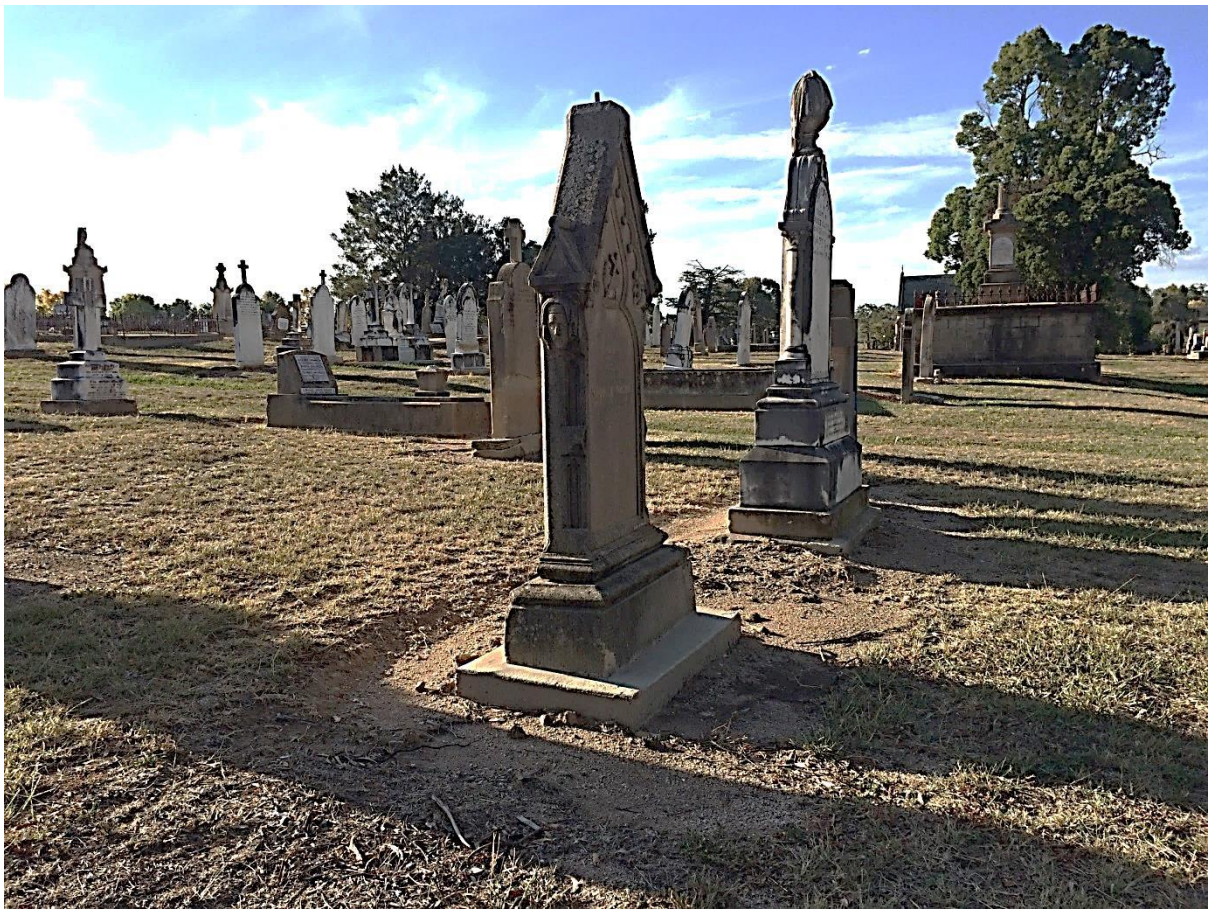
Cemeteries & Crematoria NSW

ANNUAL REPORT

2015-2016



Bathurst cemetery – Cemeteries and Crematoria NSW © (courtesy of C White)

Cemeteries and Crematoria NSW Annual Report 2015-2016
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Cemeteries & Crematoria NSW

31 October 2016

The Hon Niall Blair MLC
Minister for Primary Industries, and Minister for Lands and Water
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Submission of the Cemeteries and Crematoria NSW Annual Report 2015-2016

In accordance with the *Annual Reports (Statutory Bodies) Act 1984,* the *Public Finance and Audit Act 1983,* and the Regulations under these Acts, we are pleased to submit to you the 2015-2016 Annual Report for Cemeteries and Crematoria NSW for presentation to Parliament.

This first full-year Annual Report demonstrates the range of work undertaken in meeting the Government's reform agenda for the interment sector and addressing identified challenges for the future. Of note is the launch of the agency's first Strategic Plan and the considerable progress in achieving the tangible deliverables scheduled for completion in the first year.

The Strategic Plan 2015-2016 identifies the priority areas of *Respect*, *Affordability and Sustainability*, *Land Availability* and *Governance* and, for this first year, land availability and governance have been a particular focus for Cemeteries and Crematoria NSW. The Board of the agency has taken a collaborative leadership position to improve governance and accountability in the Crown cemeteries trust sector, which will assist the sector to be placed on a sustainable footing into the future. Essential work has also commenced on capacity in the interment sector more broadly, inclusive of ensuring that strategic land use planning includes cemeteries and crematoria.

A key achievement this year has been the inaugural publication of an annual activity survey report of NSW cemeteries and crematoria, providing comprehensive information regarding service delivery and trends in the interment industry. This report provides a robust evidence base for reform and, complemented by the capacity analysis, will be a critical resource for Government, industry and the community generally.

Close engagement with cultural and faith groups and industry participants through the advisory groups that have been established will assist in ensuring that the agency remains sensitive to differing perspectives across the community and current and emerging issues.

