

ADELAIDE  
CEMETERIES  
AUTHORITY



# Adelaide Cemeteries Authority

## **2016-17 Annual Report**

Adelaide Cemeteries Authority

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**Date presented to Minister:** 29 September 2017

To:

Deputy Premier John Rau

Attorney-General

Minister for Justice Reform

Minister for Planning

Minister for Industrial Relations

Minister for Child Protection Reform

Minister for the Public Sector

Minister for Consumer and Business Services

Minister for the City of Adelaide

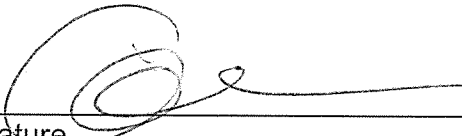
This annual report is presented to Parliament to meet the statutory reporting requirements of *the Public Sector Act 2009*, *Public Sector Regulations 2010*, *Public Finance and Audit Act 1987* and *the Adelaide Cemeteries Authority Act 2001* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Adelaide Cemeteries Authority by:

Catherine Schultz

Chair, Adelaide Cemeteries Authority Board

  
Signature

28/9/17  
Date

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## **Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987***

### **Agency purpose or role**

The primary functions of the Authority under the *Adelaide Cemeteries Authority Act 2001* (SA) are:

- the administration and maintenance of the following public cemeteries:
  - (i) Cheltenham Cemetery
  - (ii) Enfield Memorial Park
  - (iii) West Terrace Cemetery
  - (iv) Smithfield Memorial Park
- the administration and maintenance of any other cemetery established or acquired by the Authority
- the burial or other disposal of human remains in an Authority cemetery
- administration of activities associated with the heritage or historical significance of an Authority cemetery
- any other function assigned to the Authority by or under this or any Act, or by the Minister.

### **Objectives**

Under the Authority's *Charter*, the Government's approved strategic direction for the Authority is to provide integrated commercial services for the disposal of human remains, in the cemeteries under its control - including:

- 3.1.1 Burials, cremations and other methods of internment;
- 3.1.2 Memorials of the deceased;
- 3.1.3 Chapel and complementary services;
- 3.1.4 Maintenance and improvement of the amenity of the cemeteries under its control; including heritage or historical requirements; and
- 3.1.5 Any other function assigned to the Authority by the Minister.

## Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<b>Engage, Seriously and Genuinely with Our Communities and Our Customers</b>	4. Tourism Industry 5. Multiculturalism 23. Social Participation 32. Customer & Client Satisfaction with Government Services
<b>Get the Infrastructure We Need</b>	1. Urban Spaces 35. Economic Growth 56. Strategic Infrastructure
<b>Build a Great Team</b>	13. Work Life Balance 21. Greater Safety at Work 38. Business Investment 86 Psychological Well Being
<b>Create Clever Products &amp; Services</b>	38. Business Investment 39. Competitive Business Climate
<b>Leverage Technology</b>	38. Business Investment 58. Online Business 95. Industry Collaboration, research and development commercialisation
<b>Look After the Environment</b>	59. Greenhouse Gas Emissions Reduction 66. Emissions Intensity 67. Zero Waste 70. Sustainable Land Management
<b>Govern Well</b>	30. Boards and Committees 33. Government Planning Decisions 38. Business Investment 39. Competitive Business Climate

## Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Plans of Management 2013 – 2018: (4) <ul style="list-style-type: none"> <li>Enfield Memorial Park</li> <li>Cheltenham Cemetery</li> <li>West Terrace Cemetery</li> <li>Smithfield Memorial Park</li> </ul>	<p>Actions in each five year Plan of Management are reviewed annually by the Board.</p> <p>Actions in the plans are listed under four headings:</p> <ul style="list-style-type: none"> <li>Product Development;</li> <li>Community;</li> <li>Heritage; and</li> <li>Infrastructure</li> </ul>	<p>Plans of Management for each cemetery are in place, with contents required by the <i>Adelaide Cemeteries Authority Act 2001</i>.</p> <p>The plans are monitored and reviewed on an annual basis by the Board.</p>
Cemetery Master Plans	20 Year Cemetery Master Plans are developed in conjunction with the Five Year Plans of Management	
Five Year Financial Plan	The Board approves a rolling Five Year Financial Plan as part of the Authority's annual budget setting process.	The Five Year Financial Plan is referred to DTF for approval as part of the Authority's annual budget setting process.
20 Year Capital Projects Proposals	The Authority's Finance Audit & Risk Management Committee review and approve a register of capital projects that the Authority needs to consider over the next 20 years. Projects are linked to the cemetery Plans of Management and Master Plans.	<p>Projects are identified and listed in the following categories:</p> <ul style="list-style-type: none"> <li>Cemetery product &amp; services developments to meet community demands</li> <li>Annual Asset &amp; Infrastructure Upgrade and Replacements</li> <li>Heritage Works</li> </ul>
Adopt-a-Grave Program	Graves are well-maintained.	With training and supervision student groups tend and care for selective grave sites at both West Terrace and Cheltenham Cemetery.

