



Cemeteries & Crematoria NSW Annual Report 2019–20



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29 October 2020

The Hon. Melinda Pavey, MP
Minister for Water, Property and Housing
GPO Box 5341
Sydney NSW 2001

Dear Minister

Submission of the *Cemeteries & Crematoria NSW Annual Report 2019–20*

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Government Sector Finance Act 2018* and the Regulations under these Acts, we are pleased to submit to you the *Cemeteries & Crematoria NSW Annual Report 2019–20* for presentation to parliament.

During the reporting year, Cemeteries & Crematoria NSW (CCNSW) progressed major research and planning projects, with several commissioned projects completed within the reporting period. These included:

- completing the *Voluntary Code of Practice for Cemetery Maintenance*
- continuing work on CCNSW's regulatory framework
- completing a report examining the future of interment through new and innovative interment practices
- completing a public engagement report canvassing strategies to improve public understanding around interment
- continuing to contribute to the Independent Pricing and Regulatory Tribunal (IPART) investigation into interment sector costs and prices, with a final report expected in November 2020.

With a number of key projects set to start during this financial year, the Board looks forward to bringing these to fruition over the next 12 months.

Yours sincerely

Stepan Kerkyasharian AO
Chair of the Board

Jennifer Hickey
Chief Executive Officer

Message from the Chair

In 2019–20, Cemeteries & Crematoria New South Wales (CCNSW) accomplished impressive achievements, reached significant milestones and managed major organisational changes. The year has been one of unprecedented change, and the interment industry in NSW, like all NSW citizens, has weathered bushfires, droughts and COVID-19. We recognise the strength and resilience the industry has demonstrated in the face of such difficulty. CCNSW joined with operators and other key stakeholders to form responsive and practical committees to ensure a collaborative and informed approach to preparing for and responding to the inevitable changes brought about by COVID-19. The year was also marked by major internal organisational changes, including departmental restructures, office relocation and the directive for the CCNSW team to work from home from March 2020.

In 2019-20, CCNSW progressed major research and planning projects, with several commissioned projects completed within the reporting period. These included:

- completing the *Voluntary Code of Practice for Cemetery Maintenance*
- continuing work on CCNSW's regulatory framework
- completing an independent report examining the future of interment through new and innovative interment practices
- completing a public engagement report canvassing strategies to improve public understanding around interment.

The investigation into prices and costs in the interment sector by the Independent Pricing and Regulatory Tribunal (IPART), as required under the *Cemeteries and Crematoria Act 2013*, continued, with a final report expected to be provided to the Minister in November 2020. The statutory review of the Act also commenced, with a departmental team coordinating the review with consultants. A report to government is expected in November 2020. The review was conducted independently of CCNSW.

CCNSW initiated broader engagement with stakeholders in 2019-20, predominantly through the restructuring of the Community and Consumer Consultative Group and the Industry Consultative Group. The groups provided CCNSW with valuable insight and advice covering a range of perspectives representing regulatory, faith-based and cultural, environmental and service-delivery viewpoints. The Chair and CEO of CCNSW met regularly with the CEOs and Chairs of the cemetery land managers to exchange ideas and information in an informal environment. The development of a CCNSW eNewsletter, set for distribution in July 2020, will mark more regular communication and increased visibility of CCNSW's strategic role across the industry.

Given the unprecedented and unexpected challenges, the year in review has been one of outstanding success. I thank all of the Board members for their valuable contributions, support and guidance. I also thank our past CEO, Steffanie von Helle, and acting CEO, Stephen Dewick, who stepped into the position at very short notice and guided the organisation through the uncertainty stemming from the COVID-19 pandemic. I offer particular thanks to Alison Frame and Chris Reynolds for their leadership in the department and the members of the CCNSW team for their efforts and commitment, which ensured another fruitful year for CCNSW.

The support from the department and our minister has been an invaluable catalyst for the continued vigour and progress of CCNSW. There is still much to do, and I am confident that the statutory review and the IPART report will provide a valuable and much-needed path forward.

On behalf of the Board of CCNSW, I am pleased to present this annual report.



Stepan Kerkyasharian AO
Chair of the Board

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Summary highlights for 2019–20

Major organisational and environmental changes marked the year for Cemeteries & Crematoria NSW (CCNSW), including:

- becoming part of the newly formed Housing and Property group in the Department of Planning, Industry and Environment
- responding to COVID-19, including establishing a regular forum with major cemetery operators to assist them with managing the response to Public Health Orders, regularly communicating with the sector and briefing the CCNSW Board weekly
- relocating offices to 4 Parramatta Square

CCNSW progressed major research and planning projects throughout 2019–20, with a number of commissioned projects completed within the reporting period. These included:

- completing the *Voluntary Code of Practice for Cemetery Maintenance*
- continuing work on CCNSW's regulatory framework
- completing a report examining the future of interment through new and innovative interment practices
- completing a public engagement report canvassing strategies to improve public understanding around interment.

The investigation into prices and costs in the interment sector by the Independent Pricing and Regulatory Tribunal (IPART) also continued, with a final report expected in November 2020.

The statutory review of the *Cemeteries and Crematoria Act 2013* (the Act) also commenced, with a departmental team coordinating the review. An interagency steering committee oversees the review and is expected to report to government in the second half of 2020.

In addition, CCNSW strengthened engagement with our stakeholders by:

- re-establishing the Community and Consumer Consultative Group in November 2019 and the Industry Consultative Group, both of which met three times during the year
- establishing evidence-based communication strategies for a consumer awareness and education campaign consultancy project throughout 2019–20
- launching a future-of-interment consultancy research project in which industry, consumer and community stakeholders helped create pathways for improved sustainability in NSW
- developing a CCNSW electronic newsletter
- refreshing the CCNSW website.

Legislation and Charter - aims and objectives

Cemeteries & Crematoria NSW (CCNSW) is the statutory body with strategic and regulatory oversight of the interment industry; CCNSW administers the Act. The Act has nine key objects (set out in Section 3) that provide the framework in which CCNSW operates. These include:

1. recognising the right of all individuals to a dignified interment and treatment of their remains with dignity and respect
2. ensuring respect for the interment practices and beliefs of all religious and cultural groups
3. ensuring the acquisition and allocation of sufficient land for current and future generations to have equitable access to interment services
4. providing for a consistent and coherent regime for governing and regulating cemeteries and crematoria
5. ensuring cemetery and crematoria operators demonstrate satisfactory levels of accountability, transparency and integrity

6. ensuring cemeteries and crematoria on Crown land are managed in accordance with the principles of Crown land management
7. promoting environmental sustainability in the interment sector
8. promoting transparent cost structures for burials and cremations
9. promoting affordable and accessible interment practices.

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

- creating and maintaining the Cemeteries & Crematoria register with specific prescribed information
- developing and approving industry schemes and codes of practice to provide guidelines for the activities of participants in the interment industry or its sectors
- providing regulatory powers to enable CCNSW to issue improvement notices, short-term orders and enforceable undertakings to cemetery operators or people who are considered to have violated the Act
- creating 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 99 years for non-cremated remains and an initial term of 99 years for cremated remains
- providing requirements for the operation of Crown cemeteries and crematoria that cover the appointment of Crown cemetery operators, the conduct of operator Board members, strategic plans, plans of management, audits, financial statements and annual reports.

The Cemeteries and Crematoria Regulation 2014 complements the Act. This Regulation prescribes which operators of cemeteries must pay a general levy, the level that is payable for interment services each year and specific provisions for interment rights under Part 4 of the Act.

The Regulation was amended on 25 June 2018 to include a number of provisions for interment rights under Part 4 of the Act. These provisions cover price and fee disclosure for cemetery operators, notification procedures, record keeping, cemetery register information requirements and heritage advisory committee operation.

In 2019, cemetery and crematoria operators statewide provided a range of interment options to service community and cultural needs and expectations for burial, cremation, ash interment and memorialisation. Under Section 12 of the Act, CCNSW must:

- 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 establishing, implementing or altering interment industry schemes
- regulate the provision of services in relation to interment matters that are subject to interment industry schemes
- continually 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 necessary to exercise its functions.

Access

Contact CCNSW at:

Address: 4 Parramatta Square, 12 Darcy Street, Parramatta NSW 2150

Postal: Locked Bag 5022, NSW 2124

Phone: (02) 9842 8473

Email: ccnsw.info@cemeteries.nsw.gov.au

Website: www.dpie.nsw.gov.au/ccnsw

The Board and governance

An independent, skills-based Board leads CCNSW. The Hon. Melinda Pavey, Minister for Water, Property and Housing, appoints the Board, which reports to her.

The Board consists of four voting members:

Dr Stepan Kerkyasharian, AO, Hon. D.Litt, the Chair of the Board, was Chair and CEO of the Community Relations Commission for Multicultural NSW and its predecessor, the Ethnic Affairs Commission of NSW, from 1989 to 2014. He was 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 International Olympic Committee in 2000. 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, an honorary Doctor of Letters by the University of Sydney in 2007 and an honorary Doctor of Letters by Western Sydney University in 2013. In 2014, the NSW Government introduced an annual medal in his name: the Stepan Kerkyasharian Harmony Award. He currently serves as Vice Chair of the council for the Diocese of the Armenian Church of Australia & New Zealand, Chair of the Armenian Community Welfare Centre, a director of the National Australia Day Council and a member of the PM Glynn Institute Advisory Board.

