

Cemeteries & Crematoria NSW


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Cemeteries & Crematoria NSW Annual Report 2022-23

October 2023





Acknowledgement of Country

Cemeteries & Crematoria NSW acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Cemeteries & Crematoria NSW Annual Report 2022-23

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Letter of submission

30 October 2023

The Hon Stephen Kamper MP
Minister for Small Business, Minister for Lands and Property, Minister for Multiculturalism, and
Minister for Sport
52 Martin Place
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Annual Report for Cemeteries & Crematoria NSW for the year ended 30 June 2023, for tabling in Parliament by 30 November 2023.

This report has been prepared in accordance with the annual reporting provisions (Division 7.3) of the *Government Sector Finance Act 2018* (GSF Act) and Treasury Policy and Guidelines 23-10 Annual Reporting Requirements (TPG23-10).

Yours sincerely



Andrew Mills
Chair of the Board



Jennifer Hickey
Chief Executive Officer

Encl: Cemeteries & Crematoria NSW Annual Report 2022–23

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Message from the Chair

In 2022–23, Cemeteries & Crematoria NSW (CCNSW) launched a major regulatory reform project, the Interment Industry Scheme, reaching a major milestone in its regulatory maturity. CCNSW also continued to respond to the challenges and needs of the sector, including addressing a growing number of complaints and enquiries from operators and the public.

CCNSW engaged extensively with stakeholders to finalise the development of the Interment Industry Scheme. It responds to recommendations from the 5-year statutory review of the *NSW Cemeteries and Crematoria Act 2013* (The 11th Hour report) and the Independent Pricing and Regulatory Tribunal's *Review of the costs and pricing of interment in NSW*.

The regulations governing the scheme commenced on 14 October 2022, introducing a licensing system for cemetery and crematorium operators which is now being implemented. The scheme licenses all operators for the first time and sets clear standards. Families will know what to expect from cemetery and crematorium operators and can make informed choices.

The launch of the scheme is the culmination of multiple years of hard work by CCNSW with valuable assistance from our stakeholders. The Scheme is informed by industry and stakeholder feedback as well as best-practice regulatory principles. Our focus now turns to implementing the scheme and supporting the interment industry to meet regulatory requirements.

Outside of our engagement campaign for the scheme, we continued to engage with our stakeholders through our Community and Consumer Consultative Group and Industry Consultative Group. We also launched our Council Working Group to facilitate more detailed discussions on aspects of the scheme and other regulatory requirements. The board appreciates the participation of all group members.

The interment sector has faced many challenges in recent years, including difficulties posed by Covid-19 as well as changing governance and regulatory environments. CCNSW has supported operators through this challenging time, including working with and supporting OneCrown through a significant period of change.

This is my first annual report as Chair of the CCNSW Board. I am pleased to have been given the opportunity to serve as CCNSW's second Chair and thank the inaugural Chair Dr Stepan Kerkyasharian AO for his service. I would also like to give special thanks to CEO Jennifer Hickey and her team. Ms Hickey and the dedicated team she leads have welcomed me into the role and I continue to be impressed by their commitment to their work.

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

Andrew Mills

Chair of the CCNSW Board

1 Overview

About CCNSW

CCNSW is a statutory agency created in 2014 under the *Cemeteries and Crematoria Act 2013*. It supports and regulates cemetery and crematoria operators in NSW and gives the public information on burial and cremation options. The agency was created to provide a coordinated, strategic approach to providing interment services across NSW.

CCNSW is an independent regulatory agency. It is led by a skills-based board that is appointed by and responsible to the Hon Stephen Kamper MP, Minister for Small Business, Minister for Lands and Property, Minister for Multiculturalism, and Minister for Sport. The board consists of 4 voting members including the Chair, Andrew Mills, 7 non-voting members nominated by their respective state government agencies, and the CCNSW CEO.

CCNSW sits within the Crown Lands and Public Spaces group in the Department of Planning and Environment. CCNSW also reports to the department's Property Audit and Risk Committee and is independently audited by the Auditor-General of NSW.

Legislation and charter – aims and objectives

The *Cemeteries and Crematoria Act 2013* has 9 key objectives that provide the framework in which CCNSW operates. One of CCNSW's main objectives is to ensure that everyone in NSW has the right to a dignified burial or cremation that is respectful of religious and cultural beliefs. CCNSW holds a critical role in ensuring land is available for affordable and accessible burial and cremation options in NSW, now and in the future.

CCNSW assesses the burial and cremation needs of the state's growing population and develops planning strategies to ensure there is enough cemetery space to adequately service these needs. It also makes sure that the services offered by cemetery and crematoria operators meet community expectations. CCNSW gives the public and the interment industry information on relevant legislation governing burial and cremation in NSW and makes sure the industry abides by the laws.

The *Cemeteries and Crematoria Act 2013* commenced in 2014. Part 4, which relates to renewable interment options, commencing in June 2018. The regulatory functions and powers in the Act are designed to be scalable so that CCNSW's remit can evolve to address emerging issues.

Our vision

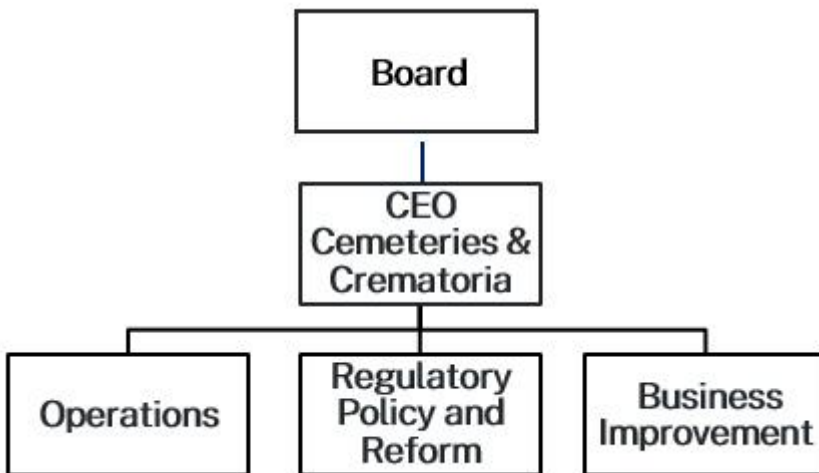
CCNSW's vision is that all people in NSW have access to sustainable and affordable burial and cremation services that are respectful of culture and faith and provided in a consistent, transparent and accountable manner.

Management and structure

CEO Jennifer Hickey leads a small team of generalist and specialist staff (see Figure 1). The organisation's responsibilities are divided between 3 teams:

- Operations (3 full-time equivalent)
- Regulatory policy and reform (5 full-time equivalent)
- Business improvement (4 full-time equivalent)

Figure 1. CCNSW organisational structure



2 Strategy

CCNSW Strategic Plan 2022–25

CCNSW's strategy is set out in the CCNSW Strategic Plan 2022–2025. The strategic plan sets our agenda and connects our priorities to our legislation.

During 2022–23, we undertook detailed business and implementation planning to set out how we will meet the goals in our strategic plan and how we will use resources to best meet our regulatory commitments.

The strategic plan sets out 3 key themes – sector performance, consumer support and information, and strategic advice – each of which specifies:

- a statement of what success looks like, which is the 10-year view of the purposes set in the enabling legislation (the Cemeteries & Crematoria Act)
- longer-term directions, which we expect to achieve after the conclusion of the strategic plan
- strategic goals, which we will achieve by the end of the strategic plan period
- outcomes that CCNSW will track and report on, broadly phrased.

Success in sector performance will mean:

- cemeteries and crematoria are operated and maintained in line with legislation and regulation, enabling community confidence in the sector
- management of cemeteries and crematoria in NSW is transparent and accountable.

Success in consumer support will mean:

- consumers have access to clearly defined and affordable cemetery and crematoria services
- cemeteries and crematoria are operated and maintained in line with legislation and regulation, enabling community confidence in the sector.

Success in information and strategic advice will mean:

- cemetery and crematoria service operators provide options that address the needs of religious and cultural groups
- enough land is available to meet future interment demand
- existing cemeteries and crematoria are used and operated sustainably
- cemeteries are managed to maximise environmental, heritage and open space values.

The goals and actions set out in the strategic plan will move us closer to achieving our vision, in partnership with industry, consumers and religious and cultural groups.

CCNSW Regulatory Framework

CCNSW's regulatory strategy is further guided by our CCNSW Regulatory Framework. This document outlines:

- CCNSW's regulatory principles
- how CCNSW plans to regulate the interment industry as a modern, best-practice regulator
- how CCNSW may collaborate with co-regulators.

The framework is designed to educate the interment industry, co-regulators, CCNSW staff and board and the public about CCNSW's risk-based regulatory approach.

The CCNSW Regulatory Framework details how we will promote compliance through monitoring and enforcement when we identify non-compliance. It explains how CCNSW will determine appropriate enforcement actions to resolve non-compliance.

3 Operations and performance

Summary highlights for 2022–23

Sector performance

In 2022–23, we launched a major regulatory reform, the Interment Industry Scheme. The scheme addresses recommendations from the statutory review of the Cemeteries and Crematoria Act and the Independent Pricing and Regulatory Tribunal's *Review of the costs and pricing of interment in NSW*. It introduces licensing for cemetery and crematoria operators and a series of regulatory requirements. The Regulations governing the scheme commenced on 14 October 2022.

The introduction of the scheme follows nearly 2 years of consultation. Public and industry consultation on the scheme concluded in July 2022, and we incorporated this feedback into the final version.

CCNSW is now focusing on implementing the scheme. We are developing a range of supporting materials to help operators apply for a licence and comply with their licence conditions.

We have continued to deliver on our other 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 2021–22 (the reporting period on activity data for this annual report), 69.3% of services were cremations. This is a slight decrease in the cremation rate compared with the previous year. However, there has been an overall increase in the cremation rate over the last 4 years. The burial rate continues to trend down.

We have also maintained an ongoing focus on responding to complaints and enquiries. We maintained a comprehensive register for complaints and enquiry management in 2022–23.

Consumer support and stakeholder engagement

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

- continuing to consult on and develop the Interment Industry Scheme with the public, operators, consultative groups, and Aboriginal and religious and cultural representatives
- continuing the operation of the Community and Consumer Consultative Group and the Industry Consultative Group
- presenting at the Cemeteries and Crematoria Association of NSW conference in May 2023
- continuing to engage with other NSW Government agencies
- responding to 97 complaints and 390 enquiries throughout the year, resolving most complaints within a 20-day period.

Information and strategic advice

CCNSW continued to play a central role in addressing strategic priorities for the sector. This included working with other agencies to provide information and develop plans for sector reform.

In 2022-23, Crown Lands within the Department of Planning and Environment, in conjunction with CCNSW, led investigations into burial space options for Sydney's Crown cemeteries. CCNSW provided strategic advice, data and expert knowledge on land issues. This included helping coordinate a cross-government workshop on the strategic use of government land and planning for future cemeteries.

Other key ways CCNSW contributed to strategic projects for the sector includes:

- working with the Ministry of Health on updating forms to facilitate out-of-coffin cremation
- being a member of the End-of-Life Journeys Steering Committee, contributing to the delivery of the [end-of-life component of the NSW Government's Life Journeys website](#).

Governance, assurance and business improvement

CCNSW continued to maintain and improve its governance and internal reporting functions. This included providing secretariat support to the CCNSW Board and its subcommittees, overseeing annual reporting, and driving implementation of CCNSW's Strategic Plan.

Risk and audit functions continued to be a focus for CCNSW, through the Crown Lands and Public Spaces Audit and Risk Working Group, and reporting to the Department of Planning and Environment's Property Audit and Risk Committee.

CCNSW also provided assistance to Crown cemetery operators during a sustained period of changing sector governance. Sydney's Crown operators worked in an environment of uncertainty, with proposed changes to their operating models being worked through.

An independent governance health check report was conducted for OneCrown, assessing the maturity of OneCrown's governance across 11 areas. CCNSW was regularly updated on its findings and will track progress against the report's recommendations in 2023-24.

