



Cemeteries & Crematoria NSW Annual Report 2020–21

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Cemeteries & Crematoria NSW

11 October 2021

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 2020–21*

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 2020–21* for presentation to parliament.

During the reporting year, Cemeteries & Crematoria NSW (CCNSW) completed or progressed several major projects. Some of the key highlights included:

- consideration of the findings of the statutory review of the *Cemeteries and Crematoria Act 2013* and the IPART *Review of the costs and pricing of interment in NSW* and *Review of competition, costs and pricing in the NSW funeral industry*
- developing an Interment Industry Scheme in consultation with our industry partners, taking into account the findings of the statutory and IPART reviews
- providing support to the major Sydney cemetery and crematoria operators on the interpretation of public health orders around COVID, including weekly liaison meetings during peak times to discuss and provide guidance on the impact of COVID-19 lockdown and restrictions on cemetery operations
- developing a new Customer Relationship Management system, to enhance the management of inquiries and complaints, and CCNSW's interactions with stakeholders more broadly
- commencing the development of a new strategic plan for 2022–2025, with a focus on directing CCNSW towards its next phase of regulatory maturity.

With a number of these projects making significant progress during the next 12 months, the Board looks forward to bringing these reforms to fruition.

Yours sincerely

Dr Stepan Kerkyasharian AO
Chair of the Board

Jennifer Hickey
Chief Executive Officer

Message from the Chair

2020–21 was a year of major changes and significant events for Cemeteries & Crematoria New South Wales (CCNSW) and the cemeteries and crematoria sector.

The completion of two NSW Government commissioned reviews of the sector heralded major reform, particularly to the Crown sector. The 5-year statutory review of the *Cemeteries and Crematoria Act 2013* (*The 11th Hour* report) and the IPART *Review of the costs and pricing of interment in NSW* recommended significant regulatory reforms and improved transparency and affordability for consumers. A third report, *Review of competition, costs and pricing in the NSW funeral industry* by IPART also proved instrumental in setting the boundaries around regulation of the funeral sector and the cemetery and crematoria industry. These reviews have also provided the NSW Government with the most detailed analysis of the Crown cemetery sector to date.

COVID-19 presented significant operational challenges for the sector. Cemetery and crematoria staff had to deliver their services in the context of COVID-19, while also dealing with major floods in some areas and the majority of cemetery and CCNSW staff working from home for a large proportion of the year. Four of the five major Crown operators in Sydney started a major transformation into an amalgamated entity, OneCrown.

The annual report details several major projects we progressed or completed in 2020–21 that responded to these changes and challenges experienced by the interment sector.

2020–21 also marked the beginning of structural and strategic planning in CCNSW as an agency to improve our regulatory maturity. We began developing a new strategic plan for 2022–2025, and a transitional organisational structure was implemented to support and drive strategic priorities for the agency.

We continued to engage with our stakeholders through the Community and Consumer Consultative Group (CCCG) and the Industry Consultative Group (ICG) and the Board is grateful, as always, for their contribution and honest feedback. The input from members of our consultative groups has been invaluable. We also consulted a range of stakeholders to inform the development of the Interment Industry Scheme.

I thank all the Board members for their contributions and support. A special word of appreciation to our CEO, Jennifer Hickey and her team who have worked with great dedication throughout the year to improve the operations of CCNSW.

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



Dr Stepan Kerkyasharian, AO
Chair of the Board

Contents

Summary highlights for 2020–21	1
Sector performance	1
Consumer support and stakeholder engagement	2
Legislation and charter – aims and objectives	2
Access	3
The Board and governance	4
Stakeholder engagement and communication	5
Community and Consumer Consultative Group	6
Industry Consultative Group	7
COVID-19 response	8
Management and structure	8
Summary review of operations	9
IPART review of the costs and pricing of interment in NSW	9
Cemeteries and Crematoria Act 2013 Statutory Review	9
Major projects for 2020–21	10
CCNSW 2019–20 activity information	10
Cemeteries and crematoria register	13
Planning for future cemeteries	15
Crown cemetery operator reporting	15
Regulatory and compliance monitoring activity in 2020–21	16
Legal changes	17
Workforce diversity, multicultural and disability policies	17
Human resources	17
Numbers and remuneration of senior executives	18
Compensation paid to key management personnel	18
Consultants	18
Consumer and industry response	19
Service-related complaints	19
Customer service	19
Promotion: overseas travel	22
Payment of accounts	22
Risk management and insurance activities	22
Audit	23
Internal audit	23
Audit and Risk Committee	23
Budget	23
Work, health and safety	24
Ethics and integrity	24
Privacy	25
Public interest disclosures	25
Applications under the Government Information (Public Access) Act 2009	25
Digital information security policy	26
Issues of significance raised by the Auditor-General	26

Annual report cost and availability 26
Appendices 26

Summary highlights for 2020–21

In 2020–21 Cemeteries & Crematoria NSW (CCNSW) progressed several projects in the context of major changes and significant events for the interment sector. These projects focused on supporting and improving sector performance, strengthening consumer support and stakeholder engagement. Summary highlights are outlined below, with additional detail provided throughout the report.

Sector performance

The 5-year statutory review of the *Cemeteries and Crematoria Act 2013* concluded, with the review report tabled in Parliament on 19 February 2021. The review confirmed the objectives and key elements of the Act, and the continuing need for an independent regulator. It also reinforced the critical importance of a best-practice, risk-based regulator for the cemetery and crematoria sector.

In June 2021, the Independent Pricing and Regulatory Tribunal (IPART) also delivered the final report of its review of the costs and pricing of interment in NSW. IPART recommended changes to deliver interment prices that are affordable and equitable for all and encompassing simple and transparent pricing so that people can make informed decisions about burial and cremation choices. Important recommendations were also made to ensure that cemeteries remain financially sustainable into the future.

There were common themes to both the statutory and IPART reviews, with both recommending the introduction of an Interment Industry Scheme under the Act. This will be a significant change to the way the sector is regulated. Both reviews also recommended measures to benefit consumers and help make the price of burials affordable, including outlining a basic adult burial product and price, and more transparent burial and cremation pricing.

A third report by IPART *Review of competition, costs and pricing in the NSW funeral industry* provided recommendations on improving the accessibility, consistency and clarity of information provided to consumers and industry. These recommendations relate mainly to the Public Health Regulation 2012 (NSW Health), and to the funeral information standard and consumer information availability which are regulated by Fair Trading.

We completed or progressed several major projects seeking to support and improve sector performance. This included:

- Providing information and support to operators as part of their response to the continually evolving impacts of COVID-19. We helped operators understand requirements of the public health orders and government health advice and convened weekly liaison meetings with the major Sydney metropolitan operators to discuss and provide guidance on the impact of COVID-19 lockdown and restrictions on cemetery operations.
- Completing an inquiry into one crown operator, and oversight of 2 council operators to ensure compliance with the NSW *Cemeteries and Crematoria Act 2013* and the *NSW Crown Land Management Act 2016*.
- Considering the findings of the statutory and IPART reviews from a CCNSW perspective.
- Developing an Interment Industry Scheme in consultation with our industry partners. The scheme will introduce licensing for cemetery and crematoria operators in NSW and a series of mandatory regulatory requirements.
- Developing a regulatory framework that outlines the regulatory role, approach and functions of CCNSW.
- Publishing a self-assessment checklist for the use by cemetery operators to support the application of the Voluntary Code of Practice for Cemetery Maintenance. The code was published in June 2020. The checklist provides a practical application of the code which can be both used by cemetery operators and CCNSW.

- Development of a new customer relationship management (CRM) system, to enhance the management of inquiries and complaints, and our interactions with stakeholders more broadly.

In addition to these projects, we continued to deliver on our regulatory and operational priorities, including collecting and publishing cemetery and crematoria operator data and researching and publishing annual activity data on cremation and burial services.

In 2019–2020 (the reporting period on activity data for this annual report), 69% of services were cremations. This is a slight increase in the cremation rate compared with the previous year, and an overall increase in the cremation rate over the last 4 years as the burial rate continues to trend down. By way of international comparison, this is lower than Canada (72.1%), New Zealand (75%) and the United Kingdom (78.2%).

We also maintained 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 2020–21.

Consumer support and stakeholder engagement

We strengthened engagement with our stakeholders and support for consumers by:

- completing a consumer research report (Way to Go) canvassing views of the community about burial, cremations and ways to commemorate life
- continued operation of the Community and Consumer Consultative Group (CCCG) and the Industry Consultative Group (ICG)
- undertaking consultation to inform development of the interment industry scheme, canvassing a broad range of stakeholders (cemetery operators, sector peak industry bodies consumer groups, the community, religious leaders and key Aboriginal stakeholders)
- presenting at conferences and forums, including to the Cemeteries & Crematoria Association of NSW conference in May 2021
- continued engagement with other NSW government agencies
- publishing e-newsletters for stakeholders.

