



Cemeteries &  
Crematoria NSW

# **ANNUAL REPORT**

**2017–2018**

**Cemeteries & Crematoria NSW Annual Report 2017–2018**

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31 October 2018

The Hon Paul Toole MP  
Minister for Lands and Forestry, and Minister for Racing  
GPO Box 5341  
SYDNEY NSW 2001

Dear Minister

**Submission of the Cemeteries and Crematoria NSW Annual Report 2017–2018**

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, and the Regulations under these Acts, we are pleased to submit to you the 2016–2017 Annual Report for Cemeteries and Crematoria NSW for presentation to Parliament.

During the reporting year, there were various highlights including —

- The release and publication of the Metropolitan Sydney Cemetery Capacity Report in November 2017 which provides essential data and analysis capacity for Sydney's cemeteries.
- The PwC report on options for the future governance of Rookwood cemetery was completed providing various governance options for the future.
- Part 4 of the *Cemeteries and Crematoria Act 2013* was proclaimed enabling a uniform statutory interment rights system to commence in NSW. This was preceded by a public consultation period during November-December 2017.
- Development of preliminary work on a Statement of Regulatory Intent, Board Charter and priority actions for the next three years following a Board strategic planning workshop in November 2017.

The completion of work over the past twelve months builds on and continues the long term process of reform in the interment sector.

Yours sincerely

Dr Stepan Kerkyasharian AO  
**Chair**

Abigail Goldberg  
**Deputy Chair**

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## Summary Highlights for 2017–2018

Cemeteries and Crematoria NSW (CCNSW) has a strategic focus on the priority areas of Respect, Affordability and Sustainability, Land Availability and Governance. Major work during 2017-2018 includes:

- The future governance review of Rookwood cemetery was completed with various options for consideration with key stakeholder groups.
- The Metropolitan Sydney Cemetery Capacity report was published in November 2017.
- A range of regulatory and compliance activities were completed including reviews of metropolitan Crown Cemetery Trust Annual Reports, financial statements and pricing proposals.
- Public consultation and commencement of the new interment rights regime including a Better Regulation Statement, draft regulation and public information sheet was completed in December 2017 leading to the Proclamation of Part 4 commencing on 25 June 2018.
- Development of strategic planning priorities including a preliminary Statement of Regulatory Intent
- Various industry guides and consumer information Quick Guides for the interment rights system were completed for release in 2018.

## Legislation and Charter

Cemeteries & Crematoria NSW (CCNSW) is the statutory body with strategic and regulatory oversight of the interment industry and responsibility for administering the *Cemeteries and Crematoria Act 2013 (The Act)*. The Act has nine key objects which provide the framework in which CCNSW operates and include: recognition of the right of all individuals to a dignified interment and treatment of their remains with dignity and respect; ensuring the interment practices and beliefs of all religious and cultural groups are respected; ensuring sufficient land is acquired and allocated for current and future generations to have equitable access to interment services; providing for a consistent and coherent regime for the governance and regulation of cemeteries and crematoria; ensuring operators of cemeteries and crematoria demonstrate satisfactory levels of accountability, transparency and integrity; ensuring cemeteries and crematoria on Crown land are managed in accordance with the principles of Crown land management; promoting environmental sustainability in the interment sector; promoting transparent cost structures for burials and cremations; and promoting affordable and accessible interment practices.

The Act was passed in November 2013 and contains a number of key provisions including:

- the creation and maintenance of the Cemeteries and Crematoria Register with specific prescribed information
- development and approval of codes of practice to provide guidelines regarding the activities of participants in the interment industry or sectors of the industry
- enabling CCNSW to issue improvement notices, short-term orders and enforceable undertakings to cemetery operators or persons who are considered to have contravened the Act
- creation of a standard form of authority for interment rights for perpetual interment and a renewable interment right with a minimum term of 25 years up to a total of 99 years for non-cremated remains and an initial term of 99 years for cremated remains
- requirements for the operation of Crown cemeteries and crematoria covering the appointment of trust operators, conduct of trust members, strategic plans, plans of management, audits and annual reports.

The Act is complemented by the Cemeteries and Crematoria Regulation 2014, which prescribes which operators of cemeteries are required to pay a general levy, the level which is payable for interment services each year and specific provisions relating to Part 4 of the Act. The regulation was amended on 25 June 2018 with the inclusion of a number of specific

provisions for Part 4 covering price and fee disclosure for cemetery operators, notification procedures, record-keeping, cemetery register information requirements and the operation of heritage advisory committees.

## Aims and Objectives

In 2017 there were 52,778 deaths in NSW for which cemetery and crematoria operators provided a range of interment options state-wide to service community and cultural needs and expectations for burial, cremation, ash interment and memorialisation. Under the *Cemeteries and Crematoria Act 2013*, CCNSW has responsibilities to:

- assess current and future interment needs and develop planning strategies for cemetery space to meet those needs
- provide advice or make recommendations to the Minister in relation to the sustainable use of cemetery and crematoria space and capacity
- promote environmentally sustainable practices in the interment industry
- develop, approve and promote codes of practice for cemeteries and crematoria and report on adoption of those codes by the interment industry
- provide advice or make recommendations to the Minister on the establishment, implementation or alteration of interment industry schemes
- regulate the provision of services in relation to interment matters that are subject to interment industry schemes
- keep under review the policies, operating procedures and activities of the interment industry, including cemeteries, crematoria, providers and operators of funeral goods and services, and operators of funeral funds
- collect information and carry out research as is necessary to exercise its functions.

## Access

Cemeteries and Crematoria NSW can be contacted at:

**Address:** 10 Valentine Avenue, Parramatta NSW 2150

**Postal:** Locked Bag 5123, NSW 2124

**Phone:** 61 2 9842 8473

**Email:** [ccnsw.info@cemeteries.nsw.gov.au](mailto:ccnsw.info@cemeteries.nsw.gov.au)

Website address: [industry.nsw.gov.au/ccnsw](http://industry.nsw.gov.au/ccnsw)

## The Board and Governance

CCNSW is led by an independent, skills-based board appointed by, and responsible to the Minister for Lands and Forestry, Minister for Racing, the Hon Paul Toole MP.

The Board consists of four voting members being:

Dr Stepan Kerkyasharian AO, the Chair of the Board, was Chair and CEO of the Community Relations Commission of NSW and its predecessor the Ethnic Affairs Commission of NSW from 1989 to 2014, and concurrent President and CEO of the Anti-Discrimination Board from 2003 to 2016. From 1980 to 1989 he was the foundation head of SBS Radio. He received the Gold Cross of Merit of Poland in 1990. He was made a Member of the Order of Australia (AM) in 1992 and an Officer of the Order of Australia (AO) in 2011. In 1995 he received the Premier's Community Service Award and a second one in 2016; the Olympic Order was conferred on him by the I.O.C in 2000 and he received a medal for Services to National Security in 2014. Dr Kerkyasharian was made a Fellow of the University of Technology Sydney in 1995, a Doctor of Letters (Honoris Causa) by the University of Sydney in 2007 and a Doctor of Letters (Honoris Causa) from the University of Western Sydney in 2013. In 2014 the NSW Government introduced an annual medal after his name "Stepan

Kerkyasharian Award for Community Harmony”. He is at present a member of the Ministerial Advisory Council on Ageing and vice Chair of the Diocesan Council of the Armenian Apostolic Church of Australia and New Zealand.