Christopher Zinn, Board member, has worked for many years in print media, broadcasting and consumer organisations in Australia as well as overseas as a journalist, producer and campaign director. Mr Zinn is CEO of the Private Health Insurers Intermediaries Association and active in consumer campaigns with The FiftyUp Club and several startups. He has previously worked at consumer advocacy group CHOICE and as director of campaigns for consumer network One Big Switch. Mr Zinn runs consumer empowerment initiative Determined Consumer and serves as a Board member on The School Food Project and Kidsafe NSW. He holds a Master of Arts degree in geography from Oxford University and a postgraduate diploma in journalism from the University of Wales.

Danielle Woolley, Board member, is a partner in management consulting with KPMG Australia and works with government agencies at the federal and state level. She works with clients to deliver better outcomes for citizens by supporting them with strategy development, policy and program reform and redesign, implementation planning, program evaluation, governance and performance reviews, and organisational redesign. Before joining KPMG, Ms Woolley worked for more than 25 years in the NSW Government across social and economic portfolios. She held senior executive roles at the NSW Department of Premier and Cabinet, driving government priorities for domestic and family violence, refugee resettlement, counterterrorism and emergency management, energy security and the transformation of Western Sydney under the Western Sydney City Deal with the Australian Government. Ms Woolley holds Bachelor of Economics and Bachelor of Laws (Honours) degrees from The University of Sydney.

Michael Bullen, Board member, is Executive Director—Agribusiness for the Western Parkland City Authority. In this role, he attracts new business and jobs in agribusiness for the new Western Sydney Aerotropolis. Before this role, Mr Bullen was Deputy Director General Investment and

Business Development in the NSW Department of Primary Industries, and before this, he led the Department of Primary Industries—Agriculture, including as CEO of the Rural Assistance Authority. Before joining the Department of Primary Industries, Mr Bullen was CEO of the Sydney Catchment Authority (now part of WaterNSW), and before this, he worked for Forests NSW across both plantation and native forest management.

During the 2019–2020 year the Board also had six non-voting Board Members being:

- The head of, or a person nominated by the head to represent each of the following:
 - NSW Department of Planning, Industry and Environment:
 - Crown Lands (Jill Pattison then Lyndsay Brooker)
 - Planning (Elizabeth Kinkade then Luke Walton)
 - Heritage NSW, Department of Premier and Cabinet (Dr Siobhan Lavelle OAM)
 - NSW Customer Service (Kathy Townsend)
 - NSW Health (Geoffrey Prendergast)
- A person appointed by the Minister as a person with knowledge and expertise relevant to local government matters – Vacant
- The Chief Executive Officer of Cemeteries & Crematoria NSW (Steffanie von Helle from March 2019 then Stephen Dewick, A/CEO, from March 2020).

Table 1. Attendance at Board meetings

Board member	Number of eligible Board meetings	Number attended
Dr Stepan Kerkyasharian, AO [^]	13	13
Christopher Zinn [^]	13	13
Danielle Woolley [^]	13	13
Michael Bullen [^]	13	11
Jill Pattison	4	2
Lyndsay Brooker	7	7
Elizabeth Kinkade	4	3
Luke Walton	7	6
Dr Siobhan Lavelle, OAM	11	11
Kathy Townsend	11	7
Geoffrey Prendergast	11	9
Steffanie von Helle	7	7
Stephen Dewick	6	6

[^]voting member

Note: a quorum for the Board is three of four voting members.

Each voting Board member was appointed for two years, beginning 15 November 2018.

Stakeholder engagement and communication

CCNSW regularly engages with industry, consumer and community stakeholders through its consultation and communication mechanisms. It also engages with key NSW Government agencies, including the NSW Department of Customer Service; NSW Trustee and Guardian; NSW Registry of Births, Deaths and Marriages; NSW Health; NSW Fair Trading; and Multicultural NSW.

These stakeholders advocate for and contribute to CCNSW's consumer choice and public engagement activities, with support from the Department of Planning, Industry and Environment's Communications, Marketing and Engagement team. This has enabled CCNSW to respond to the

Board's key strategic priority of poor public knowledge about interment issues (and the work of CCNSW) across NSW. In February 2019, the Board and staff held a strategic planning workshop to clarify CCNSW's strategic priorities for the next 12 to 18 months—the last third of the CCNSW Strategic Plan 2015–20. At the workshop, the Board and staff identified key priority strategic risks and opportunities. CCNSW is on track to address the risks and opportunities around these issues within 18 months.

In February 2020, CCNSW was invited to be a member of the interagency End of Life—Journey Advisory Board, which the CEO of NSW Trustee and Guardian chairs. This opportunity enables us to improve the awareness and reach of CCNSW's work with whole-of-government channels and minimises the risk of duplication.

We undertook significant stakeholder engagement to ensure broad promotion of the Community and Consumer Consultative Group (CCCG). CCNSW worked with Multicultural NSW, the Ethnic Communities' Council of NSW and the NSW Department of Customer Service Life Journeys team to promote expressions of interest about the CCCG to their networks.

As part of the communication strategy and future interment in NSW consultancy projects, CCNSW also conducted substantial industry, consumer, community, government and public consultation throughout 2019–20.

The Chair of the Board and the Chair of CCCG appeared on radio shows during the reporting period to discuss the CCCG. A new CCNSW stakeholder engagement and communication strategy will be finalised in 2020–21.

Community and Consumer Consultative Group (CCCG)

CCCG was re-established in November 2019. It is a high-level advisory committee for ensuring that policy development accounts for the diverse views of communities and consumers.

We invited expressions of interest from July to September 2019, which included a public advertising campaign and significant stakeholder engagement to ensure a diverse range of candidates. The 15 CCCG members were selected from a strong pool of applicants.

Appointed members are:

- Mariam Ardati, Australian National Imams Council
- Jennifer Briscoe-Hough, Tender Funerals
- Leslie 'Phil' Duncan, an Indigenous Australian with interment expertise
- Kevin Hartley, Earth Funerals
- Ahmad Kamaledine, NSW Lebanese Muslim Association
- David Knoll, AM, NSW Jewish Board of Deputies
- Alysia McIntyre, What Do I Do? (an end-of-life services organisation)
- Reverend William Morrow, a Presbyterian minister
- David Neustein, Other Architects
- Anthony Pang, Chinese Australian Services Society (CASS)
- Victoria Spence, Life Rites
- Paul Versteeg, Combined Pensioners and Superannuants Association
- Professor Prudence Vines, a legal academic with interment expertise, aged care volunteer and former advisory council member of the NSW Trustee and Guardian
- Zenith Virago, Natural Death Care Centre
- Vera Visevic, Mills Oakley law firm.

Voting CCNSW Board member Christopher Zinn chaired the CCCG. Steffanie von Helle, CEO of CCNSW and Stephen Dewick, acting CEO of CCNSW, attended as members in 2019–20.

The CCCG provides expert advice from community, cultural, faith-based, environmental, non-religious, consumer and service delivery perspectives to the CCNSW Board on a range of policy matters. The group aims to encourage innovation and advocacy of the burial and cremation sector and help develop and inform CCNSW decision-making. CCCG members exchange and discuss information, identify systemic issues, and raise new and emerging opportunities at a policy level. Such opportunities include those relating to key objectives of the Act and priority areas of the CCNSW Strategic Plan 2015–20.

CCCG meets quarterly and met three times in 2019–20. Issues the CCCG considered in 2019–20 include:

- CCNSW’s public engagement and sustainability projects
- the NSW Fair Trading funeral information standard
- NSW Public Health Regulation 2012
- the IPART interim report of its review of the costs and pricing of interment in NSW
- COVID-19 regulations.

Industry Consultative Group (ICG)

The ICG was re-established in 2019 with a similar membership to the previous consultation group, which operated from 2016 to 2018. This high-level committee and forum meet quarterly to ensure an industrywide strategic focus on critical and emerging issues. The committee’s role also enables CCNSW to consult with the industry on regulatory development and industry to provide advice to the CCNSW Board.

The CEO of CCNSW chairs the ICG, which comprises representatives from the four major metropolitan Crown cemeteries:

- Rookwood General Cemeteries Reserve Land Manager
- Catholic Cemeteries and Crematoria
- Northern Metropolitan Cemeteries Land Manager
- Southern Metropolitan Cemeteries Land Manager

As well as representatives from:

- local government council members from Lake Macquarie City Council and Snowy Monaro Regional Council
- private sector operators from InvoCare Australia and Palmdale Group
- the Cemeteries & Crematoria Association of NSW
- the Uniting Church in Australia (NSW)
- the Australian Funeral Directors Association (NSW)
- the Funeral Directors Association of NSW.

The ICG met three times during 2019–20 and discussed matters including:

- COVID-19 restrictions under Public Health Orders, including staff safety and public interaction at memorial services at cemeteries
- Strategies for education and public awareness campaigns consumer research and information project by Urbis
- the *Voluntary Code of Practice for Cemetery Maintenance*

- the regulatory framework project, a risk-based assessment methodology, from RECAP Consultants
- the IPART investigation into interment costs and prices, with a focus on recommendations from the IPART interim report from December 2019
- Dying to Know Day public activities run in previous years
- the inaugural CCNSW electronic newsletter for stakeholders.

COVID-19 response

With the COVID-19 pandemic declared and the unknown scale of impact on the NSW community, CCNSW hosted a weekly liaison forum with the four major Sydney metropolitan Crown cemetery operators and the largest private operator, InvoCare Australia. Forum attendance then expanded to include NSW Health representatives. The forum aimed at managing the COVID-19 response with shared information. Stephen Dewick, acting CEO of CCNSW, chaired the forum. Seven meetings took place from 23 March 2020 to 25 May 2020. These covered a range of key issues, including modelling of various mortality rate scenarios, availability of personal protection equipment (PPE), sharing of resources between operators, COVID-19 Public Health Orders, workforce safety, onsite attendance numbers of the public at cemeteries and mortuary capacity.

