

Department of Planning and Environment

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Cemeteries & Crematoria NSW Annual Report 2021–22

October 2022





Acknowledgement of Country

The Department of Planning and Environment 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 2021–22

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20 October 2022

The Hon. Kevin Anderson, MP

Minister for Lands and Water, and Minister for Hospitality and Racing

GPO Box 5341

Sydney NSW 2001

Dear Minister

Submission of the Cemeteries & Crematoria NSW Annual Report 2021-22

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Government Sector Finance Act 2018* and the Regulations under these Acts, we are pleased to submit to you the Cemeteries & Crematoria NSW Annual Report 2021-22 for presentation to parliament.

Yours sincerely



Dr Stepan Kerkyasharian AO
Chair of the Board



Jennifer Hickey
Chief Executive Officer

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Message from the Chair

In 2021–22, Cemeteries & Crematoria New South Wales (CCNSW) continued to respond to the challenges and needs of the interment sector, progressing or completing several major projects detailed in this report.

CCNSW continued to work on the proposed Interment Industry Scheme, a significant regulatory reform that 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'.

COVID-19 and floods throughout the state presented ongoing challenges to cemetery and crematoria operators. CCNSW provided support and clarification on related restrictions as per the Health orders. In addition, work began to amalgamate 4 of the 5 Crown cemetery operators.

Pleasingly, in response to the critical shortfall of burial space, particularly across Greater Sydney, the Department of Planning and Environment updated its planning rules so that cemeteries of 5,000 or more plots will be considered of state significance and will be assessed by the department. CCNSW was pleased to prepare advice for that reform.

2021–22 saw continued growth in CCNSW's structural and strategic planning to improve our regulatory maturity. We launched 2 key documents, a new strategic plan for 2022–25 and our regulatory framework, which outlines our approach to compliance and enforcement.

We continued to engage with our stakeholders through our Community and Consumer Consultative Group and Industry Consultative Group, and the board remains grateful to members of these groups for their participation. We also undertook targeted consultation with stakeholders to further develop the Interment Industry Scheme and appreciate the feedback we received.

This will be my last annual report as Chair of the CCNSW Board. I was honoured to have been the foundation Chair of CCNSW and to have been given the opportunity to serve for 10 years. Starting from scratch was a challenge however enormous progress has been made over the last few years and I record my thanks to all board members for their support and positive contribution. I give special thanks to CEO Jennifer Hickey whose contribution has been outstanding leading a team who continue to show true dedication and commitment to their work.

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

Dr Stepan Kerkyasharian AO
Chair of the CCNSW Board

Summary highlights for 2021–22

In 2021–22, Cemeteries & Crematoria NSW (CCNSW) progressed several projects in the context of major changes and significant events for the interment sector. These projects focused on supporting and improving sector performance and strengthening consumer support and stakeholder engagement. This section highlights our main achievements, with more detail provided throughout the report.

Sector performance

We completed or progressed several major projects to support and improve sector performance.

The largest project has been the development of the Interment Industry Scheme under Part 3 of the *NSW Cemeteries and Crematoria Act 2013*, including 3 key phases of consultation. The scheme responds to recommendations from the statutory review of the Act and the Independent Pricing and Regulatory Tribunal's (IPART's) 'Review of the costs and pricing of interment in NSW'. The scheme will introduce licensing for cemetery and crematoria operators in NSW and a series of mandatory regulatory requirements. CCNSW released a discussion paper to all operators in December 2021 and continued to consult with the Industry Consultative Group (ICG) to refine the scheme and develop the Regulations.

Other key projects included:

- providing information and support to operators in response to the continually evolving impacts of COVID-19. We helped operators understand the requirements of the public health orders and government health advice and convened weekly liaison meetings with the major Sydney metropolitan operators to discuss and provide guidance on the impact of COVID-19 lockdowns and restrictions on cemetery operations
- publishing the CCNSW Strategic Plan 2022–25 in October 2021, which builds on our achievements to date and fulfils the agency's potential as a strong and capable regulator of the industry. The plan sets our agenda for the next 3 years and connects our priorities to our legislation
- publishing a regulatory framework that outlines our regulatory role, approach and functions
- implementing a customer relationships management system to better understand our customers and track our activity.

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

In 2020–21 (the reporting period on activity data for this annual report), 70.5% of services were cremations. This is a slight increase in the cremation rate compared with the previous year and adds

to an overall increase in the cremation rate over the last 4 years. The burial rate continues to trend down.

We also maintained an increased focus on monitoring and reporting on the governance and management of the Crown cemetery sector, responding to complaints and maintaining a comprehensive register for complaints management in 2021–22.