Our achievements and major projects

Improving regulatory maturity

In 2022-23, CCNSW continued to make significant progress in improving its regulatory maturity in line with recommendation 10.2 of the statutory review of the Cemeteries and Crematoria Act. This work is allowing us to become a more effective and proactive regulator, and more able to support the CCNSW vision.

This section details the key activities CCNSW undertook in 2022-23 towards regulatory maturity. Many of these initiatives, particularly the Interment Industry Scheme, will continue to be a focus in 2023-24.

Interment Industry Scheme

The Interment Industry Scheme commenced as part of the Cemeteries and Crematoria Regulation 2022 on 14 October 2022. Licensing of cemetery and crematorium operators will begin on 1 July 2023. All operators must be licensed by 1 October 2024.

Stages for licence conditions

We will apply conditions to each licence in 3 stages:

1 October 2023

- **Customer service** – to ensure operators are consistently providing quality service

1 February 2024

- **Contracts** – standard terms and conditions explained clearly so consumers can understand what they are paying
- **Religious, cultural and spiritual principles** – to ensure respect for religious and cultural requirements, and promote understanding of the unique importance of Sorry Business to Aboriginal people

1 July 2024

- **Pricing** – so that consumers know what they are purchasing and can easily compare prices
- **Cemetery maintenance.**

Throughout 2022–23, CCNSW has continued to engage with operators about the Interment Industry Scheme. This has included publishing fact sheets and information to support licence applications.

Quality regulatory services initiative assessment

Recommendation 10.10 of the statutory review of the *Cemeteries and Crematoria Act 2013* was that CCNSW complete a quality regulatory services initiative (QRSI) assessment in keeping with the government's guidelines. QRSI is a self-assessment of a regulator's performance. It uses guidelines and an assessment tool developed by the former Better Regulation division of the Department of Finance, Services and Innovation.

CCNSW first did the QRSI assessment in April 2021. This gave an overall score of 1.7 out of 4. In February 2022, we had improved to 2.1 out of 4. In February 2023, we achieved 2.3 out of 4 as we are continuing to improve our regulatory capacity. The improvement in 2022–23 was driven by better processes for allocating resources and enhanced procedures for allocating and prioritising work through our system for customer relationship management.

The QRSI tool helps to identify where CCNSW has improved over the previous 12 months and which areas we should work on to continue improving regulatory performance. We will continue to do the QRSI assessment annually and track improvements.

Compliance

The CCNSW Regulatory Framework outlines our compliance approach.

New regulatory requirements for cemetery and crematorium operators will apply under the Interment Industry Scheme. We are phasing the scheme in from July 2023 to October 2024. By October 2024, all operators must be licensed and compliant with all licence conditions.

Compliance guidance and information

A key focus for CCNSW in 2022–23 has been to give operators support and information throughout the rollout of the Interment Industry Scheme on applying for a licence and understanding its conditions.

In 2022–23, we launched a refreshed website, which further helps operators by making fact sheets, guides and other compliance information easier to find.

We have developed and communicated to operators guidance and information on CCNSW's compliance approach for the scheme. We have published this information on our website. It includes:

- a fact sheet about monitoring compliance under the Interment Industry Scheme
- fact sheets on each licence condition
- tools and resources to support compliance such as templates for pricing transparency
- a guide to licensing and related support materials for licence applications.

Regulatory and compliance monitoring activity in 2022–23

Our regulatory activities in 2022–23 included:

- responding to complaints and enquiries about cemetery matters regulated by CCNSW
- giving information and advice to cemetery operators for compliance issues
- requesting reports and other information from cemetery operators about compliance matters and complaints
- reviewing the 2022–23 annual reports and financial statements from the major metropolitan Crown cemetery operators
- reviewing charges set by metropolitan Crown cemetery operators
- assessing applications under s 56(4) of the Cemeteries and Crematoria Act for multiple interment rights.

Table 1 shows activities we did under Part 3 of the Cemeteries and Crematoria Act. Activities under Part 4 of the Act are shown in Table 2. Activities under Part 5 of the Act are shown in Table 3.

Table 1. 2022–23 activities under Part 3 of the Cemeteries and Crematoria Act

Activity under Part 3 of the Act	2019–20	2020–21	2021–22	2022–23	Section of the Act
Total number of registrations	1,497	1,523	1,529	1,567	S 27
Cemeteries registered	1,438	1,464	1,470	1,504	S 27
Crematoria registered	59	59	59	63	S 27
New registrations in the period	39	31	34	29	S 27
Cemeteries and crematoria register publication updates	3	3	4	3	S 27
Notice to possible operator to register facility	n/a	n/a	n/a	27	S 27(5)
Codes of practice developed	0	0	0	0	S 28
Mandatory codes of practice	0	n/a	n/a	n/a	S 29
Codes of practice approved – Voluntary	1	1	0	0	S 30
Interment industry schemes in effect	0	0	0		S 31
Improvement notices issued	0	0	0	0	S 33
Improvement notice interventions	0	0	0	0	S 35
Short-term orders issued	0	0	0	0	S 36
Enforceable undertakings in effect	0	0	0	0	S 39
Enforceable undertaking enforcement actions	0	0	0	0	S 40
Cemetery/crematoria facility activity performance reports	1,062	1,086	1,063	1,486	S 41
Reports by cemetery and crematoria operators	0	3	3	6	S 43

Table 2. 2022–23 activities under Part 4 of the Cemeteries and Crematoria Act

Activity under Part 4 of the Act	2019–20	2020–21	2021–22	2022–23	Section of the Act
Applications from cemetery operators for approval for more than 2 interment sites	2	2	8	5	S 56(4)
Request for copy of operator's cemetery register	0	0	0	5	S 63(12)

Table 3. 2022–23 activities under Part 5 of the Cemeteries and Crematoria Act

Activity under Part 5 of the Act	2019–20	2020–21	2021–22	2022–23	Section of the Act
Crown cemetery operator significant event notifications	0	0	1	0	S 85
Crown cemetery operator strategic plans assessed	0	0	0	0	S 90
Crown cemetery operator strategic plans adopted	0	0	0	0	S 92
Crown cemetery operator plans of management assessed	0	0	0	0	S 93
Crown cemetery operator plans of management referred for exhibition	0	0	0	0	S 95
Crown cemetery operator plans of management adopted	0	0	0	0	S 96
Crown cemetery operator annual reports assessed	5	5	5	4	S 99
Reviews of fees	4	4	2	3	S 107
Fees interventions	0	1	0	0	S 107

Customers and complaints

CCNSW acts with a strong customer focus and gives consumers accessible information to help them understand and compare service offerings. Feedback forms a vital part of our continuous improvement, and we monitor trends in consumer feedback to help identify and respond to issues as they emerge.

In regulating cemeteries and crematoria, we aim to support consumers by ensuring that services offered by the industry meet consumers' and families' expectations, respect religious and cultural interment practices and are transparent and consistent in their pricing.

An important part of our role in supporting consumers is managing complaints about cemetery and crematoria operators, particularly concerning breaches of the Cemeteries and Crematoria Act.

For example, people may make a complaint with us concerning:

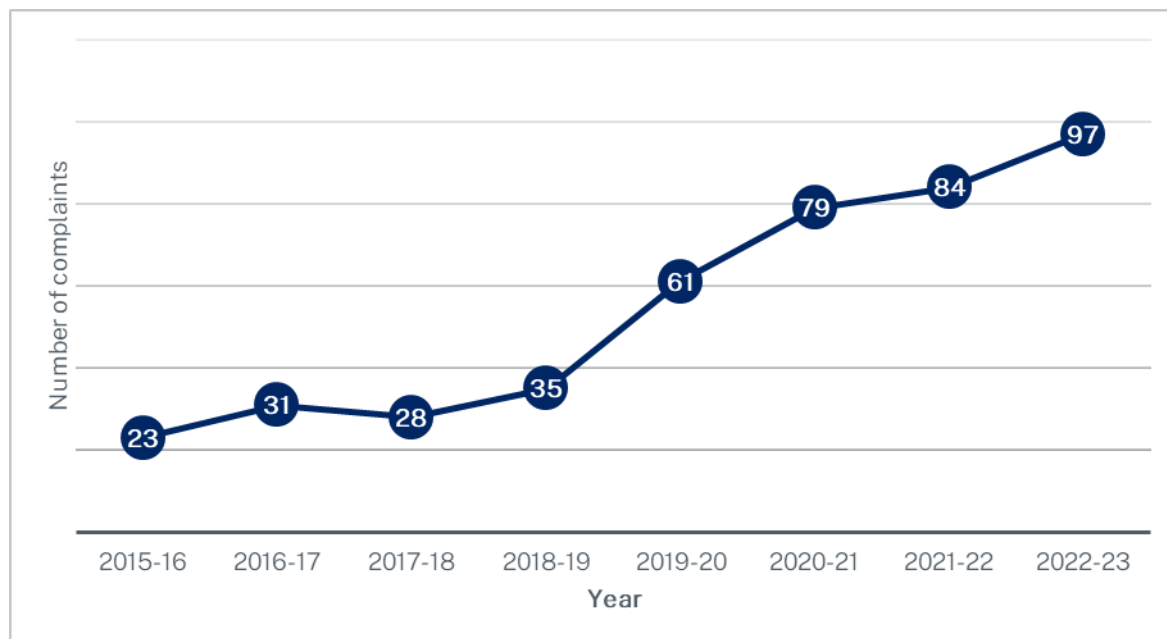
- cemetery maintenance
- services or products provided by a cemetery or crematoria
- an interment right (a contract between an operator and a consumer for the right to have burials occur in a particular grave or another allotment in a cemetery and to erect a memorial)
- pricing of products or services offered by cemetery or crematoria operators
- records maintained by a cemetery or crematoria
- any other matter regulated by CCNSW under the Act.

We manage these in line with our policy for managing complaints about cemeteries and crematoria. The policy is based on NSW Ombudsman guidelines (including the NSW Ombudsman's commitments to effective complaint handling). It guides our staff and people who wish to make a complaint. It sets out guiding principles for our complaint management system, how people can make a complaint and the complaint management process.

Complaints about cemetery and crematoria operators

During 2022–23, CCNSW received a total of 97 complaints, an increase from the 84 complaints received last financial year – see Figure 2. The increase may be due to the community becoming more aware of CCNSW or more complaints escalating from operators. As CCNSW continues to mature as a regulator, we would expect to see complaints numbers rise, reflecting growing community awareness of the agency.