Stephen Dewick was also appointed to the NSW Health mortuary capacity committee.

Attendees received a record of each meeting, and the CCNSW Board received a weekly report detailing meeting updates as well as any relevant media releases or Public Health Orders.

Management and structure

During 2019–2020, Steffanie von Helle headed the CCNSW business unit to March 2020, at which point Stephen Dewick was appointed acting CEO. The CEO leads a small specialist staff (see Figure 1).

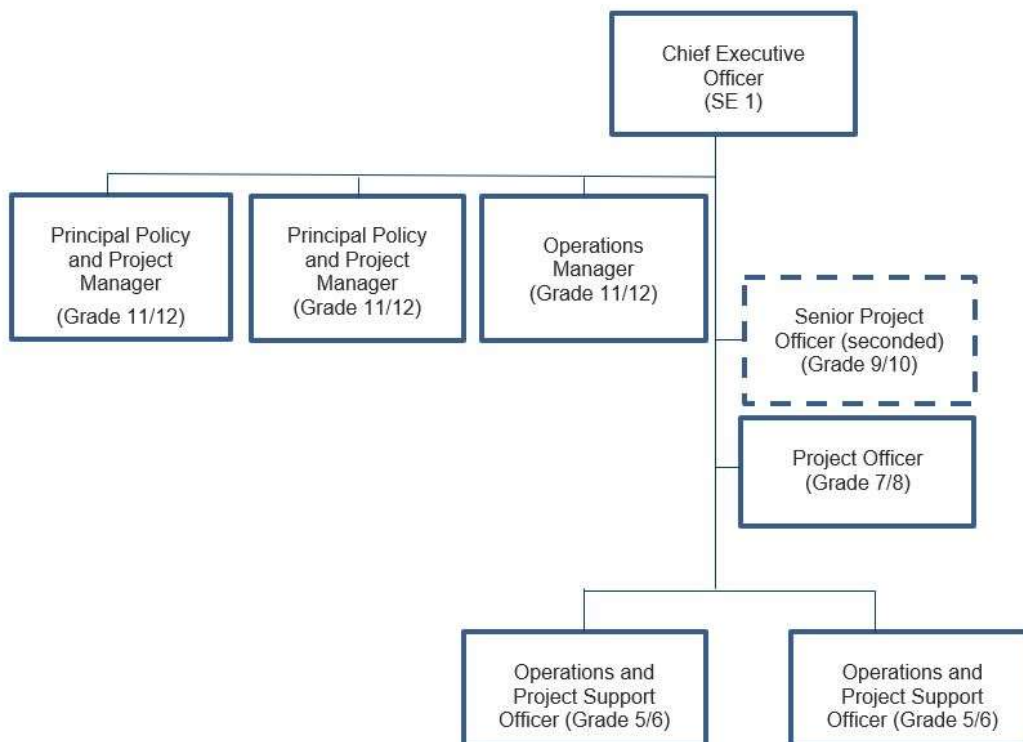


Figure 1. CCNSW management and structure

During the year, CCNSW recruited a new staff member to fill the newly created role of project officer, with responsibilities covering risk management, procurement, stakeholder engagement, work health and safety, and communications.

The role of the business unit is to support the Board to implement its strategic priorities.

Summary review of operations

During 2019–20, CCNSW progressed major research and planning projects, with a number of commissioned projects completed within the reporting period. These included:

- completing the *Voluntary Code of Practice for Cemetery Maintenance*
- continuing work on CCNSW's regulatory framework
- completing a report examining the future of interment through new and innovative interment practices
- completing a public engagement report canvassing strategies to improve public understanding around interment.

The business unit continued to deliver on key priorities, including collecting and publishing cemetery and crematoria operator data, researching and publishing annual activity data, and delivering key information to support the IPART investigation and the statutory review. CCNSW has also had an increased focus on monitoring and reporting on the governance and management of the Crown cemetery sector, responding to complaints and maintaining a comprehensive register for complaints management in 2019–20.

Strategic Plan 2015–20

The CCNSW Strategic Plan 2015–20 was launched at Waverley Cemetery in October 2015 by the Hon. Niall Blair, MLC, then Minister for Primary Industries and Minister for Lands and Water. The plan has four key priority areas (see Table 2).

Table 2. CCNSW Strategic Plan 2015-20 priority areas

Priority areas	Description
Respect	All people in NSW have access to a range of interment services that preserve dignity and respect and support cultural diversity.
Affordability and sustainability	All people in NSW have access to affordable and sustainable interment options.
Land availability	Sufficient and suitable land is available to meet future demand for interment services.
Governance	All cemetery and crematoria operators in NSW function in a consistent, transparent and accountable manner.

Priority actions in 2019–20

During the reporting period, work continued on remaining projects outlined in the Strategic Plan 2015-2020, namely the *Voluntary Code of Practice for Cemetery Maintenance*.

Voluntary Code of Practice for Cemetery Maintenance

The *Voluntary Code of Practice for Cemetery Maintenance* was a priority project of the CCNSW Strategic Plan 2015–20 for developing and applying best-practice approaches to maintaining

cemetery grounds and facilities that take community expectations into account. CCNSW developed the code with Locale Consulting and advice from cemetery operators representing varying scales of operations. It is designed for use across the diverse type and nature of cemeteries in NSW and comprises six key principles and ten maintenance themes. CCNSW published the guide in June 2020.

Regulatory framework project

CCNSW engaged RECAP Consultants to work with us to develop a best-practice, risk-based and outcomes-focused regulatory framework. The framework has nine regulatory principles that complement the NSW public sector's core values of integrity, trust, service and accountability, as well as the NSW Government's Quality Regulatory Services initiative. It identifies how the agency defines risk and monitors the industry to assess risk, and it describes the differentiated regulatory powers for cemeteries under Crown governance and those cemetery operators not subject to Crown law. Ongoing development of the regulatory regime will continue over the next reporting period. This is the start of CCNSW improving its regulatory posture in the industry, a focus for the coming year.

IPART investigation into prices and costs in the interment sector

Under Section 145 of the Act, IPART is authorised to investigate interment costs and pricing of interment rights in the sector, including the funeral industry. CCNSW funds the IPART investigation, and during the reporting period, we assisted IPART with industry information and stakeholder contacts and held meetings with IPART staff. IPART released an interim report in December 2019 canvassing a range of recommendations for the cemeteries and crematoria sector. The investigation has been separated into two distinct stages: cemeteries and crematoria (stage 1) and funeral directors (stage 2). IPART is scheduled to complete stage 1 of the investigation by November 2020.

Cemeteries and Crematoria Act 2013 Statutory Review

The NSW Department of Planning, Industry and Environment began the five-year statutory review of the Act in November 2019; an interagency steering committee is overseeing the review. The Act established CCNSW as regulator, with functions and powers to provide a framework for adequate cemetery capacity to ensure dignified, affordable, sustainable and renewable interment, respectful of cultural and religious values. The progressive implementation of the Act's provisions began in 2014 with Part 4, which provides for renewable interment becoming operational in June 2018.

CCNSW looks forward to the outcome of the report. We look forward to working with government agencies and our stakeholders to ensure a well-regulated, sustainable interment industry that protects the public's right to a dignified and affordable interment that is respectful of cultural and religious values.

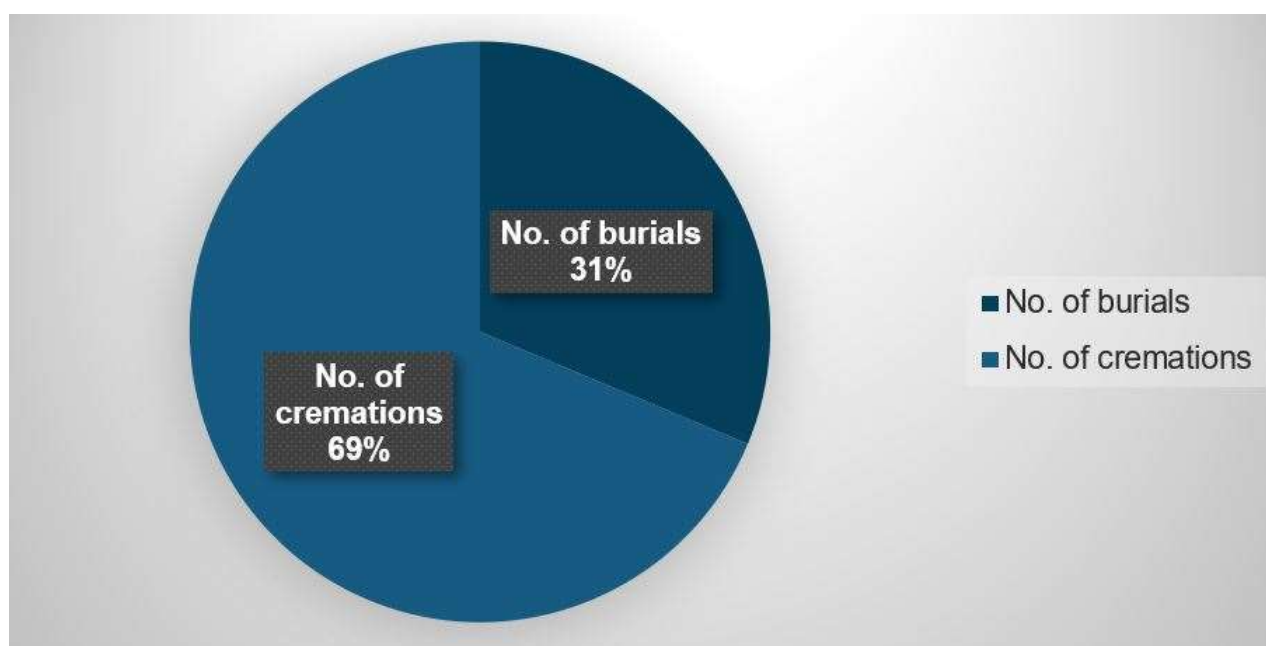
CCNSW 2018–19 activity information

One of CCNSW's key responsibilities is to record the annual activity of cremation and interment services across all regions of NSW and by all sectors of industry. This information assists with understanding current usage level of cemetery land. It also provides essential data to guide planning for the future ability to deliver services to the NSW community.