Legislation and charter – aims and objectives

CCNSW is the statutory body with strategic and regulatory oversight of the interment industry and responsibility for administering the NSW *Cemeteries and Crematoria Act 2013*. The Act has 9 key objects that provide the framework in which CCNSW operates (s 3). These include:

- recognising the right of all individuals to a dignified interment and treatment of their remains with dignity and respect
- ensuring respect for the interment practices and beliefs of all religious and cultural groups
- ensuring the acquisition and allocation of sufficient land for current and future generations to have equitable access to interment services
- providing for a consistent and coherent regime for governing and regulating cemeteries and crematoria
- ensuring cemetery and crematoria operators demonstrate satisfactory levels of accountability, transparency and integrity
- ensuring cemeteries and crematoria on Crown land are managed in accordance with the principles of Crown land management
- promoting environmental sustainability in the interment sector
- promoting transparent cost structures for burials and cremations
- promoting affordable and accessible interment practices.

The Act passed in November 2013 and contains several key provisions, including:

- creating and maintaining the cemeteries and 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 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 cemetery operators 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 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. The Regulation is now being reviewed to encompass the development of the Interment Industry Scheme. More detail on this is provided in the section Major project for 2020–21.

In 2020–21, cemetery and crematoria operators 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

We can be contacted in the following ways:

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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 4 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, Deputy Chair of the National Australia Day Council and a member of the PM Glynn Institute Advisory Board.

Mr Christopher Zinn, Board member, has worked for many years in the 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 start-ups. He has previously worked at consumer advocacy group CHOICE and as Director of Campaigns for consumer network One Big Switch, a consumer network. Mr Zinn runs a consumer empowerment initiative, <http://www.determinedconsumer.com.au/>, and is the chair of community radio Eastside FM and also the Child Accident Prevention Foundation of Australia. Mr Zinn holds a Master of Arts degree in Geography from Oxford University and a Postgraduate Diploma in Journalism (University of Wales).

Danielle Woolley, Board member, is a Partner with KPMG Australia whose clients include state and federal government agencies. Danielle works with clients to deliver better outcomes for citizens by supporting them with strategy development, policy and program design, implementation planning, program evaluation and organisational governance and performance reviews. Before joining KPMG, Ms Woolley worked for more than 25 years in the NSW Government across social, environmental and economic portfolios. She held senior executive roles at the NSW Department of Premier and Cabinet, driving government priorities in the areas of domestic and family violence, reducing re-offending, refugee resettlement, counterterrorism, energy security and the activation of the Western Parkland City. Prior to that Ms Woolley worked in the Department of Family and Community Services and the Environment Protection Authority. Ms Woolley holds Bachelor of Economics and a Bachelor of Laws (Honours) degrees from The University of Sydney and a Graduate Diploma in Legal Practice from the University of Technology, 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 2020–2021 the Board also had 6 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 (Lyndsay Brooker)
 - Planning (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 (Stephen Dewick, A/CEO, from 1 July to 15 July 2020, then Jennifer Hickey appointed as the CEO from 20 July 2020).

Table 1. Attendance at Board meetings

Board member	Number of eligible Board meetings	Number attended
Dr Stepan Kerkyasharian, AO (voting member)	10	10
Christopher Zinn (voting member)	10	10
Danielle Woolley (voting member)	10	10
Michael Bullen (voting member)	10	9
Lyndsay Brooker	10	8
Luke Walton	10	6
Dr Siobhan Lavelle, OAM	10	10
Kathy Townsend	10	7
Geoffrey Prendergast	10	9
Jennifer Hickey	10	10
Stephen Dewick	1	1

A quorum for the Board is 3 of 4 voting members.

The term of appointment of each voting Board member was extended for 2 years from 15 November 2020 except Mr Zinn and Mr Bullen whose terms were extended for one year.

Stakeholder engagement and communication

We engage with key industry stakeholders, including cemetery and crematoria operators, religious and community representatives, and peak bodies like the Cemeteries and Crematoria Association NSW and Local Government NSW. We also regularly engage with other NSW Government agencies, including the NSW Department of Customer Service, NSW Fair Trading, NSW Trustee and Guardian, Multicultural NSW, NSW Registry of Births, Deaths and Marriages and NSW Health.

In 2020–21, CCNSW continued as 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 through whole-of-government channels and minimise the risk of duplicating work.

Our stakeholder engagements provide advocacy for, and contribution to, our consumer choice and public engagement activities, and are supported by the Communications, Marketing and

Engagement team from the Department of Planning, Industry and Environment. In 2020–21 we undertook consultation with both industry and consumer groups, community and religious leaders and key Aboriginal stakeholders.

As part of the development of the Interment Industry Scheme, we consulted with a wider range of stakeholders, particularly on clarity of the religious and cultural requirements and Aboriginal cultural and spiritual and requirements for burial and cremation.

The CEO and Director, Regulatory Policy and Reform presented on the topic *CCNSW: Our Regulatory Journey* at the Cemeteries & Crematoria Association of NSW conference on 28 May 2021. The CEO also participated in a Randwick Council/Southern Metropolitan Cemeteries webinar on embracing change in the cemeteries and crematoria industry.

Community and Consumer Consultative Group

The Community and Consumer Consultative Group (CCCG) is a high-level advisory committee for ensuring that policy development accounts for the diverse views of communities and consumers.

There are 15 members of the CCCG, each providing expert advice from community, cultural, faith-based, environmental, non-religious, consumer and service delivery perspectives.

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 Versteegen, 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 is Chair of the CCCG. Jennifer Hickey, CEO of CCNSW attended as a member in 2020–21.

The group aims to encourage advocacy and innovation 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, including those relating to key objectives of the Act.

CCCG meets quarterly and met 4 times in 2020–21. The CCCG considered the following issues during the year:

- CCNSW's public engagement and sustainability projects
- the statutory review of the Act

- IPART's *Review of interment costs and prices* and the IPART *Review of competition, costs and pricing in the NSW funeral industry*
- development of the CCNSW regulatory framework
- the remake of NSW Public Health Regulation 2012
- CCCG's 2 year forward focus
- COVID-19 regulations.
- UK funeral consumer support and natural burial choices
- Indigenous Australians and their experiences around death and dying
- architecture projects to transform Sydney cemeteries.

Industry Consultative Group

The Industry Consultative Group (ICG) was re-established in 2019 with a similar membership to the previous consultation group, which operated between 2016 and 2018. This high-level committee and forum meets quarterly to provide an industry wide strategic focus on critical and emerging issues. The committee also enables us to consult with the industry on regulatory development and for industry to provide advice to the CCNSW Board. During 2020–21 the involvement of ICG with the development and drafting of the Interment Industry Scheme, and its various components, was invaluable in ensuring that a meaningful and workable regulatory scheme is developed. The Interment Industry Scheme project was discussed in detail at each of the ICG meetings in 2021.

The CEO of CCNSW chairs the ICG, which is made up of representatives from the five major metropolitan Crown cemeteries:

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

There are also representatives from:

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

Local Government NSW was also invited to attend meetings to help their representatives understand the major reforms.

The ICG met five times during 2020–21 and discussed matters including:

- COVID-19 management and restrictions under public health orders, including staff safety and public interaction at memorial services at cemeteries
- consumer research and information developed by Urbis in the 'Way to Go' report
- development of a regulatory framework document including a risk-based assessment methodology and compliance and enforcement policy
- the IPART *Review of the costs and pricing of interment in NSW* and the IPART *Review of competition, costs and pricing in the NSW funeral industry*
- the development of an Interment Industry Scheme and the proposed licensing system for cemetery and crematoria operators
- natural burials development at Frenchs Forest cemetery

- the remake of *Public Health Regulation 2012*.

COVID-19 response

In 2020–21, COVID-19 presented significant and continually evolving challenges for the sector. This included interpretation of the frequently changing public health orders and government health advice, the need to adapt services and operations, managing impacts for their workforce living in areas of concern and protecting the safety of visiting families. To support the sector's respond to these impacts, we (with input from the NSW Ministry of Health) provided information and guidance material to operators on the application of government health advice and the public health orders. We also convened weekly liaison meetings with the major Sydney metropolitan operators to discuss and provide guidance on the impact of COVID-19 lockdown and restrictions on cemetery operations.

Management and structure

During 2020–21 Jennifer Hickey was appointed CEO of CCNSW. The CEO leads a small team of specialist staff (see Figure 1).