Yours sincerely

Dr Stepan Kerkyasharian AO
Chair

Scott Hawker
Board member

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Summary Highlights for 2015-2016

Cemeteries and Crematoria NSW (CCNSW) has a strategic focus on the priority areas of *Respect*, *Affordability and Sustainability*, *Land Availability* and *Governance* in relation to the provision of interment services in NSW. During this first full year of operation, major achievements include:

- Establishment of the Industry Consultative Group and Community and Consumer Consultative Group, which provide a sounding board for CCNSW and opportunity for direct input from industry operators and community and faith groups.
- The first part of a major research study into general community understanding of interment services was completed.
- An inaugural activity report on cremation and interment services in NSW and associated information on the utilisation of cemetery land was published.
- A range of regulatory and compliance activities commenced, including reviews of metropolitan Crown Cemetery Trust Strategic Plans, Annual Reports, pricing proposals and cemetery Plans of Management.
- At the direction of the Minister for Lands and Water an independent investigation of the Rookwood General Cemeteries Reserve Trust was commenced.
- A range of consumer information and industry guidelines were progressed for release in 2016-2017.

Legislation and Charter

Cemeteries and Crematoria NSW (CCNSW) is the statutory body with strategic and regulatory oversight of the interment industry and responsibility for administering the *Cemeteries and Crematoria Act 2013*. The Act establishes CCNSW to oversee the management and operations of all cemeteries and crematoria in NSW and to secure the future demand for interment services. The Act was passed in November 2013 and contains a number of key provisions including:

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

The Act is complemented by the *Cemeteries and Crematoria Regulation 2014* which prescribes which operators of cemeteries are required to pay a general levy and the level which is payable for interment services each year.

Aims and Objectives

There are over 50,000 deaths per annum in NSW, and cemetery and crematoria operators provide a range of interment options state-wide to service community and cultural needs and expectations for burial, cremation, ash interment and memorialisation. Under the *Cemeteries and Crematoria Act 2013*, CCNSW has responsibilities to:

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

Access

Cemeteries and Crematoria NSW can be contacted at:

Address: 6 Avenue of the Americas, Newington NSW 2127
Postal: PO Box 6682 Silverwater NSW 1811
Phone: 61 2 9741 4864
Fax: 61 2 9741 4892
Email: ccnsw.info@cemeteries.nsw.gov.au

Website address: http://www.dpi.nsw.gov.au/land-and-water/cemeteries-crematoria

The Board and Governance

CCNSW is led by an independent, skills-based board appointed by and responsible to the Minister for Primary Industries, Minister for Lands and Water, the Hon Niall Blair MLC.

The Board consists of four voting members being:

Dr Stepan Kerkyasharian AO, the Chair of the Board, is a former Chair and CEO of Multicultural NSW and its predecessor agencies from 1989 to 2014, and a former President of the Anti-Discrimination Board. From 1980 to 1988 he was the foundation head of SBS Radio. He received the Gold Cross of Merit of Poland in 1990 and became a Member of the Order of Australia (AM) in 1992 and an Officer of the Order of Australia (AO) in 2011 for distinguished service to the community. In 1995 he received the Premier's Community Service Award, the Olympic Order in 2000 and a Medal for Services to National Security in 2014. Dr Kerkyasharian was made a Fellow of the University of Technology Sydney in 1995, a Doctor of Letters (Honoris Causa) by the University of Sydney in 2007 and a Doctor of Letters (Honoris Causa) from the University of Western Sydney in 2013.

Ms Abigail Goldberg, Deputy Chair, has over thirty years of experience in planning, property, infrastructure and transport across both the private and public sectors. She was formerly CEO of Metro Transport Sydney, General Manager of South Sydney Development Corporation and Assistant Director of the Urban Design Advisory Service. Ms Goldberg currently serves as a Chair and Non Executive Director on several boards, is an Associate of the UTS Centre for Excellence in Local Government and a Fellow of the Australian Institute of Company Directors. She has been a member of the Planning Assessment Commission since 2012. Ms Goldberg holds an Executive MBA (UNSW), a Master of Urban Design (Oxford Brookes) and a Bachelor of Science (Witwatersrand).

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

Mr Christopher Zinn, Board Member, has worked for 25 years within the print media, broadcasting and consumer organisations in Australia and overseas as a journalist, presenter, producer, media spokesman and campaign director. Mr Zinn is Director, Campaigns and Communications, Adviser Ratings and is the spokesman for the FiftyUp Club. He has previously worked at CHOICE and been Director of Campaigns for One Big Switch, a consumer network. Mr Zinn is currently the Director of a consumer empowerment initiative, determinedconsumer.com.au, and a Board Member of the Australian Youth Mentorship Network and Kidsafe NSW. Mr Zinn holds a MA Geography (Oxford) and a Postgraduate Diploma in Journalism (University of Wales).

The Board also has seven (7) non-voting Board Members comprising:

- *A person appointed by the Minister as a person with knowledge and expertise relevant to local government matters*:
  Mr Bill Gillooly AM, the former Chief Executive of Local Government NSW.

- *The head of, or a person nominated by the head to represent each of the following:*
  - Crown Lands Division, NSW Department of Industry (Mr Mark Matchett)
  - NSW Department of Planning & Environment (Ms Stephanie Barker then Mr Martin Reason)
  - NSW Fair Trading (Mr Rhys Bollen)
  - NSW Health (Mr Paul Hunt then Dr Benjamin Scalley)
  - NSW Office of Environment and Heritage (Ms Tracey Avery then Dr Siobhan Lavelle OAM)

- The Chief Executive Officer of Cemeteries and Crematoria NSW (Mr Nicholas Cobb served as temporary Chief Executive Officer to September 2015, Mr Christopher White as Acting Chief Executive Officer for the month of September 2015 and thereafter Mr Carl Malmberg as Chief Executive Officer from October 2015).

