

Cemeteries and Crematoria Program Newsletter

April 2008

Introduction

Welcome to the March 2008 edition of the Cemeteries and Crematoria Program (the program) Newsletter. This edition provides important information about the financial management of trusts, an amendment to the Cemeteries and Crematoria Act 2003 (the Act), the model rules, and reminders about the program's current requirements and activities.

REMINDERS

Maintenance Grants

As mentioned in the December issue of this newsletter, Maintenance grants will now be deposited directly into the trust's bank account, not via cheque. The *Department of Human Services Maintenance Grant* application form will be updated to reflect these changes.

Maintenance grant applications for the 2007-2008 financial year have now closed.

Fees

All applications for new fees or increased fees *must* be accompanied by a written justification outlining why the fee or increase is necessary. A complete break down of the cost elements that contribute to the fee amount must also be provided.

CPI increase: July 2008

To enable the application of Consumer Price Index (CPI) increases to fees by 1 July 2008, no new or altered fees will be processed from 11 April 2008 – 31 May 2008.

Trust member information

The chair of the trust should ensure that the department is provided with advice about any changes to trust membership. If trust members have retired, changed their contact details or died please ensure that the program area is advised in writing as soon as possible.

Trust member reappointments

To ensure your continued participation on Cemetery Trusts, we encourage all current trust members (who are not life members) to apply for reappointment *before* your current term expires. The program will write to you before your current term expires.

Mausoleum Public/Private

Trusts are reminded of the difference between public and private mausoleum facilities and the different approval processes that apply to the development and construction of each.

A public mausoleum is a facility constructed and funded by a trust, where individual rights of interment for crypt spaces will be granted by the trust to members of the public. Under section 22 of the Act, a trust is required to obtain the written approval of the Secretary prior commencing the development of such a facility, regardless of the number of crypt spaces the proposed facility will house.

A private mausoleum is constructed and paid for by a third party separate to the trust (usually a family) for the interment of family members. Under section 98 of the Act a family must apply to the responsible trust for approval to establish this type of place of interment.

Cemetery trust manual

Remember the revised *Cemeteries and Crematoria Trust Manual*, that incorporates the provisions of the Act, is available for download from the website.

FINANCIAL MANAGEMENT

Trusts' annual budget

It is recommended that your trust prepare for its own use a budget statement for the coming financial year, to be considered at a budget meeting held in April or May.

This budget statement should detail:

- Proposed expenditure on both maintenance and development works.
- Anticipated revenue from your trust's fees and charges, based on the anticipated number of funerals.
- Goods and services tax (GST) collected on anticipated sales, less credit for GST on the anticipated purchases, assuming (as is recommended, depending on the revenue of the trust) the trust is registered for GST and has an Australian Business Number.
- Funds and investments on hand, in both the general account and perpetual maintenance account.

Your trust would then be in a position to determine whether its current fees and charges are appropriate to its requirements for income. It is recommended that a realistic level of fees be charged to reflect the actual cost of operating the cemetery, including the provision of funds for the perpetual maintenance obligations under the Act.

Accounting and financial reporting

Cemetery trusts are responsible for the stewardship and proper accounting of their income and expenditure, assets and liabilities.

The financial year for trusts ends on **30 June**. *Section 52* of the Act requires that an Abstract detailing the financial transactions for that year be signed as correct by three trust members and lodged with the Department of Human Services by the following **1 September**.

This is to be accompanied by copies of bank statements with balances of accounts and investments for that year.

The Department requires those trusts with reserves in excess of \$25,000 to also submit an audited statement of their accounts.

The larger cemetery trusts, as determined by Department of Treasury & Finance, are required to:

- Prepare their annual financial statements in accordance with the Standing Directions of the Minister for Finance, and the provisions of the Financial Management Act 1994.
- Have those statements audited by the Victorian Auditor-General's Office.
- Submit an Annual Report, incorporating those statements, to the Parliament of Victoria by **30 September**.

LEGISLATION

Model Rules

Section 25 of the Act provides for the introduction of model rules for cemetery trusts. These rules apply to all trusts. The objective of these model rules is to provide for the general care, protection and management of a public cemetery by a cemetery trust. A set of model rules is contained in Schedule 6 of the Cemeteries & Crematoria Regulations 2005.

In addition to the model rules, trusts may make their own rules and regulations to do things necessary and proper for the purposes of the Act as long as those rules do not contravene existing

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legislation. Any rules or regulations made by a cemetery trust must be submitted to the Governor in Council and published in the Government Gazette before they can be enforced.

AMENDMENT TO THE ACT:

Part 10, Section 142 –

Interment and Cremation of Deceased Poor Persons.

Section 143 of the Act relates to who can apply for an order directing a cemetery to inter or cremate a deceased poor person.

Section 143(1) currently states:

The Magistrates' Court may make an order requiring a cemetery trust -

From 3 September 2005 this section was amended to include the following;

The Magistrates' Court or a coroner appointed under the Coroners Act 1985 may make an order requiring a cemetery trust –

For copies of this amendment to update your copy of the Act please contact the program.

Contact Information – Cemeteries & Crematoria Program

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General Information

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