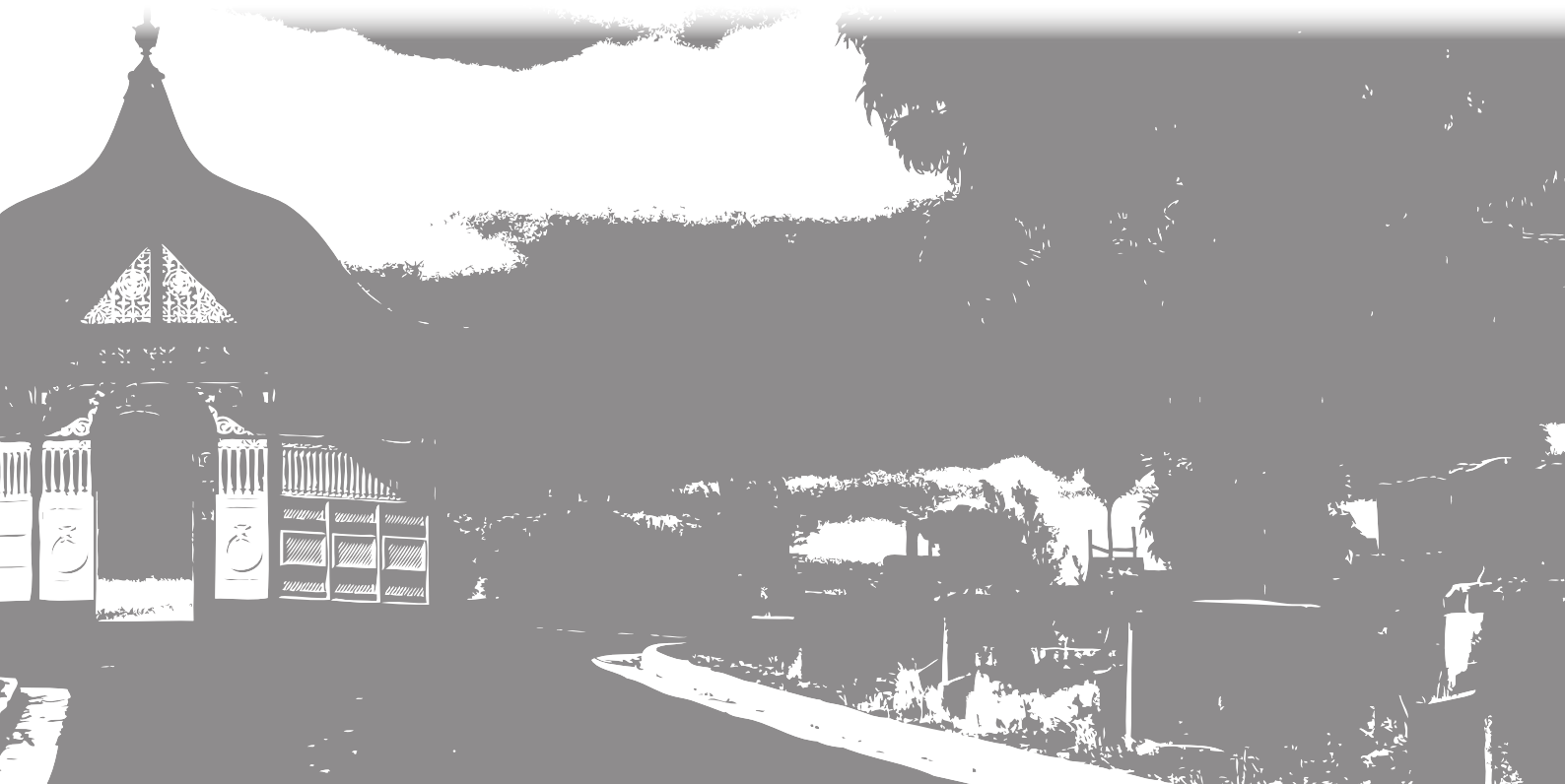
Liabilities have increased over the past 12 months with three key movements, (a) the recognition of the additional on costs on the Staff Entitlements, (b) the first-time recognition of the Provision for Loss on Pre-paid Fees, and (c) an increase in Pre-paid Fees.

These adjustments are due to a change in the accounting treatments from 2015-2016 with this being the first year recognition within the financial statements. This in some instances has impacted the bottom line reporting. This has all resulted in a reduction in Net Assets of approximately \$30,000 which is effectively the deficit generated for the 2015/16 Financial Year.



FIVE YEAR SUMMARY OF FINANCIAL RESULTS

	2016	2015	2014	2013	2012
	\$000	\$000	\$000	\$000	\$000
Total Revenue	\$2,461	\$2,714	\$2,653	\$2,510	\$2,234
Total Expenses	\$2,494	\$2,490	\$2,167	\$2,066	\$2,356
Operating Surplus (Deficit)	\$(33)	\$224	\$486	\$444	\$1,038
Accumulated funds (Accumulated Deficit)	\$1,483	\$1,618	\$1,578	\$1,307	\$949
Total Assets	\$10,304	\$10,181	\$9,828	\$9,292	\$8,950
Total Liabilities	\$3,691	\$3,534	\$3,406	\$3,357	\$3,459
Net Assets	\$6,613	\$6,647	\$6,422	\$5,935	\$5,491
Total Equity	\$6,613	\$6,647	\$6,422	\$5,935	\$5,491





OPERATIONAL CHANGE

There were no operational changes recorded during the year. The core business of the Ballarat General Cemeteries Trust is the interment, cremation and memorialisation of deceased.

In the preparation of the 2016/2017 budget the Trust identified the need for operational efficiencies. A program has been put in place to review its operations and reduce its ongoing expenses through a continuous improvement program. A resolution of the trust to review all fees and charges within the first 6 months of the new financial year was unanimously adopted at its July meeting.

CONSULTANCIES

Details of Consultancies (under \$10,000)

In 2015-16 there were 13 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2015-16 in relation to these consultancies is \$39,184 (excluding GST).

No individual consultancies were in excess of \$10,000.

GOVERNMENT ADVERTISING EXPENDITURE

The Ballarat General Cemetery Trust had no advertising expenditure in excess of \$100,000 in the 2015/2016 financial year.

The Trust has established a relationship with 61 design for marketing and engagement strategic work.

The Trust currently utilises the following companies to assist with printing and advertising; Waller & Chester, King Print, Quick Print, The Courier Newspaper, The Miner Newspaper.

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during the 2015-16 is \$90,605 (excluding GST) with the details show below.

Business as Usual (BAU) ICT Expenditure	Non-Business as Usual (non BAU) ICT Expenditure
Total Operations = \$56,373	Total Operations \$34,232
Total Capital = \$ Nil	Total Capital \$ Nil

Note – all figures are excluding GST

ENVIRONMENTAL MANAGEMENT

The Trust through its development of a formal Environmental Management Program has led to making the environment central to future planning, operations and policy decisions.

The Trust continues to be a willing participant in the Cemeteries and Crematoria Association of Victoria (CCAV) recycling of metals after cremation program. This program reduces the demand on the use of non-renewable resources thus helping protect our environment long term. Any money returned to us from this program has been donated to a charity of our choice and this year we were able to contribute \$1,023 to the Compassionate Friends Ballarat.

Through the implementation of our environmental management program we continue to recycle materials such as cardboard, paper and plastic.

BUILDING ACT 1993 COMPLIANCE

All new works and re-development of existing properties is carried out to conform to the current building regulations and the provision of the Building Act 1993 as updated.

OCCUPATIONAL HEALTH AND SAFETY MATTERS

Safety in the 2015/2016 workplace continued to be paramount to the Trust, Management and Staff. During 2014/2015 the OH&S Committee met to discuss and implement measures to improve Health and Safety for all staff and meet the Trusts OH&S obligations under the Occupational Health and Safety Act 2004. All procedures are reviewed by the OH&S Committee and dealt with accordingly.

The number of incidents reported for the year was 6 and resulted in a review of operating procedures. Action has been taken by the Trust to reduce risk and possible further incidents occurring.

An independent risk assessment was completed of the current policy and procedures on 'Booking to Backfill'. These results were reported to the Risk Committee and an action plan has been developed.

During the year, the OH&S Committee and staff updated first aid training, were offered and undertook influenza vaccinations and hearing checks.

The Trust has entered into a contract with Employsure to enhance our HR and OH&S compliance. Employsure will complete an audit of our current policies in August 2016 and actions will be report and monitored by the Risk Committee.

FREEDOM OF INFORMATION

For the period ending June 30, 2016 the Cemetery Trust received no requests from the general public for information under the Freedom of Information Act 1982.

The Trust receives regular requests for historical information (particularly family research) and provides this information to our community on request.