Ms Abigail Goldberg, Deputy Chair, has over thirty years of experience in planning, property, infrastructure and transport across both the private and public sectors. She was formerly CEO of Metro Transport Sydney, General Manager of South Sydney Development Corporation and Assistant Director of the Urban Design Advisory Service. Ms Goldberg currently serves as a Chair and Non Executive Director on several boards, is an Associate of the UTS Centre for Excellence in Local Government, a Fellow of the Australian Institute of Company Directors and a Fellow of the Planning Institute of Australia. She has recently completed the maximum six-year term as a Commissioner at the NSW Independent Planning Commission. Ms Goldberg holds an Executive MBA (UNSW), a Master of Urban Design (Oxford Brookes) and a Bachelor of Science (Witwatersrand).

Mr Scott Hawker, Board Member, has extensive financial and risk management expertise having held a number of senior executive positions in Perpetual, Macquarie Private Bank, Commonwealth Bank, PricewaterhouseCoopers, UBS and Salomon Brothers. He is also a former Director of the Nature Conservation Trust of NSW, a Trustee Fellow of the Association of Superannuation Funds of Australia and a Graduate of the Australian Institute of Company Directors. Mr Hawker holds a Master of Applied Finance (Macquarie), a Bachelor of Commerce (Rhodes) and a Diploma in Financial Planning (Mentor Education).

Mr Christopher Zinn, Board Member, has worked for 25 years within the print media, broadcasting and consumer organisations in Australia and overseas as a journalist, presenter, producer, media spokesman and campaign director. Mr Zinn is CEO of the Private Health Insurers Intermediaries Association and active in the consumer movement. He chairs the code committee for the Australian Direct Marketing Association. He has previously worked at CHOICE and been Director of Campaigns for One Big Switch, a consumer network. Mr Zinn is currently the Director of a consumer empowerment initiative, [www.determinedconsumer.com.au](http://www.determinedconsumer.com.au), and a Board Member of The School Food Project and Kidsafe NSW. Mr Zinn holds a MA Geography (Oxford) and a Postgraduate Diploma in Journalism (University of Wales).

During the 2017–2018 year the Board also had seven non-voting Board Members comprising:

- *A person appointed by the Minister as a person with knowledge and expertise relevant to local government matters:*  
Mr Bill Gillooly AM, the former Chief Executive of Local Government NSW.
- *The head of, or a person nominated by the head to represent each of the following:*
  - NSW Department of Industry (Ms Tara Black then Ms Helen Day)
  - NSW Department of Planning & Environment (Mr Martin Reason then Mr Richard Griffiths)
  - NSW Fair Trading (Mr Rod Stowe then Ms Rose Webb)
  - NSW Health (Mr Matthew Carlin, Mr Carlos Corvalan then Dr John Birkett)
  - NSW Office of Environment and Heritage (Dr Siobhan Lavelle OAM).
- The Chief Executive Officer of Cemeteries and Crematoria NSW (Ms Sarah Lees to April 2018, thereafter Ms Catherine Manuel from May 2018 onwards).

## Attendance at Board meetings

Board member	No of Board Meetings eligible	Attended #
Stepan Kerkyasharian AO ^	10	10
Abigail Goldberg ^	10	9
Scott Hawker ^	10	9
Christopher Zinn ^	10	10
Bill Gillooly AM	9	8
Tara Black	8	4
Helen Day	1	0
Martin Reason	1	0
Richard Griffiths	8	8
Dr Siobhan Lavelle OAM	9	5
Matthew Carlin	3	1
Carlos Corvalan	1	1
John Birkett	5	5
Rose Webb	6	5
Sarah Lees	8	6
Christopher White (Acting CEO)	2	2
Catherine Manuel	2	2

^ voting board members

# quorum for the Board is three of the four voting members

Each voting board member has been appointed for a period of four years commencing 1 November 2014.

### Board strategy workshop

The Miller Group facilitated a half day Strategic Planning workshop in November 2017 which included a review of board performance, a review of the current strategic plan 2015-2020, priority actions for the next 3 years and a draft board charter.

### Stakeholder consultative groups

During 2017–2018, the two consultative groups appointed by the CCNSW Board, the Industry Consultative Group (ICG) and the Community and Consumer Consultative Group (CCCG) had met.

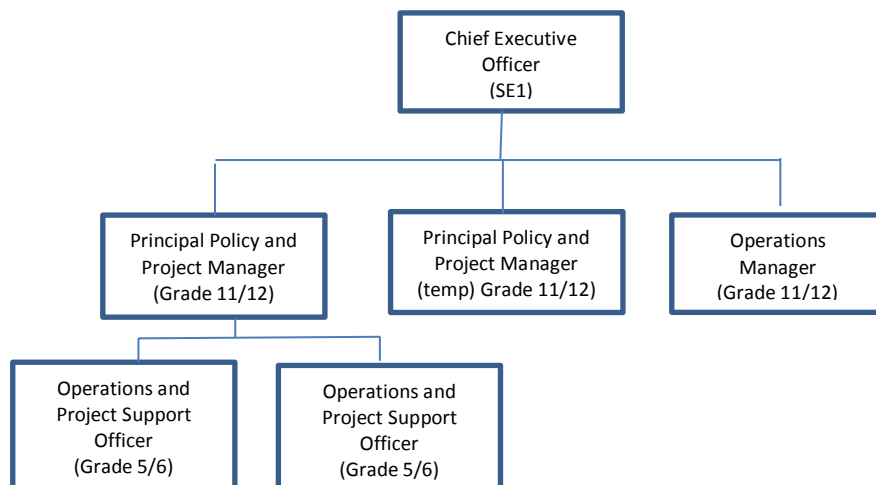
The Industry Consultative Group is a high-level committee, convened to ensure an industry-wide strategic focus on current and emerging issues. This forum provides an efficient approach for CCNSW to understand industry views and enables enhanced decision-making and transparency. The Industry Group also provides advice regarding cemetery and crematorium policy to the CCNSW Board. The group is comprised of representatives from the funeral industry, Crown cemetery trusts, private sector cemetery and crematoria operators and local government. The Group is chaired by Ms Abigail Goldberg, Deputy Chair of the CCNSW.