Consumer support and stakeholder engagement

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

- continuing to consult and develop the Interment Industry Scheme with operators, peak bodies, the community, faith groups and key Aboriginal stakeholders
- continuing the operation of the Community and Consumer Consultative Group (CCCG) and the ICG
- presenting at the Cemeteries & Crematoria Association of NSW conference in May 2022
- continuing to engage with other NSW government agencies
- responding to 84 complaints and 163 enquiries throughout the year, resolving most complaints within a 20 day period.

Information and strategic advice

CCNSW provided information and strategic advice to government agencies, including:

- contributing to working groups and committees that covered areas such as identifying strategic use of government land and planning for future cemeteries
- participating in the End of Life Journeys Steering Committee, which is overseeing the delivery of the End of Life component of the NSW Government's Life Journeys website
- continuing to participate in the Mortuary Capacity Committee convened as part of the COVID-19 response.

Governance, assurance and business improvement

CCNSW continued to maintain and improve the governance and internal reporting functions of the agency, including providing secretariat support to the CCNSW Board and its subcommittees.

We also undertook work to improve business systems and processes to support and facilitate CCNSW's operations, compliance, monitoring and enforcement activities, including:

- developing a customer relationship management (CRM) system for CCNSW to manage our interactions with regulated entities, stakeholders and the public. Going live in August 2021, the CRM will improve the way we manage and respond to operator and customer communications, including complaints and enquiries, which can now be lodged directly with CCNSW via our website

- continuing to undertake quality regulatory services initiative (QRSI) assessments, showing where CCNSW has improved over the previous 12 months and key areas of work we need to undertake to continue to improve regulatory performance.

About Cemeteries & Crematoria NSW

CCNSW is a statutory agency created in 2014 under the Cemeteries and Crematoria Act to support and regulate cemetery and crematoria operators in NSW and provide information on burial and cremation options to the public. The agency was created in response to the need for a coordinated, strategic approach to providing interment services across NSW.

CCNSW is an independent regulatory agency led by a skills-based board appointed by, and responsible to the Hon. Kevin Anderson MP, Minister for Lands and Water and Minister for Hospitality and Racing. The board consists of 4 voting members including the Chair, Dr Stepan Kerkyasharian AO, 7 non-voting members nominated by their respective state government agencies, and the CCNSW CEO.

CCNSW sits within the Crown Lands group in the Department of Planning and Environment. Before December 2021, CCNSW belonged to the former Housing and Property group in the Department of Planning, Industry 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 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 provides information to the public and the interment industry on relevant legislation governing burial and cremation in NSW and makes sure the industry abides by the laws.

The Cemeteries and Crematoria Act began in 2014, with Part 4 relating to renewable interment options commencing in June 2018. The regulation functions and powers in the Act are designed to be scalable to enable the remit of CCNSW to 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.

Strategic Plan 2022–2025

In October 2021, CCNSW launched its second strategic plan. The CCNSW Strategic Plan 2022–2025 sets our agenda for the next 3 years and connects our priorities to our legislation.

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 are expected to be achieved after the conclusion of the strategic plan
- strategic goals, which will be achieved 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 accordance 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 accordance 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
- sufficient 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.

The board and governance

An independent, skills-based board leads CCNSW. The Hon. Kevin Anderson MP, Minister for Lands and Water and Minister for Hospitality and Racing appoints the board, which reports to him.

The term of appointment of Mr Christopher Zinn ended on 15 November 2021. Ms Diana D'Ambra was appointed on 16 November 2021.

The CCNSW Board consists of 4 voting members:

Dr Stepan Kerkyasharian, AO, Hon. D.Litt, the Chair of the Board, was Chair and CEO of the Community Relations Commission for Multicultural NSW and its predecessor, the Ethnic Affairs Commission of NSW, from 1989 to 2014. He was concurrent president and CEO of the Anti-Discrimination Board from 2003 to 2016. From 1980 to 1989, he was the foundation head of SBS Radio. He received the Gold Cross of Merit of Poland in 1990.

He was made a Member of the Order of Australia (AM) in 1992 and an Officer of the Order of Australia (AO) in 2011. In 1995, he received the Premier's Community Service Award and a second one in 2016. The Olympic Order was conferred on him by the International Olympic Committee in 2000. He received a medal for Services to National Security in 2014. In 2022, the President of Cyprus presented him with the Medal of Outstanding achievement.

Dr Kerkyasharian was made a fellow of the University of Technology Sydney in 1995, Doctor of Letters, Honoris Causa by the University of Sydney in 2007 and Doctor of Letters, Honoris Causa by Western Sydney University in 2013. In 2014, the NSW Government introduced an annual medal in his name: the Stepan Kerkyasharian Harmony Award. He currently serves as Vice-Chair of the council for the Diocese of the Armenian Church of Australia & New Zealand, Deputy Chair of the National Australia Day Council, Deputy Chair of the NSW Federation of Community Language Schools and a member of the PM Glynn Institute Advisory Board.