Attendance at Board meetings during 2015-2016

Board Member	No of Board Meetings eligible	Attended#
Stepan Kerkyasharian AO ^	11	10
Abigail Goldberg ^	11	9
Scott Hawker ^	11	11
Christopher Zinn ^	11	11
Bill Gillooly AM	11	11
Mark Matchett	6	6
Stephanie Barker then Martin Reason	5	3
Paul Hunt then Dr Benjamin Scalley	7	5
Tracey Avery then Dr Siobhan Lavelle OAM	8	5
Rhys Bollen	9	6
Nicholas Cobb/Christopher White/Carl Malmberg	11	11

^ voting board members # quorum for the Board is three of the four voting members.

All board members were appointed following a competitive selection process including print and online public advertising, a review of candidate qualifications, experience, assessment against selection criteria and a panel interview (including external panel members). Each board member has been appointed for a period of four years commencing 1 November 2014.

Consultation Groups

During 2015-2016, the Board of CCNSW established two consultative groups: the Industry Consultative Group (ICG) and the Community and Consumer Consultative Group (CCCG), to ensure ongoing engagement and communication with the interment industry and the wider community.

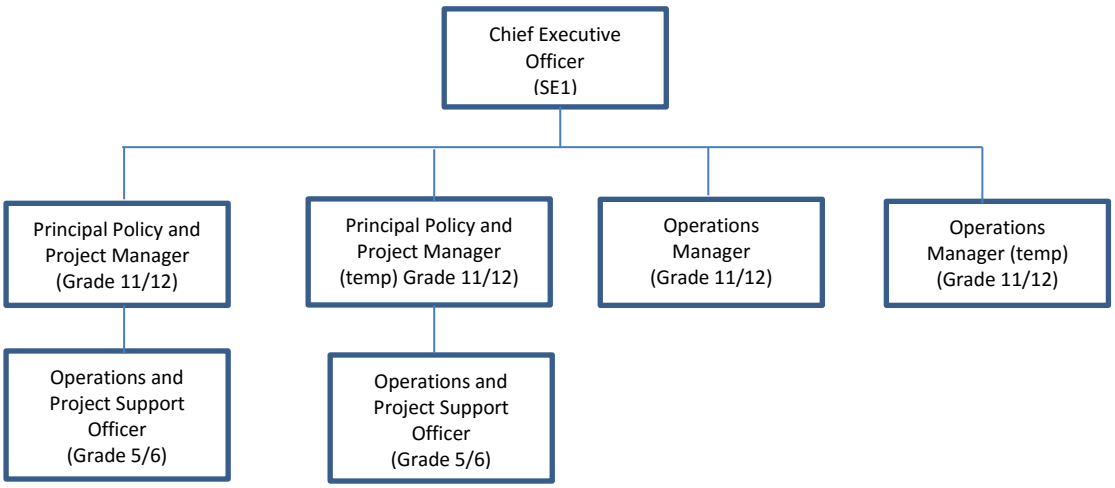
The ICG is a high level committee, convened to ensure an industry-wide strategic focus on current and emerging issues. This forum provides an efficient approach for CCNSW to understand industry views and enables enhanced decision-making and transparency. The ICG provides advice regarding cemetery and crematorium policy to the CCNSW Board.

The ICG also provides a genuine opportunity for the interment industry to influence cemetery and crematorium policy in NSW. The group is comprised of representatives from the funeral industry, Crown cemetery trusts, private sector cemetery and crematoria operators and local government. The Group is chaired by Ms Abigail Goldberg, Deputy Chair of the CCNSW Board. The ICG commenced in 2016 and held two meetings during the reporting period.

The CCCG is a high level committee, convened in an advisory capacity to ensure that the diverse views of communities and consumers are taken into account in policy development. The CCG will provide advice from a community, cultural and faith perspective to the CCNSW Board, on a range of matters including key objectives of the *Cemeteries and Crematoria Act 2013*. The group is comprised of representatives of major religious and ethnic groups and includes general community members. The CCCG is chaired by CCNSW Board member, Mr Christopher Zinn. Members were appointed by the CCNSW Board in May 2016 following a public advertised expression of interest process. The CCCG did not meet during the reporting period.

Management and structure

During 2015-2016, the CCNSW business unit was headed initially by Mr Nicholas Cobb as temporary Chief Executive Officer, then by Mr Christopher White as Acting Chief Executive Officer and from October 2015 by Mr Carl Malmberg as Chief Executive Officer, with a small specialist staff in a unit structure comprising:



During 2015-2016, the key activities of the business unit of CCNSW have focussed on strategic and business planning and commencement of major projects including implementing a new statutory governance regime for the Crown cemetery sector; developing a comprehensive information system to enable evidence-based estimates of existing cemetery space and forecasts of space shortage and exhaustion; launching of Cemeteries and Crematoria NSW, Strategic Plan 2015-2020; commencement of work investigating the costs and pricing of interment rights, particularly the relativity of pricing between perpetual and renewable rights and adequate provision for perpetual care of cemeteries; and conducting a collaborative review of land tenure for local government cemeteries on Crown Land.

The role of the business unit is to support the Board to implement the various stages of reform in a progressive process and give effect to the *Cemeteries and Crematoria Act 2013* in two-stages. There has also been a substantial focus on preparation for implementing Stage 2 which is to establish a new system of interment rights and to modernise and standardise practice across all cemetery sectors in accordance with the Act. This will improve the transparency and accountability of cemetery operations and provide greater certainty and protection for consumers.