DECLARATION OF PECUNIARY INTEREST AND SHARES

All members of the Trust and the CEO have signed declarations noting any pecuniary interest in the operation of the cemetery. This includes details of any Shares held by Trust Members and the CEO. The Trust Members at all Trust meetings and Committee meetings are asked to advise any matters in which they have a conflict of interest.

EXTERNAL REVIEWS

No major external reviews were carried out on the entity for the year.

PROTECTED DISCLOSURE ACT 2012

The Protected Disclosure Act 2012 was introduced in Victoria on February 10th 2013.

The legislation enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

There were no disclosures reported for the period of this annual report.

NATIONAL COMPETITION POLICY

The Trust operates and complies with the Code of Practice as published by the Victorian Government Department of Health and Human Services relating to the sale and supply of memorialisation and services by cemetery trusts and other alternative suppliers in Victorian Public Cemeteries.

INDUSTRIAL RELATIONS

There were no industrial disputes during the year and no time lost.

PUBLICATIONS AND RECORDS

A central correspondence, burial and cremation register is held at the administration offices at the New Cemetery. Access is available to these records and a fee is charged for material printouts.

A touch screen computer is installed at both the Ballarat Old Cemetery and Ballarat New Cemetery for Public use in obtaining deceased burial and cremation records. The same information is made available via the Trust's website www.ballaratcemeteries.com.au.

Promotional material is made available by the Trust for the public. This includes brochures on Scale of Fees as well as burial, cremation and memorial services provided by the Trust. Location maps and plans of the cemetery are also provided.

The Trust is currently working on a new website that will have a copy of all these publications in the new year.

SCALE OF FEES

In compliance with government regulations the fees for services provided by the Trust were approved with a 1.4% increase on 1st July 2016. The Trust will review all its fees for service in the 2016/2017 year.

RESEARCH AND DEVELOPMENT

There were no major research and development activities undertaken by the Trust during the year.

OVERSEAS VISITS

No members of the Trust or staff conducted overseas visits for the Trust in the 2015-2016 year.

EX GRATIA PAYMENTS

No ex gratia payments were made during the year.

VICTORIAN INDUSTRY PARTICIPATION

There were no contracts commenced or completed during the financial period to which this policy applied.

PROCUREMENT

Ballarat General Cemeteries Trust tendering and procurement policy and procedures are aligned with the Victorian Government Purchasing Board (VGPD) policies and guidelines.

COMPLIANCE

The Trust is very aware of the DataVic Access Policy and understands all the requirements of making available machine readable format information on the datavic website being <http://www.data.vic.gov.au>. The Trust will consider in future years making its deceased data available on this website.



RISK MANAGEMENT

The Trust has established a Risk Management Committee that reviews risk management obligations as per its policies and procedures along with adopting the Victorian Government Risk Management Framework into these policies and procedures.

I, Annette De Jong certify that the Ballarat General Cemeteries Trust has risk management processes in place consistent with the AS/NZS ISO 31000:2009 Australian/New Zealand Risk Management Standard (or equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

With the Exception of:-

the risk management processes are effective in managing risks to a satisfactory level; Partially Agree – The New Strategic Plan requires new risk identification. The Trust is revising its Risk Framework and Risk Register in the next 6 months

inter-agency risks are addressed and the Trust contributes to the management of shared risks across government, as appropriate; this will be included within the next 6 months.

the Trust contributes to the identification and management of state significant risks, as appropriate; this will be included within the next 6 months.

The Ballarat General Cemeteries Trust verifies this assurance and that the risk profile of the Ballarat General Cemeteries Trust has been critically reviewed within the last twelve months.

Signed 
Annette De Jong
Chief Executive Officer

Date 25 / 08 /2016

ATTESTATION ON DATA INTEGRITY

I, Annette De Jong certify that the Ballarat General Cemeteries Trust has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Ballarat General Cemeteries Trust has critically reviewed these controls and processes during the year.

Signed 
Annette De Jong
Chief Executive Officer

Date 25 / 08 /2016

BALLARAT GENERAL CEMETERIES TRUST

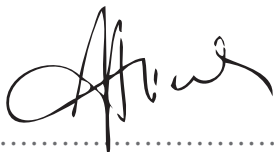
TRUST MEMBER'S, ACCOUNTABLE OFFICER, CHIEF FINANCE AND ACCOUNTING OFFICER DECLARATION

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes In Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30th June 2016 and financial position of the Ballarat General Cemeteries Trust as at 30 June 2016.

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 14 August 2016.



.....
Dr Judith Verlin AM
Trust Chairperson
Dated this 25th day of August 2016



.....
Annette De Jong
Accountable Officer
Date this 25th day of August 2016



.....
Trevor Colbert CPA
Chief Finance & Accounting Officer
Date this 25th day of August 2016

DISCLOSURE INDEX

The Annual Report of the Ballarat General Cemetery Trust is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Trusts compliance with statutory disclosure requirements.

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FRD 22G	Initiatives and key achievements	8
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Protected Disclosure Act 2012	
Victorian Industry Participation Policy Act 2003	
Building Act 1993	
Financial Management Act 1994	



FOUNTAIN GARDENS

INDEPENDENT AUDITOR'S REPORT

To the Trust Members, Ballarat General Cemeteries Trust

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Ballarat General Cemeteries Trust which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the trust member's, accountable officer's and chief finance and accounting officer's declaration.

The Trust Member's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)


Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Ballarat General Cemeteries Trust as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
2 September 2016


Dr Peter Frost
Acting Auditor-General



BALLARAT GENERAL CEMETERIES TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2016

BALLARAT GENERAL CEMETERIES TRUST

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

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

We certify that the attached Financial Statements for Ballarat General Cemeteries Trust have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions* (FRDs), 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 notes to the Financial Statements, presents fairly the financial transactions during the year ended 30 June 2016 and the financial position of Ballarat General Cemeteries Trust at 30 June 2016.

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

We authorise the attached Financial Statements for issue on this day.



Dr. J.A. Verlin
Chair



Ms. A. De Jong
Chief Executive Officer



Mr. T.J. Colbert, CPA
Chief Finance and Accounting Officer

Ballarat, Victoria

25 August 2016

BALLARAT GENERAL CEMETERIES TRUST

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Cemetery Operations Income	2(a)	2,369,762	2,576,408
Cost of Sales	2(d)	<u>(213,392)</u>	<u>(196,730)</u>
		2,156,370	2,379,678
Investment Income	2(b)	90,862	89,422
Total Revenue		<u>2,247,232</u>	<u>2,469,100</u>
Expenses			
Employee Benefits	2(c)	(1,358,100)	(1,339,209)
Depreciation	2(e)	(177,071)	(195,102)
Administrative Costs	2(f)	(308,047)	(294,920)
Maintenance and Operating Costs	2(g)	(353,467)	(391,937)
Cemetery Levy	2(h)	(72,135)	(71,883)
Total Expenses		<u>(2,268,820)</u>	<u>(2,293,051)</u>
Operating Result for the Year		<u>(21,588)</u>	<u>176,049</u>
Other Comprehensive Income			
Items that may be reclassified subsequently to net result			
Net fair value gains/(losses) on Available for Sale Financial Investments	13(c)	(11,893)	48,278
		<u>(11,893)</u>	<u>48,278</u>
Comprehensive Result for the Year		<u>(33,481)</u>	<u>224,327</u>

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

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	4	326,871	257,134
Receivables	5	120,395	201,384
Inventories	6	57,692	738,034
Other financial assets	8	3,408,779	3,284,540
Other current assets	7	<u>1,815</u>	<u>13,010</u>
Total Current Assets		<u>3,915,552</u>	<u>4,494,102</u>
Non-Current Assets			
Inventories	6	1,825,126	1,138,454
Infrastructure works	9	1,958,865	1,998,611
Buildings and improvements	9	2,003,268	2,046,726
Plant and machinery	9	563,033	459,501
Property, plant and equipment	9	<u>38,687</u>	<u>44,165</u>
Total Non-Current Assets		<u>6,388,979</u>	<u>5,687,459</u>
Total Assets		<u>10,304,531</u>	<u>10,181,561</u>
Current Liabilities			
Payables	10	282,440	198,020
Provision for employee benefits	11(a)	206,560	270,382
Other Provisions	11(b)	35,180	-
Unearned income	12	<u>3,081,023</u>	<u>3,001,480</u>
Total Current Liabilities		<u>3,605,203</u>	<u>3,469,882</u>
Non-Current Liabilities			
Provision for employee benefits	11(a)	<u>86,098</u>	<u>64,968</u>
Total Non-Current Liabilities		<u>86,098</u>	<u>64,968</u>
Total Liabilities		<u>3,691,301</u>	<u>3,534,850</u>
Net Assets		<u>6,613,230</u>	<u>6,646,711</u>
Equity			
Contributed capital	13(a)	2,163,727	2,163,727
Accumulated surplus	13(b)	1,483,270	1,618,101
Reserves	13(c)	<u>2,966,233</u>	<u>2,864,883</u>
Total Equity		<u>6,613,230</u>	<u>6,646,711</u>
Commitments for expenditure	15	275,500	389,250
Contingent assets	16	-	-
Contingent liabilities	17	-	764,334