The Community and Consumer Consultative Group is also a high-level committee, convened in an advisory capacity to ensure that the diverse views of communities and consumers are taken into account in policy development. The CCCG provides advice from a community, cultural and faith perspective to the CCNSW Board, on a range of matters including key objectives of the *Cemeteries and Crematoria Act 2013*. The group is comprised of representatives of major religious and ethnic groups and includes general community members. The Group is chaired by CCNSW Board member, Mr Christopher Zinn.



## Management and structure

During 2017–2018, the CCNSW business unit was headed by Ms Sarah Lees as Chief Executive Officer to May 2018 and then by Ms Catherine Manuel, on secondment from NSW Treasury, with a small specialist staff in a unit structure comprising:



During 2017–2018, the key activities of the business unit of CCNSW have focussed on progressing major projects including research and publication of critical data and estimates of existing cemetery space and forecasts of shortage and exhaustion; and progression of work for the implementation of the regulatory framework to underpin interment rights.

The role of the business unit is to support the Board to implement the various stages of reform in a progressive process and give effect to the *Cemeteries and Crematoria Act 2013* in two stages. There has also been a substantial focus on preparation for implementing which is to establish a new system of interment rights and to modernise and standardise practice across all cemetery sectors in accordance with the Act.

## Summary review of operations

### Strategic Plan 2015–2020

The Cemeteries and Crematoria NSW Strategic Plan 2015–2020 was launched at Waverley Cemetery in October 2015 by the then Minister for Primary Industries and Minister for Lands, Niall Blair MLC. The plan has a number of key priority areas and deliverables.

### Priority Areas

	All people in NSW have access to a range of interment
<b>Affordability and sustainability:</b>	All people in NSW have access to affordable and sustainable interment options.
<b>Land availability:</b>	Sufficient and suitable land is available to meet future demand for interment services.
<b>Governance:</b>	All cemetery and crematorium operators in NSW function in a consistent, transparent and accountable manner.

## Priority Actions for Year 1 and Year 2 — Deliverables

During the reporting period, work continued on remaining projects which were either finalised or incorporated into ongoing work. Consumer information in interment services, a report on the remaining cemetery capacity in the Greater Sydney Area, reports on annual activity surveys of NSW cemeteries and crematoria, work on guidelines for assessing cemetery developments and monitoring and reporting on the governance and management of the Crown cemetery sector have all been progressed or completed. Due to the later commencement date for Part 4 in June 2018, there has not been progression of a pilot scheme for sustainable services including renewable rights at the time of this report. The priority deliverables for years 1 and 2 are listed in the Strategic Plan 2015–2020.

## CCNSW 2016–17 Activity information

Annual activity reporting on cremation and interment services provided in all regions of NSW and by all sectors of industry with the associated information regarding the utilisation level of cemetery land provides essential information to guide planning for the future provision of services to the community of NSW. Data obtained includes:

- 55,119 burial and cremations services provided in NSW in 2016–17.
- Private sector operators provide 75.8% of cremation services in NSW, including 56.1% of total services.
- Local government provide 21.6% of overall services; 47.1% of all burials in NSW and 9.6% of cremation services.
- Crown Trusts provide 21.9% of all interment services in NSW, including 36.6% of all burial services.

## Metropolitan Sydney Cemetery Capacity Report

The Metropolitan Sydney Capacity report canvassed eight scenarios covering projections of death, cremations, burials, 2<sup>nd</sup> or subsequent burials and new grave plots used from 2016 through to 2056. Key findings of the report included –

- If there is no change to existing cremation and grave occupancy rates, cemetery capacity in metropolitan Sydney would be exhausted by 2051 if not before.
- Pre-sale of grave plots may mean that graves may become unavailable for ‘at-need’ purchasers.
- Unavailability of grave plots in ‘at-need’ circumstances will particularly disadvantage families with insufficient resources to pre-purchase, communities with cultural and religious commitments to burial rather than cremation.
- Even in the event of incremental increases in cremation and grave occupancy persist from 2015 through to 2056 (under one of the scenarios) capacity would be exhausted by 2057.

The full report is available from the CCNSW website.

## Cemeteries and Crematoria Register

During 2017–18 CCNSW maintained the NSW Cemeteries and Crematoria Register, in accordance with Section 27 of the *Cemeteries and Crematoria Act 2013*. A public version of the Register is updated periodically and published for use by the community and industry. The Register can be found at the weblink below:

<https://www.industry.nsw.gov.au/lands/what-we-do/crown-land/cemeteries-crematoria/locations>

The Register’s purpose is to provide public access to information about cemetery and crematorium facilities in NSW, and to identify cemetery and crematorium operators subject to the Act and Regulations. Information on the Register includes:

- a) the name and location of the cemetery or crematorium
- b) the name, address and telephone number of the cemetery or crematorium, and operator details
- c) any other information required by the regulations to be included in the Register.

CCNSW's involvement with NSW cemetery and crematorium operators is centred on operational facilities, which are the focus of the *Cemeteries and Crematoria Act 2013*. Councils operate the great majority of cemetery facilities in regional areas. Cremation services in regions are provided by private operators and by councils, with distribution of facilities generally to regional towns where there is sufficient population and service demand.

During 2017–18 CCNSW continued work to identify cemeteries not currently recorded on the Register and to determine the current cemetery operator. Many of these historic cemeteries were set aside late last century to provide for towns and villages across New South Wales. Smaller rural cemeteries can become overlooked over time and fall into disuse due to demographic changes, the trustees of such cemeteries becoming deceased or the cemetery being in the name of entities that no longer exist, such as former churches or local councils. CCNSW works with current cemetery operators to identify an appropriate future manager for such cemeteries and to ensure these cemeteries are recorded in the Register.

CCNSW continued work with some operators of cemeteries on Crown land to resolve land status and titling issues during 2017–18 which due to the long legacy of various legislative processes used to establish cemeteries over the last century, resulted in a number of anomalies. The following table summarises data maintained in the Register in respect of operational cemeteries and crematoria as at June 2018.

Planning Region	No of Cemeteries Operational	No of Cemeteries Closed	No of Crematoria
Central Coast	17	5	2
Central West & Orana	154	75	5
Far West	39	24	2
Hunter	170	36	6
Illawarra	31	19	4
Metropolitan Sydney	120	37	13
New England North West	99	50	4
North Coast	102	33	10
Riverina Murray	117	27	6
South East & Tablelands	119	53	3
<b>TOTAL</b>	<b>968</b>	<b>359</b>	<b>55</b>

Table: Operational Cemetery and Crematorium facilities in NSW by region

### Planning for future Cemeteries

CCNSW continued to ensure that cemeteries and crematoria were considered during drafting of various land use planning proposals that were referred to or otherwise reviewed by CCNSW during 2017–18.