Summary review of operations

Strategic Plan 2015-2020

In October 2015, the Minister for Primary Industries and Minister for Lands and Water, the Hon Niall Blair MLC launched the Cemeteries and Crematoria NSW Strategic Plan 2015-2020 at Waverley Cemetery. The plan has a number of key priority areas and deliverables -

Priority Areas

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

Priority Actions for Year 1 - Deliverables

During the reporting period, work proceeded on each of the Year 1 deliverables, listed below, which are expected to be completed in the second half of 2016. Each deliverable has benefits to the community, to industry and to the State.

- ***Consumer guidance on interment services***
  Publish simple, easy to understand information on interment rights, including consumer tips on buying, transferring and exercising interment rights.

- ***Voluntary code of practice on cemetery maintenance***
  Develop and publish a guideline for maintaining cemetery grounds and facilities that take into account community expectations and the diverse scale and nature of facilities in NSW.

- ***Report on remaining cemetery capacity in the Greater Sydney Area***
  Project exhaustion of existing cemetery space to identify regions facing a critical shortage and inform decisions regarding future cemetery space.

- ***Report on annual activity survey of NSW cemeteries and crematoria***
  Publish up-to-date comprehensive information regarding service delivery and trends in the interment industry.

A set of priority deliverables for year 2 are also listed in the Strategic Plan 2015-2020.

CCNSW 2014-15 Activity Report

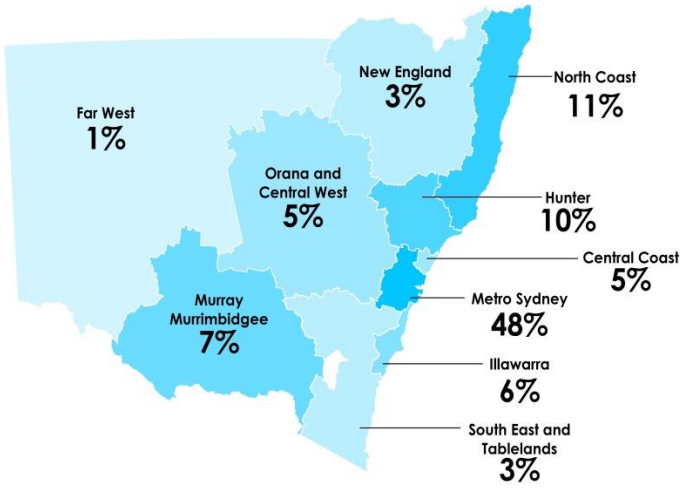
Annual activity reporting on cremation and interment services provided in all regions of NSW and by all sectors of industry, and the associated information on the consumption of cemetery land, provides essential evidence material to inform planning for the future provision of services to the community of NSW.

During 2015-16 CCNSW surveyed operators of all active NSW facilities, including 49 crematoria and 851 cemeteries, in respect of first burial, second burial and renewable burial, cremation, and ash interment and scattering activity. A report was published (http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0011/659594/cemeteries-and-crematoria-nsw-activity-report-2041-15.pdf) which presents and analyses mortal remains, interment, cremation and ash interment activity completed in NSW in 2014-2015.

Features of the analysis include:

- 53,945 burial and cremations services provided in NSW in 2014-2015.
- net incoming traffic to NSW for these services, of +1,625 or +3.1%.
- net incoming traffic to Metropolitan Sydney for burial services, of +1,019 or +4.1%.
- 52.3% of death in NSW were in regional NSW whereas only 40% of the population live in regional areas reflecting different age profiles between Sydney and the regions
- Private sector operators provide 75% of cremation services in NSW, including 69% of metropolitan cremations and 81% of regional cremations.
- Councils provide 22.7% of overall services; 49% of all burials in NSW and 86% of regional burials.
- Crown Trusts provide 21.3% of services in NSW, including 69% of metropolitan burials.
- the Sydney cremation rate (66.3%) is consistent with the rest of NSW (66.9%); given proximity constraints in the regions, the rate likely reflects an orientation to burial for many communities in greater Sydney.
- the cremation rate for Sydney will be material to the cemetery capacity which is required for the Sydney population in future decades.
- in Sydney the rate of second or subsequent interment is 30.3% of all burials, suggesting a ‘current’ grave occupancy rate of 1.45.

The Activity Report is expected to be of value in evidencing current practices and in supporting the CCNSW greater metropolitan cemetery capacity analysis work which follows in 2016, and in maintaining industry awareness of the operational and demographic contexts of cemeteries and crematoria. The chart below provides a snapshot of service distribution across NSW.



Distribution of total burial and cremation services across NSW – rural and regional planning regions

Cemeteries and Crematoria Register

During 2015-2016 CCNSW maintained the NSW Cemeteries and Crematoria Register, in accordance with Section 27 of the *Cemeteries and Crematoria Act 2013*. A public version of the register is maintained at http://www.dpi.nsw.gov.au/land-and-water/cemeteries-crematoria, updated periodically and published for use by the community and industry.

The purpose of the Register is to provide ready public access to information about cemetery and crematorium facilities in NSW, and to identify cemetery and crematorium operators subject to the Act and Regulations. Operators are required to notify CCNSW of information for inclusion in the Register, including:

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

CCNSW work with NSW cemetery and crematorium operators is centred on operational facilities, which are the focus of the *Cemeteries and Crematoria Act 2013*. Other resources are available for identification of closed cemeteries and other burial places in NSW. In regional NSW, the great majority of cemetery facilities are operated by Councils, in the absence of other market participants. Cremation services in regions are provided by private operators and by Councils, with distribution of facilities generally to regional towns with a 'critical mass' of population and service demand.

The following table summarises data maintained in the Register in respect of operational cemeteries and crematoria as at June 2016.