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

BALLARAT GENERAL CEMETERIES TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Equity at 1 July 2015 \$	Movements \$	Equity at 30 June 2016 \$
2016				
Accumulated Surplus	13(b)	1,618,101	(21,588)	1,596,513
Transfer (to)/from General Reserve	13(c)	-	-	-
Transfer (to)/from Perpetual Maintenance Reserve	13(c)	-	(113,243)	(113,243)
		1,618,101	(134,831)	1,483,270
Contributed Capital	13(a)	2,163,727	-	2,163,727
Reserves				
Asset Replacement Reserve	13(c)	1,454,939	-	1,454,939
Other Reserves	13(c)	1,114,369	113,243	1,227,612
Available for Sale Investments Revaluation Surplus Reserve	13(c)	295,575	(11,893)	283,682
		2,864,883	101,350	2,966,233
Total Equity at the end of the Year		6,646,711	(33,481)	6,613,230
		Equity at 1 July 2014 \$	Movements \$	Equity at 30 June 2015 \$
2015				
Accumulated Surplus	13(b)	1,578,532	176,049	1,754,581
Transfer (to)/from General Reserve	13(c)	-	-	-
Transfer (to)/from Perpetual Maintenance Reserve	13(c)	-	(136,480)	(136,480)
		1,578,532	39,569	1,618,101
Contributed Capital	13(a)	2,163,727	-	2,163,727
Reserves				
Asset Replacement Reserve	13(c)	1,454,939	-	1,454,939
Other Reserves	13(c)	977,889	136,480	1,114,369
Available for Sale Investments Revaluation Surplus Reserve	13(c)	247,297	48,278	295,575
		2,680,125	184,758	2,864,883
Total Equity at the end of the Year		6,422,384	224,327	6,646,711

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

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 Inflows/ (Outflows) \$	2015 Inflows/ (Outflows) \$
Cash Flows from Operating Activities			
Receipts from burials and cremations (inclusive of GST)		2,268,330	2,513,773
Other income (inclusive of GST)		410,375	-
Payments to suppliers & employees (inclusive of GST)		(2,320,070)	(2,273,414)
Interest received		87,452	89,422
GST recovered from the Australian Taxation Office		96,702	-
GST paid to the Australian Taxation Office		<u>(178,788)</u>	<u>(62,552)</u>
Net Cash Inflows/(Outflows) from Operating Activities	14(b)	<u>364,001</u>	<u>267,229</u>
Cash Flows from Investing Activities			
Payments for investments		(136,132)	(336,607)
Redeemed investments (excluding earnings)		-	-
Payments for property, plant & equipment		(226,906)	(37,101)
Proceeds from sale of property, plant & equipment		<u>68,774</u>	<u>-</u>
Net Cash Flows Provided By/(Used In) Investing Activities		<u>(294,264)</u>	<u>(373,708)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		69,737	(106,479)
Cash and Cash Equivalents at Beginning of the Financial Year		257,134	363,613
Cash and Cash Equivalents at the End of the Financial Year	14(a)	<u>326,871</u>	<u>257,134</u>

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

**Notes to the Financial Statements
for the year ended 30 June 2016**

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**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 1 Statement of Significant Accounting Policies

Introduction

These annual financial statements represent the general purpose financial statements for Ballarat General Cemeteries Trust for the financial year ending 30 June 2016. The report provides users with information about the Cemetery Trust' stewardship of resources entrusted to it.

Statement of Compliance

These financial statements of the Ballarat General Cemeteries Trust (the Trust) are general purpose financial statements which has been prepared in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AAS's) including interpretations issued by the Australian Accounting Standards Board. They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

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

The financial statements were authorised for issue by the Trust of Ballarat General Cemeteries Trust on 19 August 2016.

Basis of Accounting Preparation and Measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016, and the comparative information for the year ended 30 June 2015.

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

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

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

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

- non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;
- available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income - items that may be reclassified subsequent to net result); and
- the fair value of assets other than land is generally based on their depreciated replacement value.

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

Note 1 Statement of Significant Accounting Policies (continued)

Consistent with AASB 13 *Fair Value Measurement*, the Trust determines the policies and procedures for recurring fair value measurements such as property, plant & equipment and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRD's.

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

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

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

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

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

The Trust, in conjunction with VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

- (i) the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(f))
- (ii) superannuation (refer to Note 1(m))
- (iii) assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(m))

(a) Reporting Entity

The financial report includes the controlled activities of the Ballarat General Cemeteries Trust. The Ballarat General Cemeteries Trust was established under the *Cemeteries Act 1958* and the operations are governed by the *Cemeteries and Crematoria Act 2003*.

The financial statements of the Ballarat General Cemeteries Trust include the operations of the Ballarat Old Cemetery and the Ballarat New Cemetery.

The principal address of the Trust is: 1250 Doveton Street North, Ballarat, Victoria, 3350

The objective of the Trust is to provide cemeteries, crematorium and memorialisation services to the public.

Note 1 Statement of Significant Accounting Policies (continued)

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(c) Other Financial Assets

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

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

Ballarat General Cemeteries Trust assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. All financial assets are subject to annual review for impairment.

(d) Receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income; and
- statutory receivables, which includes GST input tax credits recoverable.

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

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

Trade debtors are carried at nominal amounts due, and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis and debts which are known to be uncollectable are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

(e) Inventories

Right of Interment

Inventories - Right of Interment are measured at the lower of cost and net realisable value. Costs are assigned to graves and memorial positions (under development and developed) on a specific identification of cost basis, with the costs of development and construction averaged over the number of graves or memorial positions in the construction.

Land Allocated for Interment Purposes

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

Note 1 Statement of Significant Accounting Policies (continued)**(f) Recognition and Valuation of Non-Current Physical Assets**

The capitalisation threshold for the recognition of all non-current physical assets is \$3,000. (2015: \$3,000).

Non-current physical assets measured at fair value are revalued in accordance with FRD 103F. This revaluation process normally occurs every 5 years, based on the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in value. Revaluation increments and decrements arise from differences between an asset's carrying value and fair value.

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

Revaluation decrements are recognised immediately as an expense in the net result, except that, to the extent that a credit balance exists in the asset revaluation surplus reserve in respect of the same class of asset, they are debited directly to the asset revaluation surplus reserve.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class, but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

Land - Cemetery Use

Crown land controlled by the Ballarat General Cemeteries Trust, which has been reserved for cemetery and crematoria purposes, is measured at fair value with regard to the land's highest and best use (HBU) after due consideration is made of any legal and/or constructive restrictions imposed on the land. These restrictions, whereby the land has been reserved for a cemetery, have been assessed by the Valuer-General of Victoria as reducing the land's highest and best use value by a discount factor of 95%. The discount of 95% represents the community service obligation (CSO) of providing the cemetery to the Victorian public.

Cemetery use land was valued as at 30 June 2012 by the Valuer-General of Victoria's registered valuer in accordance with the requirements of the applicable Financial Reporting Direction (currently FRD 103F *Non-current Physical Assets*), issued pursuant to the Financial Management Act (the next scheduled revaluation under FRD 103F is set for 30 June 2017, or earlier if there is an indication that fair values have moved materially since the last valuation).

A managerial revaluation was completed as at 30 June 2014 for "Land - Infrastructure" as the indices provided by the Valuer-General Victoria for the engloba classification had increased by in excess of 10% over the previous two reporting periods. The increased valuation was recognised in the Assets and Asset Revaluation Surplus Reserve in the 2013-14 reporting period.

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of Government change are transferred at their carrying amount.

Plant, equipment and vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying values.

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

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 1 Statement of Significant Accounting Policies (continued)

(g) Net Gain/(Loss) on Financial Instruments

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

Revaluations of Financial Instruments at Fair Value

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

Impairment of Financial Assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off are classified as an expense.

Financial Assets have been assessed for impairment in accordance with Australian Accounting Standards. Where the fair value of an investment in an equity instrument at balance date has reduced by 20% or more than its cost price; or where its fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2016 for its portfolio of financial assets, the Ballarat General Cemeteries Trust prepared a valuation based on the market value of the investments as at 30 June 2016.

Impairment of Non-Financial Assets

All assets are assessed annually for indications of impairment, except for;

- inventories; and
- financial assets.

If there is an indication of impairment, the asset concerned is tested as to whether its carrying value exceeds its possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Note 1 Statement of Significant Accounting Policies (continued)**(h) Payables**

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the cemetery trust prior to the end of the financial year that are unpaid, and arise when the cemetery trust becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

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

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

(i) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as cash flows from operating activities.