Figure 2. Trend in complaints from 2015-16 to 2022-23



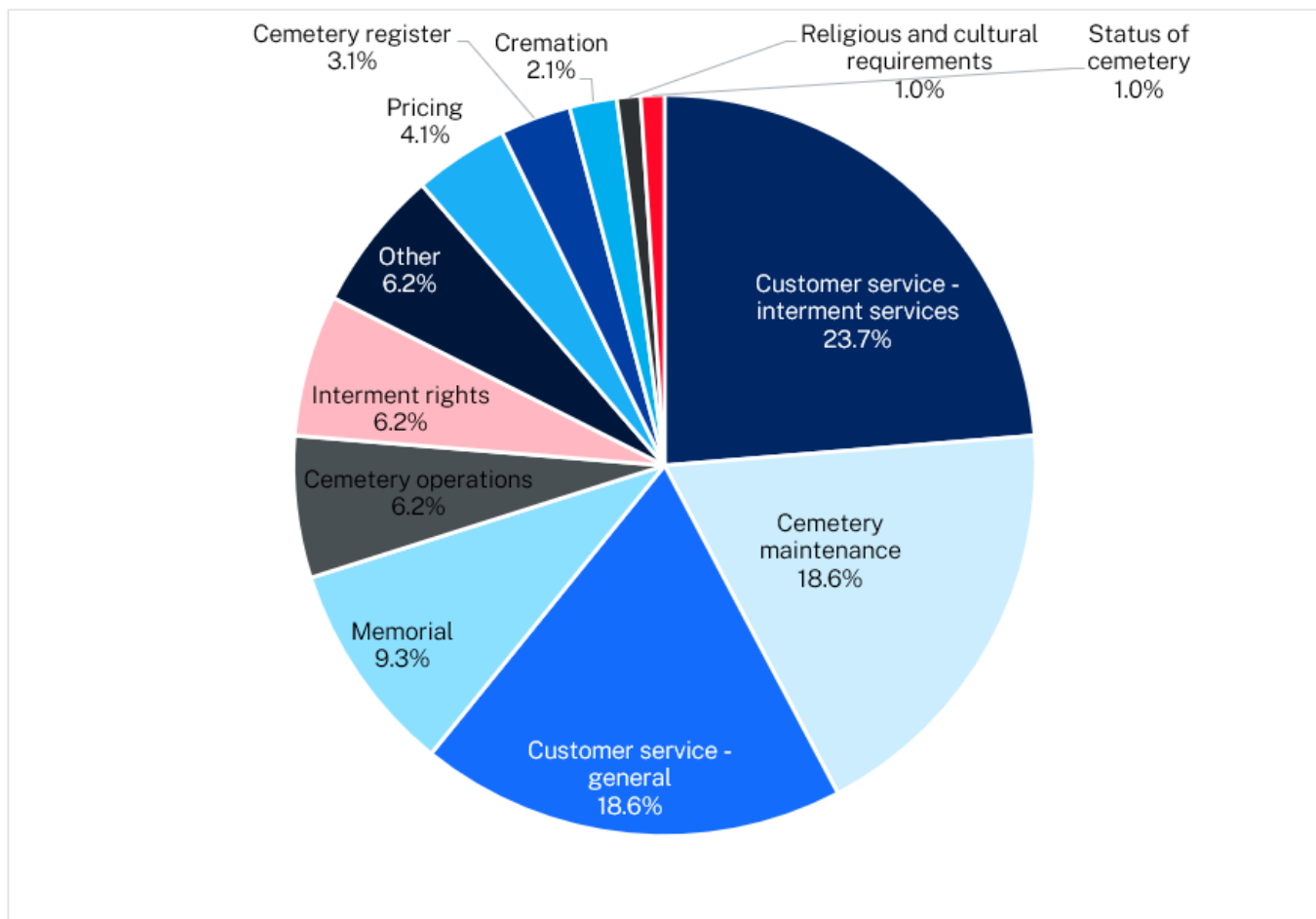
Of the 97 regulatory complaints, 14 were received as representations to the Minister for Lands and Property from local members or members of the public. There were no complaints about the performance of our functions or the provision of services by CCNSW.

CCNSW only has the power to direct the resolution of a complaint where it is about breaches of the *Cemeteries and Crematoria Act 2013*. However, we can oversee and work with an operator to resolve a complaint not related to a regulated matter, consistent with best practice and community expectations.

Of the 97 regulatory complaints received, nearly a quarter related to customer service – interment services (23.7% as shown in Figure 3). Most of these complaints were from relatives of the deceased about difficulty arranging changes to monuments or arranging interments when they are not the interment right holder, and confusion about the information cemetery operators provided. As a result of this, CCNSW is creating a fact sheet for operators to help improve understanding of the legal rules for the transfer of interment rights. CCNSW is also creating a similar fact sheet for the public, which will provide consistent information on interment rights to improve consumer knowledge.

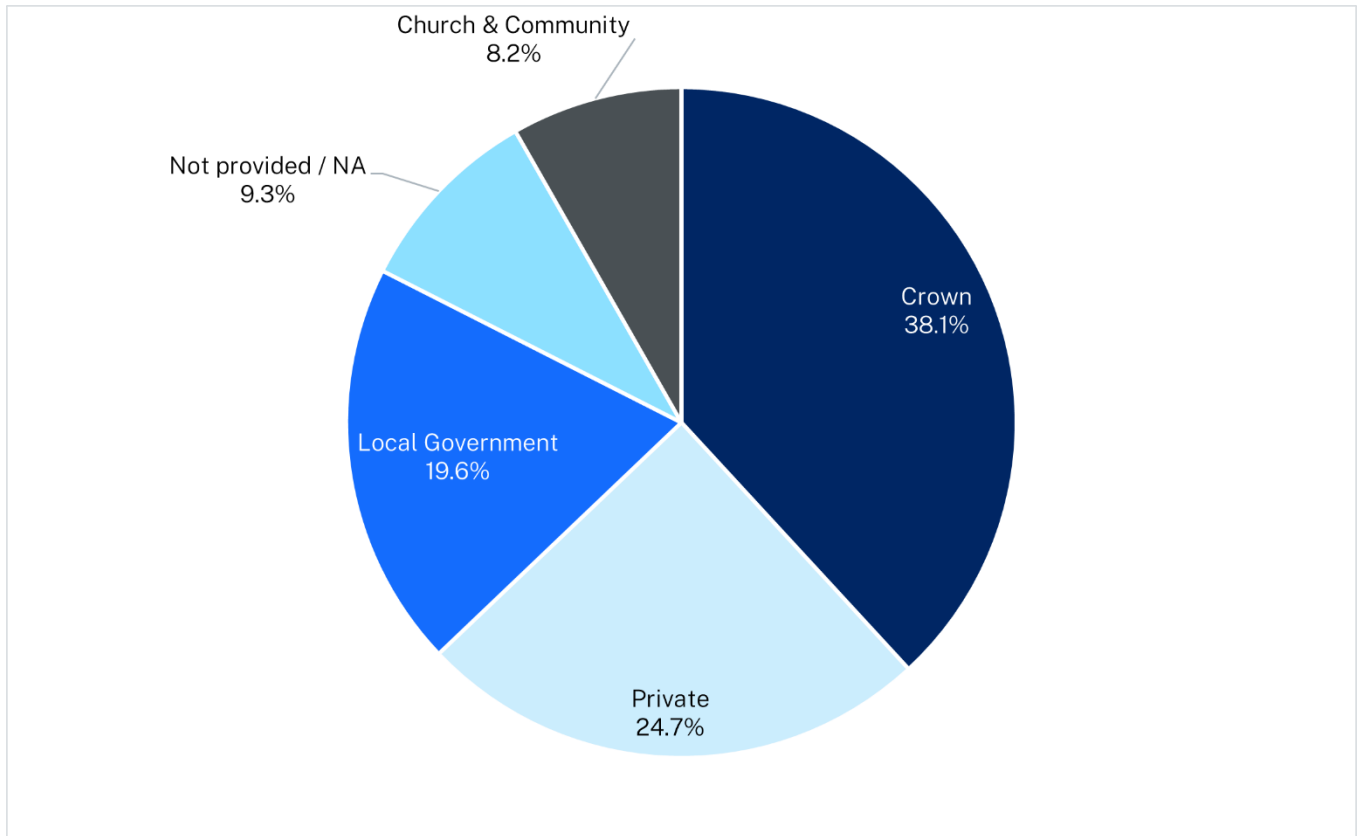
The next most common categories of complaints were cemetery maintenance (18.6%), customer service - general (18.6%), and memorials (9.3%).

Figure 3. 2022–23 complaints by complaint type



As shown in Figure 4 below, most complaints were about Crown operators (38.1%), followed by private operators (24.7%), local government operators (19.6%) and church and community operators (8.2%). In some cases, the operator type was not provided, or the complaints were not about a specific type of operator (9.3%). It should be noted that Crown operators provide the majority of burial services in metropolitan Sydney.

Figure 4. 2022–23 complaints by operator category



Reports to CCNSW from operators

Under s 27 of the Cemeteries and Crematoria Act, CCNSW may request a person or organisation suspected of operating an unregistered facility to register in keeping with s 27 of the Act.

Section 41 of the Act may require an individual operator or a group or type of cemetery operator to report to CCNSW on management performance and other matters CCNSW considers appropriate.

Under s 43 of the Act, we may require an operator to provide us with specific reports to allow us to carry out our regulatory functions.

Under s 63 of the Act, we may require an operator to provide a cemetery or crematoria register if they no longer operate a cemetery or require an operator to provide evidence to show they are keeping a compliant register.

During 2022–23, we requested specific performance management information, reports or other specified documents from 38 operators or suspected operators in response to compliance activities done by CCNSW.

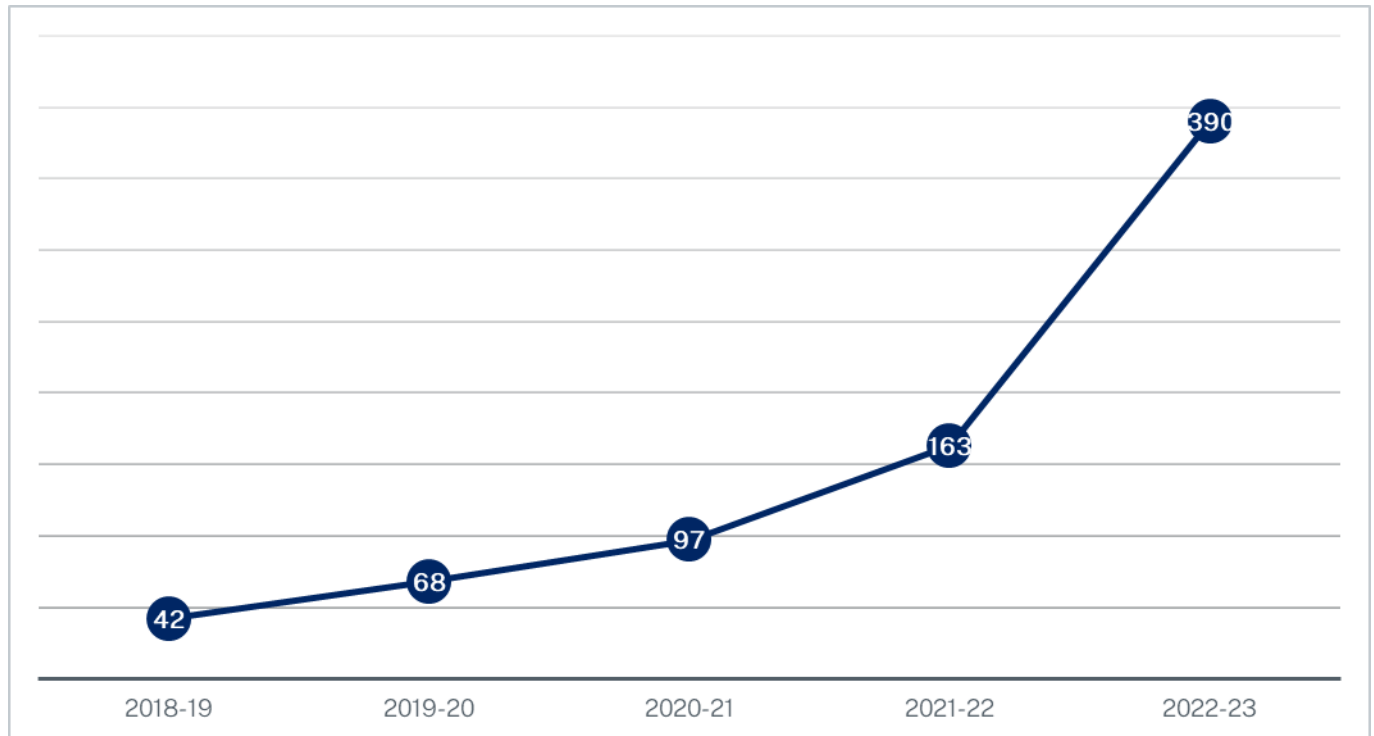
We also asked all cemetery operators to complete our annual survey. This allows us to compile the annual statewide survey of operator activity.

Consumer and operator enquiries to CCNSW

CCNSW gives operators and the public information and guidance on matters regulated by CCNSW under the *Cemeteries and Crematoria Act 2013*.