Planning Region	No of cemeteries	No of Crematoria
Central Coast	17	2
Far West	34	2
Hunter	130	4
Illawarra	20	3
Metropolitan Sydney	57	12
Murray-Murrumbidgee	113	5
New England - North West	96	3

Planning Region	No of cemeteries	No of Crematoria
North Coast	134	10
Orana & Central West	147	5
South East & Tablelands	101	3
Unincorporated	2	0
TOTAL	**851**	**49**

Crown Cemetery Trust reporting

Part 5 'Operation of Crown cemeteries and crematoria' of the *Cemeteries and Crematoria Act 2013* makes CCNSW responsible for oversight of the performance of Crown cemetery trusts. The governance approach imposes annual reporting requirements for all Crown cemetery trusts including independently audited financial statements. Annual reports must include a report on trust operations with reference to its strategic plan and any plans of management.

During 2015-2016 CCNSW received and evaluated the 2014-2015 Strategic Plans and Annual Reports for the metropolitan Crown cemetery trusts, and completed follow-up enquiries as appropriate. CCNSW also assisted Crown cemetery trusts to meet Greater Government Sector reporting requirements to NSW Treasury under the *Public Finance and Audit Act 1983 (PFAA)*. Reporting accountabilities under the PFAA are a new development, required due to a change in Australian Accounting Standards. During 2016-2017, work is to proceed to identify and manage unforeseen accountabilities arising from the change to the accounting standard.

Crown cemetery trust operator 2014-2015 Annual Reports may be accessed from the websites of the respective entities.

Regulatory and compliance monitoring activity in 2015-2016

CCNSW undertook regulatory activities in 2015-2016 which included:

- review of Rookwood General Cemeteries Reserve Trust (RGCRT) proposed price increases in July 2015.
- oversight of the independent investigation of the RGCRT.
- commissioning of an independent Rookwood Cemetery Future Governance Review.
- appointment of an Administrator for RGCRT.
- review of strategic plans developed by the metropolitan Crown cemetery reserve trusts.
- review of the 2014-2015 Annual Reports submitted by the metropolitan Crown cemetery reserve trusts.

CCNSW provided the terms of reference for the independent consultants appointed by the NSW Government to conduct an evidence-based and consultative investigation into the RGCRT. The review was triggered following representations from community members and RGCRT Board members to the NSW Government regarding governance and operational concerns with RGCRT. The report including findings and recommendations was completed at the end of the 2015-2016 financial year.

The Minister for Primary Industries and Minister for Lands and Water also directed CCNSW to oversee a review of governance for the entire Rookwood Cemetery which will consult broadly before presenting a set of recommendations on how management of Rookwood should implement the objects set out in the *Cemeteries and Crematoria Act 2013*, and effect good governance and respectful management of Australia's oldest multi-faith cemetery. The review will continue during the 2016-2017 financial year.

2015-2016 Reporting and compliance data

Activity - *Cemeteries and Crematoria Act 2013*	2015-2016	Section of the Act
Part 3		
Total number of registrations	1123	S. 27
Cemeteries registered	1172	S. 27
Crematoria registered	51	S. 27
New registrations in period	64	S. 27
Cemetery and Crematoria Register publication updates	2	S. 27
Codes of Practice developed	0	S. 28
Codes of Practice approved	0	S. 30
Interment Industry Schemes in effect	0	S. 31
Improvement notices issued	0	S. 33
Improvement notice interventions	0	S. 35
Short Term Orders issued	0	S. 36
Enforceable undertakings in effect	0	S. 39
Enforceable undertaking enforcement actions	0	S. 40
Cemetery/crematoria facility activity performance reports	900	S. 41
Cemetery facility capacity performance reports	133	S. 41
Part 5		
Crown cemetery trust Board appointments	7	S. 74
Crown cemetery trust Administrator appointments	1	S. 77
Crown cemetery trust significant event notifications	0	S. 85
Crown cemetery trust Strategic Plans assessed	4	S. 90
Crown cemetery trust Strategic Plans adopted	0	S. 92
Crown cemetery trust Plans of Management assessed	1	S. 93
Crown cemetery trust Plans of Management referred for exhibition	1	S. 95
Crown cemetery trust Plans of Management adopted	1	S. 96
Crown cemetery trust Annual Reports assessed	10	S. 99
Fees and charges interventions	1	S. 107

Research and development

During the reporting period, Woolcott Research was commissioned to undertake consumer research into community understanding and awareness of interment services to assist in identifying content required for inclusion in consumer information including the development of a general consumer guide to interment rights.

The first stage of the consumer research project and preliminary findings were completed in June 2016 with the remaining work to be completed in the 2016-2017 financial year. The findings included:

- Funeral Directors were a major source of information amongst those persons who had previous experiences in arranging services.
- Many people haven't given too much thought to their own wishes, and have not necessarily conveyed their wishes to all family members.
- There was little awareness and knowledge evident in relation to Interment Rights.
- The aspect of Renewable Interment Rights was something new to most people (and requires explanation).
- Cost is the main element that respondents wanted information on.
- Apart from costs, there was a high degree of interest in obtaining information on the process involved in organising a burial or cremation, an explanation of Interment Rights, and the type of organisations that provide burials and cremations.

- Despite not being relevant to all, there was also a high level of interest in relation to where cremated ashes can be scattered or buried.

(Source: Woolcott Research, "Consumer Research for Cemeteries and Crematoria NSW", August 2016)

This work will be used to ensure that CCNSW advisory and guidance materials provide appropriate and targeted information helpful to consumers.

Legal changes

There were no changes to the CCNSW primary legislation during the reporting period.