## **Legislation administered by the agency**

*Adelaide Cemeteries Authority Act 2001 (SA)*  
*Public Corporations Act 1993 (SA)*  
*Public Finance and Audit Act 1987 (SA)*  
*Public Finance and Audit Regulations 2014 (SA)*  
*Burial and Cremation Act 2013 (SA)*  
*Burial and Cremation Regulations 2014 (SA)*  
*Public Finance and Audit Act 1987 (SA)*  
*Work Health Safety Act 2012 (SA)*  
*Work Health Safety Regulations 2012 (SA)*  
*Return to Work Act 2014 (SA)*  
*Return to Work Regulations 2015 (SA)*  
*Heritage Act 1993 (SA)*  
*Development Act 1993 (SA)*  
*Adelaide Park Lands Act 2005 (SA)*  
*Statutes Amendment (Public Sector Employment) Act 2006 (SA)*

## **Organisation of the agency**

The Adelaide Cemeteries Authority is governed by a Board of Directors, as defined in the *Adelaide Cemeteries Authority Act 2001*. The Board has established five Sub-Committees:

1. Finance, Audit & Risk Management (as per the *Public Corporations Act 1993*);
2. Heritage & Monument (as per the *Adelaide Cemeteries Authority Act 2001*);
3. Marketing;
4. Performance and Remuneration; and
5. Properties.

The Adelaide Cemeteries Authority's organisational structure is based around five business areas:

1. Executive
2. Finance
3. People and Culture
4. Operations, Infrastructure & Environment
5. Customer Strategy & Communications

**Other agencies related to this agency (within the Minister's area/s of responsibility)**

Births, Deaths and Marriages

Attorney General's Department

SA Health

Department of Families and Social Inclusion

**Employment opportunity programs**

Program name	Result of the program
Work for the Dole	2 Full-time roles secured by participants, 1 internally at the Adelaide Cemeteries Authority and 1 with an external organisation.
Supporting Apprentice Placements	Mechanical Apprentice on long-term placement with the Adelaide Cemeteries Authority.

**Agency performance management and development systems**

Performance management and development system	Assessment of effectiveness and efficiency
Performance Appraisal System	53.86% employees have received a performance review, based on the Authority FTE of 55.7



### Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
Well-Being & Resilience Program in conjunction with SAHMRI	This two year program is in its initial stage with a baseline survey to be undertaken in August 2017.
Elected Work Health Safety Committee	The Authority has had no Work Health Safety claims for 13 months.
Work Health Safety Training Programs	<p>The Authority provides a variety of programs some are relevant to all staff, others to only specific work areas:</p> <p>Well-Being and Resilience (All Staff)</p> <p>Grave Safe Training</p> <p>Cert III Grave Digging and Ground Maintenance</p> <p>Skin Cancer Clinics &amp; Vaccination Programs (All Staff)</p> <p>First Aid &amp; CPR Training</p> <p>Equal Opportunity Training</p> <p>Personal, Protective Equipment Training</p> <p>Manual Handling Training</p> <p>Confined Space Training</p> <p>Identifying Alcohol &amp; Other Drug Abuse Training</p> <p>Work Health Safety Representatives Training (All members and proxy members of the WHS Committee)</p>

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	

### Strategies implemented to control and prevent fraud

Annually the Authority is required to provide an annual report to the Auditor General on the processes, procedures and controls it has in place to mitigate the risk of fraud.

The Authority has a suite of 49 Corporate Policies. This includes policies relating to Delegations, Accounts Receivable, Accounts Payable, Petty Cash, Corporate Credit Cards, Whistleblowing, and Codes of Conduct.

The Authority's *Fraud, Corruption, Misconduct and Maladministration Policy* is reviewed by the Board annually with the review undertaken every second year by an external service provider.

As part of its monthly Board papers, Directors receive financial reports which include:

- Profit and Loss Statement;
- Balance Sheet;
- Cash Flow Statement;
- The Authority's most recent month's operating bank account statement;
- The most recent month's Funds SA Investment Statement.

The monthly Board Finance Report also includes advice regarding overdue accounts, time payment agreements and unclaimed monies.

The Authority's Board has a Finance, Audit & Risk Management (FARM) Committee that meets at least quarterly. The purpose of the FARM Committee is:

1. To ensure the short and long-term financial viability of the Authority;
2. To oversee the South Australian Government's financial interest in the Authority;
3. Fulfil financial reporting requirements as outlined in applicable legislation and other South Australian Government guidelines issued by the Departments of Premier and Cabinet and Treasury and Finance;
4. Monitor the financial performance, position and cash flow of the business;
5. Monitor the Authority's business risks and management of those risks;
6. Monitor the Authority's investments; and
7. Draft, review and endorse organisational finance and risk related policies for referral to the Board for approval.

Key financial transactions are subject to '*segregation of duties*', e.g. raising of a purchase order, authorising an invoice and making payment. Transactions that are subject to segregation of duties are detailed in the policies referring to the particular transaction.

All employees are required to provide Police Clearances as part of their recruitment process.

All employees are required to read and sign off on the Code of Conduct for the S.A. Public Sector.

### Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

### Executive employment in the agency

Executive classification	Number of executives
Chief Executive Officer	1

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Property Services, Human Resources, Governance, Public Relations, Accounting and, Architectural Services.	\$44,964
<b>Consultancies above \$10,000 each</b>		
Stevens Architects	Heritage Advisory Services.	\$29,788
BDO Advisory (SA) Pty Ltd	Business Information System Selection.	\$60,355
AIT Specialists	Fuel Tax Credit Review	\$10,872
<b>Total all consultancies</b>		<b>\$145,979</b>

## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information in the table below is unaudited. Full audited financial statements for 2016-17 are attached to this report.

The Authority's financial performance to 30 June 2017 resulted in a surplus of \$229 000, which was \$96 000 lower than the budgeted surplus of \$325 000.

Total income was \$10.582m, which was \$440k higher than 2015-2016. Revenue from fees and charges for the last three years is summarised in the table below.

	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000
Burial & Memorial Interment Right	6,103	5,988	6,180
Burial Fees	1,788	1,768	1,845
Cremation Fees	919	1,005	1,009
Reflection Room & Lounge Fees	523	555	629
Memorial Fees	456	479	487
Monumental Masons Fees	315	312	391
Less: Sales Refunds and Other Adjustments	(124)	(163)	(185)
<b>Total Net Income</b>	<b>9,980</b>	<b>9,944</b>	<b>10,356</b>

Total expenses were \$10.35m, which was \$414 000 higher than 2015-2016.

Budget savings were made from the following: Water (\$131 000), Marketing (\$165 000), and Other Employment Cost (\$257 000).

## Other financial information

Nil to report.

**Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

Nil to report.

**Section B: Reporting required under any other act or regulation**

<b>Name and date of act or regulation</b>
<b>Adelaide Cemeteries Authority Act 2001</b>
<p><b>20—Plans of management for Authority cemeteries</b></p> <p>(1) The Authority must, in accordance with this section—</p> <ul style="list-style-type: none"> <li>(a) prepare plans of management for each Authority cemetery; and</li> <li>(b) present the plans at public meetings convened by the Authority.</li> </ul> <p>(2) Plans of management must be prepared and presented as follows:</p> <ul style="list-style-type: none"> <li>(a) the first plan must cover a five year period and be prepared and presented within 18 months after the commencement of this section;</li> <li>(b) subsequent plans must cover subsequent five year periods and each plan must be prepared and presented at least six months before it is to take effect.</li> </ul>
<p>New Plans of Management for the period 2018-2023 are currently in preparation and scheduled to be finalised by 31 December 2017.</p> <p><i>Freedom of Information Act 1991</i></p> <p><i>Public Corporations Act 1993</i></p> <p><i>Public Finance and Audit Act 1987</i></p>

## **Section C: Reporting of public complaints as requested by the Ombudsman**

### **Summary of complaints by subject**

Nil to report.

## **Appendix: Audited financial statements 2016-17**



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## To the Chair of the Board Adelaide Cemeteries Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Cemeteries Authority for the financial year ended 30 June 2017.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Cemeteries Authority as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- Certificate from the Chair of the Board, the Chief Executive Officer and the Finance Manager.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Adelaide Cemeteries Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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



## **Responsibilities of the Chief Executive Officer and the Board of Directors for the financial report**

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Board of Directors are responsible for overseeing the entity's financial reporting process.

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

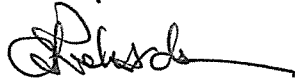
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

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

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

28 September 2017

## Certification of the Financial Report

We certify that the attached general purpose financial statements for the Adelaide Cemeteries Authority:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Authority; and
- present a true and fair view of the financial position of the Adelaide Cemeteries Authority as at 30 June 2017 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide Cemeteries Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Ms Catherine Schultz  
Chair of the Board  
27 September 2017



Mr Robert Pitt  
Chief Executive Officer  
27 September 2017



Mrs Jing Holmes  
Finance Manager  
27 September 2017

**STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended 30 June 2017

	Note No.	2017 \$'000	2016 \$'000
<b>Income</b>			
Fees and Charges	4	10,356	9,944
Net Gain from Disposal of Assets	5	8	62
Other Income	6	218	136
<b>Total Income</b>		<b>10,582</b>	<b>10,142</b>
<b>Expenses</b>			
Employee Benefits	7	4,783	4,989
Supplies and Services	8	4,544	4,001
Depreciation and Amortisation	15	930	874
Borrowing costs	9	96	75
<b>Total Expenses</b>		<b>10,353</b>	<b>9,939</b>
<b>Net revenue from providing services</b>		<b>229</b>	<b>203</b>
<b>Revenue from/ payments to SA Government</b>			
Income Tax Equivalent Payment	10	69	61
<b>Net Result</b>		<b>160</b>	<b>142</b>
<b>Total Comprehensive Result</b>		<b>160</b>	<b>142</b>

The Net Result and the Comprehensive Result are attributable to the SA Government as owner.