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 and organisational governance and performance reviews.

Before joining KPMG, Ms Woolley worked for more than 25 years in the NSW Government across social, environmental and economic portfolios. She held senior executive roles at the NSW Department of Premier and Cabinet, driving government priorities in the areas of domestic and family violence, reducing re-offending, refugee resettlement, counterterrorism, energy security and the activation of the Western Parkland City. Before that, Danielle worked in the Department of Family and Community Services and the Environment Protection Authority.

Ms Woolley holds Bachelor of Economics and a Bachelor of Laws (Honours) degrees from the University of Sydney and a Graduate Diploma in Legal Practice from the University of Technology, Sydney.

Michael Bullen, board member, has a passionate interest in sustainability, agribusiness, innovation and regional development. He was leading 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.

Ms Diana D'Ambra, board member, is a non-executive director and independent adviser. Ms D'Ambra has more than 25 years of executive director/partner experience in a global accounting firm delivering corporate finance, mergers, acquisitions and investment advice across all industry sectors. Ms D'Ambra also has more than 15 years of non-executive director experience on both commercial and for-purpose boards in property, financial services, health care, social services, technology, fast-moving consumer goods and infrastructure. She now combines corporate finance, financial management and related strategic advice with board roles and has a particular interest in transforming medium-sized businesses, including successfully helping founders to take their business to market.

Ms D'Ambra has Bachelor and Master of Commerce degrees, is a fellow of Chartered Accountants Aust & New Zealand (FCA) and is a fellow of the Governance Institute of Australia (FGIA). She has completed the Australia Institute of Company Directors' (AICD) Company Directors Course (GAICD) and is an AICD member.

During 2021–2022 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, (vacant since November 2021) Dr Siobhan Lavelle OAM until November 2021.
 - NSW Customer Service (Kathy Townsend)
 - NSW Health (Geoffrey Prendergast)
- a person appointed by the minister as a person with knowledge and expertise relevant to local government matters (vacant)
- the CEO of Cemeteries & Crematoria NSW (Jennifer Hickey).

During the reporting period, the board met 11 times. A quorum for the board is 3 of 4 voting members.

Table 1. Attendance at Board meetings

Board member	Number of eligible meetings	Number attended
Dr Stepan Kerkyasharian, AO (voting member)	11	11
Christopher Zinn (voting member)	5	5
Danielle Woolley (voting member)	11	11
Diana D'Ambra (voting member)	6	6
Michael Bullen (voting member)	11	11
Lyndsay Brooker	11	11
Luke Walton	11	10
Dr Siobhan Lavelle, OAM	5	4
Kathy Townsend	11	10
Geoffrey Prendergast	11	5
Jennifer Hickey	11	11

Industry Consultative Group

The 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 enables enhanced decision-making, transparency and regulatory development within the sector.

The ICG provides advice and recommendations regarding cemetery and crematorium regulatory development and policy to the CCNSW Board. It provides a genuine opportunity for the industry to influence cemetery and crematorium policy in NSW.

Matters raised by the ICG are considered by the CCNSW Board. However, consultation does not require agreement and does not abrogate the right of the CCNSW Board to make the final decision on matters discussed by the ICG.

The ICG provides a formal mechanism for the CCNSW Board and Agency to engage with key industry stakeholders. The ICG has 3 main functions:

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

The ICG is structured to be representative of the interment sector with Crown, local government and private and church cemetery operators represented.

The CEO of CCNSW chairs the ICG, which is made up of representatives from the 5 major metropolitan Crown cemeteries:

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

There are also representatives from:

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

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

The ICG met 4 times during 2021–22.

Community and Consumer Consultative Group

The 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.

Voting CCNSW Board member Diana D'Ambra took over the role of Chair of the CCCG at the February 2022 meeting, replacing outgoing CCNSW Board member, Christopher Zinn. Jennifer Hickey, CEO of CCNSW attended as a member in 2021–22.

Appointed members of CCCG in 2021–22 were:

- Mariam Ardati, Australian National Imams Council
- Jennifer Briscoe-Hough, Tender Funerals
- Ahmad Kamaledine, NSW Lebanese Muslim Association
- David Knoll AM, NSW Jewish Board of Deputies
- Alysia McIntyre, What Do I Do? (an end-of-life services organisation)

- David Neustein, Other Architects
- Anthony Pang, Chinese Australian Services Society (CASS)
- Victoria Spence, Life Rites / Living with our Dead
- Paul Versteeg, Combined Pensioners and Superannuants Association
- Professor Prudence Vines (a legal academic with interment expertise, aged care volunteer and former advisory council member of the NSW Trustee and Guardian)
- Zenith Virago, Natural Death Care Centre
- Vera Visevic, Mills Oakley.