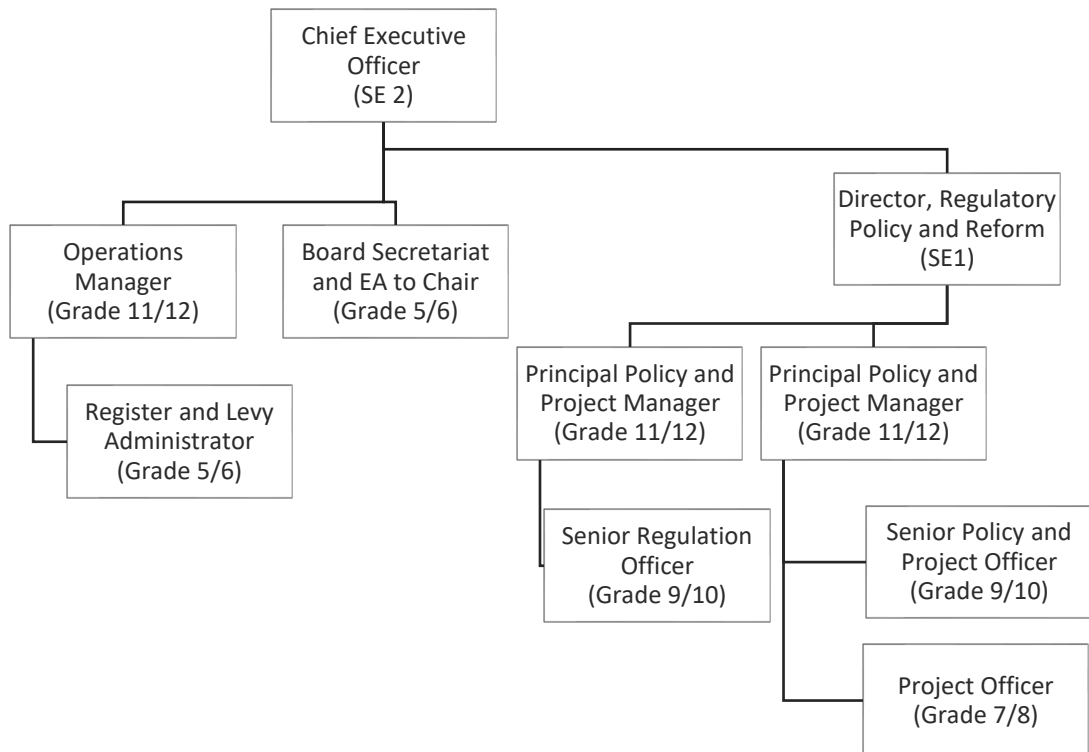


Figure 1. CCNSW management and structure

During the year, CCNSW put in place a transitional structure that aligns with strategic priorities for the agency. Approval for temporary funding was provided at the end of 2020 and recruitment commenced for 6 new staff. This included the recruitment of a new temporary position (Director, Regulatory Policy and Reform) to lead our regulatory reform project. For at least 6 months, CCNSW operated with 10 staff, which is 3 more than the previous year.

Summary review of operations

IPART review of the costs and pricing of interment in NSW

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 funded the IPART review, and during the reporting period, assisted IPART with industry information and stakeholder contacts and held meetings with IPART staff. IPART's final report was released in June 2021.

In its report, IPART recommended changes to deliver interment prices that are affordable and equitable for all; aimed at simple and transparent pricing structures so that people can make informed decisions about burial and cremation choices; and allow for cemeteries to remain financially sustainable into the future.

Recommendations made in the report included:

- a legal obligation on cemetery operators to have adequate financial provision for perpetual maintenance
- a regulatory requirement for the publication of prices charged by cemetery operators to assist consumers.

We welcome IPART's report, which provides an evidence base and appropriate benchmarking for transparent pricing for interment, covering all cemetery operators.

Cemeteries and Crematoria Act 2013 Statutory Review

The Department of Planning, Industry and Environment began the 5-year statutory review of the Act in November 2019, overseen by an interagency steering committee. 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.

The statutory review of the Act (*the 11th Hour* report) was tabled in Parliament on 19 February 2021. The review confirmed the objectives and key elements of the Act, and the continuing need for an independent regulator. Of the 42 recommendations in the statutory review, we are leading the consideration and implementation of 16 of them as they relate to the development of the Interment Industry Scheme.

The review reinforced the critical importance of a best-practice, risk-based regulator for the cemetery and crematoria sector. Like the IPART report, the statutory review also recommended measures to benefit consumers and help make the price of burials affordable, including a basic adult lawn burial offering, and more transparent burial and cremation pricing.

A key recommendation of the statutory review was the consolidation of the 5 existing Crown cemetery operators into a single operator for Crown cemeteries, to be known as OneCrown. As a first step towards this proposed reform, the government appointed an administrator to take on the functions of the boards of Northern Metropolitan Cemeteries Land Manager, Southern Metropolitan Cemeteries Land Manager, Rookwood Necropolis Land Manager and Rookwood General Cemeteries Reserve Land Manager. The administrator, Ms Lee Shearer, commenced in the role on Friday 28 May 2021. The purpose of this proposed reform is to secure the financial viability of the sector, allowing it to strategically address the need for more cemetery space, while delivering culturally relevant and affordable interment services.

In January 2021, The Cemeteries Review Taskforce was established in line with recommendation 11.1 in the statutory review. We are working closely with the taskforce to consider implementation of the recommendations.

Major projects for 2020–21

A comprehensive overview of our major projects in 2020–21 is provided in the section Summary highlights 2020–21. Progress achieved for the following projects is of particular note.

Regulatory reform project

In 2020–21 we continued to strengthen our regulatory maturity. This will be a major focus for the coming year and aligns with the recommendations of the statutory review and IPART review. This year we developed a regulatory framework that outlines the regulatory role, approach and functions of the agency. It outlines our approach to risk-based regulation, compliance, and enforcement. This document intentionally sets the compliance and enforcement direction of CCNSW, and while some of the processes outlined in the framework are not yet operational, it is the first step towards becoming a more proactive regulator. We will be working with our stakeholders over the next 12 to 18 months to fully implement the framework.

We also made significant progress in the development of an Interment Industry Scheme under the Act that will apply to cemetery and crematoria operators. The scheme will introduce licensing for cemetery and crematoria operators in NSW and a series of mandatory regulatory requirements. It will focus on providing an accessible, affordable and respectful interment industry for the people of NSW. We undertook targeted consultation throughout the year to help inform development of the scheme, canvassing a broad range of stakeholders (cemetery operators, sector peak industry bodies consumer groups, community, religious leaders and key Aboriginal stakeholders).

Consultation is still underway, but we expect the scheme will be finalised in 2022.

Customer relationship management system

During 2020–21 we engaged the Digital Information Office of the Department of Planning, Industry and Environment to develop a customer relationship management (CRM) system for CCNSW to manage our interactions with regulated entities, stakeholders and the general public. The CRM is based on the Salesforce software platform, and will go live in early 2021–22. The CRM will improve the way we manage and respond to operator and customer communications, including complaints and inquiries.

Strategic plan 2022 to 2025

During the reporting period, we began development of our second strategic plan. This plan builds on the foundations laid down in the *Cemeteries & Crematoria NSW Strategic Plan 2015–2020*, which marked the implementation of new legislation and the creation of CCNSW as a new agency. Together with the regulatory reform project progressed in this reporting period, the new strategic plan provides direction for our next phase of regulatory maturity. This will assist us realise our vision for all people in NSW to have access to sustainable, affordable, and culturally appropriate interment and cremation services, provided in a consistent, transparent and accountable manner.

CCNSW 2019–20 activity information

One of our 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 the 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 4-year period (see Table 2) and by sector (Table 3) in the most recent statistical reporting year (2019–20). Figure 2 illustrates the percentage of

burials and cremations within NSW in 2019–20, and Figure 3 and Figure 4 illustrate the distribution of burial and cremation in NSW by sector.

In 2019–20 there was a slight increase in the cremation rate compared with the previous year. There is an overall increase in the cremation rate over the last 4 years as the burial rate continues to trend down. Private operators manage over 84% of the crematoria in NSW and performed 82.7% of cremations.

Also shown are services for the whole of NSW by planning region, with 47.1% of all services carried out in metropolitan Sydney.