The data highlights the number of services over a four-year period (see Table 3) and by sector (Table 4) in the most recent statistical reporting year (2018-19). Figure 2 illustrates the percentage of burials and cremations within NSW in 2018–19, and Figure 3 and Figure 4 illustrate the distribution of burial and cremation in NSW by sector.

Table 3. Burial and cremation volumes for whole of NSW

Services per financial year	Number of services 2015–16	Number of services 2016–17	Number of services 2017–18	Number of services 2018–19
Total number of burials	18,079 (33.3%)	18,415 (33.4%)	18,335 (32.1%)	17,955 (31.3%)
Total number of cremations	36,257 (66.7%)	36,704 (66.6%)	38,768 (67.9%)	39,391 (68.7%)
Total number of services	54,336	55,119	57,103	57,346

**Figure 2. Percentage of burials and cremations in NSW for 2018–19****Table 4. Service type by sector for 2018–19**

Operator sector	No. of burials	No. of cremations	Total No. of services
Local government	8,281 (46.1%)	1,926 (4.9%)	10,207 (17.8%)
Crown	6,418 (35.7%)	4,928 (12.5%)	11,346 (19.8%)
Private	2,948 (16.4%)	32,537 (82.6%)	35,485 (61.9%)
Church	190 (1.1%)	0 (0.0%)	190 (0.3%)
Community	118 (0.7%)	0 (0.0%)	118 (0.2%)
Total number of services	17,955	39,391	57,346

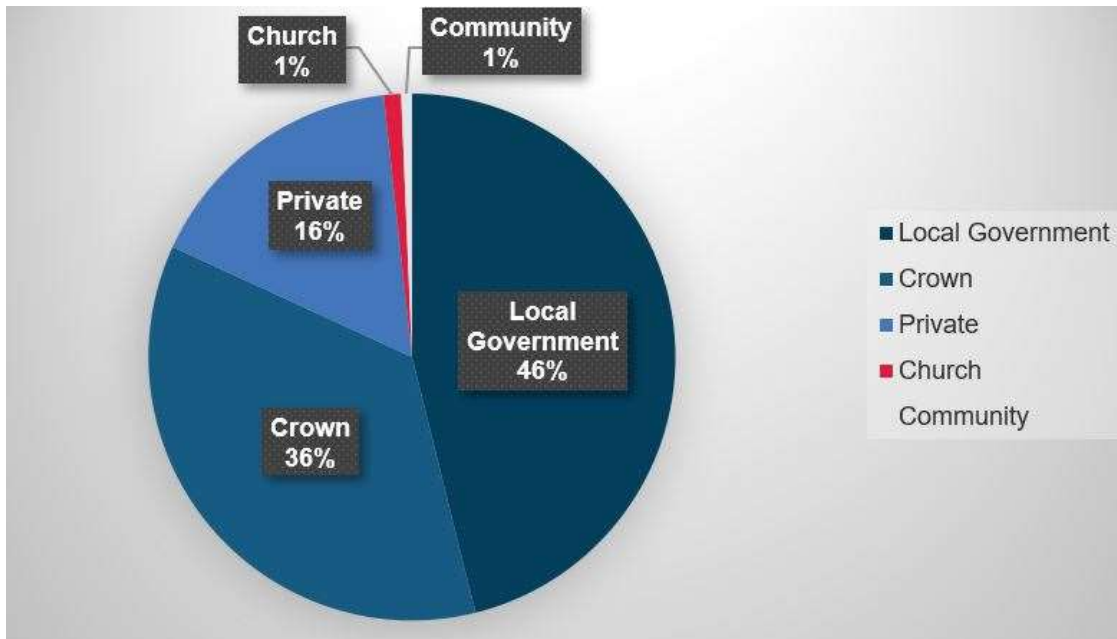


Figure 3. Percentage of burials in NSW by sector for 2018–19

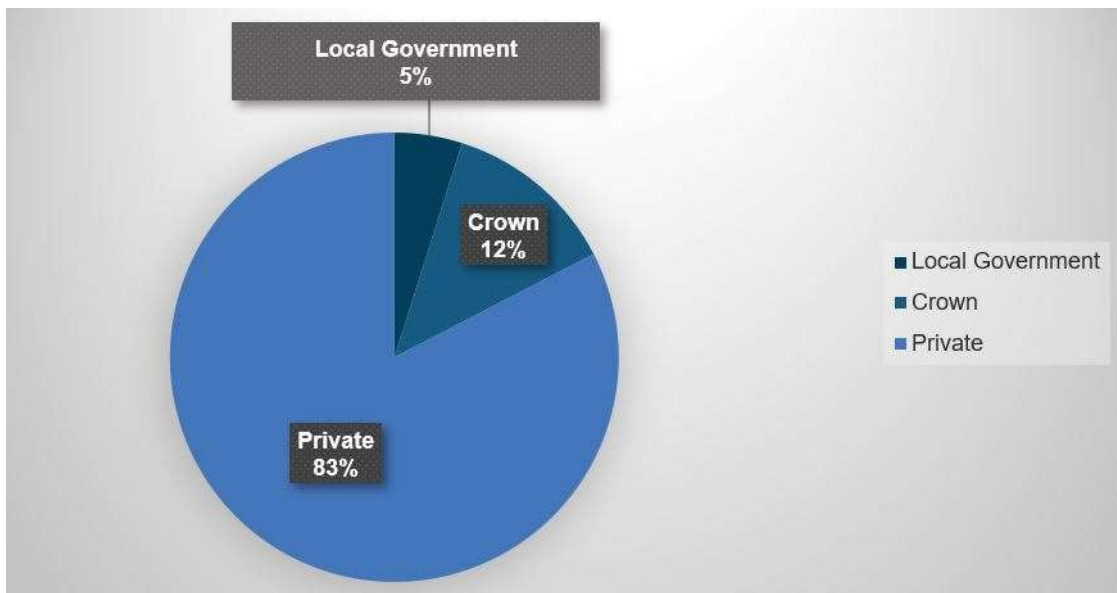


Figure 4. Percentage of cremations in NSW by sector for 2018–19

Cemeteries and crematoria register

During 2019–2020, CCNSW continued updating the NSW cemeteries and crematoria register in accordance with Section 27 of the Act. We update and publish a public version of the register each year for use by the community and industry. The web address for the register is <https://www.industry.nsw.gov.au/cemeteries-crematoria/locations>.

The register provides public access to information about cemetery and crematoria facilities in NSW and identifies cemetery and crematoria operators that are subject to the Act and Regulations.

Information on the register includes:

- the name and location of the cemetery or crematoria
- the name, address and telephone number of the cemetery or crematoria, as well as operator details

- any other information that the Regulations require the register to include.

The register is a useful tool for those trying to locate a particular cemetery or crematoria; CCNSW has received feedback that many use the register as a tourism resource when looking for heritage sites to visit across NSW.

Councils operate most cemetery facilities in regional areas. Private operators and councils provide cremation services in regions, with distribution of facilities generally to regional towns with sufficient population and service demand.

In 2019–20, CCNSW continued to refine the register, identifying additional cemeteries and cemetery operators and, where necessary, determining the current cemetery operator for a site.

Many historic cemeteries in rural and regional areas were set aside in the late 19th century to provide for towns and villages across NSW. Over time, these were overlooked, often falling into disuse due to demographic changes, the trustees dying 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.

Table 5 summarises data in the register on operational cemeteries and crematoria in NSW as at 30 June 2020.

Table 5. Operational cemetery and crematoria facilities in NSW by region as at 30 June 2020

Planning region	No. of operational cemeteries	No. of closed cemeteries	No. of inactive* cemeteries	No. of operational crematoria	No. of closed crematoria
Central Coast	17	3	0	2	0
Central West and Orana	159	89	0	5	0
Far West	41	28	0	2	0
Hunter	183	43	0	6	0
Illawarra–Shoalhaven	36	22	0	4	1
Metropolitan Sydney	129	37	1	13	0
New England and North West	97	53	0	4	0
North Coast	99	35	0	11	0
Riverina Murray	119	39	0	8	0
South East and Tablelands	139	69	0	3	0
Total	1019	418	1	58	1

* 'Inactive' refers to cemeteries currently under development and not yet able to undertake interments.

Planning for future cemeteries

CCNSW continued to advocate for cemeteries and crematoria when drafts for various land-use planning proposals were referred to or otherwise reviewed by CCNSW in 2019–20. CCNSW supported the activities of various cemetery operators to identify potential new cemetery sites and additions to existing cemeteries to provide for the future interment needs of the community.