### Planning and management of existing Cemeteries

CCNSW provided advice for the preparation of plans of management during 2017–18 prepared by local government authorities which related to cemeteries. CCNSW has developed a Plans of Management Evaluation Framework for continued use in administration of Section 96 of the Act, which governs Crown cemetery operators. The Evaluation Framework establishes a consistent basis for the regulation of plans of

management (POM) and a common set of requirements which can be used by any cemetery operators. The evaluation framework has been provided to cemetery operators seeking advice on the content required for a POM.

### Crown Cemetery Trust reporting

Part 5 of the *Cemeteries and Crematoria Act 2013* places responsibility on CCNSW for the oversight of the performance of Crown cemetery trusts. The governance framework imposes annual reporting requirements for all Crown cemetery trusts including independently audited financial statements. Annual reports must include a report on trust operations including the trust's strategic plan and any plans of management.

During 2017–18 CCNSW received and evaluated annual reports, financial statements and proposed fees and charges for the metropolitan Crown cemetery trusts, and completed follow-up enquiries as appropriate. Crown cemetery trust operator Annual Reports may be accessed from the websites of the respective entities. From 1 July 2018, Crown cemetery trusts will be termed land managers under the *Crown Lands Management Act 2016*.

### Controlled entities

Changes arising from the *Crown Land Management Act 2016* in relation to accounting standards are still being assessed.

### Regulatory and compliance monitoring activity in 2017–2018

Regulatory activities which were undertaken by CCNSW in 2017–18 included the:

- oversight and completion of the Future Governance Review of Rookwood Cemetery
- review of the 2016–17 Annual Reports submitted by the metropolitan Crown cemetery reserve trusts
- responding to complaints that related to cemetery matters regulated by CCNSW.

### Rookwood Cemetery Future Governance Review

In 2016, the Minister for Primary Industries and Minister for Lands and Water directed CCNSW to oversee a review of governance for the entire Rookwood Cemetery. The Governance review was completed in 2018 with ongoing discussions with key stakeholders ongoing.

### 2016–17 Reporting and compliance data

Activity <i>Cemeteries and Crematoria Act 2013</i>	2017 18	Section of the Act
<b>Part 3</b>		
Total number of registrations	1,382	S. 27
Cemeteries registered	1,327	S. 27
Crematoria registered	55	S. 27
New registrations in period	78	S. 27
Cemeteries and Crematoria Register publication updates	3	S. 27
Codes of Practice developed	-	S. 28
Codes of Practice approved	-	S. 30
Interment Industry Schemes in effect	-	S. 31
Improvement notices issued	-	S. 33
Improvement notice interventions	-	S. 35
Short Term Orders issued	-	S. 36
Enforceable undertakings in effect	-	S. 39
Enforceable undertaking enforcement actions	-	S. 40
Cemetery/crematoria facility activity performance reports	-	S. 41
Activity <i>Cemeteries and Crematoria Act 2013</i>	2017 18	Section of the Act
<b>Part 5</b>		
Crown cemetery trust Board appointments	-	S. 74

Crown cemetery trust Administrator appointments	-	S. 77
Crown cemetery trust significant event notifications	1	S. 85
Crown cemetery trust Strategic Plans assessed	-	S. 90
Crown cemetery trust Strategic Plans adopted	-	S. 92
Crown cemetery trust Plans of Management assessed	-	S. 93
Crown cemetery trust Plans of Management referred for exhibition	-	S. 95
Crown cemetery trust Plans of Management adopted	-	S. 96
Crown cemetery trust Annual Reports assessed	4	S. 99
Fees and charges interventions	0	S. 107

## **Public consultation and proclamation of Part 4 of the *Cemeteries and Crematoria Act 2013***

During November/December 2017, public consultation was undertaken for the Proclamation of Part 4 of the Act and the draft Cemeteries and Crematoria Amendment Regulation 2018 (the Regulation). A Better Regulation Statement, draft regulations and a Question and Answer sheet were provided to assist with the public consultation through various mechanisms such as online, the NSW Government's 'Have Your Say' website, direct mail and circulars.

In addition to the industry and community consultative groups, specific invitations were issued to key group such as the Jewish Board of Deputies, Lebanese Muslim Association, Anglican Church, Catholic Archdiocese of Sydney, Uniting Church, Chinese Australian Forum, Vietnamese Community in Australia, Greek Orthodox Church, NSW Aboriginal Land Council, Combined Pensioners and Superannuants Association, Ethnic Communities Council of NSW plus a range of other peak bodies including Local Government NSW and the Cemeteries and Crematoria Association of NSW. Over 200 Crown, local government, private, community and church cemetery operators on the cemeteries register were formally notified of the consultation period and invited to participate. Local Government NSW and the Cemeteries and Crematoria Association of NSW in turn promoted the consultation through bulletins to their members.

Fourteen formal submissions were received from a wide range of stakeholders including industry and community peak bodies, (including the funeral directors, cemetery and crematoria associations and Local Government NSW), a local council, the NSW Aboriginal Land Council, members of family history associations and the wider public. Around 58 email comments were also received in reaction to media reports, almost all of which comprised only a few lines but did not address the public documentation nor propose any changes to the draft Regulation. Twenty different issues were raised with around a quarter of these being outside the scope of the draft Regulation but relevant for operational implementation. For the non-regulatory aspects, the most common concern is the importance of public education and explanation of interment rights, the notification processes, provision of guidelines and codes of conduct.

The revised Regulation incorporating stakeholder feedback was accordingly proclaimed and commenced on 25 June 2018.

## **Research and development**

During 2017 there were no specific new research and development projects completed by CCNSW. A consultant was engaged to environmental sustainability research in the sector.

## **Legal changes**

There were no changes to the CCNSW primary legislation during 2017-2018. A new Act, the *Crown Lands Management Act 2016*, was approved by the NSW Parliament in the second half of 2016, which will affect cemetery operators that have Crown land as part of their cemetery site. There was significant ongoing liaison between CCNSW and the Crown lands

staff within the Department of Industry in respect the impact of the new legislation on cemetery operators with Crown land and particularly in respect of the application of the Crown Lands Management Regulation 2018. CCNSW maintains a legislative and regulatory compliance register and any changes applicable to the agency are reported to the Board on an annual basis or more frequently if required.

## Exemptions

As CCNSW staff are employed by the Department of Industry and the agency is part of the Lands & Water Division of the Department of Industry, CCNSW falls under Departmental policies in respect of disability inclusion plans, workforce diversity, multicultural policies and services program. The agency is covered under the Work, Health and Safety Strategic Plan of Lands in the Lands & Water Division of the Department. The agency has only six staff, however of note 16% of the workforce has a non- English speaking background.