The CCCG met 4 times in 2021–22.

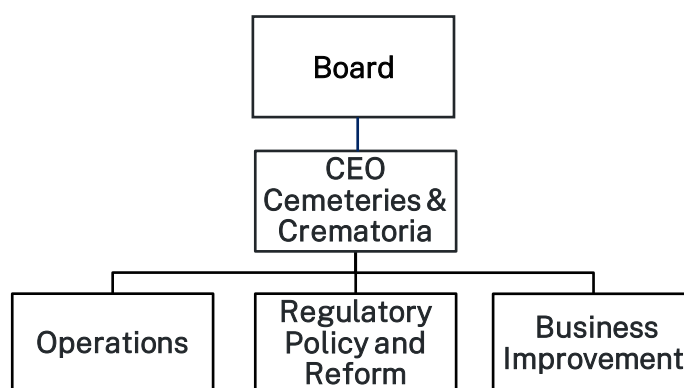
Management and structure

CEO Jennifer Hickey leads a small team of generalist and specialist staff (see

Figure 1). The organisation’s responsibilities are divide between 3 teams:

- Operations (3 FTE)
- Regulatory policy and reform (8 FTE)
- Business improvement (2 FTE)

Figure 1: CCNSW organisational structure



Our achievements and major projects

Improving regulatory maturity

In 2021–22, CCNSW made 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 enabling 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 2021–22 towards regulatory maturity. Many of these initiatives, particularly the Interment Industry Scheme, will continue to be a focus in 2022–23.

Interment Industry Scheme

The largest project for CCNSW in 2021–22 was the development of the Interment Industry Scheme under Part 3 of the Cemeteries and Crematoria Act. Section 31 of the Act has always envisaged the development of a scheme, and this was supported by multiple recommendations of both the statutory review of the Act and IPART's 'Review of costs and pricing of interment in NSW'.

The scheme proposes to licence all cemetery and crematoria operators in NSW and introduce requirements (via licence conditions) for operators in 5 key areas:

- consumer contracts – standard terms and conditions explained clearly so consumers can understand what they are paying for
- cemetery maintenance – to make sure there are clear minimum standards for every cemetery
- pricing transparency – so that consumers know what they are purchasing and can easily compare prices
- customer service – to ensure operators are consistently providing quality service
- 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

The scheme will provide clearer industry standards to benefit both consumers and operators. It will give families the comfort of knowing the cemetery or crematorium operator they deal with will be licensed and must abide by certain requirements. It will give operators certainty around the requirements that they need to comply with and help them meet community expectations with the support of the regulator.

We proposed that the scheme be introduced into the Cemeteries and Crematoria Regulation, with licence conditions to be imposed by the board.

Further recommendations from the 2 reviews relate to the perpetual maintenance of cemeteries, which is being considered by CCNSW. The appropriate maintenance of cemeteries is crucially important. We will undertake more detailed work on the best approach.

Consultation and community engagement

In 2021–22 there were 3 key phases of consultation on the Interment Industry Scheme.

Stage 1 consultation continued from last financial year into mid-2021 and involved targeted conversations with key stakeholders and CCNSW's 2 consultative groups (the CCCG and ICG), religious groups, including via Multicultural NSW's Religious Communities Forum and key Aboriginal stakeholders NSW ALC, NCARA, NTS Corp and the DPE Aboriginal Staff Network.

Stage 2 consultation from November to December 2021 expanded the consultation to all operators and peak bodies. A draft scheme and a discussion paper were sent out for feedback. We received 18 written submissions. We ran 2 webinars with 50 and 51 operator attendees respectively to gather feedback, and 4 working group meetings with council operators or small church operators to work collaboratively on sector-specific issues. Aboriginal engagement focused on a survey testing the draft Aboriginal cultural and spiritual principles. The survey was distributed through our key stakeholders and resulted in 55 complete and 26 partial responses, with overwhelming support for the draft principles.

Stage 3 public consultation started on 22 June 2022 and concluded on 31 July 2022. Full details of this process will be reported in the 2022–23 annual report.

Aboriginal engagement involved face-to-face consultations with Aboriginal people and communities in Wagga Wagga, Dubbo, Newcastle, Tamworth, and Wollongong. These meetings included discussions around what needs to be included in guideline materials for operators and what educational and resource materials would be of most benefit for Aboriginal people.

Next steps

All feedback received from stage 3 consultation will inform the final version of the scheme, to be submitted to the minister for a decision this year. Once introduced, the scheme will be implemented through a staged process.