Exemptions

In accordance with NSW Treasury Circular 15-18, as a small agency, CCNSW is not required to report annually on disability inclusion plans, workforce diversity, multicultural policies and services program and work, health and safety. As CCNSW had been operation for only 19 months on 30 June 2016, there are no comparative data for previous reporting periods.

Human resources

In accordance with the *Cemeteries and Crematoria Act 2013*, CCNSW does not directly employ staff. Staff are engaged by the NSW Department of Industry and were domiciled within the Land and Natural Resources Branch of the Department of Primary Industries during 2015-2016. The composition and salary bands of staff are shown in the table below:

							$125181>		
Salary Level	**$0-$41679**	**$41679-$54742**	**$54742-$61198**	**$61198-$77441**	**$77441-$100145**	**$100145-$125181**	**(non SES)**	**ES**	**Total**
Female					2				2
Male							4	1	5
Totals					2		4	1	7

Numbers and remuneration of senior executives

The total number of executives employed at the end of the 2015-2016 financial year was 1.

2015-2016			
Band	**Female**	**Male**	**TRP band ($)**
SE1		1	$174,500-$248,850

Consultants

Consultants over $50,000

Consultant	Costs $	Title/Nature
Elton Consulting	70,697	Review of Rookwood General Cemeteries Reserve Trust
Woolcott Research	76,010	Consumer research on interment rights
Total	146,707	

Consultants under $50,000

Consultant	Costs $	No of engagements
Management services	12,159	2
Organisational review	39,105	2
Total	51,264	4

Promotion

There were no overseas visits by staff of CCNSW during 2015-2016.

Consumer response

No complaints were received during 2015-2016 regarding CCNSW itself. A small number of consumer complaints were received regarding cemetery operators and the CCNSW business unit sought to resolve these matters with operators. The categories of complaint included:

Category of complaint	No # received	Result
Cemetery maintenance	6	Satisfactorily resolved.
Cemetery operator services	2	Resolved. The cemetery operator provided the services to an agreed timetable.
Pricing and terms and conditions	5	In most cases the complainant(s) were advised of the elements that comprise pricing. In one case assistance was provided for an operator to substantiate price increases applied to a service. The agreed charge was substantially less as a result of the intervention.
Cemetery operator complaints miscellaneous	8	7 resolved, 1 unresolved pending legal action between the parties.
Other - generally external factors that impact operations of a cemetery	2	While one was resolved by the operators involved, the other required family members to reach internal agreement before resolution.



CCNSW Operations Manager, Mr John Filocamo received the Premier's Award for Individual Excellence and Achievement in November 2015. John went to considerable lengths to help an Aboriginal family reclaim the remains of a lost family member who was part of the Stolen Generation. John's desire to help the family involved commitment well above and beyond the call of duty. After nine months of dedicated work, research and liaison on John's part, remains were exhumed and transported to the Burra Bee Dee Aboriginal Burial Grounds in Coonabarabran, where the family was able to lay their relative to rest in Country.

Payment of accounts

CCNSW operates under a corporate and shared services agreement whereby the Finance, Strategy & Operations Division of the Department of Primary Industries processes account payments on behalf of the agency. Reporting on account payments and performance is provided at a Departmental level.

Risk management and insurance activities

Insurance coverage for the building structure is provided by the NSW Food Authority. CCNSW key risks were recorded on the Land and Natural Resources (LNR) Branch risk register of the Department of Primary Industries in 2016.

Work, health and safety

CCNSW was represented on the Land and Natural Resources Branch's Work, Health and Safety committee with a staff member attending the regular meetings of the committee. Work health and safety notices are posted in the office of CCNSW. All CCNSW staff attended work, health and safety training sessions organised through the NSW Food Authority during the reporting period.

Budget

Expenditure area	Function of budget allocation	Total budget 2015-16
Employee related	Personnel services and Board remuneration	1,246,334
Contractors and other fees	Regulatory: Levy development, Part 4 and Part 5	9,715
Consultants	Perpetual care advice, Strategic Plan development, Trust board recruitment, Rookwood governance review.	189,107
Advertising & promotion	Marquee, audio visual and banners	7,720
Travel	Travel, airfares, car parking, catering, taxi, accommodation	16,233
Occupancy & maintenance	Property rent, utilities	102,562
Training and development	Staff professional development	10,868
Other operating expenses	Audit fees, printing, postage, subscriptions. Motor vehicle, stationery/office supplies	39,639
Other fees	Events, computer leasing, computer software, conference seminar, membership, service fee	2,055
	Total	**1,624,233**

Privacy

CCNSW has taken steps to ensure compliance with the *Privacy and Personal Information Protection Act 1998*. Cemeteries and Crematoria NSW will only collect personal information for a lawful purpose which directly relates to our primary function as a NSW Government agency. CCNSW will not disclose personal information to any party without the information owner's consent unless legally required to do so. Privacy statements are included with external stakeholder communications which have a personal information gathering element.

Public Interest Disclosures

There were no public disclosures under the *Public Interest Disclosures Act 1994* during 2015-2016.

Applications under the Government Information (Public Access) Act 2009

During 2015-2016 there were no applications for information under the *Government Information (Public Access) Act 2009*.

Issues of significance raised by the Auditor-General

No issues of significance were raised by the Auditor-General during the audit of Cemeteries and Crematoria NSW for 2015-2016.

Annual Report cost and availability

The CCNSW Annual Report has been prepared in compliance with Premier's Memorandum 2013-09 using a cost minimisation process. The production cost consisted of staff time taken to prepare the document and no consultants were engaged in the production process.

The Annual Report 2015-2016 is available on the CCNSW website and electronic copies have been deposited with State Records, State Library of NSW, NSW Parliamentary Library and the National Library of Australia.