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2017

	Note No.	2017 S'000	2016 S'000
<b>Current Assets</b>			
Cash	11	1,021	943
Receivables	12	1,350	1,092
Inventories	13	1,036	1,189
Investments	14	5	330
<b>Total Current Assets</b>		<b>3,412</b>	<b>3,554</b>
<b>Non-Current Assets</b>			
Receivables	12	1,983	1,861
Investments	14	3,869	3,212
Property, Plant and Equipment	15	37,681	37,670
Intangible Assets	16	89	143
<b>Total Non-Current Assets</b>		<b>43,622</b>	<b>42,886</b>
<b>Total Assets</b>		<b>47,034</b>	<b>46,440</b>
<b>Current Liabilities</b>			
Payables	17	1,323	963
Employee Benefits	18	425	365
Provisions	19	36	93
Unearned Revenue	20	161	129
Borrowings	21	405	394
<b>Total Current Liabilities</b>		<b>2,350</b>	<b>1,944</b>
<b>Non-Current Liabilities</b>			
Payables	17	22	23
Employee Benefits	18	232	239
Provisions	19	70	159
Unearned Revenue	20	4,197	3,667
Borrowings	21	1,509	1,914
<b>Total Non-Current Liabilities</b>		<b>6,030</b>	<b>6,002</b>
<b>Total Liabilities</b>		<b>8,380</b>	<b>7,946</b>
<b>Net Assets</b>		<b>38,654</b>	<b>38,494</b>
<b>Equity</b>			
Asset Revaluation Surplus		22,024	22,024
Retained Earnings		16,550	16,390
Reserves		80	80
<b>Total Equity</b>		<b>38,654</b>	<b>38,494</b>
The Total Equity is attributable to the SA Government as owner.			
Unrecognised Contractual Commitments	22		

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

**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 June 2017

	West Terrace Cemetery Heritage Reserve	Asset Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2015	80	22,024	16,248	38,352
Net Result for 2015-16	-	-	142	142
Total comprehensive result for 2015-16	-	-	142	142
Balance at 30 June 2016	80	22,024	16,390	38,494
Net result for 2016-17	-	-	160	160
Total comprehensive result for 2016-17	-	-	160	160
Balance at 30 June 2017	80	22,024	16,550	38,654

All changes in Equity are attributable to the SA Government as owner.

**STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2017

	Note No.	2017 \$'000	2016 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Cash Inflows</b>			
Fees and Charges		11,713	10,941
Receipts from Commonwealth		-	4
Receipts for Paid Parental Leave Scheme		-	1
Other Receipts		176	145
<b>Cash generated from operations</b>		<b>11,889</b>	<b>11,091</b>
<b>Cash Outflows</b>			
Employee Benefits Payments		(4,890)	(5,033)
Payments for Supplies and Services		(4,821)	(5,658)
Interest Paid		(96)	(75)
Net GST Remitted to the Australian Taxation Office		(656)	(324)
<b>Cash used in operations</b>		<b>(10,463)</b>	<b>(11,090)</b>
<b>Net Cash provided by Operating Activities</b>		<b>1,426</b>	<b>1</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash Inflows</b>			
Proceeds from Sale of Investments		430	500
Proceeds from Sale of Plant and Equipment		56	-
<b>Cash generated from Investing Activities</b>		<b>486</b>	<b>500</b>
<b>Cash Outflows</b>			
Purchase of Investments		(810)	(500)
Purchase of Intangibles		-	(13)
Purchase of Plant and Equipment		(631)	(2,194)
<b>Cash used in Investing Activities</b>		<b>(1,441)</b>	<b>(2,707)</b>
<b>Net Cash (used in) Investing Activities</b>		<b>(955)</b>	<b>(2,207)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Cash Inflows</b>			
Receipts from Borrowings		-	2,000
<b>Cash generated from Financing Activities</b>		<b>-</b>	<b>2,000</b>
<b>Cash Outflows</b>			
Repayment of Borrowings		(393)	(192)
<b>Cash used in Financing Activities</b>		<b>(393)</b>	<b>(192)</b>
<b>Net Cash provided by Financing Activities</b>		<b>(393)</b>	<b>1,808</b>
<b>Net (decrease)/Increase in Cash</b>		<b>78</b>	<b>(398)</b>
Cash at 1 July		943	1,341
<b>Cash at 30 June</b>	<b>11</b>	<b>1,021</b>	<b>943</b>

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

**NOTES TO &  
FORMING PART OF  
THE FINANCIAL  
STATEMENTS**



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## Note 1 Objectives of the Adelaide Cemeteries Authority

The Adelaide Cemeteries Authority (Authority) serves the Government and people of South Australia by achieving excellence in the provision of cemetery, cremation and memorialisation services. The Authority was established in July 2001 pursuant to the *Adelaide Cemeteries Authority Act 2001*. The functions of the Authority are to operate and manage the public cemeteries and facilities at Enfield, Cheltenham, West Terrace (Adelaide) and the cemetery at Smithfield which was purchased subsequent to the establishment of the Authority.

## Note 2 Significant Accounting Policies

### a) Basis of Preparation

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements that have been prepared in accordance with the applicable Australian Accounting Standards (AASs) reduced disclosure requirements, and the Treasurer's Instructions (TIs) and Accounting Policy Statements (APSSs) issued pursuant to the PFAA. The APSSs require certain disclosures in addition to AASs.