Quality regulatory services initiative assessment

Recommendation 10.10 of the statutory review of the *Cemeteries and Crematoria Act 2013* was that CCNSW undertakes a QRSI assessment as per the government's guidelines. QRSI is driven by the Better Regulation Division of the Department of Finance, Services and Innovation. It consists of a guidance document, 'Guidance for Regulators to Implement Outcomes and Risk Based Regulation', and a self-assessment tool, which is an Excel spreadsheet containing a series of questions about how a regulator operates, in 9 categories (based on the chapters of the guidance document):

Table 2. QRSI categories

Defining outcomes	Allocating resources
Regulatory outcomes that are clearly defined and achievable are critical to effective	Regulators should allocate resources to regulatory initiatives in proportion to the risk

outcomes and risk-based regulation. It requires regulators to consider their legislative mandate, their core purpose to regulated entities, regulation beneficiaries, the broader strategic context and the options available to implement regulatory initiatives.	and complexity of regulated entities and behaviours.
Identifying risks Agencies' objectives for and commitment to risk management are clearly stated. We engage through a range of forums to identify risks. Identified historical, current and emerging risks are documented through a structured and transparent process. We assign accountability for maintaining the accuracy and completeness of risk documentation.	Tailoring the enforcement response Effective risk-based regulation requires regulators to tailor their use of enforcement and other regulatory tools based on the severity and behavioural drivers of non-compliance. Tailoring responses consistently and transparently helps to underpin the regulator's authority and credibility and incentivise better compliance.
Assessing risks We examine if it is suitable to individually assess regulated entities. We identify appropriate risk categories to classify and prioritise regulated entities and behaviours. We undertake risk assessments weighing the significance of information according to the importance of that information.	Monitoring, reporting and continual improvement Over time, a structured and consistent focus on monitoring and reporting is critical to inform the regulator's corporate and strategic direction, identify and reprioritise risks, and understand, adapt and strengthen evidence underpinning regulatory initiatives.
The contribution story Developing a 'contribution story' involves testing and validating how inputs (for example, resources) generate outputs (for example, regulatory initiatives) and contribute to outcomes.	Enablers of implementation Effective implementation requires commitment and understanding at all levels within regulators. The regulator has developed and embedded a framework to underpin necessary reactive work, including a proactive engagement strategy to educate stakeholders about the principles underpinning outcomes-based reporting and risk-based compliance and enforcement.
Identifying measures Regulators need to monitor and assess performance over time to understand an initiative's effectiveness and efficiency.	

CCNSW first undertook the QRSI assessment in April 2021 with an overall score of 1.7 out of 4.

We undertook the QRSI assessment again in February 2022. The results showed we had improved our overall score to 2.1 out of 4, signifying improved regulatory capacity.

The QRSI tool has identified where CCNSW had improved over the previous 12 months and key areas of work that CCNSW needs to undertake to continue to improve its regulatory performance.

‘Defining outcomes’ was already our strongest area, and scoring this year was improved with the finalisation of the new CCNSW Strategic Plan and the CCNSW Regulatory Framework, both defining our objectives and regulatory outcomes.

The results also showed improvement in identifying and assessing risks, largely due to our new CRM system, allocating resources and enablers of implementation.

We saw the least improvement in ‘contribution story’ and ‘identifying measures.’ This should improve over the next period as the implementation plan, which underpins the recent strategic plan, has been developed. This plan tells a well-formed contribution story and links the appropriate inputs to the regulatory activities we wish to undertake.

We will continue to conduct the QRSI assessment on an annual basis and track improvements.

Customer relationship management system

During 2020–21 we engaged the Digital Information Office of the Department of Planning and Environment to develop a CRM system for CCNSW to manage our interactions with regulated entities, stakeholders and the public. The CRM is based on proprietary software. The works were completed, and the system went live in August 2021. The CRM will improve the way we manage and respond to operator and customer communications, including complaints and enquiries, which can now be lodged directly with CCNSW via our website.

Statement of expectations and statement of regulatory intent

In December 2021, the minister issued the first statement of expectations to CCNSW, as per recommendation 10.9 of the statutory review. This document outlined the ministerial priorities for CCNSW for the financial year, which were:

- delivering an interment industry scheme
- developing ways to make the cost of burials and cremations more transparent
- transforming the way the sector deals with perpetual maintenance obligations
- considering options for the wider application of the interment services levy to ensure adequate future resourcing of CCNSW.

Our progress against these priorities is detailed throughout this report.

The priorities were underpinned by 4 key themes:

- respect
- land availability and use
- governance and leadership
- public confidence.