Crown cemetery operator reporting

Part 5 of the Act makes CCNSW responsible for overseeing the performance of Crown cemetery operators (who are also Crown land managers under the *Crown Land Management Act 2016*). The

governance framework imposes annual reporting requirements for all Crown cemetery operators except local government operators, including independently audited financial statements. Annual reports must include a report on operations, including the operator's strategic plan and any plans of management.

During 2019–20, CCNSW received and evaluated annual reports, financial statements and proposed fees and charges for metropolitan Crown cemetery operators and completed follow-up enquiries as appropriate. Crown cemetery operator annual reports are available on the websites of the respective cemetery operators.

The CCNSW Board has extended to 2020 the reporting exemption under Part 5 of the Act, granted to council-run cemeteries on Crown land due to the extensive equivalent reporting requirements under the *Local Government Act 1993* and the integrated planning and reporting framework.

Regulatory and compliance monitoring activity in 2019–20

CCNSW conducted the following regulatory activities in 2019–20:

- reviewing the 2019–20 annual reports from metropolitan Crown cemetery operators
- reviewing fees and charges set by metropolitan Crown cemetery operators
- responding to complaints relating to cemetery matters regulated by CCNSW inquiries into the affairs of Crown cemetery operators
- conducting detailed regulatory inquiries and investigations concerning cemetery operator operations.

CCNSW conducted active regulatory inquiries concerning the operations of three cemetery operators during the year. One of these was a voluntary disclosure by the cemetery operator, and the other two matters arose from information provided by other people. The three matters remain under active management.

Section 29 (2) of the Act 2013 provides that mandatory codes of practice must be developed as part of an interment industry scheme before the end of 5 years after the date of Assent to the Act which was November 2013.

While Voluntary Codes have been completed, due to resource availability and other priorities within CCNSW (including establishing of Part 4 Renewable Interment Rights), development of mandatory codes of practice have not been completed during this time period. This is a priority for CCNSW in 2020/21.

Activities under Part 3 and Part 5 of the *Cemeteries and Crematoria Act 2013* are listed below in Table 6 and Table 7 respectively.

Table 6. 2019–20 activities under Part 3 of the *Cemeteries and Crematoria Act 2013*

Activity under Part 3 of the <i>Cemeteries and Crematoria Act 2013</i>	2019–20	Section of the Act
Total number of registrations	1,497	S. 27
Cemeteries registered	1,438	S. 27
Crematoria registered	59	S. 27
New registrations in period	39	S. 27
Cemeteries and crematoria register publication updates	3	S. 27
Codes of practice developed	0	S. 28

Activity under Part 3 of the <i>Cemeteries and Crematoria Act 2013</i>	2019–20	Section of the Act
Mandatory codes of practice	0	S. 29
Codes of practice approved - Voluntary	1	S. 30
Interment industry schemes in effect	0	S. 31
Improvement notices issued	0	S. 33
Improvement notice interventions	0	S. 35
Short-term orders issued	0	S. 36
Enforceable undertakings in effect	0	S. 39
Enforceable undertaking enforcement actions	0	S. 40
Cemetery/crematoria facility activity performance reports	0	S. 41

Table 7. 2019–20 activities under Part 5 of the *Cemeteries and Crematoria Act 2013*

Activity under Part 5 of the <i>Cemeteries and Crematoria Act 2013</i>	2019–20	Section of the Act
Crown cemetery operator Board appointments	0	S. 74
Crown cemetery operator administrator appointments	0	S. 77
Crown cemetery operator significant event notifications	0	S. 85
Crown cemetery operator strategic plans assessed	0	S. 90
Crown cemetery operator strategic plans adopted	0	S. 92
Crown cemetery operator plans of management assessed	0	S. 93
Crown cemetery operator plans of management referred for exhibition	0	S. 95
Crown cemetery operator plans of management adopted	0	S. 96
Crown cemetery operator annual reports assessed	5	S. 99
Fees and charges interventions	0	S. 107

Legal changes

There were no changes to legislation that CCNSW administers during this reporting period.

Workforce diversity, multicultural and disability policies

In accordance with the Act, CCNSW does not directly employ staff. The NSW Department of Planning, Industry and Environment engaged staff under the department's Housing and Property Group in 2019–20. CCNSW follows departmental policies on disability inclusion plans, workforce diversity, work health and safety, multicultural policies and services program. The agency has eight full-time-equivalent staff, with 13.3% of the workforce having a non-English-speaking background.

Human resources

Table 8 shows the composition and salary bands of staff.

Table 8. Staff composition and salary levels

Salary level	Female	Male	Total
\$0–\$41,679	N/A	N/A	N/A
\$41,679–\$54,742	N/A	N/A	N/A
54,742–\$61,198	N/A	N/A	N/A
\$61,198–\$77,441	N/A	N/A	N/A
\$77,441–\$100,145	3	N/A	3
\$100,145–\$125,181	1	N/A	1
\$125,181 and higher (non-executive service)	N/A	2.5	2.5
\$125,181 and higher (executive service)	1	N/A	1
Total	4	2.5	7.5

In 2019–20, one staff member was seconded to Resilience NSW.

Numbers and remuneration of senior executives

The number of executives employed at the end of the 2019–20 financial year was one: the CEO.

Table 9. Number and remuneration of senior executives

Financial year	Band	Female	Male	Total remuneration package band
2019–20	SE1	N/A	1	\$192,600–\$274,700

Compensation paid to key management personnel

In accordance with Australian Accounting Standards Board standard AASB 124, CCNSW must disclose compensation paid to those people (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

A number of major projects continued and were completed in 2019 and 2020. All consultancies are recorded in Tables 10 and 11 below and overleaf. The following outlines the overall commitments for these projects:

- Urbis was appointed to deliver communication strategy, research and analysis for the CCNSW project 'Strategies for education and public awareness campaigns: CCNSW communication needs'. The project began in June 2019 and finished in February 2020, with a major communication strategy report going to government for consideration. A summary of the research in this report, *Way to go—People's views on burials, cremation, funerals and ways to commemorate life*, was provided to CCNSW in June 2020 and endorsed for publication later in the year.
- RECAP Consultants was appointed to work with CCNSW in developing CCNSW's best-practice regulatory policy and framework, establish its regulatory priorities and enable it to

confidently exercise its regulatory functions into the future. Ongoing development of the regulatory regime will continue over the next reporting period.

- UTS Institute for Sustainable Futures was appointed to deliver research and analysis services for the CCNSW project 'Future interment in NSW: a study of new and innovative models for managing human remains in the 21st century and beyond'. The study started in June 2019 and finished in March 2020, with a research report going to government for consideration.
- IPART is authorised to investigate interment costs and pricing of interment rights in the sector, including the funeral industry. CCNSW funds the IPART investigation. During the reporting period, CCNSW assisted IPART with industry information and stakeholder contacts, and held meetings with IPART staff. IPART released an interim report in December 2019 canvassing a range of recommendations for the cemeteries and crematoria sector. The investigation has been separated into two distinct stages: cemeteries and crematoria (stage 1) and funeral directors (stage 2). IPART is scheduled to finish stage 1 of the investigation in November 2020.
- Locale Consulting was appointed to develop a *Voluntary Code of Practice for Cemetery Maintenance* in June 2019. A priority of the Strategic Plan 2015–20 commits CCNSW to 'develop and publish best practice approaches for maintaining cemetery grounds and facilities that take into account community expectations and the diverse scale and nature of facilities in NSW'. We developed the code with Locale Consulting and the advice of cemetery operators representing varying scales of operation. We published the code in June 2020.

Table 10. Consultants over \$50,000

Consultant	Project	Cost	No. of engagements
Urbis Pty Ltd	Evidence-based communication strategies for education and public awareness campaigns	\$133,202.29	1
RECAP Consultants Pty Ltd	Regulatory policy and planning project	\$122,866.49	1
University of Technology Sydney	Research into future sustainable interment options	\$78,970.83	1
IPART	Review of costs and pricing	\$82,500.00	1
Locale Consulting Pty Ltd	Voluntary guide to cemetery maintenance	\$70,323.00	1
Total		\$487,862.61	5

Table 11. Consultants under \$50,000

Consultant	Project	Cost	No. of engagements
Urbis Pty Ltd	Cemetery supply and demand assessment	\$3,033.25	1
Urbis Pty Ltd	<i>Way to go—People’s views on burials, cremation, funerals and ways to commemorate life, a public report summarising education and public awareness research</i>	\$10,840.50	1
Total		\$13,873.75	2

Consumer and industry response

CCNSW has a customer service charter as well as a publicly available complaints management policy and procedure; these are available on the agency’s website.

In 2019–20, CCNSW received and responded to 68 enquiries. Of these, 29 came from cemetery operators, 14 came from other government bodies, four came from community organisations, five came from consultants working in the interment industry and 16 came from the public. Figure 5 shows the categories of enquiries.