The Authority has applied AASs that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

The financial statements have been prepared based on a 12 month operating cycle and are presented in Australian currency. Values are rounded to the nearest thousand dollars unless otherwise specified.

We have not early-adopted any AASs or Australian interpretations issued by the Australian Accounting Standards Board.

Income and expenses have been classified according to their nature.

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle have been classified as current.

The Statement of Cash Flows has been prepared on a cash basis. Other statements are prepared on an accrual basis, and unless otherwise specified, apply the historical cost convention.

### b) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

### c) Taxation

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, the Authority is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate income tax rate be applied to the net profit. The current income tax liability relates to the income tax expense outstanding for the current period.

The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and the emergency services levy.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST payable to the ATO is included as part of payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from or payable to the ATO, is classified as part of operating cash flows.

**Note 2 Significant Accounting Policies (continued)****d) Events after the reporting period**

There are no reportable events after the reporting period.

**e) Income***Fees and Charges*

Burial Fees, Interment Right Income, Memorial Income and Cremation Fees are derived from the provision of goods and services to the public. Burial Fees, Memorial Income and Cremation Fees are recognised upon delivery of the service to the clients. Interment Right Income refers to the right of interment or inurnment in a site for the grant holder and is recognised in full as the right of interment or inurnment immediately transfers to the grant holder, being consistent with industry accounting practice.

*Unearned Revenue*

Prepaid funeral packages are purchased by clients for future interments which, depending on the package, include fees for burials, memorialisation, cremation and reflection room/lounge hire. The Authority deems these fees as unearned revenue as the payment has been received or is receivable from the client but the Authority has not yet provided the service.

**f) Assets***Receivables*

Receivables include amounts receivable from trade, prepayment and other accruals.

Trade receivables arise in the normal course of selling goods and services to the public. Trade receivables are generally receivable within 30 days after the issue of a statement or the goods/services have been provided under a contractual arrangement. The Authority sells burial and memorial sites in advance of an interment to clients under a contractual arrangement providing a three-year repayment option. However, the right of an interment is not granted to the client until the site is fully paid.

Collectability of trade receivables is reviewed on an ongoing basis. There is no objective evidence that the Authority will not be able to collect the debt. Hence, an allowance for doubtful debts has not been recorded at balance date.

*Investments*

The Authority measures the unitised funds invested with Funds SA at historical cost. The fair value of the investments as at the end of reporting period is disclosed in the Notes to the accounts. Gains and losses are only realised in the Statement of Comprehensive Income when the investments are redeemed.

Non-current investments include funds (\$4.5 million fair value) reserved for the purpose of future maintenance obligations of burial and memorial sites.

*Non Current Assets Acquisition and Recognition*

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. All non-current tangible assets with a value equal to or in excess of \$2 000 are capitalised.

*Depreciation and Amortisation*

All non-current assets, having a limited useful life, are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential.

Depreciation and amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Useful Life (years)
Buildings	5 - 100
Infrastructure Improvements	35 - 65
Plant and Equipment	3 - 20
Intangibles	3 - 5

*Revaluation of Non-Current Assets*

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is performed at least every five years.

However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

**Note 2 Significant Accounting Policies (continued)**

*Fair value measurement - Non-financial assets*

In determining fair value, the Authority has taken into account the characteristic of the asset and the asset's highest and best use.

The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

*Intangible Assets*

Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The authority holds only intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control, and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of the expenditure is greater than or equal to \$2,000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

**g) Liabilities**

*Employee Benefits*

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term Employee Benefits are measured at present value and short-term Employee Benefits are measured at nominal amounts.

Salaries, Wages, Annual Leave and Sick Leave

The liabilities for salaries and wages are measured as amounts unpaid at the reporting date using the remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long Service Leave

The liability for long service leave is recognised at the present value of the estimated future cash outflows up to the reporting date. This calculation is made by determining pro-rata long service leave for all employees and applying a probability factor for employees who have less than seven years of service. The amount is indexed to a long service leave taken benchmark for when cash outflows are anticipated and then discounted to present value. This valuation is consistent with the Authority's experience of employment retention and leave taken.

**h) Unrecognised contractual commitments and contingent assets and liabilities**

Commitments include operating arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

The Authority is not aware of any contingent assets or liabilities in relation to the Authority's activities.

**i) West Terrace Cemetery Heritage Reserve**

The Reserve represents heritage donations and contributions received as well as transfers from retained earnings for the purposes of heritage works at West Terrace Cemetery.

## Adelaide Cemeteries Authority

### Note 3 New and Revised Accounting Standards and Policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the authority for the period ending 30 June 2017.

AASB 15 Revenue from Contracts with Customers will replace the existing AASB 118 Revenue and applies to reporting periods beginning on or after 1 January 2019. AASB 15 Revenue from Contracts with Customers introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'.

AASB 15 Revenue from Contracts with Customers will generally result in increased disclosures. The changes in revenue recognition requirements may result in changes to the timing and amount of revenue from sales of the Authority's goods and services. Some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash but has not yet met the associated performance obligations.