Table 2. Burial and cremation volumes for whole of NSW

Services per financial year	Number of services 2016–17	Number of services 2017–18	Number of services 2018–19	Number of services 2019–20
Total number of burials	18,415 (33.4%)	18,335 (32.1%)	17,955 (31.3%)	17,841 (30.8%)
Total number of cremations	36,704 (66.6%)	38,768 (67.9%)	39,391 (68.7%)	40,081 (69.2%)
Total number of services	55,119	57,103	57,346	57,922

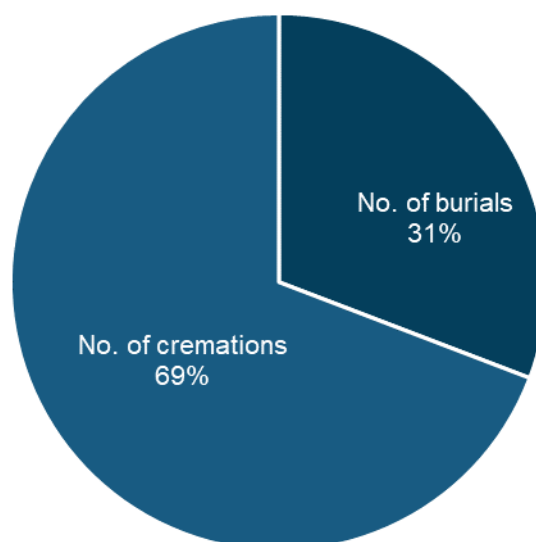
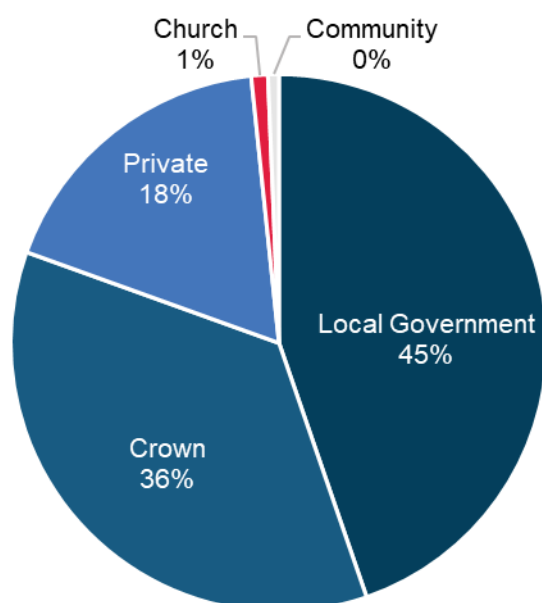


Figure 2. Percentage of burials and cremations in NSW for 2019–20

Table 3. Service type by sector for 2019–20

Operator sector	No. of burials	No. of cremations	Total No. of services
Local government	7,944 (44.6%)	1,528 (3.8%)	9,472 (16.4%)
Crown	6,363 (35.7%)	5,426 (13.5%)	11,789 (20.4%)
Private	3,163 (17.8%)	33,127 (82.7%)	36,290 (62.7%)
Church	216 (1.2%)	0 (0.0%)	216 (0.4%)
Community	127 (0.7%)	0 (0.0%)	127 (0.2%)
Total number of services	17,813	40,081	57,894

**Figure 3. Percentage of burials in NSW by sector for 2019–20**

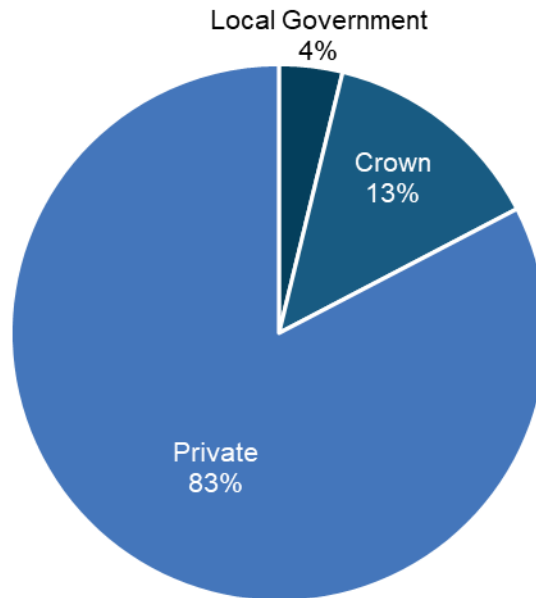


Figure 4. Percentage of cremations in NSW by sector for 2019–20

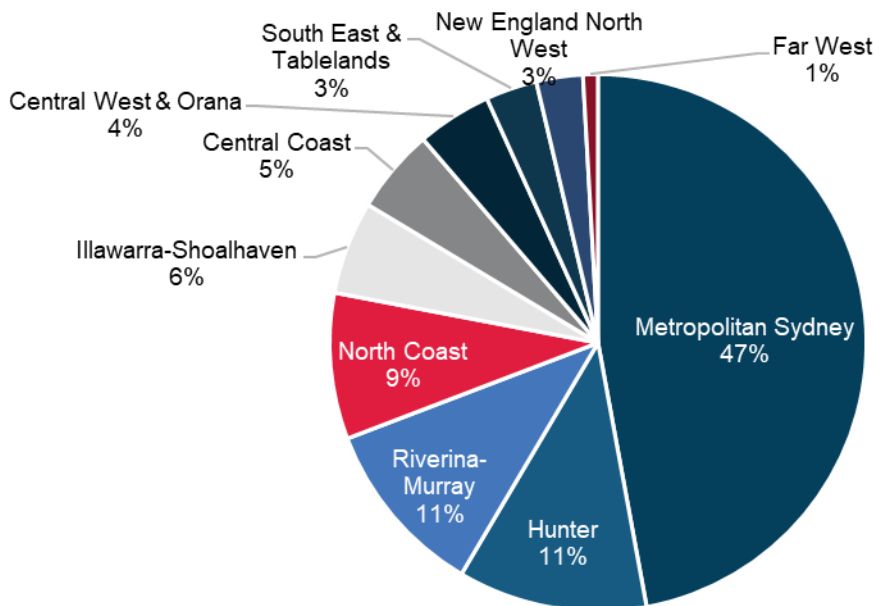


Figure 5. Whole of NSW services by planning region

Cemeteries and crematoria register

During 2020–2021, we continued updating the [NSW cemeteries and crematoria register](#)¹ in accordance with Section 27 of the Act. We update and publish an extract of the register 3-4 times a year for use by the community and industry.

¹ www.industry.nsw.gov.au/cemeteries-crematoria/locations/find-a-cemetery

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 Regulation require the register to include.

The register is a useful tool for anyone trying to locate a particular cemetery or crematoria. We have received feedback that people 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 2020–21, we 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. We work with current cemetery operators to identify an appropriate future manager for such cemeteries and to ensure these cemeteries are recorded in the register.

Table 4 summarises data on operational cemeteries and crematoria in NSW as of 30 June 2021.

Table 4. Operational cemetery and crematoria facilities in NSW by region as of 30 June 2021

Planning region	No. of operational cemeteries	No. of closed cemeteries	No. of inactive ^{2*} cemeteries	No. of operational crematoria
Central Coast	19	3	0	2
Central West and Orana	160	88	0	5
Far West	42	28	0	2
Hunter	186	45	0	6
Illawarra–Shoalhaven	36	26	0	4
Metropolitan Sydney	125	42	1	13
New England and North West	98	54	0	4
North Coast	99	35	0	11
Riverina Murray	120	39	0	9
South East and Tablelands	151	67	0	3
Total	1036	427	1	59

² Inactive' refers to cemeteries currently under development and not yet able to undertake interments.

Planning for future cemeteries

As highlighted in the statutory review, it is projected that all of the existing operational Crown cemeteries in Sydney will exhaust their currently available land in the next 12 years. The report suggests that Sydney residents who have not pre-purchased an interment right by then will not be able to be buried at these cemeteries with currently 41% of unused interment sites in Crown cemeteries being presold. This forecast does not include the planned Macarthur Memorial Park (MMP) at Varroville. This site is projected to provide an additional 136,000 plots and would extend the burial capacity of the Crown sector by approximately 10 years.

We continued to advocate for cemeteries and crematoria when drafts for various land-use planning proposals were referred to or otherwise reviewed by us in 2020–21. We 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

We are responsible for overseeing the performance of Crown cemetery operators (who are also Crown land managers under the *NSW Crown Land Management Act 2016*). The governance framework imposes annual reporting requirements for all Crown cemetery operators except local government operators, including providing independently audited financial statements. Annual reports must include a report on operations, including reference to the operator's strategic plan and any plans of management.

During 2020–21, we received and evaluated annual reports, financial statements and proposed fees and charges for metropolitan Crown cemetery operators and completed follow-up enquiries on fees and prices requiring clarification. Crown cemetery operator annual reports are available on the websites of the respective cemetery operators.

The CCNSW Board granted an extension to the reporting exemption under Part 5 of the Act, to metropolitan council-run cemeteries on Crown land to the end of 2021 and to the end of 2022 for regional councils. This is pending an assessment of the reporting requirements that apply to councils under the *Local Government Act 1993* and the Integrated Planning and Reporting Framework.

Crown cemetery operator annual reports and financial statements

CCNSW assesses Crown cemetery operator annual reports for compliance against a range of reporting criteria drawn from the Act and as also required for Crown land managers. We assessed the annual reports and financial statements we received in the reporting period as being compliant with the Act and the required reporting criteria.