The Chair of the CCNSW Board responded on 13 December 2021 with a statement of regulatory intent that indicated how CCNSW would meet the minister's expectations. CCNSW's strategic plan outlines our priorities, which align with the minister's expectations. We have also continued to consult on the Interment Industry Scheme, which is a key ministerial priority.

CCNSW Strategic Plan 2022–2025

A mature regulator has a clear understanding of its objectives and can articulate how it proposes to meet them. The publication of the CCNSW Strategic Plan 2022–2025 in November 2021 was a significant step in this regard, as it clearly outlines the objectives and priorities for the next 3 years.

The strategic plan began on 1 July 2022, and progress will be reported in future annual reports. We are finalising the implementation plan to support the delivery of the strategic plan.

CCNSW Regulatory Framework

In November 2021, CCNSW published its first regulatory framework. This document outlines CCNSW's regulatory principles, how CCNSW plans to regulate the interment industry as a modern best practice regulator and how CCNSW may collaborate with co-regulators. It 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 provides detail about the promotion of compliance through monitoring and enforcement when non-compliance is detected and how CCNSW will determine appropriate enforcement actions required to resolve non-compliances.

Compliance

Regulatory and compliance monitoring activity in 2021–22

We conducted the following regulatory activities in 2020–21:

- reviewing the 2020–21 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
- responding to complaints and enquiries relating to cemetery matters regulated by CCNSW
- providing information and advice to cemetery operators for compliance issues
- requesting reports and other information from cemetery operators about compliance matters and complaints.

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

Table 3. 2021–22 activities under Part 3 of the Cemeteries and Crematoria Act

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

Table 4. 2021–22 activities under Part 4 of the Cemeteries and Crematoria Act

Activity under Part 4 of the Act	2019–20	2020–21	2021–22	Section of the Act
Applications from cemetery operators for approval for more than 2 interment sites	2	2	8	S. 56(4)

Table 5. 2021–22 activities under Part 5 of the Cemeteries and Crematoria Act

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

Compliance guidance and information

A supplementary guideline for bulk interment right applications involving more than 100 interment sites submitted under section 56(4) of the Cemeteries and Crematoria Act was published on the CCNSW website during the reporting period. Section 56(4) covers applications from cemetery operators on behalf of customers where the grant of interment rights would mean the interment right holder would hold more than 2 interment sites in the same cemetery. Such applications can only be approved by the CCNSW Board. Table 3 refers to these applications.

Customers and complaints

CCNSW is committed to acting with a strong customer focus and providing consumers with 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.

In 2021–22, the CCNSW Board approved an updated policy for managing complaints about cemeteries and crematoria operators in NSW. 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 2021–22, CCNSW received a total of 84 complaints, an increase from the 79 complaints received last financial year – see Figure 2.