Appendices

- Statutory Auditors Report

- Financial Statements 2015-2016



Rookwood Cemetery – Cemeteries and Crematoria NSW © courtesy of C White

Chris Giumelli
Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

27 October 2016

Representation Letter
Cemeteries and Crematoria NSW

This representation letter is provided in connection with your audit of the financial statements of Cemeteries and Crematoria NSW (Cemeteries) for the year ended 30 June 2016, for the purpose of you expressing an opinion as to whether the financial statements give a true and fair view in accordance with:

- the *Public Finance and Audit Act 1983*
- Australian Accounting Standards

We acknowledge our responsibility for keeping proper accounts and records, and preparing the financial statements. We approved the financial statements on 27 October 2016 and confirm they are free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, having made enquiries we considered necessary to appropriately inform ourselves, the following representations made to you during your audit.

1 GENERAL

We believe, in all material respects, the financial statements present a view which is consistent with our understanding of Cemeteries' financial position as at 30 June 2016, and its financial performance for the year then ended.

We have fulfilled our responsibilities, as set out in the Client Service Plan dated 16 March 2016, for the preparation of the financial statements in accordance with Australian Accounting Standards, the *Public Finance and Audit Act 1983*. The financial statements give a true and fair view in accordance with these requirements.

There have been no deficiencies in financial reporting practices and we have disclosed changes to accounting policies in the financial statements, including voluntary changes not arising from the initial adoption of an Accounting Standard or a Treasury mandate.

2 ACCOUNTING RECORDS AND TRANSACTIONS

We have given you:

- all financial records and related data, other information, explanations and help necessary to conduct the audit
- minutes of all meetings (e.g. Board meetings, Audit and Risk Committee or other management meetings)
- all legal issues and legal opinions that may be relevant to the fairness of the financial statements
- information about all deficiencies in internal control of which we are aware
- additional information you have requested from us for the audit
- unrestricted access to all people in the entity you determined it necessary to obtain audit evidence from.

All transactions have been recorded in the accounting records and are reflected in the financial statements, including all 'off-balance sheet' agreements or instruments.

3 COMPLIANCE WITH LEGISLATION AND OTHER REQUIREMENTS

We have no knowledge of any breaches or possible breaches of laws and regulations, contracts, agreements or licensing conditions, the effects of which should be considered when preparing the financial statements.

In respect to operations during the year, we have complied with all:

- Cabinet and other Government directives
- central regulatory agency financial reporting requirements
- aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance
- directions, regulation and requirements imposed by relevant regulatory bodies.

All activities undertaken are specifically required by Cemeteries enabling legislation.

There has been no communication to/from regulatory authorities concerning:

- breaches of or non-compliance with laws, regulations, licensing conditions or other requirements
- deficiencies in financial reporting practices that could have a material effect on the financial statements.

We have notified you of:

- all our bank accounts, including those opened, closed or changed during the year (TD 416.02)
- all approved variations of authorised payments from the Consolidated Fund (The *Annual Appropriations Act* 2015
- the existence of all controlled entities within one month of creation (section 63B of the *Public Finance and Audit Act 1983*)
- all transactions or arrangements capable of being regarded as 'private sector funded infrastructure', outsourcings of significant areas of activity or any other matters dealt with in Part 2B of the *Public Authorities (Financial Arrangements) Act 1987*
- all Cabinet and other Government directives

We have prepared contracts summaries for all transactions covered by the 'NSW Public Private Partnerships Guidelines' and submitted these to the Auditor-General for audit within 45 days of the contracts becoming effective.

4 INTERNAL CONTROLS

We have established and maintained adequate internal control to ensure we:

- prepare reliable financial statements
- maintain adequate financial records
- record all material transactions in accounting records underlying the financial statements
- minimise the risk of fraud and error occurring and detect them should they occur
- minimise the risk of significant breaches of legislation and other mandatory requirements and detect such breaches should they occur.

We have satisfied the core requirements of TPP 14-05 'Certifying the Effectiveness of Internal Controls over Financial Information which confirms the agency has ensured there is an effective system of internal control over financial and related operations of Cemeteries.

We confirm:

- relevant members of agency management have prepared and completed the Internal Control Questionnaire supporting the Chief Financial Officer's (CFO)'s Certification
- the CFO has requested and considered certifications provided by management and outsourced service providers
- the CFO has prepared the annual letter of Certification (the Certification) to the Agency Head as to the effectiveness of the system of internal control over financial information. A copy of this certification, which the agency has or intends to provide to Treasury, has been given to the audit team

5 FRAUD AND ERROR

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

We have disclosed to you the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.

We have no knowledge of any fraud or suspected fraud affecting the entity involving:

- management
- employees who have significant roles in internal control
- others where the fraud could have a material effect on the financial statements.

Fraud includes misstatements resulting from fraudulent financial reporting and misstatements resulting from the misappropriation of assets.

We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated to us by employees, former employees, analysts, regulators or others.

6 INTERNAL AUDIT

Cemeteries are subject to the internal audit program and processes of the Department of Industry, Skills and Regional Development. Management responds promptly to rectify any shortcoming reported.

7 FINANCIAL STATEMENTS

We have no plans or intentions that may materially affect the carrying values or classification of assets or liabilities.

For-Profit/Not-For-Profit Classification

We have considered all aspects in evaluating whether our entity is 'For-Profit' or 'Not-For-Profit' based on Treasury's Accounting Policy 'Distinguishing For-Profit from Not-For-Profit Entities' (TPP 05-4). Our entity's classification is supported by consideration of:

- statements about its objectives, such as those contained in legislation, regulations, entity constitutions and shareholder resolutions
- the entity's governance framework, i.e. the corporate structure
- the purpose, nature and extent of funding, focusing on the extent to which ongoing budget support is provided to the entity
- the entity's targeted financial performance, as agreed between the Government and the board/management, focusing on the extent to which the entity funds its expenses, maintains its asset base and provides returns
- the entity's classification under Government Finance Statistics (GFS).