During the reporting period, there were varying financial impacts on Crown cemetery operators due to the COVID-19 pandemic:

- The impact on revenue varied across the 4 major Sydney Crown operators with one operator increasing revenue, one operator steady with the previous year and two Crown operators experiencing decreases in revenue.
- Increased expenses occurred for two Crown operators with the other two Crown operators being either the same or the same slightly less than the previous year.
- All Crown cemetery operators had accumulated reserves or perpetual funds in excess of \$100 million each. These funds experienced lower earning rates as a result of COVID-19 which was the same situation for many funds nationally.

Despite the reserves for the perpetual funds, the statutory review concluded that only 2 of the 4 Crown operators could currently meet their perpetual maintenance obligations by the time their cemeteries reach exhaustion. This matter is being addressed through the development of the Interment Industry Scheme and will be a focus for us in the coming year.

Regulatory and compliance monitoring activity in 2020–21

We conducted the following regulatory activities in 2020–21:

- 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
- providing information and advice to cemetery operators for compliance issues.

We conducted active regulatory inquiries concerning the operations of one cemetery operator during the year. This was a result of a voluntary disclosure by the cemetery operator. The matter remains under active management. We also took an active interest in two council operators, who complied with requests and actioned issues that were raised.

Activities under Part 3 and Part 5 of the *Cemeteries and Crematoria Act 2013* are shown in Table 5. 2020–21 activities under Part 3 of the *Cemeteries and Crematoria Act 2013* and Table 6. 2020–21 activities under Part 5 of the *Cemeteries and Crematoria Act 2013*

Table 5. 2020–21 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	2020–21	Section of the Act
Total number of registrations	1,497	1,523	S. 27
Cemeteries registered	1,438	1,464	S. 27
Crematoria registered	59	59	S. 27
New registrations in period	39	31	S. 27
Cemeteries and crematoria register publication updates	3	3	S. 27
Codes of practice developed	0	0	S. 28
Mandatory codes of practice	0	0	S. 29
Codes of practice approved - Voluntary	1	1	S. 30
Interment industry schemes in effect	0	0	S. 31
Improvement notices issued	0	0	S. 33
Improvement notice interventions	0	0	S. 35
Short-term orders issued	0	0	S. 36
Enforceable undertakings in effect	0	0	S. 39
Enforceable undertaking enforcement actions	0	0	S. 40
Cemetery/crematoria facility activity performance reports	0	1	S. 41

Table 6. 2020–21 activities under Part 5 of the *Cemeteries and Crematoria Act 2013*

Activity under Part 5 of the Cemeteries and Crematoria Act 2013	2019–20	2020–21	Section of the Act
Crown cemetery operator significant event notifications	0	0	S. 85
Crown cemetery operator strategic plans assessed	0	0	S. 90
Crown cemetery operator strategic plans adopted	0	0	S. 92
Crown cemetery operator plans of management assessed	0	0	S. 93
Crown cemetery operator plans of management referred for exhibition	0	0	S. 95
Crown cemetery operator plans of management adopted	0	0	S. 96
Crown cemetery operator annual reports assessed	5	5	S. 99
Fees and charges interventions	0	1	S. 107

Legal changes

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

Workforce diversity, multicultural and disability policies

Our diversity achievements now fall under the Department of Planning, Industry and Environment and will be reported in the department's 2020–21 annual report.

Table 7. CCNSW staff

Reporting year	Male	Female
2020–21	4	6

Human resources

Table 8 shows the number of officers and employees by category with previous year comparison. Headcount data was reported at end of reporting period.

Table 8. Staff composition and salary levels

	2020-2021	2019-2020
Ongoing	7	6
Temporary	1	0
Executive	2	1
TOTAL	10	7

There were no exceptional movements in wages, salaries or allowances in 2020–21.

Numbers and remuneration of senior executives

There were 2 executives employed at the end of the 2020–21 financial year, as shown in Table 9.

Table 9. Number and band of senior executives 2020–21

	2020–21		
	Female	Male	Total
Band 4 Secretary	0	0	0
Band 3 Group/Deputy Secretary	0	0	0
Band 2 Executive Director	1	0	0
Band 1 Director	1	0	0
Total	2	0	2

The senior executive statistics shown in Table 9 are as of 30 June 2021. This data is based solely on senior executives in their substantive role and band level. Salary ranges are shown in Table 10.

Table 10. Remuneration range of senior executives 2020–21

Executive level	Salary range
Band 2 Executive Director	\$274,701 - \$345,550
Band 1 Director	\$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

We continued and completed several major projects in 2020–21. All consultancies are recorded in Table 11 and Table 12. The tables outline the overall commitments for these projects:

Table 11. Consultants over \$50,000

Consultant	Project	Cost	No. of engagements
McGrathNicol	For services related to CCNSW's regulatory powers of inquiry	\$281,441.37	1
IPART	Review of interment industry costs and pricing	\$247,500.00	1
Maddocks	Legal services	\$50,221.44	1
Total	-	\$579,162.81	-

Table 12. Consultants under \$50,000

Consultant	Project	Cost	No. of engagements
Urbis Pty Ltd	Public communication toolkit	\$29,048.79	1
Diligent Board Services Australia Pty Ltd	Board services	\$15,745.40	1
Blaze Advertising Pty Ltd	CCCG Media Campaign 20149	\$11,884.53	1
Alison Gibbons	Strategic Planning facilitator	10,560.00	1
Wavemaker	Social media advertising for CCCG	\$3,883.63	1
Total	-	\$71,122.35	-

Consumer and industry response

Service-related complaints

Details of feedback related to CCNSW, including any complaints, are received through the Feedback Assist platform and are included in the department's statistical information.

If we receive complaints through the department's Feedback Assist platform, they will be managed under the department's complaint handling process and will be included in the department's statistical information.

Customer service

CCNSW has a customer service charter as well as a publicly available complaints management policy and procedure. These are available on our website.

In 2020–21, we received and responded to 97 enquiries. Figure 6. 2020–21 enquiries by enquirer category shows the source of the enquiries and Figure 7. 2020–21 enquiries by regulatory subcategory shows the categories of enquiries.

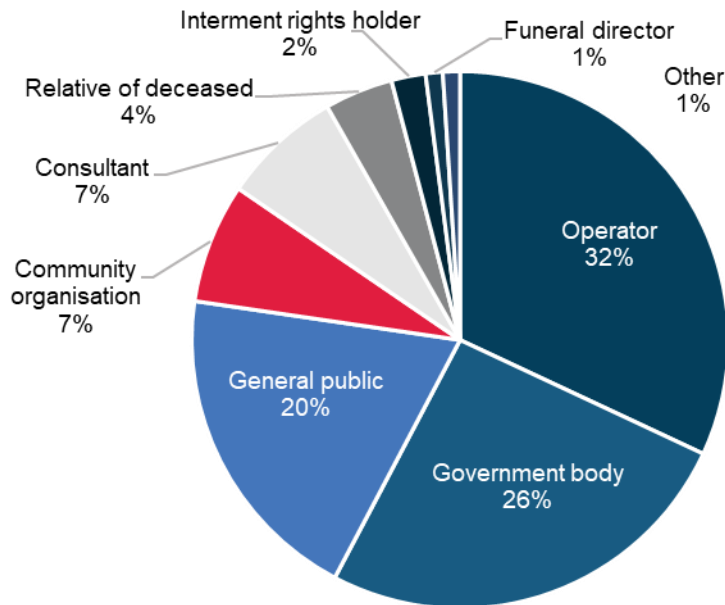


Figure 6. 2020–21 enquiries by enquirer category

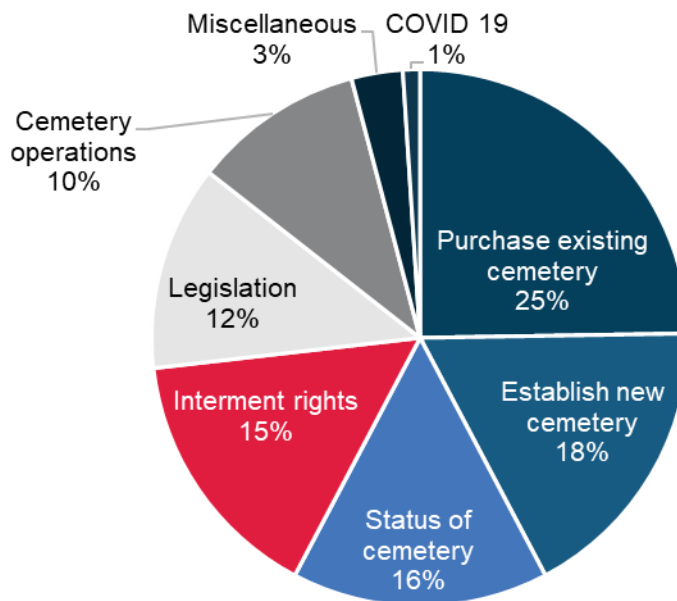


Figure 7. 2020–21 enquiries by regulatory subcategory

In 2020–21, we received and acted on 78 consumer complaints regarding cemetery operators and one complaint in relation to CCNSW. We encourage consumers to first contact the cemetery or crematoria operator to resolve a matter. However, we can 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. Figure 8 shows the categories of complaints we received.