## Human resources

In accordance with the *Cemeteries and Crematoria Act 2013*, CCNSW does not directly employ staff. Staff are engaged by the NSW Department of Industry and were domiciled within the Department of Industry—Lands & Water Division during 2017–2018. The composition and salary bands of staff are shown in the table below.

Salary Level	\$0	\$41,679	\$54,742	\$61,198	\$77,441	\$100,145	\$125,181 >		Total
	\$41,679	\$54,742	\$61,198	\$77,441	\$100,145	\$125,181	Non ES	ES*	
<b>Female</b>					2			1	3
<b>Male</b>							4		4
<b>Totals</b>					<b>2</b>		<b>4</b>	<b>1</b>	<b>7</b>

\*ES: refers to the Executive Service of the NSW Public Service

Staff turnover during 2017–2018 was one member of staff.

## Numbers and remuneration of senior executives

The total number of executives employed at the end of the 2017–18 financial year was 1 being the Chief Executive Officer

	Band	Female	Male	TRP band (\$)
2016-2017	SE1	1		\$174,500-\$248,850
2017-2018	SE1	1		\$183,300-\$261,950

## Compensation paid to Key Management Personnel

In accordance with AASB 124, CCNSW is required to disclose compensation paid to those persons (defined as Key Management Personnel) who have the authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly. The financial statements provide the required information.

## Consultants

### Consultants over \$50,000

Consultant	Costs \$	Title/Nature
PwC	66,000	Rookwood Future Governance Review
<b>Total</b>	<b>66,000</b>	



## Consultants under \$50,000

Consultant	Costs \$	No of engagements
Management services	70,000	2
Organisational review	6,600	1
<b>Total</b>	<b>76,000</b>	<b>3</b>

## Promotion—Overseas travel

There were no overseas visits by staff of CCNSW during 2017–2018.

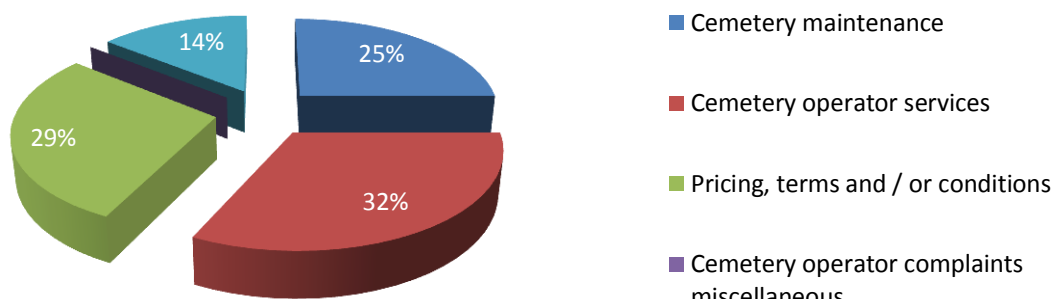
## Consumer response

CCNSW has a publicly available complaints management policy and procedure and received a small number of consumer complaints regarding cemetery operators. Consumers are encouraged first to contact the cemetery or crematoria operator to resolve the matter. CCNSW only has specific power to direct resolution where the complaint is in relation to the *Cemeteries and Crematoria Act 2013* or provisions in Crown lands regulation that relate to cemeteries on Crown land. CCNSW can oversee and work with a cemetery or crematoria operator to resolve a complaint consistent with best practice and community expectations.

The categories of complaint are shown overpage and included:

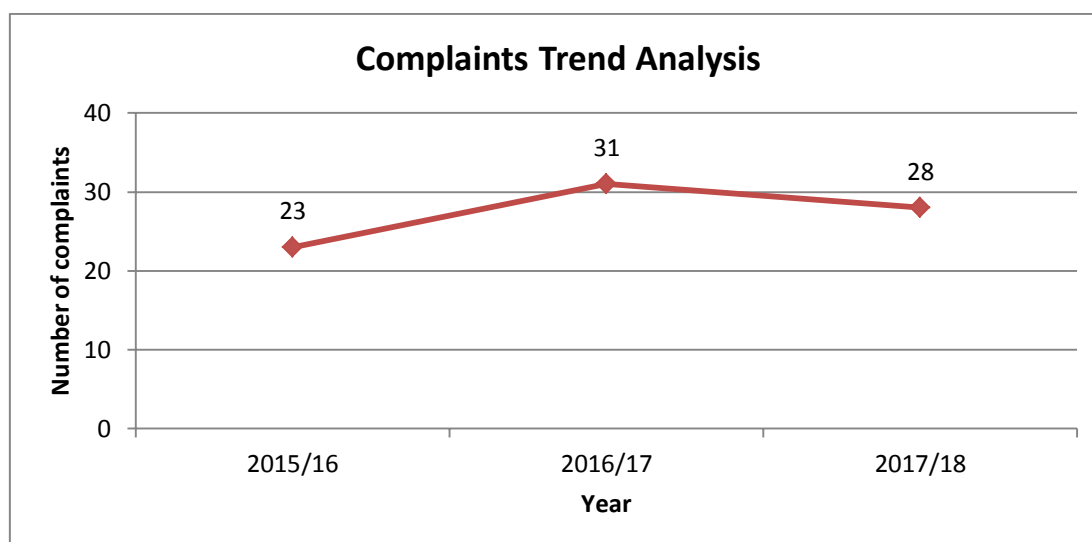
Classification of complaints			
<b>Total number of complaints 2017–18: 28</b>  <b>Category of complaints: Regulatory: 28 Governance: 0</b>	Regulatory Sub-Category		
	Sub-classification	Sub-count	Types of matters raised
	<i>Cemetery maintenance</i>	7	Headstone safety, grounds maintenance, inappropriate use.
	<i>Cemetery operator services</i>	9	Headstone inscription, urn label, interment or cremation processes, memorialisation, delay in provision of services, transfer of burial right.
	<i>Pricing, terms and / or conditions</i>	8	Transfer fees, burial register, pricing, terms of burial right.
	<i>Cemetery operator complaints miscellaneous</i>	0	Access to cemetery, new cemetery site.
	<i>Other - external factors that impact operations of a cemetery</i>	4	Removal of headstone, Interment processes due to court matter, damage to memorial by external contractor.

## 2017/18 Complaints by Regulatory Sub-Category



The trend of complaints received by CCNSW has remained constant. All of the complaints were of a regulatory nature and four of these were received as representations direct to the Minister for Members of Parliament.

## Complaints Trend Analysis



During 2017–18 there were 20 representations to the Minister (the Hon Paul Toole MP) in their capacity as Minister for Lands which were related to cemeteries and crematoria matters.

### Payment of accounts

Various accounting and corporate services, including account payments, are provided to CCNSW by the Department of Industry through its Corporate Partnerships Division. CCNSW operates under a formal corporate and shared services agreement with the Division which covers all corporate functions and services including legal advice. Reporting on account payment performance is provided at a Departmental level.