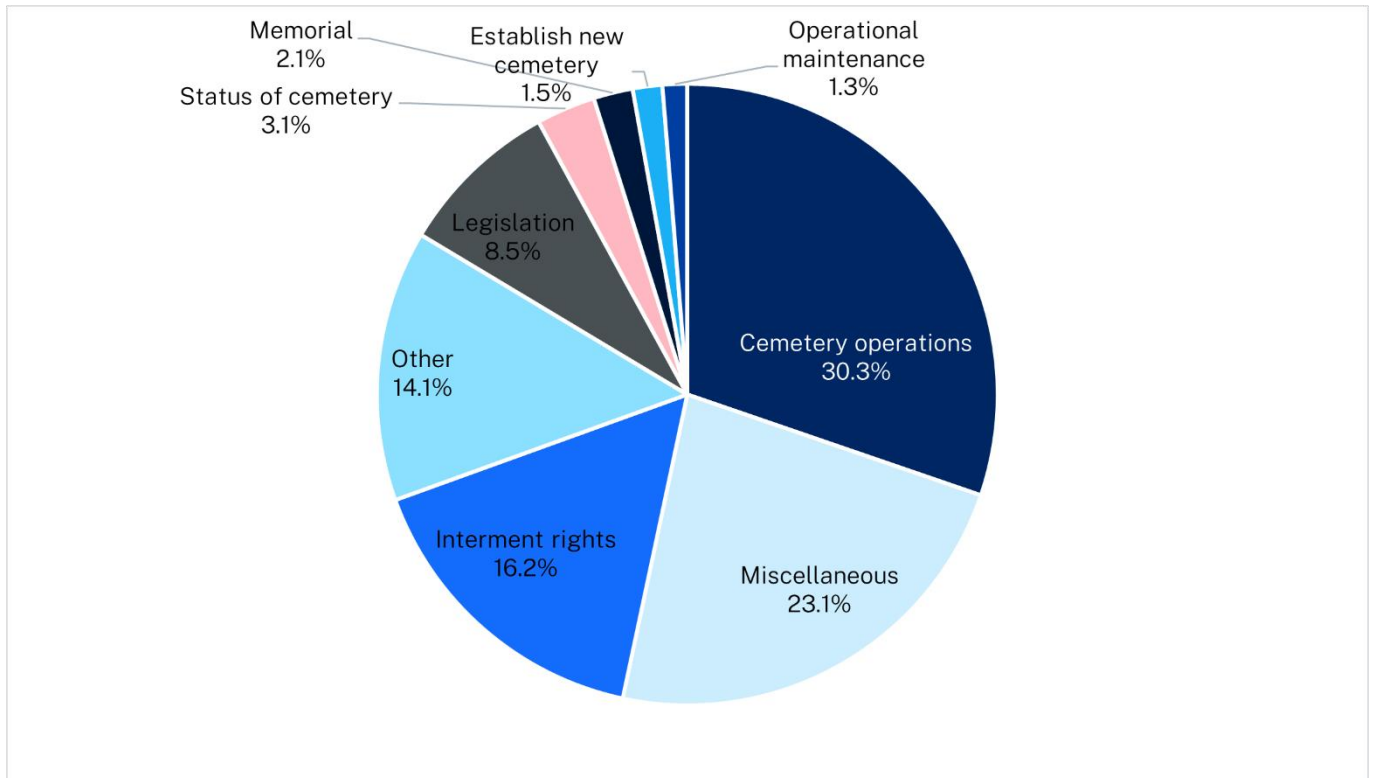
During 2022–23, CCNSW received a total of 390 enquiries, up from 163 enquiries received last financial year (see Figure 5).

Figure 5. Trend in enquiries from 2018-19 to 2022–23



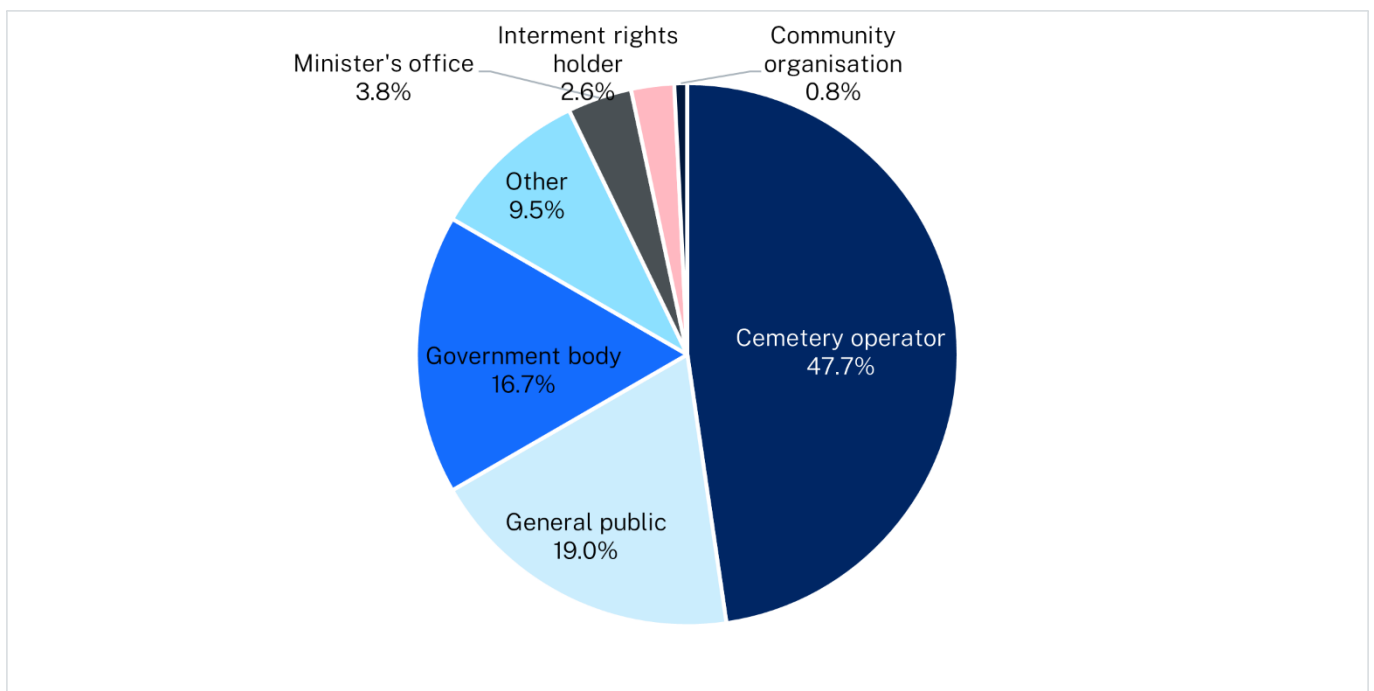
Of the 390 enquiries received, the majority were about cemetery operations (30.3%), as shown in Figure 6. These included enquires on cemetery maintenance, questions on cemetery registers, and activity reporting.

Figure 6. 2022–23 enquiries by enquiry type



Nearly half (47.7%) of all enquiries came from cemetery operators with requests for information on issues such as licensing, interment rights, activity reporting and cemetery registration (see Figure 7).

Figure 7. 2022–23 enquiries by enquirer category



Service-related complaints about CCNSW

Feedback forms a vital part of our continuous improvement. We place a high value on feedback from the industry, consumers and families and our team's observations on how we go about our work.

We did not receive any complaints about CCNSW in 2022–23.

If complaints about CCNSW are received through the Department of Planning and Environment's Feedback Assist platform, they are managed under the department's complaint handling process and will be included in the department's statistical information.

CCNSW Complaints Policy

In October 2022, CCNSW published a revised policy for managing complaints about cemeteries and crematoria.

The policy outlines our approach to managing complaints and aims to ensure that we manage complaints about operators fairly, efficiently and effectively.

This policy gives guidance to our staff and people who wish to make a complaint about a cemetery or crematoria operator on the key principles and concepts of our complaint management system.

Financial regulation

Annual reports and financial statements for Crown cemetery operators

CCNSW assesses the annual reports of Crown cemetery operators for compliance with a range of reporting criteria. These are drawn from the *Cemeteries and Crematoria Act 2013* and set criteria based on similar requirements 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 checklist approved by the CCNSW Board. The Crown operators gave their annual reports to CCNSW slightly late, with the exception of the Catholic Metropolitan Cemeteries Trust, which provided its report in December 2022. Late submission was approved by CCNSW in consultation with the board.

The NSW Auditor-General audits 4 Crown cemetery operators – Rookwood General Cemetery, Rookwood Necropolis, Southern Metropolitan Cemeteries and Northern Metropolitan Cemeteries. The Catholic Metropolitan Cemeteries Trust uses a private sector auditor.

The annual reports now reflect the integration of 4 operators into OneCrown. Several sections in all the documents are identical and the other sections are presented in a common format. The identical sections are the administrator's message, strategic priorities, governance and management structure. The common format sections present all other key information relevant to each cemetery operator in a standard form.

Each report gives information specific to that cemetery's own operation, with emphasis on infrastructure, heritage preservation, and community or stakeholder engagement. This year, there is less emphasis on the impact of the COVID-19 pandemic, with the exception of OneCrown (Southern Metropolitan Cemeteries), which listed the pandemic as affecting its operations.

Overall, net operating results were weak for the OneCrown cemeteries. However, this is not attributed to the normal operating business transactions with customers but related to other income, such as investment returns.

Each of the major metropolitan Crown cemetery operators had accumulated reserves or perpetual funds of between \$97 million and more than \$100 million. These funds had experienced lower earning rates because of market instability, which was the same situation for many funds nationally. Annual reports from Crown cemetery operators are on their respective websites.

Crown cemetery operator charges

Section 107 of the *Cemeteries and Crematoria Act 2013* details requirements for Crown cemetery operator charges.

While there is no approval function assigned to CCNSW, section 107(8) of the Act allows CCNSW to serve a Crown cemetery operator with a notice that disallows or varies any fee or charge specified in the notice. The Act also gives CCNSW the authority to require any operator to report on any matter, as the need arises (Sections 41 and 43).

During 2022–23, we reviewed 3 notices of proposed changes to the charges of 2 Crown cemetery operators. The CCNSW Board resolved to allow all the proposed changes.

Pricing as part of the Interment Industry Scheme

The Interment Industry Scheme will introduce new requirements for operators to make their pricing transparent. The licence condition imposing pricing transparency will begin on 1 July 2024. It will require operators to publish itemised prices for basic interment services, using a template we have provided.

CCNSW does not currently regulate prices beyond our pricing role with Crown operators.

Communications and stakeholders

We engaged with our stakeholders through our 2 consultative groups (the Community and Consumer Consultative Group and the Industry Consultative Group). We also consulted extensively on the Interment Industry Scheme, consulting the public during this reporting period.

Community and Consumer Consultative Group

The Community and Consumer Consultative Group (CCCG) is a high-level advisory committee that ensures policy development considers the views of key communities and consumers across NSW. Members of the CCCG provide expert advice from community, cultural, faith-based, environmental, non-religious, consumer and service delivery perspectives.

The group aims to encourage advocacy and innovation in 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 *Cemeteries and Crematoria Act*.

CCNSW carried out a targeted expression of interest process between 22 December 2022 and 29 January 2023 to attract new members to the CCCG. Following this process, 3 new members were appointed by the CCNSW Board to the group. The new members represent religious and cultural perspectives, consumer rights and are experienced communicating with the public and advocating for the public about matters relating to death and dying. Voting CCNSW Board member Diana D'Ambra is Chair of the CCCG. Jennifer Hickey, CEO of CCNSW, attended as a member in 2022–23.

Appointed members of the CCCG at 30 June 2023 were:

- Mariam Ardati, Australian National Imams Council
- Pandit Ramachandra Athreiya, Australian Council of Hindu Clergy
- David Knoll AM, NSW Jewish Board of Deputies
- Alysia McIntyre, What Do I Do? (an end-of-life services organisation)
- David Neustein, Other Architects
- Kerrie Noonan, Death Literacy Institute
- Anthony Pang, Chinese Australian Services Society (CASS)
- Pandit Ram Sivan, Australian Council of Hindu Clergy (delegate member)
- Victoria Spence, Life Rites/Living with our Dead
- Ayya Suvira, Australian Sangha Association (ASA)
- Paul Versteeg, Combined Pensioners and Superannuants Association
- Vera Visevic, Mills Oakley.

Before January 2023, members of the CCCG included:

- Jennifer Briscoe-Hough, Tender Funerals
- Ahmad Kamaledine, NSW Lebanese Muslim 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

CCNSW thanks all members for the time and dedication they showed during their terms as a member of the CCCG.

The CCCG met 4 times in 2022–23.