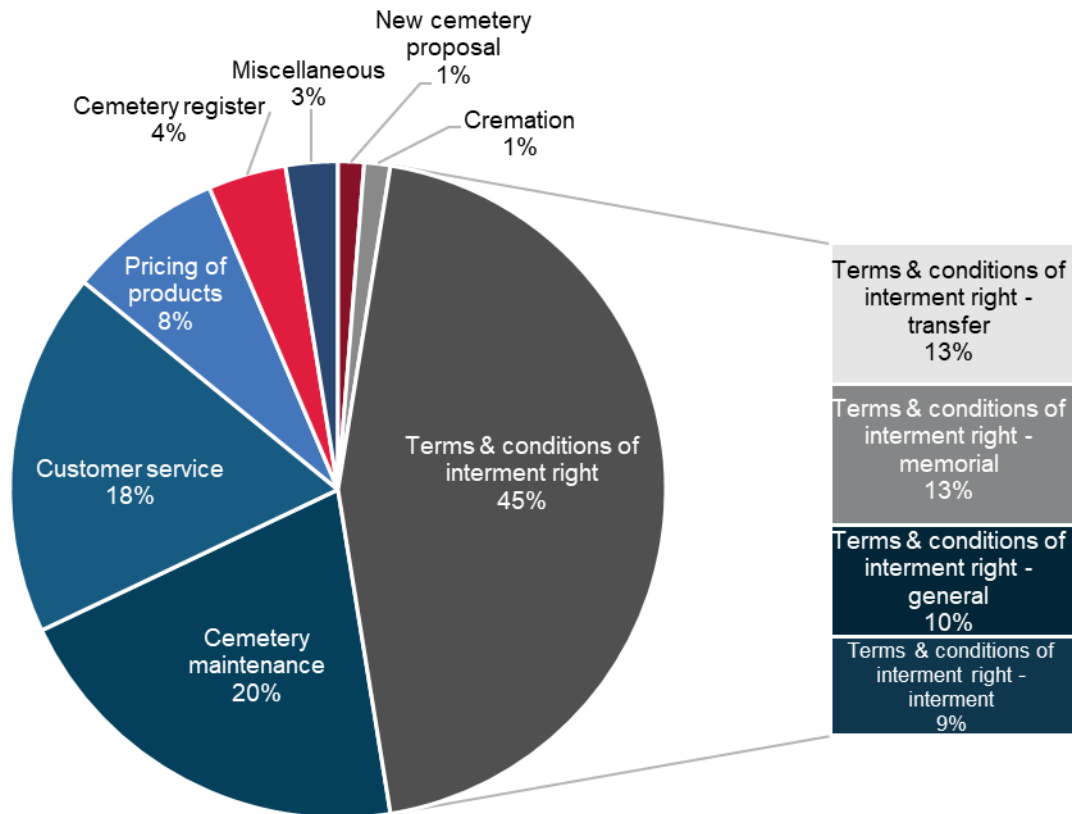


Figure 8. 2020–21 consumer complaints by regulatory subcategory

The number of complaints we received in 2020–21 increased, with 79 complaints compared to 61 in the previous year (see Figure 9). This upward trend since the agency’s formation is not unexpected as our profile grows overtime.

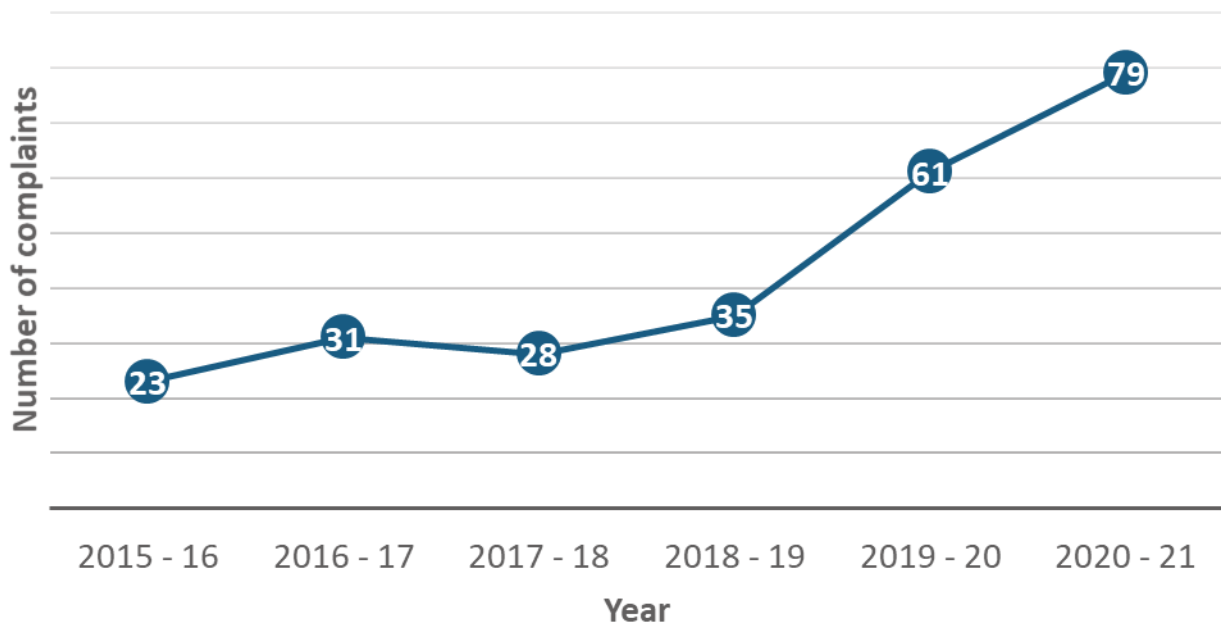


Figure 9. Trend in complaints from 2015–16 to 2020–21

In 2020–21, there were 19 representations to the Hon. Melinda Pavey, MP, Minister for Water, Property and Housing, relating to cemetery and crematoria matters. These matters included governance arrangements for operators, customer service enquiries and burial space.

Promotion: overseas travel

CCNSW staff made no overseas visits during 2020–21.

Payment of accounts

The department, through its Corporate Services division, provided us with various accounting and corporate services, including account payments. We operate 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

The department supports us to manage risks. Insurance is covered at a departmental level.

In 2020–21, the department continued to implement its enterprise-wide risk management framework across its business and the cluster entities to which it provides risk management services. The framework reflects its commitment to provide a consistent and systematic process to manage risks across the cluster. It is consistent with international risk management standards (ISO 31000-2018) and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP20-08). It provides the principles and tools for risk management practice and culture across the departmental cluster.

In December 2020 the revised Risk Management Procedure was published with applicability across the department and its agencies. The procedure includes a standard risk register template and is supported by the Risk Management Policy, which was approved earlier in 2020. Further to these developments, quarterly risk reporting to the CCNSW Audit and Risk Committee was standardised and alignment enabled with the department's Enterprise Risk Register.

The department supports our risk management through a business partnering model operated from the department's Governance division. Risk reviews at the entity level were conducted quarterly during the year, and involved the participation of senior management. Ad hoc advice and support were also provided to us as required.

In 2020–21 the department developed and implemented a uniform business continuity management (BCM) process applicable to all departmental employees and based on *ISO22301:2019*. The process was rolled-out across entities within the department who have employees employed in or through the department.

The process includes a comprehensive document suite to support the preparation for, and response to, incidents and disruptive events that impact the department's business operations. We completed the transition to department's BCM process in 2020–21 and have a current business continuity plan in place.

BCM documentation includes 'preparation' documents, which are needed to plan, coordinate, and maintain the BCM process on an ongoing basis, and 'response' documents which activate and guide an appropriate business continuity response when disruption occurs.

Audit

Internal audit

The Chief Audit Executive (CAE) and internal audit function for CCNSW is provided by the department's Internal Audit Branch, Governance and Legal Group.

The internal audit function is governed by the Internal Audit Charter endorsed by the Board.

The internal audit function provides independent and objective review and advisory services designed to improve the operations, risk management, controls and governance processes. The 2020–21 Internal Audit Plan included one risk-based audit engagement and was developed following consultation with management and the Audit and Risk Committee.

Audit and Risk Committee

We have an independent Audit and Risk Committee established under a collaborative shared arrangement. During the year, the Chief Audit Executive reported to the Audit and Risk Committee about internal audit activities.