### Risk management and insurance activities

While located in the suburb of Newington, insurance coverage for the building structure was provided by the NSW Food Authority as CCNSW had a licence with the Food Authority for office space. In May 2018, CCNSW relocated to 10 Valentine Avenue, Parramatta joining other branches of the Department of Industry.



## Work, health and safety

CCNSW was represented on the Department of Industry— Lands Work Health and Safety committee. CCNSW has contributed to the WHS risk register for Lands and the annual workplace inspection was conducted at the Newington offices. CCNSW relocated to Parramatta in May 2018.

## Budget

### CCNSW Budget 2017–2018

Expenditure area	Function of budget allocation	Total budget 2017 18
Employee related	Salaries and board remuneration	1,125,433.18
Consultants	Rookwood Future Governance Review strategic planning & charter development	66,000.00
Advertising & promotion	Website development, recruitment and reporting printing	38,050.44
Travel & entertainment	Travel, airfares, car parking, taxi/public transport catering and accommodation	9,356.51
Occupancy & maintenance	Property and utilities	90,580.51
Training and development	Staff professional development	6,276.05
Legal fees	Legal fees	3,661.76
Other operating expenses	Audit fees, printing, postage, motor vehicle, office consumables	32,925.36
Other fees	Events, computer leasing, computer software, conference seminar, membership, other fees, equipment & furniture hire	3623.53
<b>Total</b>		<b>\$1,375,907.34</b>

## Privacy

CCNSW complies with the *Privacy and Personal Information Protection Act 1998*. Cemeteries and Crematoria NSW only collects personal information for a lawful purpose which directly relates to our primary regulatory function as a NSW Government agency and such information is secured with restricted access. CCNSW will not disclose personal information to any party without the information owner's consent unless legally required to do so.

## Public Interest Disclosures

There were no public disclosures under the *Public Interest Disclosures Act 1994* during 2017–2018.

## Applications under the *Government Information (Public Access) Act 2009*

During 2017–2018 CCNSW provided information and records to the Department of Industry for formal applications for information made under the *Government Information (Public Access) Act 2009*. The Department of Industry centrally manages and determines the release of information under the GIPA Act.

## Digital information security policy

Digital information and information systems security is encompassed on platforms by the NSW Department of Industry with CCNSW data and information is held on the servers of the Department of Industry. The agency has no independent ITC function and complies with IT security directives and protocols as required by the Department of Industry.

## **Issues of significance raised by the Auditor-General**

No issues of significance were raised by the Auditor-General during the audit of Cemeteries and Crematoria NSW for 2017–2018.

## **Annual Report cost and availability**

The CCNSW Annual Report 2017–2018 has been prepared in compliance with Premier's Memorandum 2013–09 with zero external cost. The Annual Report 2017–2018 is available on the CCNSW website and on the NSW Government's OpenGov NSW website. Electronic copies have been deposited with State Library of NSW, NSW Parliamentary Library and the National Library of Australia.

## **Appendices**

- Independent Auditor's Report
- Financial Statements 2017–2018



## INDEPENDENT AUDITOR'S REPORT

### Cemeteries and Crematoria NSW

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Cemeteries and Crematoria NSW (CCNSW), which comprise the, the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of CCNSW as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of CCNSW in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## **Other Information**

Other information comprises the information included in CCNSW's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The members of the Board of CCNSW are responsible for the other information.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Board and Chief Executive's Responsibility for the Financial Statements**

The members of the Board of CCNSW and the Chief Executive are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the member of the Board and Chief Executive determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board and Chief Executive must assess CCNSW's ability to continue as a going concern except where CCNSW will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that CCNSW carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



C J Giumelli  
Director, Financial Audit Services

25 October 2018  
SYDNEY

# Cemeteries and Crematoria NSW

## Financial Statements

30 June 2018

**CEMETERIES AND CREMATORIA NSW  
STATEMENT BY CHAIR AND CHIEF EXECUTIVE OFFICER**

Pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of Cemeteries and Crematoria NSW for the year ended 30 June 2018;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



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Dr Stepan Kerkyasharian AO  
Chair

Date: 18.10.2018



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Catherine Manuel  
Chief Executive Officer

Date: 18.10.2018

Beginning of audited financial statements

CEMETERIES AND CREMATORIA NSW

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Expenses excluding losses</b>			
Personnel services	2(a)	1,125,433	1,176,329
Other operating expenses	2(b)	250,476	362,608
<b>Total Expenses excluding losses</b>		<b>1,375,909</b>	<b>1,538,937</b>
<b>Revenue</b>			
Retained levies	3(a)	672,780	637,940
Investment revenue	3(b)	26,043	25,216
In-kind contribution - Department of Industry	3(c)	677,086	857,541
Other revenue	3(d)	-	18,240
<b>Total Revenue</b>		<b>1,375,909</b>	<b>1,538,937</b>
<b>Net Result</b>	7	-	-
<b>Total other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.



**CEMETERIES AND CREMATORIA NSW  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,835,494	1,669,570
Receivables	5	210,359	176,200
<b>Total Current Assets</b>		<b>2,045,853</b>	<b>1,845,770</b>
<b>Total Assets</b>		<b>2,045,853</b>	<b>1,845,770</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6	420,336	220,253
<b>Total Current Liabilities</b>		<b>420,336</b>	<b>220,253</b>
<b>Total Liabilities</b>		<b>420,336</b>	<b>220,253</b>
<b>Net Assets</b>		<b>1,625,517</b>	<b>1,625,517</b>
<b>EQUITY</b>			
Accumulated funds		1,625,517	1,625,517
<b>Total Equity</b>		<b>1,625,517</b>	<b>1,625,517</b>

The accompanying notes form part of these financial statements.

**CEMETERIES AND CREMATORIA NSW**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Accumulated Funds \$	Total Equity \$
<b>Balance at 1 July 2017</b>		1,625,517	1,625,517
Net result for the year		-	-
<b>Balance at 30 June 2018</b>		<u>1,625,517</u>	<u>1,625,517</u>
<b>Balance at 1 July 2016</b>		9,923	9,923
Net result for the year		-	-
<b>Transactions with owners in their capacity as owners</b>			
Increase / (decrease) in net assets from equity transfers		1,615,594	1,615,594
<b>Total transactions with owners in their capacity as owners</b>	11	<u>1,615,594</u>	<u>1,615,594</u>
<b>Balance at 30 June 2017</b>		<u>1,625,517</u>	<u>1,625,517</u>

The accompanying notes form part of these financial statements.