(j) Provisions

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Provision for loss on pre-paid fees

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

(k) Contingent Assets and Contingent Liabilities

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

(l) Revenue Recognition

Revenue is recognised in accordance with AASB118 *Revenue* and is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured at fair value.

Sale of Investments

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

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 1 Statement of Significant Accounting Policies (continued)

(l) Revenue Recognition (continued)

Donations and Other Bequests

Donations and bequests are recognised as revenue when received.

Fees

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

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

Unearned Income

Cremation and interment fees received in advance of the relevant service being provided are carried forward as a liability and not brought into account as revenue until the year in which each individual service is provided by the Trust. All prepaid fees are shown as a current liability as the Trust does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Information is included within note 12 identifying the amount of the liability that is expected to be converted to revenue in the next year, based on past experience.

Interest Revenue

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

Resources Provided and Received Free of Charge or for Nominal Consideration

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at their fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(m) Expense Recognition

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

(i) Cost of Goods Sold

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

(ii) Employee Benefits

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised in the provision for employee benefits as "Current Liabilities", because the Trust does not have an unconditional right to defer settlement of these liabilities.

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

- (i) Undiscounted value - if the Trust expects to wholly settle within 12 months; or
- (ii) Present value - if the Trust does not expect to wholly settle within 12 months.

Note 1 Statement of Significant Accounting Policies (continued)

(m) Expense Recognition

(iii) Employee Benefits (continued)

Long Service Leave (LSL)

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 the Trust does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- (i) Undiscounted value - if the Trust expects to wholly settle within 12 months; and
- (ii) Present value - if the Trust does not expect to wholly settle within 12 months.

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

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

On-Costs

Employee benefit on-costs (payroll tax, workers compensation and superannuation) are included within the provision for employee benefits.

Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Ballarat General Cemeteries Trust to the relevant superannuation plans in respect to the services of Ballarat General Cemeteries Trust's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Ballarat General Cemeteries Trust is required to comply with.

(iv) Depreciation

Depreciation is calculated on a reducing balance basis to write off the cost or valuation of each item of property (excluding land) over their expected useful life to the Trust.

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

	<u>2016</u>	<u>2015</u>
Property infrastructure	Up to 40 years	Up to 40 years
Buildings	Up to 100 years	Up to 100 years
Plant & Equipment	Up to 5 years	Up to 5 years
Furniture & Fittings	Up to 5 years	Up to 5 years

The useful life of assets are assessed annually.

Note 1 Statement of Significant Accounting Policies (continued)

(m) Expense Recognition (continued)

(v) Cemetery Levy

As outlined in Section 18Q (1) of the *Cemeteries and Crematoria Act 2003* (the Act), an annual levy is payable to the Department of Health and Human Services by each Class A Cemetery Trust based on their gross income for the financial year. The levy was introduced to assist in defraying the costs of administering the Act, making improvements in cemetery trust governance and administration and the provision of services to the community. The levy is currently set at 3% of gross income and Ballarat General Cemeteries Trust has recognised the levy as an accrued expense in Note 10 - Other Creditors for the amount of \$72,135. (2015 - \$71,883).

(vi) Maintenance and Operating Costs

Maintenance and Operating costs generally represent the day-to-day operating costs of each of the cemetery sites and crematorium administered by the Trust. All costs are expensed in the period they are incurred and the majority of the expenses relate to maintenance of lawn and monument areas within the two sites.

(n) Contributed Capital

Consistent with Interpretation 1038 "*Contributions by Owners Made to Wholly-Owned Public Sector Entities*" and FRD 119 "*Contributions by Owners*" transfers that are in the nature of contributions or distributions, have been designated as contributed capital.

(o) Trust Reserves

Available-for-Sale Investment Revaluation Reserve

The available-for-sale investment revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset is recognised in the comprehensive operating statement. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised as an expense.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements in the revaluation of non-current physical assets.

Perpetual Maintenance Reserve

Fees received in respect of the memorial gardens, cemetery gardens and mausoleum crypts include amounts for perpetual maintenance to be carried out in perpetuity. Such amounts are transferred from the result for the period into the Perpetual Maintenance Reserve.

Note 1 Statement of Significant Accounting Policies (continued)

(p) Rounding of Amounts

All amounts shown in the financial report have been rounded to the nearest dollar.

(q) Scope and Presentation of Financial Statements

Comprehensive Operating Statement

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

Balance Sheet

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

Statement of Changes in Equity

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

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with the requirements of AASB107 *Statement of Cash Flows*.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Balance Sheet.

Comparative Information

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

(r) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Note 1 Statement of Significant Accounting Policies (continued)

(r) Financial Instruments (continued)

Categories of Non-Derivative Financial Instruments

Financial Assets and Liabilities at Fair Value Through Profit or Loss

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the Trust based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in "other comprehensive income".

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in net result incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 18.

Available-for-Sale Financial Assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 18.

Receivables

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

Receivables include cash and deposits, term deposits with maturity greater than three months, trade receivables and other receivables, but not statutory receivables.

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

Held-to-Maturity Investments

If the Trust has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The Trust makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held-to-maturity investments not close to their maturity would result in the whole category being reclassified as available-for-sale. The Trust would also be prevented from classifying investment securities as held-to-maturity for the current and the following two financial years.

The held-to-maturity category includes certain term deposits and debt securities for which the Trust intends to hold to maturity.

Note 1 Statement of Significant Accounting Policies (continued)

(r) Financial Instruments (continued)

Financial Liabilities at Amortised Cost

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

Financial instrument liabilities measured at amortised cost include the Trust's contractual payables and deposits held.

(s) Events After the Reporting Period

Assets, liabilities, income or expenses arise from past transactions or other past events. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note 22 discloses events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 1 Statement of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations

Certain accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. As at 30 June 2016, the following standards and interpretations had been issued by AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Ballarat General Cemeteries Trust has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Trust's Financial Statements
<i>AASB 9 Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
<i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.

Note 1 Statement of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Trust's Financial Statements
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AAS's to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 <i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]</i>	Amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation or amortisation.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: - the entity's right to receive payment of the dividend is established; - it is probable that the economic benefits associated with the dividend will flow to the entity; and - the amount can be measured reliably.	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 1 Statement of Significant Accounting Policies (continued)

(u) New Accounting Standards and Interpretations (continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Trust's Financial Statements
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AAS's to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licences that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.
AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of <i>AASB 124 Related Party Disclosures</i> to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2015-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

Note 1 Statement of Significant Accounting Policies (*continued*)(t) New Accounting Standards and Interpretations (*continued*)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Trust's Financial Statements
AASB 2016-3 <i>Amendments to Australian Accounting Standards - Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: - a promise to transfer to a customer a good or service that is "distinct" to be recognised as a separate performance obligation; - For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and - For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
AASB 2016-4 <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015-16 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1057 *Application of Australian Accounting Standards*.
- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*.
- AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative; Amendments to AASB 107*.