Issues considered by the CCCG

During 2022–23, the CCCG contributed to the development and drafting of key aspects of the Interment Industry Scheme. The group gave:

- advice and insight about engaging with culturally and linguistically diverse communities
- advice and insight about developing religious and cultural guidelines
- suggestions for supporting and educating consumers about the scheme.

The CCCG also:

- contributed to the review and update of the CCNSW website

- gave feedback on materials CCNSW and other agencies developed to support consumers with end-of-life decisions
- advocated for improvements to the accessibility of resources produced by CCNSW.

Throughout 2022–23, the CCCG heard from guest presenters with knowledge and experience in the interment sector and from representatives of other government agencies carrying out work relevant to the CCCG and CCNSW.

Industry Consultative Group

The Industry Consultative Group (ICG) is a senior management committee appointed by the CCNSW Board to ensure an industry-wide focus on current operational issues. This forum helps CCNSW understand industry views and improves decision-making, transparency and regulatory development within the sector. The ICG gives advice and recommendations on regulatory policy development to the CCNSW Board and is a formal mechanism for CCNSW to engage with key industry stakeholders.

The ICG provides a genuine opportunity for the industry to influence cemetery and crematorium policy in NSW. The CCNSW Board considers matters the ICG raises. However, the board maintains decision-making powers on all matters discussed by the ICG.

The ICG has 3 main functions:

- information and discussion of issues
- feedback, consultation and engagement
- collaborative program delivery.

The ICG is representative of the interment sector, including Crown, local government and private and church cemetery operators. The CEO of CCNSW chairs the ICG.

The ICG was refreshed in March 2023 with a revised terms of reference focusing more on the development of the Interment Industry Scheme, the related licensing system and the priorities of the new CCNSW Strategic Plan.

As of 30 June 2023, the ICG included representatives from:

- major metropolitan Crown cemeteries
 - OneCrown (representing Rookwood General Cemeteries Reserve Land Manager, Rookwood Necropolis Land Manager, Northern Metropolitan Cemeteries Land Manager, Southern Metropolitan Cemeteries Land Manager)
 - Catholic Cemeteries and Crematoria
- Lake Macquarie City Council and Snowy Monaro Regional Council
- InvoCare Australia and the Palmdale Group (private sector operators)
- the Cemeteries and Crematoria Association of NSW
- the Australian Funeral Directors Association (NSW)
- the Funeral Directors Association of NSW
- the Anglican Church Property Trust (Diocese of Sydney)

- the peak body Local Government NSW.

Before March 2023, members of the ICG included the Uniting Church, Port Macquarie Hastings Council and Local Government NSW, who attended in an observer capacity before becoming a full member.

The ICG met 4 times during 2022–23.

Issues considered by the ICG

During 2022–23, the ICG’s contributions to the development and drafting of the Interment Industry Scheme were invaluable in ensuring that a meaningful and workable regulatory scheme was developed.

The ICG met 4 times during 2022–23 and discussed matters including:

- the Interment Industry Scheme, covering:
 - licence fee policy
 - policy for reviewing decisions
 - licensing guide and applications
 - licence application procedure
 - customer service guide
 - pricing tool
 - consumer interment contract
 - implications for funeral directors
 - transition and implementation of the new scheme
- review of the Public Health Regulation 2022
- an amendment to the Section 56(4) guideline for interment rights
- guidelines for Aboriginal cultural and spiritual requirements
- a guideline on how to establish a cemetery
- a fact sheet on an operator versus a funeral director
- a draft fact sheet on transfer of interment rights.

Interment Industry Scheme consultation

We have completed 3 stages of consultation on the Interment Industry Scheme. In stage 3 public consultation from June to July 2023, we consulted with the public, operators, consultative groups, and Aboriginal and religious and cultural representatives. During this stage of consultation, we received 21 formal submissions, 219 survey responses and hundreds of comments provided online and during consultation events. Feedback was summarised in a report published on our website, titled *Interment Industry Scheme: Feedback from Consultation*.

Public consultation

Public consultation ran from 22 June to 31 July 2022. CCNSW consulted with the public and community representatives in a range of ways including:

- an online meeting (webinar)
- print advertising in metropolitan, culturally and linguistically diverse and community publications
- social media advertising through a Facebook campaign
- an online survey
- emails
- engagement with Aboriginal Elders and knowledge keepers across NSW
- an in-person religious and cultural forum with community leaders and representatives.

CCNSW engaged a large cross-section of the community through Facebook, the consultation webpage and an online survey. The results were:

- a reach of over 500,000 people through 3 Facebook posts
- nearly 4,000 visits from 1,475 stakeholders to the consultation page
- 219 fully or partially completed survey responses, most supporting the introduction of licence conditions.

Religious and cultural consultation

CCNSW partnered with Multicultural NSW to host a forum on 14 July 2022 for religious and cultural representatives. The in-person event had 32 attendees including representatives from the Chinese community and representatives of Buddhism, Christianity, Judaism, Hinduism, Islam and non-traditional religions.

Operator and key stakeholder consultation

There was strong engagement from industry, particularly at online events. We received 21 written submissions from industry and community stakeholders.

Council Working Group

The Council Working Group was formed during stage 3 consultation on the Interment Industry Scheme. It has continued to meet during the rollout and transition of the scheme. The group developed and endorsed terms of reference.

The format of meetings follows a standing agenda: scheme updates from CCNSW, a deep dive into a topic relevant to the scheme timeline, an update from Local Government NSW and an update from members. The working group allows members to offer feedback, share successes and challenges and seek information about implementing the scheme.

In 2022–23, the group met 5 times.

Aboriginal engagement

CCNSW continued our focus on Aboriginal cultural and spiritual requirements by solidifying principles in the Interment Industry Scheme and applying licence conditions operators must meet. We also developed explanatory material to inform operators of the conditions and how to show compliance.

We continued to strengthen relationships with key Aboriginal stakeholders with open communication, consultation, and briefings with New South Wales Aboriginal Land Council (NSW ALC), NSW Coalition of Aboriginal Regional Alliances (NCARA), NTS Corp and the Aboriginal Staff Network of the Department of Planning and Environment. We presented to each of these stakeholders, providing updates on our work. We also presented to additional Aboriginal groups and organisations including the Aboriginal Housing Office and Aboriginal Affairs.

CCNSW advocated with several external agencies on issues we have heard that are outside of the work we do. We met with:

- Heritage NSW on issues of repatriation of ancestral remains in private and public collections and how to return those to Country
- Ministry of Health on shroud burial
- Aboriginal Affairs regarding interment rights held by the department and how to return those to individuals
- Justice NSW on issues faced by prisoners about how to have a culturally appropriate burial and attending to Sorry Business.

During 2022–23, CCNSW had 23 meetings with key stakeholders, cemetery operators, and other departments to advocate for issues that have been raised by Aboriginal communities. We also performed 7 presentations on the work we have been doing for Aboriginal requirements, and one live interview with the Department of Planning and Environment’s communications team where CCNSW discussed the work we have done on Aboriginal engagement and the introduction of licensing. We also attended the Koori Knock Out for the first time to be available to speak with people about the agency and our work.

Our Aboriginal engagement focused on finalising the guidelines for operators on Aboriginal cultural and spiritual requirements for burial and cremation. This included testing the guidelines with our key Aboriginal stakeholders and communities with whom we engaged in the last financial year. The guidelines were supported by all groups. CCNSW also began developing educational materials for Aboriginal peoples to answer frequently asked questions about interment and cost.

Face-to-face consultations continued with Aboriginal people and communities in Broken Hill and Coffs Harbour. These meetings included discussions about licensing, the Interment Industry Scheme, guideline materials for operators, any issues the communities were facing, and what educational and resource materials would be of most benefit to Aboriginal people.

Website upgrade

In 2022–23, we worked with the Department of Planning and Environment’s digital and communications teams to update our website, which was relaunched in late January 2023. We now have a dedicated URL (www.cemeteries.nsw.gov.au) and a more user-friendly look and feel. The website upgrade also included a new feedback widget, a dedicated page for resources for Aboriginal peoples and improvements to the cemetery and crematorium finder.

The Resources for Aboriginal peoples page includes information on the work CCNSW has been doing on Aboriginal cultural and spiritual requirements. The page lists Aboriginal cemeteries, and links to useful documents.

We have created fact sheets for Aboriginal people in response to an identified need or specific requests from communities. Fact sheets include:

- Aboriginal cultural and spiritual requirements for burial and cremation
- Burial without a conventional coffin
- Guidelines on how to establish a cemetery
- Making a complaint or enquiry to CCNSW
- Pricing and what to expect
- The difference between a funeral director and a cemetery and crematoria operator.

Customer relationship management

Customer relationship management (CRM) systems are software for managing a business or organisation’s relationships and interactions with customers. We began using our CRM system in August 2021. This year, we made further improvements to the system so we could continue to better manage our interactions with regulated entities, stakeholders and the public.

The CRM system helps us improve our effectiveness as a regulator and strengthen our regulatory posture when carrying out:

- regulatory activities overseeing operators of cemeteries and crematoria
- customer service
- information and advocacy, particularly about land availability and environmental sustainability.

CCNSW 2021–22 activity information

Annual activity of NSW cremation and interment services

One of our key responsibilities is to record the annual activity of interment and cremation services across all regions of NSW and by all sectors in the industry. Three key interment service types are reported on:

- interment of human remains (burial)

- interment of cremated remains (ash interment)
- cremation.

An individual will either be buried or cremated. The percentage of people choosing cremation is known as the cremation rate.

People who are cremated may then have their ashes interred in a cemetery or memorial garden (an ash interment) or choose another option.

This information helps us understand the current usage level of cemetery land. It also provides essential data that guides planning for the delivery of services to the NSW community.

As operators report their annual activity data to CCNSW after the end of the financial year, the activity data in the following section is for 2021–22, rather than 2022–23.

CCNSW published the 2021–22 activity report online in June 2023. After publication, we corrected some data anomalies. We have included the updated activity report in this annual report and will publish a new version online.

The data highlights the number of services over the past 5 years (see Table 4) and by sector (Table 6) in the most recent statistical reporting year (2021–22). Figure 8 illustrates the percentage of burials and cremations within NSW in 2021–22, and Figure 9, Figure 10 and Figure 11 illustrate the distribution of burial, cremation and ash interments in NSW by sector.

In the whole of NSW, there was a significant increase of 9.7% in the total number of interment services provided from the previous year, with a 30.7% burial rate and a 69.3% cremation rate. There was a slight decrease in the cremation rate of 1.2% and a corresponding increase in the burial rate (see Table 5 below). However there has been an overall increase in the cremation rate over the last 4 years. The burial rate continues to trend down.

Private operators managed 83.7% of all cremations in NSW (see Figure 10 below) and performed 15.9% of burials (see Figure 9 below). This reflects the large number of privately owned crematoria in NSW.

Also shown in Figure 12 are services for the whole of NSW by planning region, with 48.9% of all services carried out in metropolitan Sydney including burials, cremations, and ash interments.