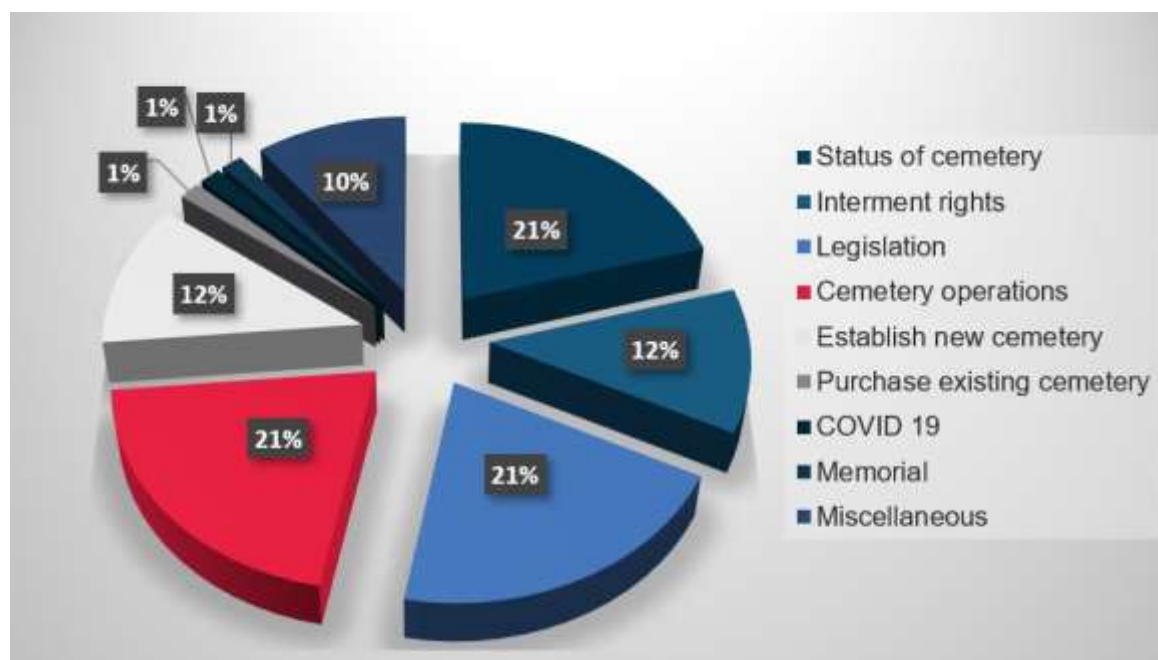
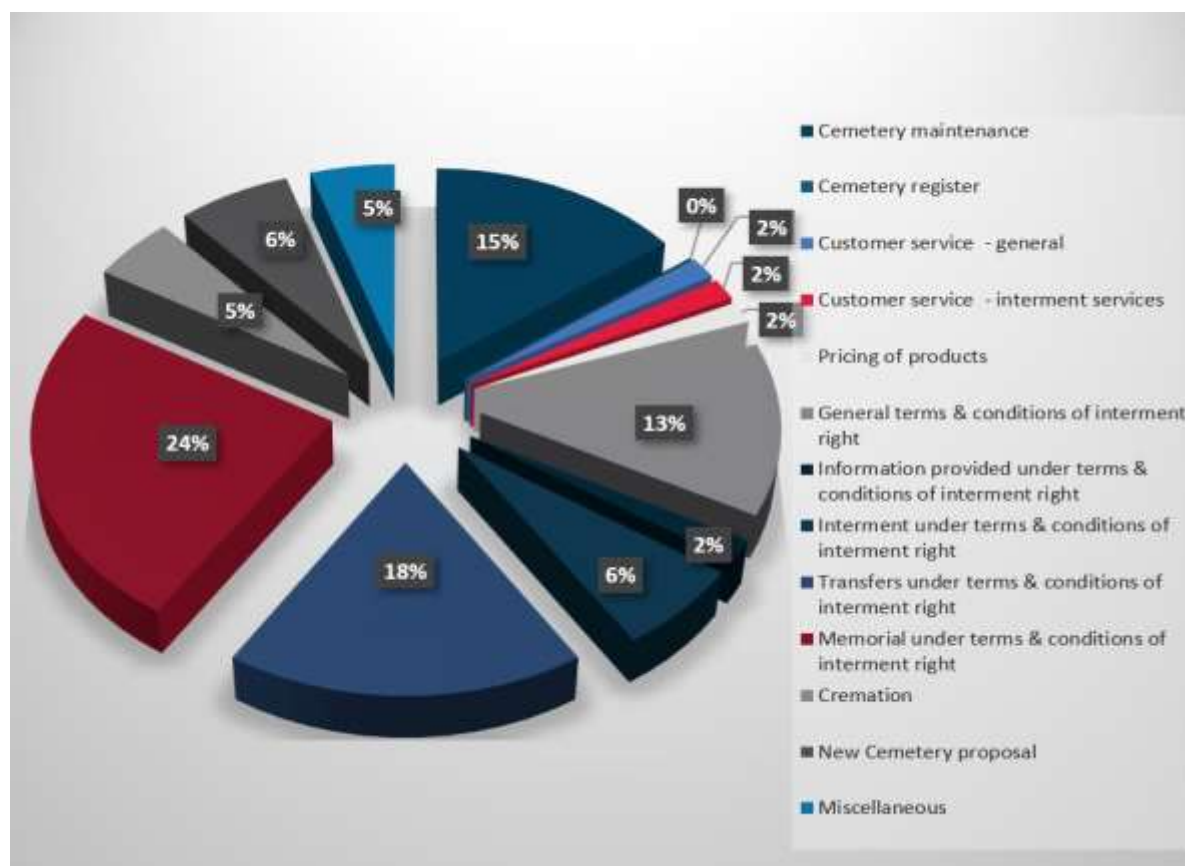


Figure 5. 2019–20 enquiries by regulatory subcategory

In 2019–20, CCNSW received and acted on a number of consumer complaints regarding cemetery operators. CCNSW encourages consumers to first contact the cemetery or crematoria operator to resolve the matter. CCNSW can however, oversee and work with a cemetery or crematoria operator to resolve a complaint consistent with best practice and community expectations. The agency has specific power to direct resolution where the complaint relates to the Act or provisions in Crown lands legislation that relate to cemeteries on Crown land. Table 12 and Figure 6 show the categories of complaint.

Table 12. Complaints by regulatory subcategory (2019–20)

Regulatory subcategory	Number of complaints
Cemetery maintenance	9
Cemetery register	0
Customer service, general	1
Customer service, interment services	1
Pricing of products	1
Terms and conditions of an interment right regarding information provided	1
Terms and conditions of interment right, general	8
Terms and conditions of interment right, interment	4
Terms and conditions of interment right, transfer	11
Terms and conditions of interment right, memorial	15
Cremation	3
New cemetery proposal	4
Miscellaneous	3
Total	61

**Figure 6. Complaints by regulatory subcategory (2019–20)**

The number of complaints CCNSW received in the reporting period has nearly doubled from the previous year (see Figure 7). All of the complaints were of a regulatory nature.

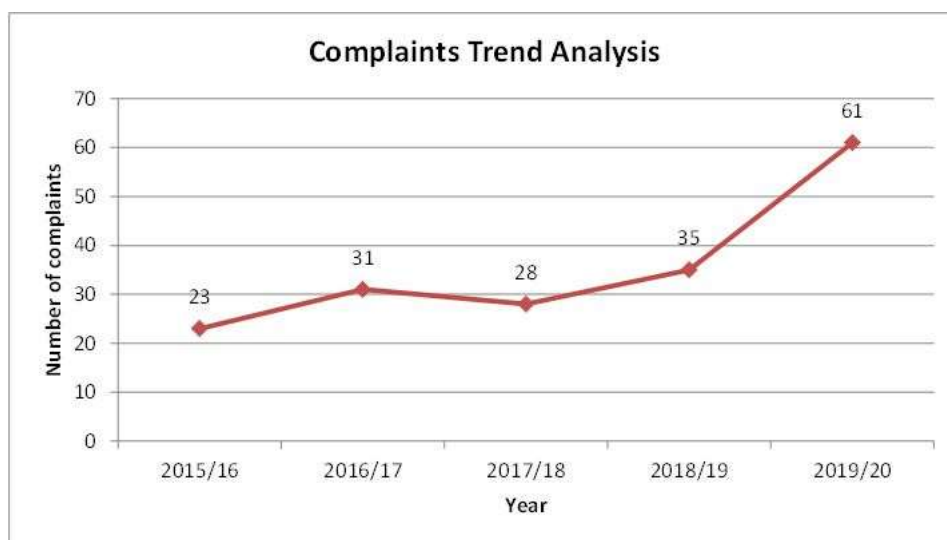


Figure 7. Trend in complaints from 2015–16 to 2019–20

In 2019–20, CCNSW made 16 representations to the Hon. Melinda Pavey, MP, Minister for Water, Property and Housing, that related to cemetery and crematoria matters.

Promotion: overseas travel

CCNSW staff made no overseas visits during 2019–20.

Payment of accounts

The Department of Planning, Industry and Environment, through its Corporate Services division, provided CCNSW with various accounting and corporate services, including account payments. 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

CCNSW was located at 10 Valentine Avenue, Parramatta, NSW 2150 until April 2020, when it relocated to 4 Parramatta Square, 12 Darcy Street, Parramatta, NSW 2150. CCNSW was formerly part of the Department of Industry but now is part of the Department of Planning, Industry and Environment. The department supports CCNSW to manage risks, with insurance covered at a departmental level.

In 2019–20, the department continued to implement its enterprise-wide risk management framework across its business and the related entities to which it provides risk management services. The framework reflects a commitment to providing a consistent and systematic process to manage risks across the department and related agencies. It is consistent with the international risk management standard (ISO 31000:2018) and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03). It provides the principles and tools for risk management practice and culture within the department and related agencies. In June 2020, the revised Department of Planning, Industry and Environment risk management policy was published with applicability across the department and its related entities.