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 2 Net Results from Operations	Note	2016	2015
		\$	\$
<u>Revenue</u>			
(a) Cemetery Operations Income			
Grave and Interment fees		1,121,033	1,146,575
Cremation fees		847,108	809,771
Memorial fees		320,170	316,836
Government Grants		10,000	114,213
Other income		37,664	190,130
Gain/(Loss) on disposal of property, plant & equipment	3	33,787	(1,118)
Total Revenue		<u>2,369,762</u>	<u>2,576,408</u>
(b) Investment Income			
Investment income		90,862	89,422
Total Investment Income		<u>90,862</u>	<u>89,422</u>
<u>Expenses</u>			
(c) Employee Benefits			
Salaries and wages		1,133,729	1,107,398
Salaries and wages on-costs		224,371	231,811
Total Employee Benefits		<u>1,358,100</u>	<u>1,339,209</u>
(d) Cost of Sales			
Cost of Goods Sold - Inventory		213,392	196,730
Total Cost of Sales		<u>213,392</u>	<u>196,730</u>
(e) Depreciation			
Buildings and Improvements		43,458	43,449
Infrastructure Works		43,877	43,208
Plant and Equipment		78,626	89,326
Furniture and Fittings		11,110	19,121
Total Depreciation		<u>177,071</u>	<u>195,102</u>
(f) Administrative Costs			
Administration		252,963	199,499
Audit fees	20	17,100	13,900
Computer costs		37,709	80,791
Insurance		275	730
Total Administrative Costs		<u>308,047</u>	<u>294,920</u>
(g) Maintenance and Operating Costs			
Cemeteries and crematorium		353,467	391,937
Total Maintenance and Operating Costs		<u>353,467</u>	<u>391,937</u>
(h) Cemetery Levy			
		<u>72,135</u>	<u>71,883</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 3 Net Gain/(Loss) on Disposal of Non-Current Assets	2016	2015
	\$	\$
Proceeds from sale of assets	68,774	-
Written down value of assets sold	(34,987)	(1,118)
	<u>33,787</u>	<u>(1,118)</u>
 Note 4 Cash and Cash Equivalents		
Cash on hand	600	-
Cash at bank	326,271	257,134
	<u>326,871</u>	<u>257,134</u>
 Note 5 Receivables		
Current		
Contractual		
Trade debtors	86,126	169,480
Provision for Doubtful Debts	(2,820)	
Sundry debtors	37,089	31,904
Statutory		
GST Recoups from the ATO	-	-
Total Current Receivables	<u>120,395</u>	<u>201,384</u>
Total Receivables	<u>120,395</u>	<u>201,384</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 6 Inventories	2016	2015
	\$	\$
<u>Current</u>		
Finished Goods		
ROI - Graves	31,125	717,771
Grave Vaults	13,875	6,440
Books	12,692	13,823
Total Current Inventories	<u>57,692</u>	<u>738,034</u>
<u>Non-Current</u>		
Work in Progress/Undeveloped		
W.I.P. Birdsong Development	35,178	-
Inventory - Undeveloped Land	<u>1,138,454</u>	<u>1,138,454</u>
	1,173,632	1,138,454
Finished Goods		
ROI - Graves	<u>651,494</u>	-
	651,494	-
Total Non-Current Inventories	<u>1,825,126</u>	1,138,454
Total Inventories	<u>1,882,818</u>	<u>1,876,488</u>
<p>Inventories expected to be sold/utilised within 12 months are recorded as current, with the balance as non-current assets.</p>		
Note 7 Other Current Assets		
Prepayments	<u>1,815</u>	<u>13,010</u>
Note 8 Other Financial Assets		
Fixed Term Deposits at cost	2,467,689	2,331,557
Original Cost of Investment	916,038	916,038
Impairment loss recognised in prior years	(258,630)	(258,631)
Revaluation Increment/(Decrement) prior years - recognised in reserves	295,575	247,297
Revaluation Increment/(Decrement) prior years - recognised in other comprehensive income	(11,893)	48,278
Managed Funds at fair value	<u>941,090</u>	952,983
Total Other Financial Assets	<u>3,408,779</u>	<u>3,284,540</u>

An investment manager supervises, monitors and evaluates the management of investments in its care. These investments are readily convertible to cash, if required.

Notes to the Financial Statements
for the Year Ended 30 June 2016

Note 9 Property, Plant and Equipment	2016 \$	2015 \$
(a) Gross Carrying Amount and Accumulated Depreciation		
Infrastructure Works		
Infrastructure works at valuation	4,375,000	4,375,000
less Accumulated depreciation	<u>(2,432,416)</u>	<u>(2,388,787)</u>
	1,942,584	1,986,213
Infrastructure works at cost	16,529	12,398
less Accumulated depreciation	<u>(248)</u>	<u>-</u>
	16,281	12,398
Total Infrastructure Works	<u>1,958,865</u>	<u>1,998,611</u>
Buildings and Improvements		
Buildings and improvements at valuation	3,816,500	3,816,500
less Accumulated depreciation	<u>(1,813,232)</u>	<u>(1,769,774)</u>
	2,003,268	2,046,726
Buildings and improvements at cost	-	-
less Accumulated depreciation	<u>-</u>	<u>-</u>
	-	-
Total Buildings and Improvements	<u>2,003,268</u>	<u>2,046,726</u>
Plant and Machinery		
Plant and machinery at fair value	1,358,142	715,077
less Accumulated depreciation	<u>(795,109)</u>	<u>(553,871)</u>
	563,033	161,206
Plant and machinery at valuation*	-	548,000
less Accumulated depreciation	<u>-</u>	<u>(249,705)</u>
	-	298,295
Total Plant and Machinery	<u>563,033</u>	<u>459,501</u>
Furniture and Fittings		
Furniture and fittings at fair value	187,983	182,449
less Accumulated depreciation	<u>(149,296)</u>	<u>(138,284)</u>
	38,687	44,165
Total Furniture and Fittings	<u>38,687</u>	<u>44,165</u>
Total Property, Plant and Equipment	<u>4,563,853</u>	<u>4,549,005</u>

Valuation methodology

* Land, Buildings & Improvements and Infrastructure Works were last revalued by the Valuer General on 30 June 2012. This revaluation was performed by the Victorian Valuer General's office.

BALLARAT GENERAL CEMETERIES TRUST**Notes to the Financial Statements
for the Year Ended 30 June 2016**Note 9 Property, Plant and Equipment (*continued*)

(b) Reconciliation of Property, Plant and Equipment

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below.

	Buildings \$	Infrastructure Works \$	Plant and Machinery \$	Furniture & Fittings \$	Total \$
2016					
Carrying amount at start of the year	2,046,726	1,998,611	459,501	44,165	4,549,003
Additions/Transfers		4,131	217,145	5,632	226,908
Disposals			(34,987)		(34,987)
Depreciation - Note 2(e)	(43,458)	(43,877)	(78,626)	(11,110)	(177,071)
Carrying amount at end of year	<u>2,003,268</u>	<u>1,958,865</u>	<u>563,033</u>	<u>38,687</u>	<u>4,563,853</u>
2015	\$	\$	\$	\$	\$
Carrying amount at start of the year	2,090,175	2,125,221	522,186	53,944	4,791,526
Additions/Transfers			26,641	10,460	37,101
Disposals/Transfers		(83,402)		(1,118)	(84,520)
Depreciation - Note 2(e)	(43,449)	(43,208)	(89,326)	(19,121)	(195,102)
Carrying amount at end of year	<u>2,046,726</u>	<u>1,998,611</u>	<u>459,501</u>	<u>44,165</u>	<u>4,549,005</u>

Note 9 Property, Plant and Equipment (continued)

Note 9 (c) Aggregate Depreciation Recognised as an Expense During the Year *

	2016	2015
	\$	\$
Buildings and Improvements	43,458	43,449
Infrastructure Works	43,877	43,208
Plant and Equipment	78,626	89,326
Office Equipment, Furniture and Fittings	11,110	19,121
Total Depreciation	177,071	195,102

* The useful lives of Assets as stated in Policy Note 1 (m) are used in the calculation of depreciation.

Note 9 (d) Fair Value Measurement Hierarchy for Assets as at 30 June 2016

	Carrying Amount as at 30 June 2016	Fair value measurement at end of reporting period using:		
		Level 1 *	Level 2 *	Level 3 *
	\$	\$	\$	\$
Infrastructure Works at fair value	1,958,865	-	-	1,958,865
Buildings and Improvements at fair value	2,003,268	-	-	2,003,268
Plant and Equipment at fair value	563,033	-	-	563,033
Furniture and Fittings at fair value	38,687	-	-	38,687
	4,563,853	-	-	4,563,853

	Carrying Amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 *	Level 2 *	Level 3 *
	\$	\$	\$	\$
Infrastructure Works at fair value	1,998,611	-	-	1,998,611
Buildings and Improvements at fair value	2,046,726	-	-	2,046,726
Plant and Equipment at fair value	459,501	-	-	459,501
Furniture and Fittings at fair value	44,165	-	-	44,165
	4,549,005	-	-	4,549,005

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

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

There were no changes in valuation techniques throughout the period to 30 June 2016.

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

Note 9 (e) Reconciliation of Level 3 Fair Value *

2016	Infrastructure Works at fair value	Buildings and Improvements at fair value	Plant and Equipment at fair value	Furniture and Fittings at fair value
	\$	\$	\$	\$
Opening Balance	1,998,611	2,046,726	459,501	44,165
Purchases (Sales)	4,131	-	182,158	5,632
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result				
- Depreciation	(43,877)	(43,458)	(78,626)	(11,110)
- Loss on Revaluation	-	-	-	-
Subtotal	(39,746)	(43,458)	103,532	(5,478)
Items recognised in income				
- Transfers from Other Trusts	-	-	-	-
Subtotal	-	-	-	-
Closing Balance	1,958,865	2,003,268	563,033	38,687

* Classified in accordance with the fair value hierarchy as detailed in Note 1.

There have been no transfers between levels during the period.