Table 4. Annual interment services in NSW (burials, cremations, and ash interments): 2017-18 to 2021-22

	Number of services 2017-18	Number of services 2018-19	Number of services 2019-20	Number of services 2020-21	Number of services 2021-22
Burials (interment of bodily remains)	18,335	17,955	17,841	17,359	19,785
Cremations	38,768	39,391	40,081	41,448	44,717
Ash interments (interments of cremated remains)	13,587	10,883	10,266	12,939	12,124
Total number of interment services	70,690	68,229	68,188	71,746	76,626

Table 5 Trends in cremation rate in NSW 2017-18 to 2021-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Cremation rate (% of people being cremated vs buried)	67.9%	68.7%	69.2%	70.5%	69.3%
% change in cremation rate	1.3%	0.8%	0.5%	1.3%	-1.2%

Figure 8 Split of burial vs cremation in NSW 2021-22

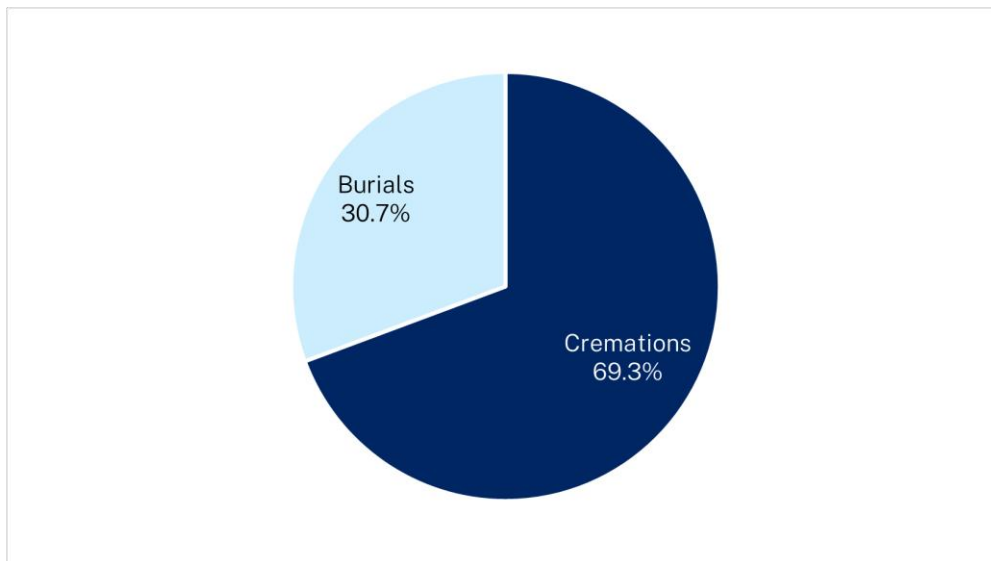


Table 6. Service type by sector for 2021-22

Operator sector	Number of burials (interment of bodily remains)	Number of cremations	Number of ash interments (interments of cremated remains)	Total services
Local government	8,463	1,546	3,282	13,291
Crown	7,707	5,739	2,654	16,100
Private	3,145	37,432	5,542	46,119
Church	270	0	626	896
Community	200	0	20	220
Total number of services	19,785	44,717	12,124	76,626

Figure 9. Percentage of burials (interments of bodily remains) in NSW by sector for 2021-22

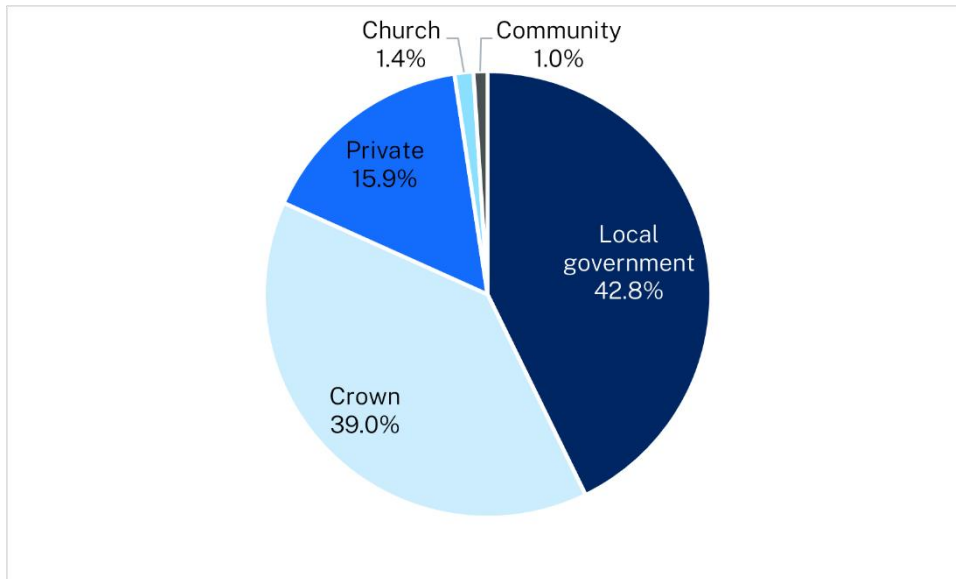


Figure 10. Percentage of cremations in NSW by sector for 2021-22

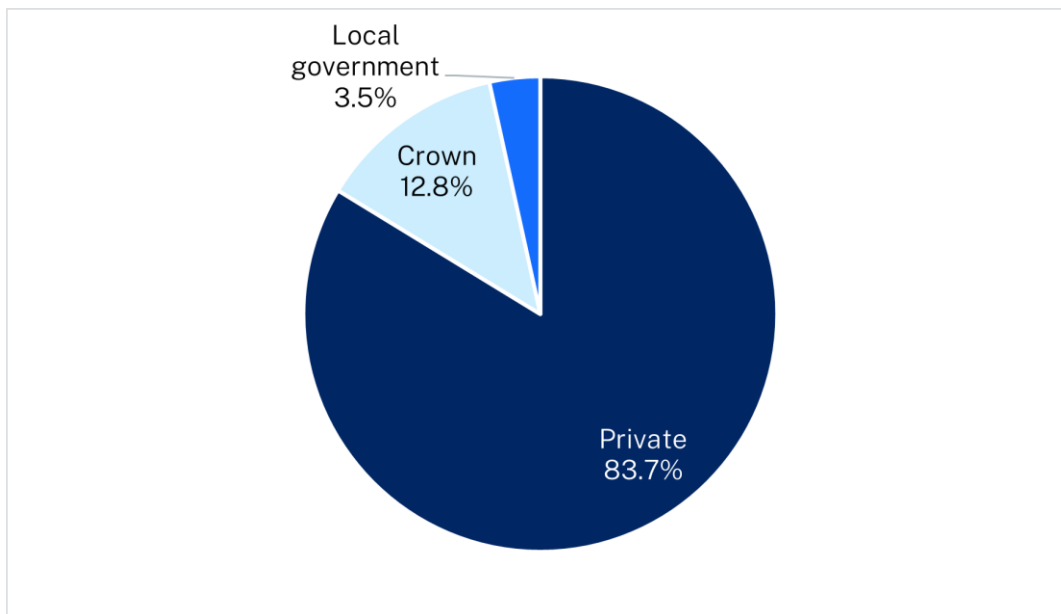


Figure 11 Percentage of ash interments (interments of cremated remains) in NSW by sector 2021-22

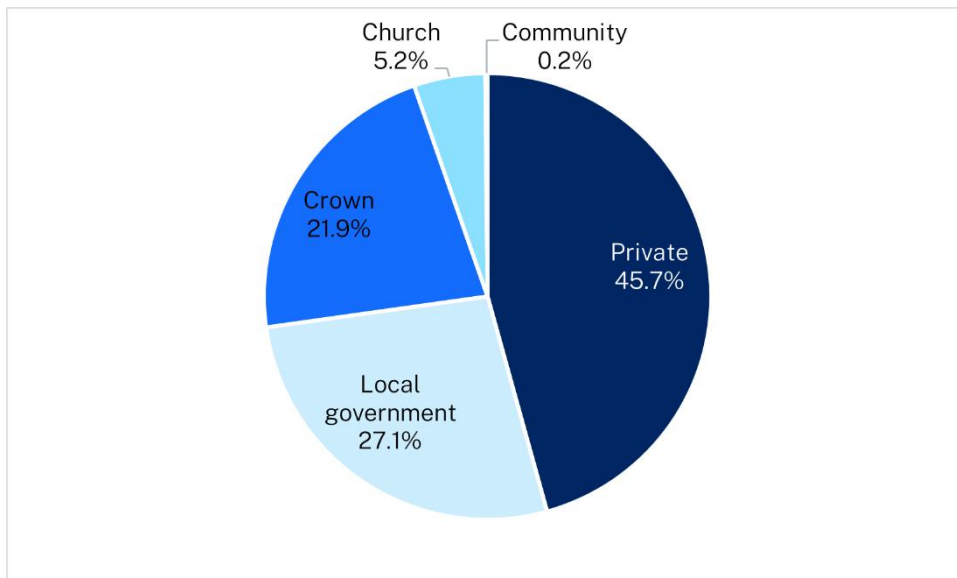
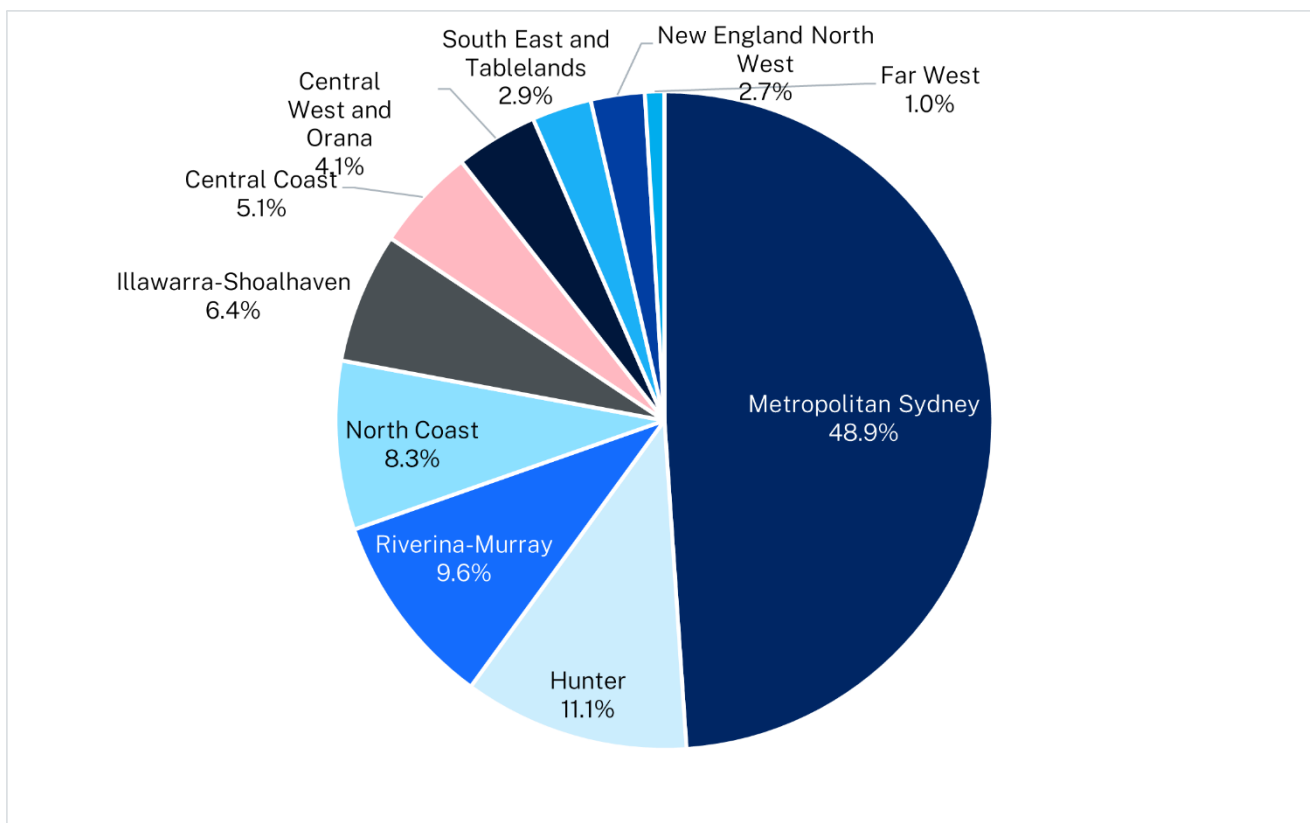


Figure 12. Percentage of total NSW services (burials, cremations and ash interments) by planning region



Cemeteries and crematoria register

During 2022–23, we continued updating the NSW cemeteries and crematoria register under section 27 of the Cemeteries and Crematoria Act. We update and publish an extract of the register 3 or 4 times a year for use by the community and the industry.

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 requires the register to include.

The register is a useful tool for anyone trying to locate a particular cemetery or crematoria in NSW. We have received feedback that people use the register as a tourism resource when looking for heritage sites to visit across NSW.

During 2021–22, councils operated 66% of all facilities in NSW. Private operators and councils provide cremation services in regions. The distribution of facilities generally focused on regional towns with enough population and service demand.

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, several contributing factors including demographic changes meant some of these cemeteries fell into disuse. Sometimes the cemetery is in the name of an entity that no longer exists, such as former churches or councils. We work with current cemetery operators to identify an appropriate future manager for such cemeteries who can maintain their historical value. We also ensure these cemeteries are recorded in the register.