We are not required to have an Audit and Risk Committee under Treasury Policy TPP 20-08 Internal Audit and Risk Management for the General Government Sector. However, we consider it good governance practice to have access to an Audit and Risk Committee. The Chair of the Board of CCNSW regularly attends the Audit and Risk Committee and is supportive of the Audit and Risk Committee arrangements. The Audit and Risk Committee discharged its responsibilities under the charter and met 5 times during 2020–21.

Table 13. The independent Chair and members of the Audit and Risk Committee

Role	Name	Start term date	Finish term date
Independent Chair	Carol Holley	30 March 2020	29 March 2023
Independent member	Arthur Butler	30 March 2020	29 March 2023
Independent member	Nirmal Hansra	30 March 2020	29 March 2023

Budget

The budget for CCNSW is broken down in Table 14. CCNSW 2020–21 budget.

Table 14. CCNSW 2020–21 budget

Expenditure area	Budget allocation	Total expenditure 2020–21
Employee related	<ul style="list-style-type: none"> Salaries and board remuneration 	\$1,554,442
Consultants	<ul style="list-style-type: none"> Services related to CCNSW's regulatory powers of inquiry Review of interment industry costs and pricing Public communication toolkit 	\$492,339
Advertising and promotion	<ul style="list-style-type: none"> Advertising - Agency Fees 	\$11,885
Travel and entertainment	<ul style="list-style-type: none"> Motor vehicle expenses Travel - meal and other Catering 	\$7,209
Contractors	<ul style="list-style-type: none"> Contractors Other fees 	\$20,415
Occupancy and maintenance	<ul style="list-style-type: none"> Property and utilities 	\$66,798
Training and development	<ul style="list-style-type: none"> Staff professional development 	\$605
Other fees	<ul style="list-style-type: none"> Computer software fees Mobile phone – telecommunications Purchase computer assets 	\$21,173
Other operating costs	<ul style="list-style-type: none"> Legal fees Audit fees Personnel Management General expenses - printing, conferences, couriers, printing, office consumables, and service fees 	\$208,461
Total expenses³		\$2,383,327

Work, health and safety

Our staff follow work, health and safety policies and procedures issued by the department. There were no reported work, health and safety incidents in 2020–21.

Ethics and integrity

In 2020–21, the department launched the Ethics Portal, which provides an online, centralised and up-to-date resource for all employees to declare and comply with their obligations under the Code

³ Full-year budget 2020–21 = \$2,008,804

of Ethics and Conduct. In the code's development, the department's Ethics branch undertook comprehensive consultation and engagement with all the business units within the department to ensure the Ethics Portal was both accessible and relevant to the compliance needs to all employees. The Ethics Portal has strengthened reporting capabilities to ensure the department is committed to the highest standards of ethical conduct and integrity.

The code underpins the department's compliance framework, which in 2020–21 was supported by:

- the new Ethics Portal which manages declarations concerning conflicts of interest, code of ethics and conduct, senior executive private interests, and gifts, benefits and hospitality, as well as approvals of secondary employment
- the Fraud and Corruption Control Framework and Policy
- the Public Interest Disclosures Policy and Procedure (which includes access to an anonymous reporting tool)
- the Lobbying of Government Officials Policy
- training and resources to assist with the management of ethics related workplace issues.

The department worked in collaboration with the NSW Ombudsman to ensure a robust framework that supports staff to raise workplace concerns and make reports of wrongdoing.

Privacy

Under Clause 6 of the Annual Reports (Departments) Regulation 2010, CCNSW must provide a statement of its actions to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIP Act). We must also provide statistical details of any reviews conducted by or on behalf of the department, under Part 5 of the PPIP Act.

We comply with the Privacy Management Plan for the Department of Planning, Industry and Environment. The plan outlines how the department and its cluster agencies comply with the principles of the PPIP Act and the *Health Records and Information Privacy Act 2002*. Officers in the department's Information Access & Privacy unit also provide specialist privacy advice and training to departmental cluster staff.

In 2020–21, we received no applications for review under Part 5 of the PPIP Act.

Public interest disclosures

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations under this Act. This information for CCNSW is captured in the Department of Planning, Industry and Environment Annual Report for 2020–21 as all public interest disclosures are managed centrally by the department.

Applications under the Government Information (Public Access) Act 2009

We have delegated the functions under section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) to the Information Access and Privacy Unit of the Department of Planning, Industry and Environment. Any formal applications for information from CCNSW are dealt with by the department and are included in the department's statistical information.

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. We have no independent information and communications technology function and comply 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 2020–21.

Annual report cost and availability

We have prepared the *CCNSW Annual Report 2020–21* 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 2020–21



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 (the CCNSW), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the CCNSW's financial position, financial performance and cash flows

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 the 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 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Board and Chief Executive of the CCNSW is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the CCNSW's annual report.

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 Board and Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Board and Chief Executive's responsibility also includes such internal control as the Board and Chief Executive determines 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 Board and Chief Executive is responsible for assessing the 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 the 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 flourish at the end.

Min Lee
Director Financial Audit

Delegate of the Auditor-General for New South Wales

15 October 2021
SYDNEY



Dr Stepan Kerkyasharian AO
Chair
Cemeteries and Crematoria NSW
Locked Bag 5123
PARRAMATTA NSW 2124

Contact: Min Lee
Phone no: 02 9275 7151
Our ref D2120689/1663

15 October 2021

Dear Dr Kerkyasharian

STATUTORY AUDIT REPORT
for the year ended 30 June 2021
Cemeteries and Crematoria NSW

I have audited the financial statements of Cemeteries and Crematoria NSW (the CCNSW) as required by the *Government Sector Audit Act 1983* (GSA Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2021, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the CCNSW. The GSA Act requires me to send this report to the CCNSW's Accountable Authority, responsible Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the CCNSW's financial statements. I enclose the Independent Auditor's Report, together with the CCNSW's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

Audit result

I expressed an unmodified opinion on the CCNSW's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the CCNSW's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the CCNSW.

The Appendix lists and explains the nature and impact of the misstatements contained in the financial statements.

- Table one reports significant corrected misstatements and disclosure deficiencies.

Based on my evaluation, none of the misstatements reported are due to fraud.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on the CCNSW's financial statements. This includes testing whether the CCNSW complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

Auditor-General's Report to Parliament

The 2021 Auditor-General's Report to Parliament will incorporate the results of the audit.

Publication of the Statutory Audit Report

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

Acknowledgment

I thank the CCNSW's staff for their courtesy and assistance.

Yours sincerely



Min Lee
Director Financial Audit

Delegate of the Auditor-General for New South Wales

APPENDIX

Table one: Corrected monetary misstatements and disclosure deficiencies

Corrected monetary misstatements

I did not detect any reportable monetary misstatements in the financial statements.

Corrected disclosure deficiencies

Management corrected the following disclosure deficiencies in the current year’s financial statements. I agree with management’s determination and confirm this treatment complies with Australian Accounting Standards.

AASB reference	Disclosure title	Description of disclosure deficiency
AASB101 Presentation of financial statements	Retained Levies	Management netted off reimbursement of overcharged levy owed to NMCLM against current year retained levies instead of disclosing it as other operating expenses. AASB101 restricts entities from offsetting income and expenses unless required or permitted by an Australian Accounting Standard.
AASB 107 Statement of cashflows	Statement of Cashflows	Movement in accounts receivable was allocated to payments to suppliers instead of receipts.

Cemeteries and Crematoria NSW

Financial Statements

30 June 2021

CEMETERIES AND CREMATORIA NSW STATEMENT BY THE ACCOUNTABLE AUTHORITY

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ("the Act"), we state on behalf of Cemeteries and Crematoria that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly Cemeteries and Crematoria's financial position, financial performance and cash flows.



Dr Stepan Kerkyasharian AO
Chair

Date: 14 October 2021



Jennifer Hickey
Chief Executive Officer

Date: 14 October 2021

Beginning of financial statements

CEMETERIES AND CREMATORIA NSW

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
Expenses			
Personnel services	2(a)	1,614	1,226
Other operating expenses	2(b)	1,019	561
Total expenses		2,633	1,787
Revenue			
Retained levies	3(a)	659	694
Investment revenue	3(b)	2	12
In-kind contribution	3(c)	1,972	1,081
Total revenue		2,633	1,787
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 2021**

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	1,330	1,491
Receivables	5	568	208
Total current assets		1,898	1,699
Total assets		1,898	1,699
LIABILITIES			
Current liabilities			
Payables	6	272	73
Total current liabilities		272	73
Total liabilities		272	73
Net assets		1,626	1,626
EQUITY			
Accumulated funds		1,626	1,626
Total equity		1,626	1,626

The accompanying notes form part of these financial statements.