AASB 1058 Income of Not-for-Profit Entities will replace a number of income recognition requirements under AASB 1004 Contributions and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

The Authority has not yet quantified the impact of applying AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities and the resulting impact on the statement of comprehensive income.

### Note 4 Fees and Charges

	2017	2016
	\$'000	\$'000
Burial and Memorial Interment Right	6,180	5,988
Burial	1,845	1,768
Cremation	1,009	1,005
Reflection Room and Lounge	629	555
Memorial	487	479
Monumental	391	312
Refunds	(185)	(163)
<b>Total Fees and Charges</b>	<b>10,356</b>	<b>9,944</b>

### Note 5 Net Gain from Disposal of Assets

	2017	2016
	\$'000	\$'000
<b>Plant and Equipment</b>		
Proceeds from disposal	56	-
Net Book Value of Assets Disposed	(81)	-
<b>Net Loss from Disposal of Plant and Equipment</b>	<b>(25)</b>	<b>-</b>
<b>Investments</b>		
Proceeds from disposal	430	876
Net Book Value of Assets Disposed	(397)	(814)
<b>Net Gain from Disposal of Investments</b>	<b>33</b>	<b>62</b>
<b>Total Assets</b>		
Proceeds from disposal	486	876
Net Book Value of Assets Disposed	(478)	(814)
<b>Total Net Gain from Disposal of Assets</b>	<b>8</b>	<b>62</b>

### Note 6 Other Income

	2017	2016
	\$'000	\$'000
Cemetery Record Processing Charges	88	75
Fuel Tax Credit Received	43	-
Grants	59	32
Interest	1	1
Insurance Proceeds	3	2
Sundry	24	26
<b>Total Other Income</b>	<b>218</b>	<b>136</b>

**Note 7 Employee Benefits**

	2017	2016
	\$'000	\$'000
Salaries and Wages	3,847	3,924
Annual Leave	285	203
Long Service Leave	67	68
Workers Compensation	(144)	80
Employment On-costs - Superannuation	385	374
Employment On-costs - Payroll Tax	206	204
Board Fees (see Note 24)	105	102
Other Employee Related Expenses	32	34
<b>Total Employee Benefits</b>	<b>4,783</b>	<b>4,989</b>
<b>Remuneration of Employees</b>	<b>2017</b>	<b>2016</b>
	No	No
The number of employees whose remuneration received or receivable fall within the following bands:		
\$147 001 to \$157 000	2	1
\$197 001 to \$207 000	-	1
\$207 001 to \$217 000	1	-
<b>Total Number of Employees</b>	<b>3</b>	<b>2</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$515 000 (2016 \$354 000).

**Note 8 Supplies and Services**

	2017	2016
	\$'000	\$'000
Water	375	510
Insurance	67	63
Audit Fees	42	41
Vehicle Registration	28	20
Grounds Maintenance	47	51
Repairs and Maintenance	521	443
Burial Vaults	402	399
Advertising and Marketing	352	403
Personal Service Contractors	135	164
Monumental Mason Memorials	214	247
Fuel, Light and Power	208	209
Computing and Communication Services	91	58
Information Technology	464	39
Memorials	168	120
Other Supplies and Services	602	536
<u>Administration Expenses</u>		
Trade Discounts	294	241
Consultants (see below)	146	126
General Administration Expenses	388	331
<b>Total Supplies and Services</b>	<b>4,544</b>	<b>4,001</b>

The number and value of consultancies paid/payable (included in supplies and services) that fall within the following bands:	No	2017 \$'000	No	2016 \$'000
Below \$10,000	12	45	5	35
Above \$10,000	3	101	3	91
<b>Total Paid/Payable to the Consultants Engaged</b>	<b>15</b>	<b>146</b>	<b>8</b>	<b>126</b>

# Adelaide Cemeteries Authority

## Note 9 Borrowing Costs

	2017	2016
	\$'000	\$'000
Interest paid/payable on short-term and long-term borrowings	96	75
<b>Total Borrowing Costs</b>	<b>96</b>	<b>75</b>

## Note 10 Revenues from/ Payments to SA Government

	2017	2016
	\$'000	\$'000
Payments to SA Government		
Income tax equivalent payment	69	61
<b>Total payments to SA Government</b>	<b>69</b>	<b>61</b>

## Note 11 Cash

	2017	2016
	\$'000	\$'000
Cash at Bank	1,020	942
Cash on Hand	1	1
<b>Total Cash</b>	<b>1,021</b>	<b>943</b>

Cash is measured at nominal amounts.

## Note 12 Receivables

	2017	2016
	\$'000	\$'000
<b>Current</b>		
Receivables	1,263	1,076
Prepayments	44	16
Accrued Revenues	43	-
<b>Total Current Receivables</b>	<b>1,350</b>	<b>1,092</b>
<b>Non-Current</b>		
Receivables	1,983	1,861
<b>Total Non-Current Receivables</b>	<b>1,983</b>	<b>1,861</b>
<b>Total Receivables</b>	<b>3,333</b>	<b>2,953</b>

## Note 13 Inventories

	2017	2016
	\$'000	\$'000
Burial Vaults	360	303
Burial Crypts	646	853
Memorial sites	30	33
<b>Total Current Inventories</b>	<b>1,036</b>	<b>1,189</b>

Inventory is measured at cost using the first in first out method.