Table 7. Operational cemetery and crematoria facilities in NSW by region as of 30 June 22

Planning region	No. of cemeteries (active)	No. of cemeteries (inactive)	No. of crematoria
Central Coast	21	4	2
Central West and Orana	163	87	5
Far West	40	30	2
Hunter	177	54	7
Illawarra–Shoalhaven	36	28	4
Metropolitan Sydney	115	54	13
New England North West	98	53	4
North Coast	92	42	11
Riverina–Murray	118	44	10

Planning region	No. of cemeteries (active)	No. of cemeteries (inactive)	No. of crematoria
South East and Tablelands	154	70	3
Total for whole of NSW	1014	466	61

4 Management and accountability

The board and governance

The term of appointment of Dr Stepan Kerkyasharian, the former Chair of CCNSW, ended on 15 November 2022. Mr Andrew Mills was appointed on 22 November 2022 as the new Chair of CCNSW.

The CCNSW Board has 4 voting members:

Andrew Mills, Chair, has over 40 years' experience working in the private and public sectors, including in a regulatory environment. He is a former Second Taxation Commissioner for the Australian Taxation Office, where he was responsible for policy and legislation as well as stakeholder engagement.

Mr Mills has held CEO and senior executive positions in several organisations. He has experience as a chairperson and member on several executive and non-executive boards, advisory panels and committees.

Mr Mills is a Graduate Member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and a Life member of The Tax Institute. He has business and law qualifications.

Danielle Woolley, board member, is a partner with KPMG Australia, whose clients include state and federal government agencies. Ms Woolley works with clients to deliver better outcomes for citizens by supporting them with strategy development, policy and program design, implementation planning, program evaluation, 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. Before that, Ms Woolley worked in the Department of Family and Community Services and the Environment Protection Authority.

Ms Woolley holds Bachelor of Economics and 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, has a passionate interest in sustainability, agribusiness, innovation and regional development. He led the development of the Agribusiness Precinct to attract new business and jobs in agribusiness for the new Western Sydney Aerotropolis.

Before this role, Mr Bullen was Deputy Director General in the NSW Department of Primary Industries and CEO of the NSW 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 that, worked for Forests NSW across both plantation and native forest management.

Diana D'Ambra, board member, is a non-executive director and independent adviser. Ms D'Ambra has more than 25 years' experience as an executive director or partner in a global accounting firm delivering corporate finance, mergers, acquisitions and investment advice across all industry sectors. She also has more than 15 years' non-executive director experience on both commercial, listed and for-purpose boards in property, financial services, health care, social services, technology, fast moving consumer goods, and infrastructure.

Ms D'Ambra now combines corporate finance, financial management and related strategic advice with board roles. She has a particular interest in transforming medium-sized businesses and has successfully assisted founders grow their businesses and on-sell to new investors.

Ms D'Ambra has Bachelor and Master of Commerce degrees, is a fellow of Chartered Accountants Australia and New Zealand, fellow of the Australian Institute of Company Directors and is a fellow of the Governance Institute of Australia. Ms D'Ambra has successfully completed the Australia Institute of Company Director, Company Directors Course.

During 2022–23, the board also had 6 non-voting members. These members were:

- the head of, or a person nominated by the head, to represent each of the following:
 - NSW Department of Planning and Environment:
 - Crown Lands (Lyndsay Brooker)
 - Planning (Luke Walton)
 - Department of Premier and Cabinet – Heritage NSW (Barrina South, appointed 16 October 2022)
 - NSW Customer Service (Kathy Townsend)
 - NSW Health (Geoffrey Prendergast)
- representative of local government with relevant knowledge and expertise (Mark Ferguson, appointed 14 February 2023)
- the CEO of Cemeteries & Crematoria NSW (Jennifer Hickey).

During the reporting period, the board met 12 times. A quorum for the board is 3 of 4 voting members.

Table 7. Attendance at board meetings

Board member	Number of eligible meetings	Number attended
Dr Stepan Kerkyasharian, AO (former voting member)	6	5
Andrew Mills (voting member)	6	6
Danielle Woolley (voting member)	12	11
Diana D'Ambra (voting member)	12	12
Michael Bullen (voting member)	12	11
Lyndsay Brooker	11	9
Luke Walton	11	8
Barrina South	4	2
Kathy Townsend	11	5
Geoffrey Prendergast	11	5
Mark Ferguson	3	3
Jennifer Hickey (CEO CCNSW)	12	10
Fiona Lansdown (A/CEO)	2	2

Human resources

Table 8 shows the number of officers and employees by category, along with the previous year for comparison.

Headcount data was reported at end of the reporting period.

Table 8. Staff composition and salary levels

Employment type	2022-23	2021-22	2020-21
Ongoing	10	9	7
Temporary	1	3	1
Executive	2	2	2
Total	13	14	10

There were no exceptional movements in wages, salaries or allowances in 2022-23.

Numbers and remuneration of senior executives

There were 2 executives employed at the end of the 2022–23 financial year, as shown in Table 9.

Table 9. Number and band of senior executives 2022–23

Executive level	2022–23		2021–22	
	Female	Male	Female	Male
Band 4 Secretary	0	0	0	0
Band 3 Group/Deputy Secretary	0	0	0	0
Band 2 Executive Director	1	0	1	0
Band 1 Director	1	0	1	0
Total	2	0	2	0

Table 10. Remuneration range of senior executives 2022–23

Executive level	Salary range
Band 2 Executive Director	\$287,201 to \$361,300
Band 1 Director	\$201,350 to \$287,200

27.4% of CCNSW employee-related expenditure in 2022-23 was related to senior executives

Compensation paid to key management personnel

Under 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

Legal changes

Regulations made

- Cemeteries and Crematoria Regulation 2022 (2022-463)
- Cemeteries and Crematoria Amendment Regulation 2022 (2022-605)

Consultants

Details on consultant use is provided in Table 11.

Table 11. Consultants under \$50,000

Consultant	Cost	Number of engagements
Capital Insight Pty Limited	\$28,910.00	1
Total	\$28,910.00	1

Privacy

Division 7.3 of the *Government Sector Finance Act 2018* and relevant annual reporting policies issued by Treasury require an agency to provide a statement of its actions to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* – also known as the PPIP Act. It must also provide statistical details of any reviews done by or on behalf of the agency, under Part 5 of the PPIP Act.

CCNSW complies with the Privacy Management Plan for the Department of Planning and Environment. The plan outlines how the department and its associated 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 and Privacy unit also provide specialist privacy advice and training to staff.

In 2022–23, CCNSW 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. As all public interest disclosures are managed centrally, CCNSW’s information is captured in the Department of Planning and Environment annual report.

Applications to access information

CCNSW has delegated its functions under section 9 of the *Government Information (Public Access) Act 2009* – also known as the GIPA Act – to the Information Access and Privacy unit of the NSW Department of Planning and Environment. All statistical information about access applications required to be included in an annual report regarding Cemeteries & Crematoria NSW, in compliance with s125 of the GIPA Act and Clause 8 of the *Government Information (Public Access) Regulation 2018*, is included in the annual report for the Department of Planning and Environment.

Cyber security policy attestation

Cyber Security Annual Attestation for the 2022-2023 Financial Year for Cemeteries and Crematoria NSW

I, Jennifer Hickey, Chief Executive Officer, am of the opinion that Cemeteries and Crematoria NSW have managed cyber security risks via the Department of Planning and Environment in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure a constant focus on improving and managing cyber security governance, risk, and resilience. Continuous assessment and management of risks to the Department's information and critical systems is accomplished through our cyber security program and routine operational activities.

Throughout the previous financial year, the Department of Planning and Environment has undertaken independent audits of its Information Security Management System, cyber security controls, and compliance with the NSW Cyber Security Policy. These audits uncovered areas of positive progress as well as potential areas for improvement, all in alignment with the dynamic cyber security threat landscape.

The Department of Planning and Environment regularly updates its cyber security incident response plan and conducts annual testing to ensure its effectiveness.

The Department of Planning and Environment's Digital Information Office successfully maintained compliance with the international security standard ISO 27001, "*Information Technology - Security techniques - Information security management systems*," as certified by an Accredited Third Party (BSI Certificate Number: IS 645082).

The Department remains committed to bolstering its technology environments and raising awareness among all employees regarding cyber security and privacy risks.



Jennifer Hickey
Chief Executive Officer
Cemeteries and Crematoria NSW

Date: 17 October 2023

Internal Audit and Risk Management Attestation Statement

Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for the Cemeteries and Crematoria NSW

I, Andrew Mills, Board Chair, Cemeteries and Crematoria NSW, am of the opinion that Cemeteries and Crematoria NSW has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements

Risk Management Framework

- | | | |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency. | Compliant |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | Compliant |

Internal Audit Function

- | | | |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose. | Compliant |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | Compliant |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'. | Compliant |

Audit and Risk Committee

- | | | |
|-----|---|------------------|
| 3.1 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'. | Compliant |

Membership

For the 2022-23 reporting period, the independent Chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	30 June 2023*
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nirmal Hansra	30 March 2020	30 June 2023*
Independent Member	Brendan Crotty	30 March 2023	29 March 2026

* Extended term of appointment from 30 March 2023 to 30 June 2023.

Shared Arrangements

I, Andrew Mills, Board Chair, Cemeteries and Crematoria NSW, advise that the Cemeteries and Crematoria NSW has entered into an approved shared arrangement comprising the following agencies:

- Luna Park Reserve Trust
- Place Management NSW
- Sydney Olympic Park Authority
- Hunter and Central Coast Development Corporation
- Property NSW
- Waste Assets Management Corporation
- Planning Ministerial Corporation
- Cemeteries and Crematoria NSW

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



Andrew Mills
Board Chair
Cemeteries and Crematoria NSW

Agency Contact:
Suzette Gay
Director Audit

Promotion – overseas travel

CCNSW staff made no overseas visits during 2022–23.

Risk management and insurance activities

CCNSW has adopted the Department of Planning and Environment’s Risk Management Framework and its Business Continuity Management Framework. The department provides services to CCNSW under these frameworks. Insurance is covered at a departmental level. For more information, please see the Department of Planning and Environment Annual Report 2022–23.

5 Sustainability

Work, health and safety

There were no work health and safety injuries recorded for Cemeteries and Crematoria NSW for 2022–23. There were no prosecutions under the *Work Health and Safety Act 2011* (NSW).

Annual report cost and availability

We have prepared the CCNSW Annual Report 2022–23 in compliance with Premier’s Memorandum M2013-09, at no external cost.

After the report has been tabled in Parliament, we will publish it on the [CCNSW website](#) and the NSW Government’s [OpenGov NSW website](#). We will also give electronic copies to the State Library of NSW, the NSW Parliamentary Library and the National Library of Australia.

Ethics and integrity

Employees of CCNSW are employed by the Department of Planning and Environment to enable CCNSW to perform its functions. Employees are obliged to comply with all integrity obligations of the department’s Code of Ethics and Conduct. For further information on the ethical framework, please see the Department of Planning and Environment Annual Report 2022–23.

Workforce diversity, multicultural and disability policies

Our diversity achievements fall under the Department of Planning and Environment and will be reported in the department’s 2022–23 annual report.

Modern Slavery Act 2018

CCNSW operates under the Department of Planning and Environment’s procurement framework. The department provides services to CCNSW. All *Modern Slavery Act 2018* (NSW) requirements are managed through this framework. For further information please see the Department of Planning and Environment Annual Report 2022–23.

6 Financial performance

Independent auditor's report

Financial statements



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 comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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).

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

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

Board and Chief Executive Officer's Responsibilities for the Financial Statements

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



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

12 October 2023
SYDNEY

Cemeteries and Crematoria NSW

Financial Statements

for the year ended 30 June 2023

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Cemeteries and Crematoria NSW
Statement by the accountable authority
For the year ended 30 June 2023

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ("the Act"), we state on behalf of Cemeteries and Crematoria NSW 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.

Signed.....

Andrew Mills

Chair

Date: 12/10/2023

Signed.....