Note 9 Property, Plant and Equipment (continued)

Note 9 (f) Description of Significant Unobservable Inputs to Level 3 Valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Land - Infrastructure	Market approach	Community Service Obligation (CSO) adjustments	95% (95%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Infrastructure Works	Depreciated replacement cost	Useful life of infrastructure	10 - 100 years (100 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Buildings and Improvements	Depreciated replacement cost	Useful life of the building	20 - 100 years (100 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Plant and Machinery	Depreciated replacement cost	Useful life of plant and equipment	5 - 10 years (10 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Furniture and Fittings	Depreciated replacement cost	Useful life of office equipment, furniture and fittings	10 years (10 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 10 Payables	2016	2015
	\$	\$
Current Contractual		
Trade creditors	114,398	74,034
Other creditors	157,483	102,690
Statutory		
GST payable	10,559	21,296
	<u>282,440</u>	<u>198,020</u>
 Note 11 Provisions		
(a) Employee Benefits and Related On-Costs Provisions		
Current Provisions		
Employee Benefits (including On-Costs)		
- Annual Leave (unconditional and expected to be settled within 12 months)	88,532	161,458
- Annual Leave (unconditional and expected to be settled after 12 months)	26,083	-
- Long Service Leave - Unconditional and expected to be settled within 12 months	91,945	108,924
- Long Service Leave - Unconditional and expected to be settled after 12 months	-	-
Total Current Provisions	<u>206,560</u>	<u>270,382</u>
Non-Current Provisions		
- Long Service Leave - (Conditional and expected to be settled after 12 months)	86,098	64,968
Total Non-Current Provisions	<u>86,098</u>	<u>64,968</u>
Total Employee Benefits and Related On-Costs	<u>292,658</u>	<u>335,350</u>
Movement in Long Service Leave:		
Balance at start of year	173,892	153,787
Provision made during the year		
- Revaluations	41,881	
- Expense recognising employee service	16,438	31,753
Settlement made during the year	(54,168)	(11,648)
Balance at the end of the year	<u>178,043</u>	<u>173,892</u>
Movement in Annual Leave:		
Balance at start of year	161,458	142,263
Provision made during the year		
- Expense recognising employee service	38,002	112,987
Annual leave taken	(84,845)	(93,792)
Balance at the end of the year	<u>114,615</u>	<u>161,458</u>

Notes to the Financial Statements
for the Year Ended 30 June 2016

	2016 \$	2015 \$
(b) Other Provisions		
Current Provisions		
Loss on pre-paid fees	35,180	-
Total Other Provisions	<u>35,180</u>	<u>-</u>
Total Provisions	<u>327,838</u>	<u>335,350</u>
Note 12 Unearned Income		
Memorial Reservations	4,515	4,719
Lawn Reservations	2,089,127	2,070,893
Cremation Fees	987,381	925,868
	<u>3,081,023</u>	<u>3,001,480</u>
Amounts expected to be settled within 12 months of the reporting date	308,102	300,148
Amounts expected to be settled after 12 months from the reporting date	2,772,921	2,701,332
	<u>3,081,023</u>	<u>3,001,480</u>
Note 13 Equity		
(a) Contributed Capital		
Balance at beginning of the reporting period	2,163,727	2,163,727
Increase / (Reduction) during period	-	-
Balance at end of the reporting period	<u>2,163,727</u>	<u>2,163,727</u>
Contributed Capital account was established as at January 2002 by Government direction, being transfer of the balance from Accumulated Surplus account at 31 December 2001. This resulted from adoption of UIG 38/AFR 39.		
(b) Accumulated Surplus		
Balance at beginning of the reporting period	1,618,101	1,578,532
Net result for the reporting period	(21,588)	176,049
Transfer from / (to) Reserves	<u>(113,243)</u>	<u>(136,480)</u>
Balance at end of the reporting period	<u>1,483,270</u>	<u>1,618,101</u>
(c) Reserves		
Asset Revaluation Reserve - Buildings	1,454,939	1,454,939
Available for Sale Investments Revaluation Surplus	283,682	295,575
Perpetual Maintenance Reserve	877,575	764,332
Other Reserves	<u>350,037</u>	<u>350,037</u>
Total Reserves	<u>2,966,233</u>	<u>2,864,883</u>
Total Equity	<u>6,613,230</u>	<u>6,646,711</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 13 Equity (continued)	2016	2015
	\$	\$
(c) Reserves (continued)		
Asset Revaluation Reserve		
The property, plant & equipment revaluation surplus reserve is used to record increments and decrements on the revaluation of non-current assets, as described in the accounting policy note 1(f).		
Buildings		
Balance at beginning of the reporting period	1,454,939	1,454,939
Net revaluation increment/(decrement) during the reporting period	-	-
Balance at end of the reporting period	<u>1,454,939</u>	<u>1,454,939</u>
Available for Sale Investments Revaluation Surplus Reserve		
The available for sale investments revaluation surplus is used to record increments and decrements associated with the valuation of long term investments, carried out at the end of each reporting period. Further detail is provided in the accounting policy notes 1(c) and 1(o).		
Balance at beginning of the reporting period	295,575	247,297
Net revaluation gain/(loss) during the reporting period	<u>(11,893)</u>	<u>48,278</u>
Balance at end of the reporting period	<u>283,682</u>	<u>295,575</u>
Other Reserves		
Perpetual Maintenance Reserve		
The perpetual maintenance reserve is used to provide funds for the perpetual maintenance requirements of the Trust for each of the sites administered by the Trust. Details of the obligations of the Trust are provided in Note 17 Contingent Liabilities.		
Balance at beginning of the reporting period	764,332	627,852
Transfer from Accumulated Surplus	<u>113,243</u>	<u>136,480</u>
Balance at end of the reporting period	<u>877,575</u>	<u>764,332</u>
The amount of the allocation is determined having regard to the requirement to finance the future maintenance of Trust cemeteries in perpetuity.		
General Reserve		
Balance at beginning of the reporting period	350,037	350,037
Transfer from Accumulated Surplus	-	-
Balance at end of the reporting period	<u>350,037</u>	<u>350,037</u>

Notes to the Financial Statements
for the Year Ended 30 June 2016

		2016 \$	2015 \$
Note 14	Notes to the Cash Flow Statement		
	Note		
	(a) Reconciliation of Cash		
	For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:		
	Cash on hand	4	600
	Cash at bank	4	326,271
	Total Cash as per Cash Flow Statement	326,871	257,134
	(b) Reconciliation of net result for the year to net cash inflows/(outflows) from operating activities		
	Net result for the year	(21,588)	176,049
	Non-Cash Movements		
	Depreciation	177,071	195,102
	(Net Gain)/Loss on disposal of property, plant and equipment	(33,787)	1,118
	Changes in net assets and liabilities:		
	(Increase)/Decrease in Receivables	80,989	(148,555)
	(Increase)/Decrease in Inventories	(6,330)	(82,330)
	(Increase)/Decrease in Prepayments	11,195	(3,102)
	Increase/(Decrease) in Payables	84,420	3,727
	Increase/(Decrease) in Provisions	(7,512)	39,299
	Increase/(Decrease) in Unearned Income	79,543	85,920
	Net cash inflows/(outflows) from operating activities	364,001	267,229

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 15 Commitments for Expenditure	2016	2015
	\$	\$
Capital Commitments		
GST exclusive Capital expenditure commitments	275,500	389,250
	<u>275,500</u>	<u>389,250</u>
These Commitments are due:		
Not Longer than 1 Year	275,500	389,250
1 - 5 Years	-	-
Longer than 5 Years	<u>-</u>	<u>-</u>
	<u>275,500</u>	<u>389,250</u>

Note 16 Contingent Assets

There are no known contingent assets at 30 June 2016. (2015: \$nil)

Note 17 Contingent Liabilities

There are no known contingent liabilities at 30 June 2016. - 764,334

Perpetual Maintenance

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

The Trust has nevertheless created a related reserve and is disclosed as a *Perpetual Maintenance Reserve* in Note 13.

Note 18 Financial Instruments**(a) Financial Risk Management Objectives and Policies**

The cemetery trust's principal financial instruments comprise of:

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

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

The cemetery trust's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. The Trust manages these financial risks in accordance with its financial risk management policy.

The Trust 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 Financial Management Committee of the Trust.

The main purpose in holding financial instruments is to prudentially manage cemetery trust financial risk within the government policy parameters.

Categorisation of Financial Instruments

	Note	Category	2016 \$	2015 \$
Financial Assets				
Cash and Cash Equivalents	4	Cash	326,871	257,134
Receivables	5	Receivables (at Amortised Cost)	120,395	201,384
Available-for-Sale Investments	8	Available-for-Sale Investments (at Fair Value Through Equity)	3,408,779	3,284,540
Total Financial Assets			3,856,045	3,743,058
Financial Liabilities				
Payables	10	Financial Liabilities (at Amortised Cost)	271,881	176,724
Pre-paid burial and cremation fees	12	Financial Liabilities (at Amortised Cost)	3,081,023	3,001,480
Total Financial Liabilities			3,352,904	3,178,204

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

	2016 \$	2015 \$
Financial Assets		
Available-for-Sale at Fair Value through Equity	(11,893)	48,278
Total Financial Assets	(11,893)	48,278

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 18 Financial Instruments (continued)

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

For Available-for-Sale financial assets, the net gain or loss is calculated by taking the interest revenue, plus or minus market gains or losses from revaluation of the financial assets, and minus any impairment recognised in the net result.