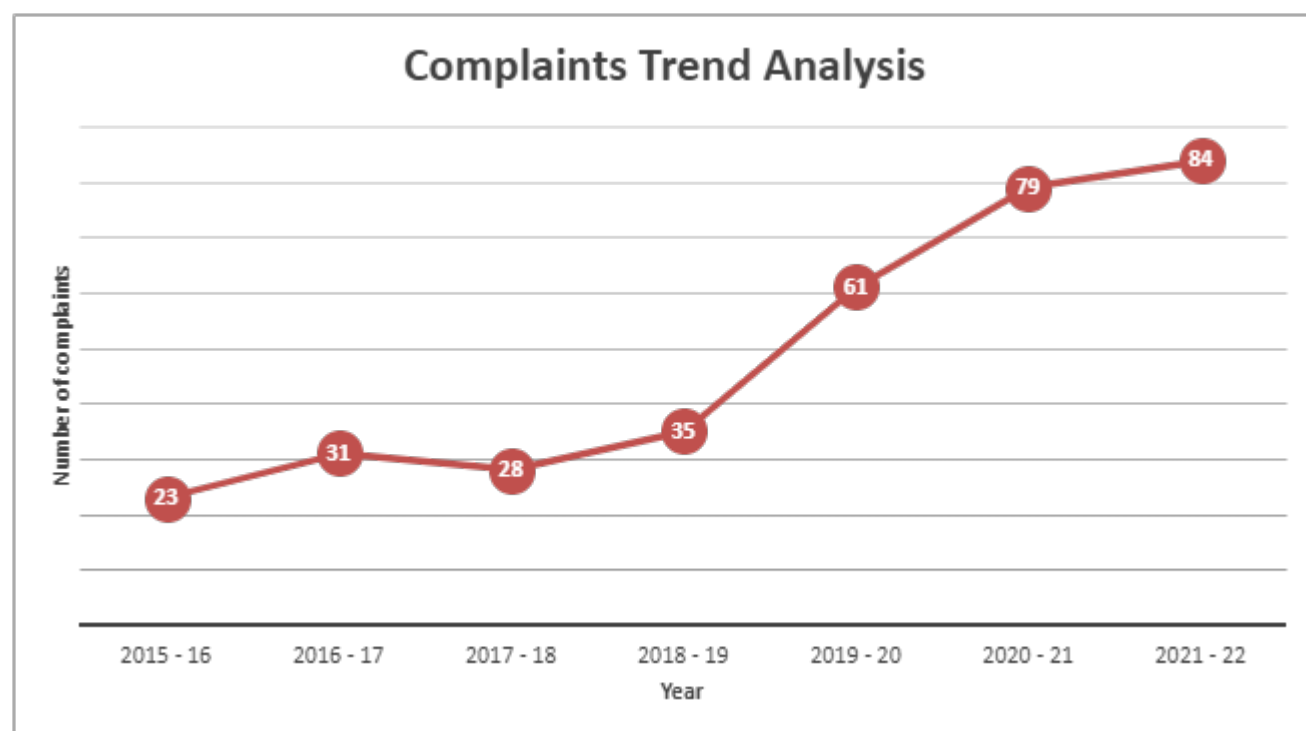


Figure 2. Trend in complaints from 2015–16 to 2021–22

Of the 84 complaints, 16 were received as representations to the minister from local members or members of the public.

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

There was one governance/service complaint relating to the performance of our functions or the provision of services by CCNSW. This complaint related to the way CCNSW responded to a particular regulatory complaint and was from the original complainant. The complaint was investigated by the Department of Planning and Environment independently of CCNSW. It was not upheld and did not result in any adverse finding against CCNSW.

Of the 83 regulatory complaints received, the majority related to cemetery maintenance (25%, as shown in Figure 3). Many of those complaints have resulted from the impact of significant rain in NSW over the last 12 months. This has resulted in waterlogged cemeteries and has limited cemetery operators' usual levels of maintenance, such as the amount of mowing done, and the ability to use heavy maintenance equipment.

Most complaints (see Figure 4) were about Crown operators (42%), followed by local government (24%) and private operators (20%).

The proportion of complaints about Crown operators has decreased since 2020-21.