Impairment of Receivables

The impairment of receivables is sufficient to provide for any losses on realisation and we have written off all known bad debts.

Other Current Assets

We expect to realise all other current assets at least at the amounts at which they are stated in the financial statements.

Liabilities

We have recognised all liabilities including those arising under derivative financial instruments in the financial statements.

Provisions, Contingent Assets and Contingent Liabilities

We have properly recorded and/or disclosed in the financial statements:

- arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
- agreements or options to repurchase assets previously sold
- material or contingent liabilities or assets including those arising under derivative financial instruments.

Commitments

We have properly recorded and/or disclosed losses arising from the fulfilment of, or inability to fulfil any sale, purchase or lease commitment in the financial statements

Related Party Transactions

There are no related party transactions that require disclosure in the financial statements.

We have disclosed to you the identity of the entity's related parties and all the related party relationships and transaction which we are aware.

Environmental Issues

We have considered whether environmental matters could materially impact the financial statements and conclude we are not aware of:

- any material liabilities or contingencies arising from environmental matters, including those resulting from illegal or possibly illegal acts
- environmental matters that may result in material impairment of assets.

Where we are aware of such matters referred to in the points above, we have disclosed all facts relating to those matters to you.

Taxation

We have calculated and recognised all applicable taxes according to relevant tax legislation.

There are no activities that invoke the anti-avoidance provisions of the Tax Equivalent Regime or other applicable tax legislation.

Uncorrected Accounting Misstatements

We acknowledge the attached schedule of uncorrected misstatements has been brought to our attention and we have considered the impact on the financial statements. We conclude the effects of these uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

We have also considered the impact of uncorrected misstatements from previous periods and conclude the aggregate amount of these misstatements is immaterial to the previous and current periods' financial statements.

Litigation and Claims

We confirm all known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to you. The effects of these events have been accounted for and disclosed in accordance with the applicable financial reporting framework.

We have provided to you all information regarding material outstanding legal matters.

Insurance

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

Accounting Estimates

We confirm the significant assumptions used in making accounting estimates are reasonable and have been disclosed in the financial statements.

We confirm the measurement processes, including related assumptions, used by management to determine accounting estimates in the context of the applicable financial reporting framework are appropriate and have been consistently applied.

We confirm the disclosures related to accounting estimates are complete and appropriate.

Fair Value Measurements and Disclosures

We confirm the disclosures related to fair value in the financial statements are complete and appropriate.

Going Concern

We confirm the going concern basis is appropriate for the financial statements.

After Balance Date Events

All events subsequent to the date of the financial statements and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed in the financial statements.

Electronic Presentation of the Audited Financial Statements and Audit Report

With respect to publication of the financial statements on our website and Parliament's website, we acknowledge:

- we are responsible for the electronic presentation of the financial statements on our website
- we will ensure the electronic version of the audited financial statements and the Independent Auditor's Report on our website are identical to the final signed hard copy of the audited financial statements which bears the Auditor-General's seal and the Independent Auditor's Report
- we will clearly differentiate between audited and unaudited information in the construction of our website as we understand the risk of potential misrepresentation between unaudited and audited information in the absence of appropriate controls
- we have assessed the controls over the security and integrity of the data on our website and adequate procedures are in place to ensure the integrity of the published information
- we will ensure that where the Independent Auditor's Report is published on our website, the related financial statements are also published in full.

Financial Instruments

We have provided you with appropriate explanations for all reclassifications of financial instruments during the year, in accordance with the requirements of Australian Accounting Standards.

Service Organisations

We have no knowledge of any fraud, non-compliance with laws and regulations or uncorrected misstatements attributable to the service organisation's management or employees that materially affect the financial statements.

8 Other

We understand your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the entity taken as a whole, and your tests of the financial records and other auditing procedures were limited to those you considered necessary for that purpose.



Dr Stepan Kerkyasharian AO
Chair



Nick Milham
Acting Chief Executive Officer

Table Two: Uncorrected Monetary Misstatements

Uncorrected Monetary Misstatements

The following uncorrected monetary misstatements were identified and discussed with management. Management believes the effect of not correcting these misstatements is immaterial, individually and in aggregate, to the financial statements taken as a whole. The audit team agrees with management's determination and does not consider the uncorrected misstatements significant enough to modify the opinion in the Independent Auditor's Report. However, management must attach these schedules of uncorrected misstatements to the Representation Letter and these will be included in the Statutory Audit Report. These misstatements were discussed with Michelle Baker.

Description	Assets	Liabilities	Retained earnings/Equity	Comprehensive income
Effect of potential correction	**Increase/ (decrease)**	**(Increase)/ decrease**	**(Increase)/ decrease**	**(Increase)/ decrease**
	$	**$**	**$**	**$**
Factual misstatements				
Board members fees related to 2014-2015 were recognised in 2015-2016	-	-	(4,769)	4,769
Total impact if misstatements were corrected	**-**	**-**	**(4,769)**	**4,769**

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 (Cemeteries), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of Cemeteries as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

I am independent of Cemeteries in accordance with the auditor independence requirements of:

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

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further 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, but precluding the provision of non-audit services.

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

The Board's Responsibility for the Financial Statements

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

In preparing the financial statements, the members of the Board must assess the Cemeteries' ability to continue as a going concern unless the Cemeteries will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility 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 further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Cemeteries 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.



C J Giumelli
Director, Financial Audit Services

1 November 2016
SYDNEY