(b) Credit Risk

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

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

(i) Policy in Managing Credit Risk

Ballarat General Cemeteries Trust does not have any material credit risk exposure to a single debtor or group of debtors. In respect to trade and sundry receivables, Ballarat General Cemeteries Trust minimises concentrations of credit risk by undertaking transactions with a large numbers of customers. Trade debtors predominately represent local funeral directors who have a seven day account and any outstanding balance is paid in full every Friday.

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

Management has assessed the credit risk associated with the cash and cash equivalents as minimal. The amounts are allocated to Australian banks and Macquarie Private Portfolio Management which have high credit ratings.

Investments are managed in accordance with our investment policy, which stipulates, the Trust invest in Australian Banks and Macquarie Private Portfolio Management. The investment policy is reviewed regularly by management and the Macquarie Private Portfolio is reviewed in conjunction with Macquarie investment advisors.

Note 18 Financial Instruments (*continued*)(b) Credit Risk (*continued*)

(ii) Maximum Exposure to Credit Risk

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

	2016	2015
Financial Assets	\$	\$
Cash and Cash Equivalents	326,871	257,134
Receivables	120,395	201,384
Available for Sale Investments	<u>3,408,779</u>	<u>3,284,540</u>
Total	<u>3,856,045</u>	<u>3,743,058</u>

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

(iii) Credit Quality of Contractual Financial Assets that are neither past due nor impaired.

	Financial Institutions (AAA Credit Rating) \$	Government Agencies (AAA Credit Rating) \$	Government Agencies (BBB Credit Rating) \$	Other (min. BBB Credit Rating) \$	Total \$
2016					
Financial Assets					
Cash and cash equivalents	-	-	-	326,871	326,871
Receivables	-	-	-	120,395	120,395
Investments	-	-	-	3,408,779	3,408,779
Total Financial Assets	-	-	-	3,856,045	3,856,045
2015					
Financial Assets					
Cash and cash equivalents	-	257,134	-	-	257,134
Receivables	-	-	-	201,384	201,384
Investments	-	3,284,540	-	-	3,284,540
Total Financial Assets	-	3,541,674	-	201,384	3,743,058

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 18 Financial Instruments (continued)

(b) Credit Risk (continued)

(iv) Ageing Analysis of Financial Assets as at 30 June

	Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired			Impaired Financial Assets \$
			Less than 1 month \$	1 - 3 months \$	Over 3 months \$	
2016						
Financial Assets						
Cash and cash equivalents	326,871	326,871	-	-	-	-
Receivables	120,395	120,395	-	-	-	-
Investments	3,408,779	3,408,779	-	-	-	-
Total Financial Assets	3,856,045	3,856,045	-	-	-	-
2015						
Financial Assets						
Cash and cash equivalents	257,134	257,134	-	-	-	-
Receivables	201,384	198,293	1,777	-	1,314	-
Investments	3,284,540	3,284,540	-	-	-	-
Total Financial Assets	3,743,058	3,739,967	1,777	-	1,314	-

Contractual financial assets that are either past due or impaired

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

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

(c) Liquidity Risk

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

(i) Policy in Managing Liquidity Risk

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

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

Ballarat General Cemeteries Trust has assessed this risk as minimal considering the positive current position of current assets compared against current liabilities.

Note 18 Financial Instruments (continued)**(c) Liquidity Risk (continued)****(ii) Maximum Exposure to Liquidity Risk**

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

Financial Liabilities	2016	2015
	\$	\$
Payables	271,881	176,724
Pre-Paid Fees & Reservations	3,081,023	3,001,480
Total	3,352,904	3,178,204

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

The following table discloses the contractual maturity analysis for financial liabilities at the respective reporting dates:

	Carrying Amount \$	Nominal Amount \$	Maturity Dates			
			Less than 1 month \$	1 - 3 months \$	3 months - 1 Year \$	Over 1 Year \$
			2016			
Financial Liabilities						
Payables	271,881	271,881	271,881	-	-	-
Prepaid burial and cremation fees	3,081,023	3,081,023	25,675	51,350	231,075	2,772,923
Total Financial Liabilities	3,352,904	3,352,904	297,556	51,350	231,075	2,772,923
2015						
Financial Liabilities						
Payables	176,724	176,724	176,724	-	-	-
Pre-Paid Fees & Reservations	3,001,480	3,001,480	25,012	50,024	225,108	2,701,336
Total Financial Liabilities	3,178,204	3,178,204	201,736	50,024	225,108	2,701,336

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

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 18 Financial Instruments (continued)

(d) Market Risk Exposure

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

Investments are managed in accordance with our investment policy, which stipulates, asset allocation ranges to diversify and mitigate risk. The investment policy is reviewed regularly by management in conjunction with independent investment advisor. Management have appointed an external investment advisor (Macquarie) to manage our investment portfolio. The performance of investments and the investment manager is regularly monitored by management.

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

(i) Currency Risk and Policy in Managing Currency Risk

Ballarat General Cemeteries Trust is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies.

(ii) Interest Rate Risk and Policy in Managing Interest Risk

Financial Liabilities

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

Available for Sale Investments

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

Interest risk is managed by diversifying investment in a range of securities including investments with fixed interest rates, floating interest rates and market based placements.

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

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

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

Note 18 Financial Instruments (continued)

(d) Market Risk Exposure (continued)

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

2016	Weighted average effective interest rate %	Carrying Amount \$	Interest Rate Exposure		
			Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
Financial Assets					
Cash and cash equivalents	0.01%	326,871	-	326,271	600
Receivables	N/A	120,395	-	-	120,395
Investments	2.96%	3,408,779	2,467,689	941,090	-
Total Financial Assets		3,856,045	2,467,689	1,267,361	120,995

Financial Liabilities					
Payables	N/A	271,881	-	-	271,881
Pre-Paid Fees & Reservations	N/A	3,081,023	-	-	3,081,023
Total Financial Liabilities		3,352,904	-	-	3,352,904

2015	Weighted average effective interest rate %	Carrying Amount \$	Interest Rate Exposure		
			Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
Financial Assets					
Cash and cash equivalents	0.01%	257,134	-	257,134	-
Receivables	N/A	201,384	-	-	201,384
Investments	2.80%	3,284,540	2,331,557	952,983	-
Total Financial Assets		3,743,058	2,331,557	1,210,117	201,384

Financial Liabilities					
Payables	N/A	176,724	-	-	176,724
Pre-Paid Fees & Reservations	N/A	3,001,480	-	-	3,001,480
Total Financial Liabilities		3,178,204	-	-	3,178,204

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 18 Financial Instruments (continued)

(d) Market Risk Exposure (continued)

(iv) Sensitivity Analysis on Other Price Risk

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Trust believes the following movements are reasonably possible in the forthcoming 12 months. This sensitivity analysis has been prepared for the next 12 months. The Trust does not believe that it is possible to reasonably estimate the variables used further than for 12 months.

- A shift of -0.5% and +0.5% in market interest rates from year-end rates of 3.0%.

The following tables disclose the impact on net operating result and equity for each category of financial instrument held by Ballarat General Cemeteries Trust at year end as presented to the Trust, if changes in the relevant risk occur.

2016	Carrying Amount \$	Interest Rate Risk			
		-0.5%		0.5%	
		Net Result \$	Equity \$	Net Result \$	Equity \$
Financial assets					
Cash and cash equivalents	326,871	(1,634)	(1,634)	1,634	1,634
Receivables	120,395	-	-	-	-
Investments	3,408,779	(17,044)	(17,044)	17,044	17,044
Financial liabilities					
Payables	271,881	-	-	-	-
Pre-Paid Fees & Reservations	3,081,023	(15,405)	(15,405)	15,405	15,405
Total Increase/(Decrease)		(34,083)	(34,083)	34,083	34,083

2015	Carrying Amount \$	Interest Rate Risk			
		-1.0%		1.0%	
		Net Result \$	Equity \$	Net Result \$	Equity \$
Financial assets					
Cash and cash equivalents	257,134	(2,571)	(2,571)	2,571	2,571
Receivables	201,384	-	-	-	-
Investments	3,284,540	(32,845)	(32,845)	32,845	32,845
Financial liabilities					
Payables	176,724	-	-	-	-
Pre-Paid Fees & Reservations	3,001,480	(30,015)	(30,015)	30,015	30,015
Total Increase/(Decrease)		(65,431)	(65,431)	65,431	65,431

Note 18 Financial Instruments (continued)**(e) Fair Value**

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

- the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial instrument assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Trust considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full. All longer-term investments are either capital guaranteed or capital protected with any movements in market prices recognised in the Available-for-sale Investment Reserve.

The following table shows both the Carrying Amount and Fair Value of the financial assets and financial liabilities of the Trust.