CEMETERIES AND CREMATORIA NSW
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Accumulated Funds \$'000	Total Equity \$'000
Balance at 1 July 2020		1,626	1,626
Net result for the year		-	-
Balance at 30 June 2021		<u>1,626</u>	<u>1,626</u>
Balance at 1 July 2019		1,626	1,626
Net result for the year		-	-
Balance at 30 June 2020		<u>1,626</u>	<u>1,626</u>

The accompanying notes form part of these financial statements.

CEMETERIES AND CREMATORIA NSW
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(388)	(391)
Payments to suppliers		(221)	(622)
Total payments		(609)	(1,013)
Receipts			
Retained levies		446	652
Interest received		2	12
Total receipts		448	664
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	(161)	(349)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents		1,491	1,840
CLOSING CASH AND CASH EQUIVALENTS	4	1,330	1,491

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 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 2021 have been authorised for issue by the Chair and Chief Executive Officer on the date the accompanying statement 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 *Government Sector Finance Act 2018* 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 thousand 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.

Cemeteries regrouped the 2019-2020 comparative details within other operating expenses Note 2(b). There is no change to the total revenue, total expenses, net result and equity position of Cemeteries for the 2019-20 financial year.

(g) Deemed Appropriations

Cemeteries and Crematoriums NSW Fund is a special deposits account established under section 18 of the *Cemeteries Act 1998* into which is paid all of the money that is expended by Cemeteries in the exercise of its functions. Cemeteries therefore does not have any deemed appropriations and hence no disclosure under section 4.7 of the GSF Act on movement of deemed appropriations is required.

(h) Effective for the first time 2020-21

Cemeteries applied *AASB 1059 Service Concessions Arrangements: Grantors* for the first time.

The nature and effect of the changes as a result of adoption of the new accounting standard is described below.

Service Concession Arrangements: Grantors (AASB 1059)

AASB 1059 is effective for Cemeteries from 1 July 2020. The NSW Treasury Policy and Guideline Paper *TPP06-8: Accounting for Privately Financed Projects (TPP 06-8)* was also withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the assets and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The adoption of AASB 1059 did not have any financial impact on statement of financial position, statement of comprehensive income and the statement of cash flows for the financial year.

Several other amendments and interpretations also applied for the first time in the financial year 2020-21, but do not have an impact on the financial statements of Cemeteries.

(i) Issued but not effective

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

The following new Australian Accounting Standards have been issued but are not yet effective.

- *AASB 17 Insurance Contracts (effective from 1 January 2021)*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (effective from 1 July 2021)*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2022)*
- *AAAASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments (effective from 1 January 2022)*
- *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts (effective from 1 January 2021)*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current (effective from 1 January 2022)*
- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures (effective from 1 January 2021)*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2 (effective from January 2021)*

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

(j) COVID-19

COVID-19 has not resulted in any material impact on Cemeteries' revenue and expenses. The Agency is continually assessing the impact of COVID-19 on the operating performance and its financial assets and liabilities.

(k) Going Concern

The financial statements have been prepared on a going concern basis. 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.

2. EXPENSES

	2021 \$'000	2020 \$'000
(a) Personnel services expenses include the following:		
Salaries and wages (including annual leave)	1,292	939
Superannuation	124	100
Payroll tax	68	61
Workers' compensation insurance	11	5
Board members salaries	119	121
	1,614	1,226

Recognition & Measurement**Personnel services**

The agency does not employ staff but uses the personnel services of the Department of Planning, Industry and Environment. The costs of salaries, wages, superannuation, annual leave, long service leave, and for sick leave are disclosed as personnel services.

Cemeteries receives administrative, secretarial support and operational assistance from the Department. Cemeteries has an arrangement with the Department to reimburse a proportion of Department's personnel services involved in the activities of Cemeteries.

Board Members fees and on-costs

Board member fees and on-costs include fees for Board member services plus superannuation, payroll tax and departmental on costs. Board members are not entitled to any leave provisions.

(b) Other operating expenses include the following:

	2021 \$'000	2020 \$'000
Administration Costs	18	24
Audit Fees	37	14
Communication & IT	15	2
Consultancy Fees	492	428
Contractors	80	1
Legal Fees	46	-
Low value and short term leases	67	71
Purchase Assets <\$5,000	6	12
Refund of overpaid levies	251	-
Travelling Costs	7	9
	1,019	561

Recognition and Measurement

Cemeteries completed a review of classifications for other operating expenses to reflect material and current operating activities. As per Note 1(f) 2020 comparative details were regrouped to match the 2021 classifications. 'Advertising and promotion', 'Catering', 'Consumables', 'Other operating' and 'Printing & stationary' have all been reclassified to 'Administrative costs'. The expenses 'Computer software' and 'Telecommunications' have been reclassified to 'Communication & IT'.

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

Cemeteries recognises the lease payments associated with the following types of 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."

3. REVENUES**Recognition and Measurement**

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*.

	2021	2020
	\$'000	\$'000
(a) Retained levies		
Crown Cemeteries levy	659	694
	<u>659</u>	<u>694</u>

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.

	2021	2020
	\$'000	\$'000
(b) Investment revenue		
Interest	2	12
	<u>2</u>	<u>12</u>

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).

	2021	2020
	\$'000	\$'000
(c) In-kind contributions - Department of Planning, Industry & Environment		
Contribution to personnel services and other expenses	1,972	1,081
	<u>1,972</u>	<u>1,081</u>

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).

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2021 \$'000	2020 \$'000
Cash at bank and on hand	1,330	1,491
	1,330	1,491

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)	1,330	1,491
Closing cash and cash equivalents (per statement of cash flows)	1,330	1,491

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

5. CURRENT ASSETS - RECEIVABLES

	2021 \$'000	2020 \$'000
CURRENT		
Accrued income	166	172
Trade receivables	-	32
Receivable - Department of Planning, Industry and Environment	383	-
Net GST receivable	19	4
	568	208

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 10.

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

	2021 \$'000	2020 \$'000
CURRENT		
Accruals	21	29
Accruals - salaries and wages	-	2
Creditors - Department of Planning, Industry and Environment	-	39
Creditors - Other	251	4
	272	74

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 10.

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 in 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

	2021 \$'000	2020 \$'000
Net cash used on operating activities	(161)	(349)
Increase / (decrease) in receivables	359	41
Decrease / (increase) in creditors	(198)	308
Net result	-	-

8. ACCUMULATED FUNDS

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

9. STATE OUTCOMES

Cemeteries operates to contribute to DPIE NSW State Outcomes 3: Maximise community benefit from government land and property. Delivering a coordinated, strategic approach to the use of government owned property to maximise community benefits by delivering quality public spaces and diverse housing outcomes.

10. 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 2021 \$'000	Carrying Amount 2020 \$'000
Class:				
Cash and cash equivalents	4	Amortised cost	1,330	1,491
Receivables ¹	5	Amortised cost	-	-
Financial liabilities	Note	Category	Carrying Amount 2021 \$'000	Carrying Amount 2020 \$'000
Class:				
Payables ²	6	Financial liabilities measured at amortised cost	272	74

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).

10. 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 2021.

Cemeteries had no financial assets past due or impaired as at 30 June 2021.

(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% (2020– 0%). There was no interest paid during the period (2020:nil).

10. 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 \$'000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non-interest Bearing \$'000	< 1 yr.	1 - 5 yrs	> 5 yrs
2021								
Payables	0.0%	272	-	-	272	272	-	-
		272	-	-	272	272	-	-
2020								
Payables	0.0%	74	-	-	74	74	-	-
		74	-	-	74	74	-	-

Note:

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 2020. 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 \$'000	-1% Result \$'000	Equity \$'000	+1% Result \$'000	Equity \$'000
2021					
Financial Assets					
Cash and cash equivalents	1,330	(13)	(13)	13	13
Receivables	-	-	-	-	-
Financial Liabilities					
Payables	272	-	-	-	-
2020					
Financial Assets					
Cash and cash equivalents	1,491	(15)	(15)	15	15
Receivables	-	-	-	-	-
Financial Liabilities					
Payables	74	-	-	-	-

Other price risk - Tcorp Hour Glass Investment facilities

Cemeteries holds no units in Hour-Glass investment trusts.

10. FINANCIAL INSTRUMENTS (continued)**(d) Fair value measurement**

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.

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Cemeteries is unaware of the existence of any contingent assets or liabilities as at balance date; (2020: Nil).

12. RELATED PARTY DISCLOSURE

In 2021 all KMP services of \$373,098 were provided in kind and equal revenue was recognised. For 2020 \$246,270 out of \$279,310 KMP services were 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.
Southern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services.
Catholic Metropolitan Cemeteries Trust	Levies received based on interment and cremation services.
Northern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services.
Rookwood General Cemeteries Reserve Land Manager	Levies received based on interment and cremation services.

13. EVENT AFTER REPORTING DATE

There are no known events that would impact on the state of Cemeteries or have a material impact on the financial statements.

End of audited financial statements.