# Adelaide Cemeteries Authority

## Note 14 Investments

	2017	2016
	\$'000	\$'000
<b>Current</b>		
Unitised Funds with Funds SA	5	330
<b>Total Current Investments</b>	<b>5</b>	<b>330</b>
<b>Non-Current</b>		
Unitised Funds with Funds SA	3,869	3,212
<b>Total Non-Current Investments</b>	<b>3,869</b>	<b>3,212</b>
<b>Total Investments</b>	<b>3,874</b>	<b>3,542</b>

The fair value of the unitised funds which is determined by the unit prices as at 30 June 2017 is \$5.5 million (2016 \$4.6 million).

During 2016-17, the Authority reviewed their Investment portfolio. This review identified an error in the classification of current and non current investments in the 2016 statements. This error was an overstatement of current investments of \$350 000 and an understatement of non-current investments of \$350 000. The comparatives above have been restated to reflect the correct classification of current and non-current.

## Note 15 Property, Plant and Equipment

	2017	2016
	\$'000	\$'000
<b>Land and Buildings</b>		
Land at fair value	10,820	10,820
Buildings at fair value	10,909	10,688
Accumulated Depreciation	(589)	(386)
<b>Total Land and Buildings</b>	<b>21,140</b>	<b>21,122</b>
<b>Infrastructure</b>		
Infrastructure at fair value	14,934	14,602
Accumulated Depreciation	(930)	(620)
<b>Total Infrastructure</b>	<b>14,004</b>	<b>13,982</b>
<b>Plant and Equipment</b>		
Plant and Equipment at cost (deemed fair value)	4,869	4,535
Accumulated Depreciation	(2,355)	(2,004)
<b>Total Plant and Equipment</b>	<b>2,514</b>	<b>2,531</b>
<b>Capital Works in Progress</b>		
Capital Works in Progress at cost (deemed fair value)	23	35
<b>Total Capital Works in Progress</b>	<b>23</b>	<b>35</b>
<b>Total Property, Plant and Equipment</b>	<b>37,681</b>	<b>37,670</b>

### Valuation of Land and Buildings

Land, Buildings and Infrastructure were valued at fair value by independent valuer Liquid Pacific Holding Pty Ltd as at 30 June 2014. The valuer arrived at fair value based on recent market transactions for similar land in the area taking into account zoning and restricted use.

The valuer used depreciated replacement cost for buildings and infrastructure due to there not being an active market for such buildings and infrastructure. The depreciated replacement cost considered the specialised nature of the assets, including the restricted use of the assets; the size, condition and location. The valuation was based on an assessment of cost, useful life and asset condition.



# Adelaide Cemeteries Authority

## Note 16 Intangible Assets

	2017	2016
	\$'000	\$'000
<b>Intangible Assets</b>		
Intangible Assets	128	153
Less: Accumulated Amortisation	(39)	(10)
<b>Closing Balance:</b>	<b>89</b>	<b>143</b>

### Reconciliation of Property, Plant and Equipment and Intangible Assets

The following table shows the movement of property, plant and equipment and intangible assets during 2016-17.

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works In Progress	Intangible Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2016	10,820	10,302	13,982	2,531	35	143	37,813
Additions	-	197	321	452	23	(25)	968
Disposals	-	-	-	(81)	-	-	(81)
Transfers between asset classes	-	24	11	-	(35)	-	-
Depreciation and amortisation	-	(203)	(310)	(388)	-	(29)	(930)
Carrying amount at 30 June 2017	10,820	10,320	14,004	2,514	23	89	37,770

## Note 17 Payables

	2017	2016
	\$'000	\$'000
<b>Current</b>		
Creditors	762	413
Accrued Expenditure	221	202
GST Payable	162	171
Employment On-costs	61	53
Other Payables	117	124
<b>Total Current Payables</b>	<b>1,323</b>	<b>963</b>
<b>Non-Current</b>		
Employment On-costs	22	23
<b>Total Non-Current Payables</b>	<b>22</b>	<b>23</b>
<b>Total Payables</b>	<b>1,345</b>	<b>986</b>

## Note 18 Employee Benefits

	2017	2016
	\$'000	\$'000
<b>Current</b>		
Accrued Salaries and Wages	49	29
Annual Leave	267	247
Long Service Leave	109	89
<b>Total Current Employee Benefits</b>	<b>425</b>	<b>365</b>
<b>Non-Current</b>		
Long Service Leave	232	239
<b>Total Non-Current Employee Benefits</b>	<b>232</b>	<b>239</b>
<b>Total Employee Benefits</b>	<b>657</b>	<b>604</b>

The salary inflation rate is 4% for long service leave liability and 3% for annual leave liability. The discount rate for the calculation of long service leave liability changed from the 2016 rate (1.98%) to 2.6%. The net financial effect of this change in the current financial year is a decrease in the long service leave liability of \$9 000.