Comparison between carrying amount and fair value

	Carrying Amount 2016 \$	Fair Value 2016 \$	Carrying Amount 2015 \$	Fair Value 2015 \$
Financial Assets				
Cash and cash equivalents	326,871	326,871	257,134	257,134
Receivables	120,395	120,395	201,384	201,384
Investments	3,408,779	3,408,779	3,284,540	3,284,540
Total Financial Assets	3,856,045	3,856,045	3,743,058	3,743,058
Financial Liabilities				
Payables	271,881	271,881	176,724	176,724
Prepaid burial and cremation fees	3,081,023	3,081,023	3,001,480	3,001,480
Total Financial Liabilities	3,352,904	3,352,904	3,178,204	3,178,204

Financial assets measured at fair value

	Carrying Amount as at 30 June \$	Fair value measurement at end of reporting period using:		
		Level 1 \$	Level 2 \$	Level 3 \$
2016				
Available for sale financial assets				
- Managed Funds	941,090	941,090	-	-
Total Financial Assets	941,090	941,090	-	-
2015				
Available for sale financial assets				
- Managed Funds	952,983	952,983	-	-
Total Financial Assets	952,983	952,983	-	-

There have been no transfers between levels during the period.

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 19 Superannuation

(a) Local Authorities Superannuation Fund (LAS), managed by Vision Super

Ballarat General Cemeteries Trust ("the Trust") makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund ("the Fund"). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit. The accumulation category receives fixed contributions from the Trust and the Trust's legal or constructive obligation is limited to these contributions.

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

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2016, this was 9.50% (2014-15 - 9.50%) as required under Superannuation Guarantee legislation. Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Superannuation Guarantee (SG) rate will remain at 9.50% for the next 5 years, increasing to 10.0% from 1 July 2021, and eventually to 12.0% from 1 July 2025.

Defined Benefit

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

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

Funding arrangements

The Trust makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. It was determined that the Vested Benefit Index (VBI) of the Defined Benefit category of which the Trust is a contributing employer was 105.8% (103.4% at 30 June 2014).

Note 19 Superannuation (continued)

Funding arrangements (continued)

The Australian Prudential Regulation Authority (APRA) superannuation prudential standard (SPS 160) - *Defined Benefit Matters*) determines the funding requirements of a defined benefit (DB) arrangement. Under this standard:

- the VBI is the measure to determine whether there is an unfunded liability; and
- Any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation showed that the Defined Benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

The Fund's employer funding arrangements comprise of three components as follows:

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

The Trust is also required to make additional contributions to cover the contribution tax payable on components 2 and 3 referred to above.

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

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, the Trust makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.50% of members' salaries (9.50% in 2014/2015). This rate will increase in line with the SG increases.

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

Funding calls

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

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

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Funding calls (continued)

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

The Fund monitors its VBI on a quarterly basis and the Fund has set the Defined Benefit category's shortfall limit at 97%.

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

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

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

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

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

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

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

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

Differences between calculations

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

Retrenchment increments

During 2015/16, the Trust was not required to make payments to the Fund in respect of retrenchment increments (2015 - Nil). The Trust's liability to the Fund as at 30 June 2016, for retrenchment increments, accrued interest and tax is Nil (2015 - Nil).

Note 19 Superannuation (continued)

Latest actuarial investigation surplus amounts

The 2015 interim actuarial investigation identified the following in the Defined Benefit category of which the Trust is a contributing employer.

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

The total service liability surplus means that the current value of the assets in the Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Ballarat General Cemeteries Trust was notified of the 30 June 2015 VBI during August 2015.

The 2014 full actuarial investigation

The Fund's last full actuarial investigation was as at 30 June 2014. This investigation identified the following:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

Accrued benefits

The Fund's liability for accrued benefits was determined in the 2015 interim actuarial investigation pursuant to the requirements of Australian Accounting Standards Board AAS 25 - *Financial Reporting by Superannuation Funds* as follows:

	30-Jun-15 (Interim) \$ million	30-Jun-14 (Full) \$ million
Net Market Value of Assets	2,379.2	2,354.9
Accrued Benefits (per accounting standards)	2,083.1	2,061.9
Difference between Assets and Accrued Benefits	296.1	293.0
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	2,248.4	2,277.8

The financial assumptions used to calculate the Accrued Benefits for the Defined Benefit category of the Fund were:

	30-Jun-15	30-Jun-14
Net Investment Return	7.00% p.a.	7.50% p.a.
Salary Inflation	4.25% p.a.	4.25% p.a.
Price Inflation	2.50% p.a.	2.75% p.a.

The next interim actuarial investigation will be held as at 30 June 2016 and the next full actuarial investigation will be as at 30 June 2017.

**Notes to the Financial Statements
for the Year Ended 30 June 2016****Note 19 Superannuation (continued)****(b) Superannuation contributions**

Contributions by the Trust (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2016 are detailed below:

	2016	2015
	\$	\$
Vision Super Defined Benefits - 9.50% (2015 - 9.50%)	62,163	67,287
Other Funds Super Guarantee Contributions - 9.50% (2015 - 9.50%)	137,603	117,677
	<u>199,766</u>	<u>184,964</u>
(c) Contributions Outstanding as at Year End		
Super Guarantee Contributions	-	-
	<u>-</u>	<u>-</u>

There were no loans issued from or to the above schemes as at 30 June 2016. (2015 - Nil)

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$47,416.

Note 20 Remuneration of Auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for the audit of the Trust's financial report:

Audit of financial statements	17,100	13,900
	<u>17,100</u>	<u>13,900</u>

Note 21 (a) Responsible Persons Disclosure

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

Responsible Minister:	Period
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2015 - 30/06/2016

The following were Trustees of the Ballarat General Cemeteries Trust during the reporting period:

Dr. J.A. Verlin	Chair	01/07/2015 - 30/06/2016
Mr. G.D. Hewitt		01/07/2015 - 29/02/2016
Mr. I.G. Howes		01/07/2015 - 30/06/2016
Mr. G.P. Jenkins		01/07/2015 - 30/06/2016
Ms. R. McQuilten		01/03/2016 - 30/06/2016
Mrs. L.E. Stuart		01/07/2015 - 30/06/2016
Mr. R. Tommasini		01/07/2015 - 30/06/2016
Ms. D. Tsilfidis		01/07/2015 - 29/02/2016
Ms. E.J. Veal		01/07/2015 - 30/06/2016
Ms. A.M. von Bibra		01/07/2015 - 30/06/2016
Mr. J. Wilkinson		01/03/2016 - 30/06/2016

Chief Executive Officer: Ms. A. De Jong

Remuneration

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

The number of responsible persons and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of responsible persons is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Income Band	TOTAL REMUNERATION		BASE REMUNERATION	
	2016 No.	2015 No.	2016 No.	2015 No.
\$0 - 9,999	10	9	10	9
\$10,000 - 19,999	1		1	
Total Numbers	11	9	11	9
Total Amount	\$ 59,468	\$ 43,678	\$ 59,468	\$ 43,678

Other Transactions of Responsible Persons and their Related Parties**Retirement Benefits**

There were no amounts paid by the Trust to Trust Members in connection with the retirement of responsible persons of the Trust during the reporting period. (2015 - Nil)

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

Note 21 (a) Responsible Persons Disclosure (continued)

Other Transactions of Responsible Persons and their Related Parties (continued)

Loans

There were no loans in existence at 30 June 2016 that have been guaranteed or secured by the Trust to responsible persons of the Trust, nor any person related to the responsible persons of the Trust. (2015 - Nil)

Transactions

There were no other transactions between the Trust and Trust Members and their related parties during the reporting period. (2015 - Nil)

Superannuation

There was no amount paid to a superannuation fund, or other entity, by the Trust in connection with the retirement of any responsible person during the reporting period. (2015 - Nil)

Note 21 (b) Executive Officer Disclosures

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

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

Income Band	TOTAL REMUNERATION		BASE REMUNERATION	
	2016 No.	2015 No.	2016 No.	2015 No.
\$110,000 - 119,999				1
\$120,000 - 129,999		1		
\$130,000 - 139,999				
\$140,000 - 149,999	1		1	
Total Numbers	1	1	1	1
Total Annualised Employee Equivalents (AAE)	1	1	1	1
Total Amount	\$ 149,000	\$ 128,820	\$ 140,000	\$ 112,800

AAE - Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

Note 21 (c) Remuneration of other personnel

There were no payments made to contractors with significant management responsibilities in this reporting period or the previous reporting period.

Note 22 Events Occurring after Balance Sheet Date

Trust Investments - Volatility of World Financial Markets

Since the reporting date, world financial markets have shown volatility that has affected the carrying value of the Trust's investment portfolio. The Trust continues to maintain a conservative investment strategy to manage our exposure to this volatility.

Note 23 Ex-Gratia Expenses

Ballarat General Cemeteries Trust 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.