**CEMETERIES AND CREMATORIA NSW**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Personnel services		(625,975)	(679,728)
Other		120,750	(676,599)
<b>Total Payments</b>		<b>(505,225)</b>	<b>(1,356,327)</b>
<b>Receipts</b>			
Retained levies		631,823	652,749
Interest received		39,326	18,229
Other		-	20,064
<b>Total Receipts</b>		<b>671,149</b>	<b>691,042</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	7	<b>165,924</b>	<b>(665,285)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Opening cash and cash equivalents		1,669,570	719,261
Cash transferred in as a result of administrative restructuring	11	-	1,615,594
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>1,835,494</b>	<b>1,669,570</b>

The accompanying notes form part of these financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting entity**

Cemeteries and Crematoria NSW (Cemeteries) is a separate reporting entity constituted under the *Cemeteries and Crematoria Act 2013* to assess current and future interment needs and develop planning strategies for cemetery space to meet those needs. Cemeteries is a not-for-profit entity (as profit is not its principal objective) and does not have a cash generating unit. Cemeteries was established on 1 November 2014.

Cemeteries and Crematoria NSW is a NSW Government entity and is controlled by the State of New South Wales.

A Cemeteries and Crematoria NSW Fund (the Cemeteries Agency Fund) has been established into which is to be paid the following:

- (a) all money advanced to the Cemeteries Agency by the Treasurer or appropriated by Parliament for the purposes of the Cemeteries Agency,
- (b) all money directed or authorised to be paid into the Cemeteries Agency Fund by or under this or any other Act,
- (c) levies or other payments made under section 24 of the *Cemeteries and Crematoria Act 2013*,
- (d) payments directed to be paid to the Cemeteries Agency under section 40 of the *Cemeteries and Crematoria Act 2013*,
- (e) the proceeds of the investment of money in the Cemeteries Agency Fund,
- (f) all money received by the Cemeteries Agency from any other source.

Money may be paid from the Cemeteries Agency Fund for the following purposes:

- (a) enabling the Cemeteries Agency to exercise its functions,
- (b) the acquisition of land under section 14 of the *Cemeteries and Crematoria Act 2013*.

All expenditure incurred by the Cemeteries Agency is to be paid from the Cemeteries Agency Fund.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Chair and Chief Executive Officer on the date the accompanying statement by the Chair and Chief Executive Officer was signed.

**(b) Basis of preparation**

Cemeteries financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- Financial Reporting Directions mandated by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

**(c) Statement of compliance**

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**(d) Insurance**

Cemeteries insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

**(e) Accounting for the Goods and Services Tax (GST)**

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

- amount of GST incurred by Cemeteries as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

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

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

**(f) Income recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(i) Retained levies**

Retained levy revenue is based on interment and cremation figures at the end of each quarter when amounts can be reliably measured.

**(ii) Rendering of services**

Revenue from rendering of services is recognised when the service is provided.

**(iii) Investment revenue**

Interest income is recognised using the effective interest rate method. The effective interest rate is the interest rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**(g) Leases**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

**(h) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

Cemeteries determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

**(i) Financial assets**

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**Receivables**

Trade receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

**Impairment of financial assets**

All financial assets are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, Cemeteries first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(ii) Financial liabilities**

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

**Financial liabilities at amortised cost (including trade payables)**

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Payables represent liabilities for goods and services provided to Cemeteries and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(iii) Derecognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if Cemeteries transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where Cemeteries has not transferred substantially all the risks and rewards, if Cemeteries has not retained control.

Where Cemeteries has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Cemeteries continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

**(i) Other assets**

Other assets are recognised on a historic cost basis.

**(j) Equity and reserves****(i) Accumulated Funds**

The category 'accumulated funds' includes all current and prior period retained funds.

**(ii) Equity Transfers**

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by AAS to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

**(k) Personnel services**

Cemeteries does not have any employees and receives administrative, secretarial support and operational assistance from Department of Industry. Cemeteries has an arrangement with Department of Industry to reimburse them for a proportion of personnel services.

**(l) Services provided by Department of Industry**

The Department of Industry provides the following services to Cemeteries free of charge:

- financial statement preparation

**(m) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) New Australian Accounting Standards issued and effective for the first time in financial year 2018**

The following new Australian Accounting Standards have been issued and are now effective for the first time in financial year 2018.

- *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

**(o) New Australian Accounting Standards issued but not effective**

NSW Public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

When applied in future periods they are not expected to have a material impact on the financial position or performance of Cemeteries.

Accordingly, Cemeteries has not applied the following Australian Accounting Standards recently issued but not yet implemented:

- *AASB 9 Financial Instruments* (1 July 2018)
- *AASB 15 Revenue from Contracts with Customers* (1 July 2019)
- *AASB 16 Leases* (1 July 2019)
- *AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15* (1 July 2019)
- *AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* (1 July 2019)
- *AASB 1058 Income of Not-for-profit Entities* (1 July 2019)
- *AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation* (1 July 2019).

**2. EXPENSES EXCLUDING LOSSES**

	2018	2017
	\$	\$
<b>(a) Personnel services expenses include the following:</b>		
Personnel services		
Board members salaries	155,000	158,452
Salaries and wages (including annual leave)	817,152	888,407
Superannuation - defined contribution benefits	94,051	75,332
Payroll tax	59,230	54,138
	<b>1,125,433</b>	<b>1,176,329</b>
<b>(b) Other operating expenses include the following:</b>		
Advertising and promotion	1,950	525
Assets under \$5,000	6,606	-
Auditor's remuneration – audit of financial statements	13,120	12,800
Catering	2,673	3,893
Computer software fees	844	747
Consultancy	101,000	174,125
Contractors and other fees	2,761	5,017
Consumables	299	254
Data / internet	-	99
Postage	-	917
Legal - Crown Solicitors	-	15,000
Legal - other	3,662	6,363
Motor vehicle expenses	1,253	4,828
Operating lease rental expense – minimum lease payments	88,537	100,579
Other operating	4,039	4,216
Printing	6,722	166
Stationery & office supplies	2,006	4,269
Telecommunication	1,468	87
Training and staff development	6,276	8,341
Travel	7,260	20,382
	<b>250,476</b>	<b>362,608</b>

**3. REVENUES**

	2018	2017
	\$	\$
<b>(a) Retained levies</b>		
Crown Cemeteries levy	672,780	637,940
	<b>672,780</b>	<b>637,940</b>
<b>(b) Investment revenue</b>		
Interest	26,043	25,216
	<b>26,043</b>	<b>25,216</b>
<b>(c) In kind contributions - Department of Industry</b>		
Personnel services contribution	677,086	857,541
	<b>677,086</b>	<b>857,541</b>
<b>(d) Other revenue</b>		
Recoup administrative fees	-	18,240
	<b>-</b>	<b>18,240</b>



**4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	2018	2017
	\$	\$
Cash at bank and on hand	1,835,494	1,669,570
	<b>1,835,494</b>	<b>1,669,570</b>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short term deposits.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	1,835,494	1,669,570
Closing cash and cash equivalents (per statement of cash flows)	<b>1,835,494</b>	<b>1,669,570</b>

Refer Note 8 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**5. CURRENT ASSETS - RECEIVABLES**

	2018	2017
	\$	\$
<b>CURRENT</b>		
Accrued income	164,654	159,484
Trade debtors	35,787	-
Interest receivable	-	13,283
Net GST receivable	9,918	3,433
	<b>210,359</b>	<b>176,200</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 8.