Risk reviews at the entity level were conducted during the year and involved senior management. A presentation on CCNSW's risk profile was provided to the Audit and Risk Committee (ARC) for its oversight on the effectiveness of risk management practices.

In 2019–20, the department revised its business continuity management framework based on the international business continuity standard (ISO 22301:2019). The department developed a comprehensive set of tools to support business continuity planning, impact analysis and crisis management to ensure critical activities can continue in the event of disruption. These tools and related support are available to CCNSW to manage any business continuity event.

Audit

Internal audit

The Department of Planning, Industry and Environment's Internal Audit branch in the Legal and Governance division provides the chief audit executive and internal audit function for CCNSW in accordance with TPP15-03. The Board-approved charter governs the internal audit function. The internal audit function provides independent and objective review and advisory services that aim to improve operations, risk management, controls and governance processes. The 2020–21 plan will include risk-based audits that will be prepared following discussions with management and the ARC.

Audit and Risk Committee

CCNSW has an independent Audit and Risk Committee (ARC) under a collaborative shared ARC arrangement. During the year, the chief audit executive reported to the ARC. One ARC meeting took place in 2019–20. CCNSW is not required to have an ARC; however, setting up an ARC to support CCNSW is good governance practice. The Chair of the Board attends the ARC meetings and supports the ARC arrangements.

Budget

The budget for CCNSW is broken down in Table 13 below.

Table 13. CCNSW 2019–20 budget

Expenditure area	Budget allocation	Total expenditure 2019–20
Employees	<ul style="list-style-type: none"> Board member remuneration Salaries and wages (including annual leave) Payroll tax and fringe benefits tax Superannuation Workers compensation 	\$1,225,686.52
Consultants	<ul style="list-style-type: none"> Communication strategy for education and public awareness campaigns and associated public report Regulatory policy and planning project Research into future interment alternatives Review of costs and pricing Voluntary guide to cemetery maintenance Cemetery supply and demand assessment 	\$379,235.13
Advertising and promotion	<ul style="list-style-type: none"> Social media ad 	\$460.00

Expenditure area	Budget allocation	Total expenditure 2019–20
Travel and entertainment	<ul style="list-style-type: none"> • Travel • Airfares • Car parking • Taxi fares • Public transport • Accommodation • Catering 	\$6,514.63
Contractors	<ul style="list-style-type: none"> • Contractors • Other fees 	\$53,625.33
Occupancy and maintenance	<ul style="list-style-type: none"> • Property and utilities 	\$70,873.36
Training and development	<ul style="list-style-type: none"> • Staff professional development 	\$1,907.73
Other fees	<ul style="list-style-type: none"> • Computer consumables • Computer fees • Telecommunications 	\$10,899.50
Other operating costs	Asset purchases Audit fees Printing General expenses	\$37,637.05
Total expenses*		\$1,786,839

*Full-year budget 2019-20 = \$1,800,000

Work, health and safety

CCNSW was represented on the Department of Planning, Industry and Environment—Crown Lands' Work Health and Safety committee and the Crown Lands work health and safety plan. Due to a restructure in the Housing and Property Group, CCNSW is included in the informal consultation arrangement for work health and safety under strategy and portfolio management. CCNSW has contributed to the work health and safety risk register for Crown Lands and contributed to the hazard risk profile for strategy and portfolio management. CCNSW filed an incident report regarding bushfire smoke when occupying the office at 10 Valentine Avenue, Parramatta, in October 2019.

Ethics and integrity

The department launched its *Code of Ethics and Conduct* on 1 April 2020. The Code is a web-based resource to support CCNSW employees in understanding and complying with their obligations. Before the adoption of the new code, department employees observed the compliance obligations of the relevant policies that applied before the machinery-of-government change in July 2019.

The *Code of Ethics and Conduct* underpins the department's compliance framework, which includes:

- systems to assist employees with their personal compliance obligations (declaration and management of conflicts of interest, approval of secondary employment, senior executive private interests and gifts, benefits and hospitality)
- the Fraud and Corruption Control Policy

- the *Public Interest Disclosures Policy and Procedures* (which includes access to an anonymous reporting tool)

Privacy

CCNSW complies with the *Privacy and Personal Information Protection Act 1998* by using privacy declarations and restricting access to personal information. CCNSW collects personal information only for a lawful purpose that directly relates to our primary regulatory function as a NSW government agency, and we secure such information 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

Under the *Public Interest Disclosures Act 1994* (PID Act), each public authority must prepare an annual report on their obligations under the PID Act. This information for CCNSW is captured in the Department of Planning, Industry and Environment's annual report as the department centrally manages all public interest disclosures.

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

CCNSW has delegated the functions under Section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) to the Department of Planning, Industry and Environment's Public Access to Information and Privacy unit. The department deals with any formal applications for information from CCNSW and these are included in the department's statistical information.

In 2019–20, CCNSW provided information and records for two GIPA applications to the department for information made under the GIPA Act.

Digital information security policy

The NSW Department of Planning, Industry and Environment platforms manage digital information and information system security, with the department servers holding CCNSW data and information. CCNSW has no independent information and communications technology function and complies with the department's information technology security directives and protocols.

Issues of significance raised by the Auditor-General

The Auditor-General raised no issues of significance during the CCNSW audit for 2019–20.

Annual report cost and availability

We have prepared the *CCNSW Annual Report 2019–20* in compliance with Premier's Memorandum M2013-09, with zero external cost. The report is available on the [CCNSW website](#) and on the NSW Government's OpenGov NSW website. We have provided electronic copies to the State Library of NSW, the NSW Parliamentary Library and the National Library of Australia.

Appendices

- Independent auditor's report
- Financial statements 2019–20



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 comprises the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 the CCNSW as at 30 June 2020, 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 (including Independence Standards)' (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

The CCNSW's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board of CCNSW and Chief Executive are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Chair and Chief Executive Officer.

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 Responsibilities for the Financial Statements

The members of the Board 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 members of the Board and the 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 the Chief Executive are responsible for assessing CCNSW's ability to continue as a going concern, disclosing as applicable, matters related to going concern and 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. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.

A handwritten signature in black ink, appearing to read 'Min Lee', with a stylized, cursive script.

Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

14 October 2020
SYDNEY

Cemeteries and Crematoria NSW

Financial Statements

JUNE 2020

**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 Treasurer's Directions issued under the Act;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2020 and the financial performance of Cemeteries and Crematoria NSW for the year ended 30 June 2020;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



Dr Stepan Kerkyasharian AO
Chair

Date: 14 October 2020



Jennifer Hickey
Chief Executive Officer

Date: 14 October 2020

Beginning of audited financial statements

CEMETERIES AND CREMATORIA NSW

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Expenses excluding losses			
Personnel services	2(a)	1,225,686	1,214,566
Other operating expenses	2(b)	561,153	404,083
Total expenses excluding losses		1,786,839	1,618,649
Revenue			
Retained levies	3(a)	694,348	644,060
Investment revenue	3(b)	11,794	27,417
In-kind contribution - Department of Planning, Industry and Environment	3(c)	1,080,697	911,087
Other revenue	3(d)	-	36,085
Total revenue		1,786,839	1,618,649
Net result	7	-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-

The accompanying notes form part of these financial statements.

CEMETERIES AND CREMATORIA NSW
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,490,741	1,840,329
Receivables	5	208,371	167,462
Total current assets		1,699,112	2,007,791
Total assets		1,699,112	2,007,791
LIABILITIES			
Current liabilities			
Payables	6	73,595	382,274
Total current liabilities		73,595	382,274
Total liabilities		73,595	382,274
Net assets		1,625,517	1,625,517
EQUITY			
Accumulated funds		1,625,517	1,625,517
Total equity		1,625,517	1,625,517

The accompanying notes form part of these financial statements.

CEMETERIES AND CREMATORIA NSW
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Accumulated Funds \$	Total Equity \$
Balance at 1 July 2019		1,625,517	1,625,517
Net result for the year		-	-
Balance at 30 June 2020		<u>1,625,517</u>	<u>1,625,517</u>
Balance at 1 July 2018		1,625,517	1,625,517
Net result for the year		-	-
Balance at 30 June 2019		<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 2020

	Notes	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(390,730)	(322,040)
Payments to suppliers		(622,340)	(397,737)
Total payments		(1,013,070)	(719,777)
Receipts			
Retained levies		651,688	661,111
Interest received		11,794	27,417
Other		-	36,084
Total receipts		663,482	724,612
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	(349,588)	4,835
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(349,588)	4,835
Opening cash and cash equivalents		1,840,329	1,835,494
CLOSING CASH AND CASH EQUIVALENTS	4	1,490,741	1,840,329

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. Though Cemeteries generates cash, it is a not-for-profit entity, as profit is not its principal objective. 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 within the entity 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) 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 2020 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
- Treasurer's Directions issued under the Act.

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) 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.

(e) Services provided by Department of Planning, Industry and Environment

Cemeteries does not have any employees and receives administrative, secretarial support and operational assistance from the Department of Planning, Industry and Environment. Cemeteries has an arrangement with the Department of Planning, Industry and Environment to reimburse them for a portion of personnel expenses and an in-kind contribution is recognised for the services provided. The proportion is calculated based on achievement of a breakeven net result. Refer Note 2 (a) and 3 (c).

The Department of Planning, Industry and Environment provides preparation of financial statements, free of charge.

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

(g) Effective for the first time 2019-20

Cemeteries applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in the financial year 2019-20, but do not have an impact on the financial statements of Cemeteries.