# Adelaide Cemeteries Authority

## Note 19 Provisions

	2017	2016
	\$'000	\$'000
<b>Current</b>		
Workers Compensation	36	93
<b>Total Current Provisions</b>	<b>36</b>	<b>93</b>
<b>Non-Current</b>		
Workers Compensation	70	159
<b>Total Non-Current Provisions</b>	<b>70</b>	<b>159</b>
<b>Total Provisions</b>	<b>106</b>	<b>252</b>
Carrying amount at 1 July	252	257
Additional provisions recognised	(144)	80
Reduction arising from payments	(2)	(85)
<b>Carrying amount at 30 June</b>	<b>106</b>	<b>252</b>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Authority is responsible for the payment of workers compensation claims.

## Note 20 Unearned Revenue

	2017	2016
	\$'000	\$'000
<b>Unearned Revenue</b>		
<b>Current</b>		
Prepaid Funeral Packages	161	129
<b>Total Current Unearned Revenue</b>	<b>161</b>	<b>129</b>
<b>Non-Current</b>		
Prepaid Funeral Packages	4,197	3,667
<b>Total Non-Current Unearned Revenue</b>	<b>4,197</b>	<b>3,667</b>
<b>Total Unearned Revenue</b>	<b>4,358</b>	<b>3,796</b>

## Note 21 Borrowings

	2017	2016
	\$'000	\$'000
<b>Borrowings</b>		
<b>Current</b>		
SAFA Funding Facility	405	394
<b>Total Current Borrowings</b>	<b>405</b>	<b>394</b>
<b>Non-Current</b>		
SAFA Funding Facility	1,509	1,914
<b>Total Non-Current Borrowings</b>	<b>1,509</b>	<b>1,914</b>
<b>Total Borrowings</b>	<b>1,914</b>	<b>2,308</b>

Financial liabilities including borrowings are recognised at cost. The interest rate is determined by the Treasurer. The rate was 4.4% in 2017 (4.4% in 2016).

## Adelaide Cemeteries Authority

### Note 22 Unrecognised Contractual Commitments

	2017 \$'000	2016 \$'000
<b>Expenditure Commitments</b>		
Within one year	207	-
Later than one year but not longer than five years	236	-
<b>Total Expenditure Commitments</b>	<b>443</b>	<b>-</b>

The Authority's expenditure commitments are for service contract related to the implementation of Business Information System.

### Note 23 Remuneration of Board Members

Members that were entitled to receive remuneration for membership during the 2017 financial year were:

Ms Catherine Schultz (Chair)  
Mr Geoffrey Buckland  
Cr Susan Clearihan  
Mr Wayne Hanson  
Ms Ester Huxtable  
Ms Deborah Black  
Mrs Robyn Geraghty

#### Remuneration of Board Members

The number of members whose remuneration received falls within the following bands:

	2017	2016
\$10 000 - \$19 999	6	6
\$20 000 - \$29 999	1	1
<b>Total Number of Members</b>	<b>7</b>	<b>7</b>

Remuneration of members reflects all costs of performing Board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$105 000 (2016 \$102 000).

Amounts paid to a superannuation plan for Board members were \$9 000 (2016 \$9 000).

Unless otherwise disclosed, transactions between the Authority and Board members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

### Note 24 Related Party Transactions

The Authority is a statutory authority established pursuant to the Adelaide Cemeteries Authority Act 2001 and is a wholly owned and controlled entity of the Crown.

Related parties of the Authority include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

#### Key Management Personnel

Key management personnel of the Authority include the Minister, the Board, the Chief Executive Officer and the four members of the Executive Team who have responsibility for the strategic direction and management of the Authority.

Total compensation for the Authority's key management personnel was \$815 000 (\$769 000). Salaries and other benefits the Minister receives are excluded from this total. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990.

#### Transactions with Key Management Personnel and other related parties

There are no individually significant transactions with Key Management Personnel and other related parties.

**Note 25 Financial Risk Management/ Financial Instruments****Financial Risk Management**

Risk management is managed by the Authority and risk management policies and practices are in accordance with internal written policies approved by the Authority's Board.

The Authority's investments are held with Funds SA and operate in accordance with an annual performance plan and service level agreement. Risks associated with these investments are primarily managed through Funds SA's risk management policies and procedures.

There have been no changes in risk exposure since the last reporting period.

**Categorisation of Financial Instruments**

The carrying amounts of each of the following categories of financial assets and liabilities: loan and receivables; available for sale investment; and financial liabilities measured at cost are detailed below:

Category of Financial Asset and Financial Liability	Statement of Financial Position Line Item	Fair Value		Carrying Amount	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and Cash Equivalents	Cash	1,021	943	1,021	943
Loans and Receivables	Receivables	3,289	2,937	3,289	2,937
Available for Sale	Investments	5,473	4,550	3,874	3,542
Total Financial Assets		9,783	8,430	8,184	7,422
Financial Liabilities					
Financial Liabilities at Cost	Payables	911	542	911	542
	Borrowings	1,914	2,308	1,914	2,308
Total Financial Liabilities		2,825	2,850	2,825	2,850