**6. CURRENT LIABILITIES - PAYABLES**

	2018	2017
	\$	\$
<b>CURRENT</b>		
Accruals	105,112	33,471
Accruals - salaries and wages	1,061	530
Creditors	-	201
Creditors - Department of Industry	314,163	186,051
	<b>420,336</b>	<b>220,253</b>

**7. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT**

	2018	2017
	\$	\$
<b>Net cash used on operating activities</b>	<b>165,924</b>	<b>(665,285)</b>
Increase / (decrease) in receivables	34,159	(12,609)
Decrease / (increase) in creditors	(200,083)	677,894
<b>Net result</b>	<b>-</b>	<b>-</b>

**8. FINANCIAL INSTRUMENTS****(a) Financial Instrument Categories**

Cemeteries principal financial instruments are outlined below. These financial instruments arise directly from Cemeteries operations or are required to finance Cemeteries operations. Cemeteries do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Cemeteries main risks arising from financial instruments are outlined below, together with Cemeteries objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chair has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by Cemeteries, to set risk limits and controls and to monitor risks.

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount 2018</b>	<b>Carrying Amount 2017</b>
<b>Class:</b>			<b>\$</b>	<b>\$</b>
Cash and cash equivalents	4	N/A	1,835,494	1,669,570
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	35,787	13,283
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount 2018</b>	<b>Carrying Amount 2017</b>
<b>Class:</b>			<b>\$</b>	<b>\$</b>
Payables <sup>2</sup>	6	Financial liabilities measured at amortised cost	420,336	220,253

**Notes**

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

**(b) Credit Risk**

Credit risk arises when there is the possibility of Cemeteries debtors defaulting on their contractual obligations, resulting in a financial loss to Cemeteries. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

No collateral is held by Cemeteries. Cemeteries have not granted any financial guarantees.

*Cash*

Cash comprises cash on hand and bank balances within NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average Tcorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Cemeteries have no financial assets past due or impaired as at 30 June 2018.

**(c) Liquidity risk**

Liquidity risk is the risk that Cemeteries will be unable to meet its payment obligations when they fall due. Cemeteries continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

No assets have been pledged as collateral. Cemeteries exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

**8. FINANCIAL INSTRUMENTS (continued)**

The table below summarises the maturity profile of Cemeteries financial liabilities, together with the interest rate exposure.

**Maturity analysis and interest rate exposure of financial liabilities**

	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup> \$	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$	Variable Int. Rate \$	Non-interest Bearing \$	< 1 yr	1 - 5 yrs	> 5 yrs
<b>2018</b>								
Payables	0.0%	420,336	-	-	420,336	420,336	-	-
		<b>420,336</b>	-	-	<b>420,336</b>	<b>420,336</b>	-	-
<b>2017</b>								
Payables	0.0%	220,253	-	-	220,253	220,253	-	-
		<b>220,253</b>	-	-	<b>220,253</b>	<b>220,253</b>	-	-

**Notes:**

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which Cemeteries can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

**(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Cemeteries have no exposure to foreign currency risk and do not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which Cemeteries operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the Financial Position date. The analysis assumes that all other variables remain constant.

*Interest rate risk*

Exposure to interest rate risk arises primarily through Cemeteries cash balances and loan receivables. A reasonably possible change of + / - 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

Cemeteries exposure to interest rate risk is set out below.

	Carrying Amount \$	-1% Result \$	Equity \$	+1% Result \$	Equity \$
<b>2018</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,835,494	(18,355)	(18,355)	18,355	18,355
Receivables	35,787	-	-	-	-
<b>Financial Liabilities</b>					
Payables	420,336	-	-	-	-
<b>2017</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,669,570	(16,696)	(16,696)	16,696	16,696
Receivables	13,283	-	-	-	-
<b>Financial Liabilities</b>					
Payables	220,253	-	-	-	-

*Other price risk - Tcorp Hour Glass Investment facilities*

Cemeteries holds no units in Hour-Glass investment trusts.

**8. FINANCIAL INSTRUMENTS (continued)****(e) Fair value measurement****(i) Fair value compared to carrying amount**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

**9. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Cemeteries is unaware of the existence of any contingent assets or liabilities as at balance date, except for a dispute over general levies received from one of their customers. The maximum liability is estimated not to exceed \$180,000.

**10. COMMITMENTS**

	2018	2017
	\$	\$
<b>Operating lease commitments</b>		
Future non-cancellable operating lease rentals not provided for and payable not later than 1 year	-	56,756
Later than 1 year, but not later than 5 years	-	-
	<u>-</u>	<u>56,756</u>

Commitments above include input tax credits of Nil (2017: \$5,160) that are expected to be recovered from the Australian Taxation Office.

**11. EQUITY TRANSFER**

On 1 November 2014, Cemeteries was established. Previously Cemeteries was incorporated in the Public Reserves Management Fund (PRMF) and net revenues were recorded in the PRMF's bank account. On establishment of Cemeteries, pursuant to Section 6 (f1) of the *Public Reserves Management Fund Act 1987*, any proceeds paid in to the PRMF bank account for the purposes of the Crown Cemeteries Advisory Committee or Interim Cemeteries and Crematoria Board were to be paid into the Cemeteries and Crematoria NSW Fund.

Assets transferred from the PRMF on 25 August 2016:

Cash	\$
	<u>1,615,594</u>

**12. RELATED PARTY DISCLOSURE**

During the year, Cemeteries expensed \$376,091 (2017: \$336,591) in respect of the key management personnel services that are provided by a separate management entity, Department of Industry. Of the \$376,091 (2017: \$336,591) expensed \$151,937 (2017: \$157,122) was provided in-kind and equal revenue recognised.

During the year, Cemeteries did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, Cemeteries entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of Cemeteries revenue and expenses, and the nature of these significant transactions are detailed below;

Entity	Nature of Transaction
Audit Office of NSW	Provision of independent audit services of Cemeteries financial statements
Department of Industry	Provision of administrative, secretarial support and operational assistance
Southern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services
Catholic Metropolitan Cemeteries Trust	Levies received based on interment and cremation services
Northern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services
Rookwood General Cemeteries Reserve Land Manager	Levies received based on interment and cremation services

**13. EVENTS AFTER REPORTING DATE**

There are no events subsequent to the balance date that affect the financial information disclosed in the financial statements.

**End of audited financial statements.**