AASB 15 Revenue from Contracts with Customers (AASB15)

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue and related Interpretations* and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, Cemeteries has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. Cemeteries has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2019 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The adoption of AASB 15 did not have any financial impact on the statement of financial position, statement of comprehensive income and the statement of cash flows for the financial year.

AASB 1058 Income of Not-for-Profit Entities (AASB1058)

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, Cemeteries has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. Cemeteries has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the Cemeteries to further its objectives, are not restated to their fair value.

AASB 1058 did not have any financial impact on the statement of financial position, statement of comprehensive income and the statement of cash flows for the financial year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Effective for the first time 2019-20 (continued)****AASB 16 Leases (AASB16)**

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives and* Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

Lessee accounting

AASB 16 requires Cemeteries to account for all leases under a single on- balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee and entity recognises a lease liability and right- of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

Cemeteries has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

Cemeteries elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

The adoption of AASB 16 did not have any financial impact on the statement of financial position, statement of comprehensive income and the statement of cash flows for the financial year.

(h) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

The following new Australian Accounting Standards have been issued but are not yet effective. Cemeteries has not early adopted any of these new standards or amendments.

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-7 *Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations*

Cemeteries has assessed the impact of the new standards and interpretations issued but not effective where relevant and consider the impact to be not material.

(i) Going Concern

The financial statements have been prepared on a going concern basis. Covid-19 has not resulted in any material impact on Cemeteries' revenue and expenses. Cemeteries receives financial support from the Department of Planning, Industry and Environment which receives appropriations from the Consolidated Fund as set out in the Appropriations Bill which is prepared and tabled for that year. At the date of this report there is no reason not to expect this financial support to continue. The NSW Government has announced that the 2020-21 NSW budget will be delayed and is anticipated to be tabled in Parliament in November/December 2020. The delayed 2020-21 NSW budget will not impact on Department of Planning, Industry and Environment's ability to draw down on the consolidated fund arising from the Treasurer authorising Ministers to spend specified amounts from the Consolidated Fund pursuant to Section 4.10 of the GSF Act. This authorisation is current from 1 July 2020 until the earliest of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 annual Appropriations Act.

2. EXPENSES EXCLUDING LOSSES

	2020	2019
	\$	\$
(a) Personnel services expenses include the following:		
Employee related expenses		
Board members salaries	120,509	121,499
Salaries and wages (including annual leave)	938,642	936,572
Superannuation - defined contribution benefits	100,355	87,371
Payroll tax	60,915	61,009
Workers' compensation insurance	5,265	8,115
	1,225,686	1,214,566

Refer note 1 (e) for details regarding recognition and measurement.

(b) Other operating expenses include the following:

	2020	2019
	\$	\$
Advertising and promotion	3,991	-
Assets under \$5,000	12,201	1,588
Auditor's remuneration – audit of financial statements	13,750	13,450
Catering	3,721	6,846
Computer software fees	1,411	2,186
Consultancy	427,601	212,618
Contractors and other fees	7,042	14,947
Consumables	-	795
Legal - other	-	28,986
Motor vehicle expenses	311	579
Expense relating to short-term leases	70,914	69,957
Other operating	8,726	1,485
Printing	472	14,242
Stationery and office supplies	55	2,169
Telecommunication	586	471
Training and staff development	1,908	26,347
Travel	8,464	7,417
	561,153	404,083

Recognition and Measurement**Insurance**

Cemeteries insurance activities are covered by the Department of Planning, Industry and Environment's insurance premium with the NSW Treasury Managed Fund Scheme of self-insurance for Government entities.

Lease expense (up to 30 June 2019)**Operating leases**

Up to 30 June 2019, operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

Lease expense (from 1 July 2019)

From 1 July 2019, Cemeteries recognises the lease payments associated with the following types leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

3. REVENUES**Recognition and Measurement**

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*.

	2020	2019
	\$	\$
(a) Retained levies		
Crown Cemeteries levy	694,348	644,060
	694,348	644,060

Recognition and Measurement**Retained levies**

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

	2020	2019
	\$	\$
(b) Investment revenue		
Interest	11,794	27,417
	11,794	27,417

Recognition and Measurement**Interest income**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

	2020	2019
	\$	\$
(c) In-kind contributions - Department of Planning, Industry & Environment		
Personnel services contribution	1,080,697	911,087
	1,080,697	911,087

Recognition and Measurement**Non Cash contributions**

Non cash contributions are generally recognised at fair value. Contributions of services are recognised when a fair value of those services can be reliably determined and the services would be provided if not donated (Refer note 1 (e) for details regarding recognition and measurement).

	2020	2019
	\$	\$
(d) Other revenue		
Recoup administrative fees	-	36,085
	-	36,085

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	1,490,741	1,840,329
	1,490,741	1,840,329

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

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)	1,490,741	1,840,329
Closing cash and cash equivalents (per statement of cash flows)	1,490,741	1,840,329

Refer Note 9 for details regarding credit risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2020	2019
	\$	\$
CURRENT		
Accrued income	171,912	161,741
Trade receivables	32,489	-
Net GST receivable	3,970	5,721
	208,371	167,462

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 9.

Recognition and Measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

Cemeteries holds receivables with the objective to collect the contractual cash flows and therefore measures them 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.

Impairment

Cemeteries recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, Cemeteries applies a simplified approach in calculating ECLs. Cemeteries recognises a loss allowance based on lifetime ECLs at each reporting date. Cemeteries has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

6. CURRENT LIABILITIES - PAYABLES

	2020	2019
	\$	\$
CURRENT		
Accruals	29,013	59,669
Accruals - salaries and wages	1,600	533
Creditors	4,002	4,192
Creditors - Department of Planning, Industry and Environment	38,980	317,880
	73,595	382,274

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 9.

Recognition and measurement

Payables represent liabilities for goods and services provided to the entity 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.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

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

	2020	2019
	\$	\$
Net cash used on operating activities	(349,588)	4,835
Increase / (decrease) in receivables	40,909	(42,897)
Decrease / (increase) in creditors	308,679	38,062
Net result	-	-

8. ACCUMULATED FUNDS

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

9. FINANCIAL INSTRUMENTS

Cemeteries principal financial instruments are outlined below. These financial instruments arise directly from Cemeteries' operations or are required to finance Cemeteries' operations. Cemeteries does 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 risks faced by Cemeteries, to set risk limits and controls and to monitor risks.

(a) Financial instrument categories

Financial assets	Note	Category	Carrying Amount 2020	Carrying Amount 2019
Class:			\$	\$
Cash and cash equivalents	4	Amortised cost	1,490,741	1,840,329
Receivables ¹	5	Amortised cost	-	-
Financial liabilities	Note	Category	Carrying Amount 2020	Carrying Amount 2019
Class:			\$	\$
Payables ²	6	Financial liabilities measured at amortised cost	73,595	382,274

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).

9. FINANCIAL INSTRUMENTS (continued)**(b) Derecognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- Cemeteries has transferred substantially all the risks and rewards of the asset; or
- Cemeteries has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred 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 entity's continuing involvement in the asset.

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

(c) Financial risks**(i) 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).

Credit risk arises from the financial assets of the entity, including cash, receivables, and authority deposits. No collateral is held by Cemeteries. Cemeteries has not granted any financial guarantees.

Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Cemeteries has no deposits held with NSW TCorp.

Cash and cash equivalents

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.

*Accounting policy for impairment of trade debtors and other financial assets under AASB 9**Receivables - trade receivables*

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

Cemeteries applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery.

There was no allowance for expected credit losses for the trade receivables as at 30 June 2020.

Cemeteries had no financial assets past due or impaired as at 30 June 2020.

(ii) 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.

During the current and prior year, there were no defaults of borrowings. 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.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 0% (2019– 0%). There was no interest paid during the year (2019:nil).

9. 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 ¹ \$	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$	Variable Int. Rate \$	Non-interest Bearing \$	< 1 yr	1 - 5 yrs	> 5 yrs
2020								
Payables	0.0%	73,595	-	-	73,595	73,595	-	-
		73,595	-	-	73,595	73,595	-	-
2019								
Payables	0.0%	382,274	-	-	382,274	382,274	-	-
		382,274	-	-	382,274	382,274	-	-

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.

(iii) 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' exposure to market risk are primarily through interest rate risk on Cemeteries' bank balance.

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 the entity 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 exposures in existence at the statement of financial position reporting date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 \$
2020					
Financial Assets					
Cash and cash equivalents	1,490,741	(14,907)	(14,907)	14,907	14,907
Financial Liabilities					
Payables	73,595	(736)	(736)	736	736
2019					
Financial Assets					
Cash and cash equivalents	1,840,329	(18,403)	(18,403)	18,403	18,403
Receivables	-	-	-	-	-
Financial Liabilities					
Payables	382,274	(3,823)	(3,823)	3,823	3,823

Other price risk - Tcorp Hour Glass Investment facilities

Cemeteries holds no units in Hour-Glass investment trusts.

9. FINANCIAL INSTRUMENTS (continued)**(d) 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.

10. 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.

11. RELATED PARTY DISCLOSURE

During the year, Cemeteries expensed \$279,310 (2019: \$369,864) in respect of the key management personnel services that are provided by a separate management entity, Department of Planning, Industry and Environment. Of the \$279,310 (2019: \$369,864) expensed \$246,270 (2019: \$162,857) 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
Department of Planning, Industry and Environment	Provision of administrative and secretarial support, personnel services, operational assistance and valuation services.
Multicultural NSW	Provision of translation services.
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.

12. EVENTS AFTER REPORTING DATE

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

End of audited financial statements.