Jennifer Hickey

Chief Executive Officer

Date: 12/10/23

Beginning of the financial statements

Cemeteries and Crematoria NSW

Statement of comprehensive income for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Expenses			
Personnel services	2(a)	2,392	2,270
Operating expenses	2(b)	580	277
Total expenses		2,972	2,547
Revenue			
Retained levies	3(a)	851	777
Investment revenue	3(b)	50	3
Grants and contributions	3(c)	2,071	1,767
Total revenue		2,972	2,547
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 2023

	Notes	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	1,704	1,851
Receivables	5	282	197
Total current assets		1,986	2,048
Total assets		1,986	2,048
Liabilities			
Current liabilities			
Payables	6	360	422
Total current liabilities		360	422
Total liabilities		360	422
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 2023

	Accumulated funds \$'000	Total equity \$'000
Balance at 1 July 2022	1,626	1,626
Net result for the year	-	-
Balance at 30 June 2023	<u>1,626</u>	<u>1,626</u>
Balance at 1 July 2021	1,626	1,626
Net result for the year	-	-
Balance at 30 June 2022	<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 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Payments			
Grants and subsidies		(375)	-
Personnel services		(176)	(151)
Payments to suppliers		(423)	(468)
Total payments		(974)	(619)
Receipts			
Retained levies		777	754
Interest received		50	3
Grants and contributions		-	383
Total receipts		827	1,140
Net cash flows from operating activities	7	(147)	521
Net increase/(decrease) in cash and cash equivalents		(147)	521
Opening cash and cash equivalents		1,851	1,330
Closing cash and cash equivalents	4	1,704	1,851

The accompanying notes form part of these financial statements.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

1. Summary of significant accounting policies

(a) Reporting entity

Cemeteries and Crematoria NSW (Cemeteries) is a reporting entity constituted under the *Cemeteries and Crematoria Act 2013* to assess current and future interment needs and develop planning strategies for cemetery space to meet those needs.

Cemeteries is an NSW Government entity and is controlled by the State of New South Wales which is the ultimate parent. Though Cemeteries generates cash, it is a not-for-profit entity, as profit is not its principal objective.

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Chair of the Board 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* (GSF Act); and
- the Treasurer's Directions issued under the GSF 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, which is Cemeteries presentation and functional 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 the Department of Planning and Environment (the department)

Cemeteries does not have any employees and receives administrative, secretarial support and operational assistance from the department. Cemeteries has an arrangement with the department to reimburse them for a portion of personnel expenses and a non-cash 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 prepares the financial statements, free of charge.

(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 and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(g) Changes in accounting policies, including new or revised Australian Accounting Standards

(i) Effective for the first time in FY 2022-23

The following policies, amendments and interpretations apply for the first time in 2022-23, and do not have an impact on the financial statements of cemeteries:

- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments (effective from 1 January 2022)*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective from 1 January 2022)*
- *AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2022)*
- *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative examples for Not-for-Profit Entities accompanying AASB 15*

(ii) Issued but not yet 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 not been applied and are not yet effective (NSW Treasury mandate TPG 23-04):

- *AASB 17 Insurance Contracts (effective from 1 January 2023)*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2024)*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (effective from 1 January 2023)*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023)*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (effective from 1 January 2023)*
- *AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2023)*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2023)*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information (effective from 1 January 2023)*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback (effective from 1 January 2024)*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants (effective from 1 January 2024)*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards (effective from 1 January 2023)*
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments (effective from 1 January 2023)*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector (effective from 1 July 2026)*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (effective from 1 January 2024)*

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(g) Changes in accounting policies, including new or revised Australian Accounting Standards (continued)

(ii) Issued but not yet effective (continued)

Cemeteries has assessed any potential impact on the financial statements due to the new accounting standard or interpretation and find that there will be no financial impact when implemented. However, when AASB 2021-2 is adopted there will be a disclosure amendment due to the change in the presentation of accounting policies as "material accounting policies" instead of "significant accounting policies".

(h) Covid-19

Covid-19 has not resulted in any material impact on Cemeteries' revenue and expenses in the current financial year.

(i) Going concern

The financial statements have been prepared on a going concern basis. Cemeteries receives financial support from the department. At the date of this report there is no reason not to expect this financial support to continue.

2. Expenses

(a) Personnel services expenses include the following:

	2023	2022
	\$'000	\$'000
Salaries and wages (including annual leave)	1,937	1,822
Superannuation	156	196
Payroll tax	128	99
Workers' compensation insurance	22	11
Board members salaries	149	142
	<u>2,392</u>	<u>2,270</u>

Recognition & measurement

Personnel services

Cemeteries does not employ staff but uses the personnel services of the department. The costs of salaries, wages, superannuation, annual leave, long service leave, and for sick leave are disclosed as personnel services. Refer note 1(e).

Board members salaries and on-costs

Board member salaries 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.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

2. Expenses (continued)

(b) Other operating expenses include the following:

	2023 \$'000	2022 \$'000
Administration costs	29	10
Advertising and promotion	14	-
Audit fees	33	29
Communication	19	9
Consultancy fees	29	-
Contractors	262	149
Legal fees	89	-
Low value and short term leases	62	69
Purchased assets <\$5,000	1	8
Recruitment fees	28	-
Travelling costs	14	3
	580	277

Recognition and measurement

Insurance

Cemeteries insurance activities are covered by the department'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. Revenue

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*.

(a) Retained levies

	2023 \$'000	2022 \$'000
Cemeteries levy	851	777
	851	777

Recognition and Measurement

Retained levies

Applicable Crown cemetery operators self report the number of interments and cremations that have occurred quarterly to Cemeteries. This information is then used to calculate and invoice the levies back to those cemetery operators in accordance with the Cemeteries and Crematoria Act 2013. While a reasonableness check is performed on the data received before invoicing, Cemeteries' revenue is limited to the self reporting by these operators on their number of interments and cremations.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

3. Revenue (continued)

(b) Investment revenue

	2023	2022
	\$'000	\$'000
Interest	50	3
	<u>50</u>	<u>3</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).

(c) Grants and other contributions

	2023	2022
	\$'000	\$'000
Non-cash		
Personnel services contribution - department	2,071	1,767
	<u>2,071</u>	<u>1,767</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).

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. Volunteer services are measured at fair value. During 2022-23, Cemeteries did not use any volunteer services (2022: nil).

(d) Deemed appropriations

Cemeteries and Crematories NSW Fund is a special deposits account established under section 22 of the *Cemeteries and Crematoria Act 2013* into which is paid all 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.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

4. Current assets – cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash at bank and on hand	1,704	1,851
	<u>1,704</u>	<u>1,851</u>

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 equivalents (per statement of financial position)	1,704	1,851
Closing cash and cash equivalents (per statement of cash flows)	<u>1,704</u>	<u>1,851</u>

Refer Note 10 for details regarding credit risk and market risk arising from financial instrument.

5. Current assets – receivables

	2023	2022
	\$'000	\$'000
Current		
Accrued income	208	189
Trade receivables	55	-
Net GST receivable	19	8
	<u>282</u>	<u>197</u>

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

Recognition and measurement

Cemeteries recognises a financial asset or a financial liability when, and only when, it becomes a party to contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the entity considers:

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

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.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

5. Current assets – receivables (continued)

Recognition and measurement (continued)

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 Cemeteries expects to receive, discounted at the original effective interest rate. At 30 June 2023, Cemeteries has not recognised any ECL's (2022: Nil).

6. Current liabilities - payables

Current	2023 \$'000	2022 \$'000
Accruals	30	32
Accruals - salaries and wages	63	-
Creditor s	147	-
Creditor - department	120	390
	<u>360</u>	<u>422</u>

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

	2023 \$'000	2022 \$'000
Net cash used on operating activities	(147)	521
Increase / (decrease) in receivables	85	(371)
Decrease / (increase) in creditors	62	(150)
Net result	<u>-</u>	<u>-</u>

8. Accumulated funds

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

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

9. State outcomes

Cemeteries operates to contribute to the Department of Planning and Environment 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. The total operations of Cemeteries contributes to Outcomes 3. Separate state outcome disclosure is not required.

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			Carrying amount	Carrying amount
			2023	2022
Class	Note	Category	\$'000	\$'000
Cash and cash equivalents	4	Amortised cost	1,704	1,851
Receivables ¹	5	Amortised cost	263	189

Financial liabilities			Carrying amount	Carrying amount
			2023	2022
Class	Note	Category	\$'000	\$'000
Payables ²	6	Financial liabilities measured at amortised cost	360	422

Notes

1. Receivables excludes statutory receivables and prepayments, not within scope of AASB 7.
2. Payables excludes statutory payables and unearned revenue, not within scope of AASB 7.

(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:

- a) Cemeteries has transferred substantially all the risks and rewards of the asset; or
- b) 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.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

10. Financial instruments (continued)

(b) Derecognition of financial assets and financial liabilities (continued)

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) 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 Cemeteries, 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.

Receivables - trade receivables

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

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 measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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. For the 2022-2023 financial year Cemeteries' trade receivables balance as at 30 June 2023 was \$54,622 (30 June 2022: Nil) and there was no allowance for expected credit losses for the trade receivables as at 30 June 2023. Cemeteries had no financial assets past due or impaired as of 30 June 2023.

(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.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

10. Financial instruments (continued)

(d) Financial risks (continued)

(ii) Liquidity risk (continued)

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. There was no interest paid during the period (2022: nil).

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 interest rate	Nominal amount \$'000	Interest rate exposure			Maturity dates		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	< 1 yr	1-5 yrs	> 5 yrs
2023								
<i>Payables</i>	0.0%	360	-	-	360	360	-	-
		360	-	-	360	360	-	-
2022								
<i>Payables</i>	0.0%	422	-	-	422	422	-	-
		422	-	-	422	422	-	-

Note: 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 2022. 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 and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

10. Financial instruments (continued)

(d) Financial risks (continued)

(iii) Market risk (continued)

Cemeteries exposure to interest rate risk is set out below:

	Carrying amount \$'000	-1% Result \$'000	Equity \$'000	+1% Result \$'000	Equity \$'000
2023					
Financial Assets					
Cash and cash equivalents	1,704	(17)	(17)	17	17
Receivables	263	(3)	(3)	3	3
Financial Liabilities					
Payables	360	4	4	(4)	(4)
2022					
Financial Assets					
Cash and cash equivalents	1,851	(19)	(19)	19	19
Receivables	189	(2)	(2)	2	2
Financial Liabilities					
Payables	422	4	4	(4)	(4)

(e) Fair value measurement

(i) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

(ii) Fair value recognised in the Statement of Financial Position

Management assessed that the cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

11. Contingent liabilities and contingent assets

Cemeteries is unaware of the existence of any contingent assets or liabilities as at balance date (2022: Nil).

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

12. Related party disclosure

In 2023 \$284,115 out of \$448,281 key management personal services were provided as a non-cash contribution by the Department of Planning and Environment, for 2022 \$296,543 out of \$452,124 were provided as a non-cash contribution.

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 and Environment	Provision of administrative and secretarial support, personnel services and operational assistance.
Environmental Protection Agency	Staff secondment
Southern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services.
Catholic Metropolitan Cemeteries Trust	Levies received based on interment and cremation services.
Northern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services.
Rookwood General Cemeteries Reserve Land Manager	Levies received based on interment and cremation services.

13. Events after reporting date

The NSW Government introduced the Interment Industry Scheme requiring all crematoria and cemeteries operators to be licenced. The scheme will be phased in from July 2023 to October 2024. Licencing fee charges will not materially impact the future revenue of Cemeteries.

In August 2023, the NSW Government announced changes to the structure of DPE that are effective from 1 January 2024. These changes include transfer of certain functions to a new Department of Climate Change, Energy, the Environment and Water with the remaining functions of the existing Department of Planning and Environment to be retained by the Department of Planning, Housing and Infrastructure (DPHI). From 1 January 2024, the Cemeteries is likely to receive its personnel and corporate services from DPHI. These changes will not have any impact on the operations, assets, liabilities, net equity position and financial performance of Cemeteries.

There are no other known events that would impact on the state of Cemeteries or its financial statements.

End of audited financial statements.