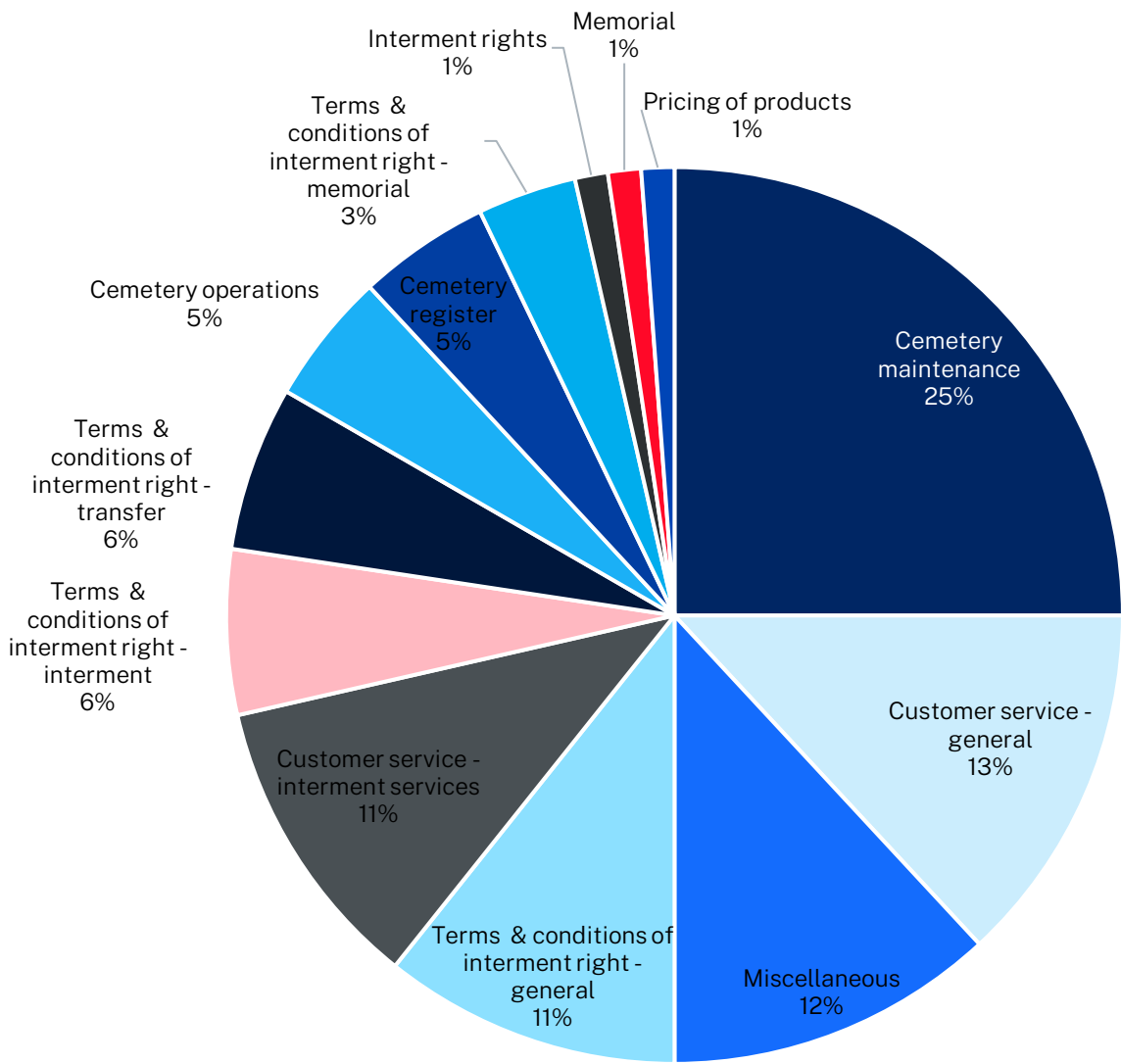


Figure 3. 2021-22 consumer complaints by complaints type

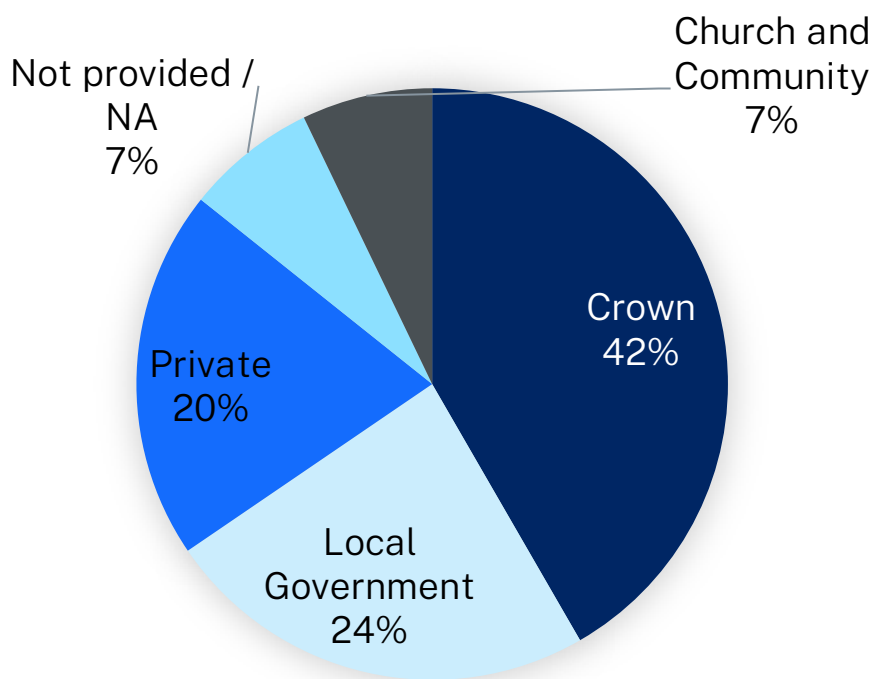


Figure 4. 2021-22 consumer complaints by operator category

Reports to CCNSW from operators

Under s.41 of the Cemeteries and Crematoria Act, CCNSW may require an individual cemetery operator or a group or type of cemetery operator to report to CCNSW on management performance and other matters considered appropriate by CCNSW.

During 2021-22, we requested specific performance management information from one cemetery operator in response to queries raised in a public forum.

In addition, as occurs annually, we requested all cemetery operators complete an activity reporting survey to allow us to compile a statewide annual operator activity survey.

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

During 2021-22, we requested or continued to receive specific reports and information from 4 cemetery operators as part of resolving 4 different complex compliance matters.

One matter related to restoring memorials in a cemetery that were damaged from the implementation of a cemetery safety program. The cemetery operator has been working to restore memorials and provides us with quarterly progress reports.

Another matter involved a cemetery operator improving their cemetery register and record-keeping following the mistaken use of an interment site by a family – the interment site was held by a different holder. The operator outlined a process to bring their records up to the standard required by the legislation.

Another compliance matter related to a cemetery operator not holding records for a cemetery for the period it was managed by a different cemetery operator. The new operator was not able to verify interments rights allegedly held by a family. We have been working with the former and current operators to complete the records for the cemetery.

The final matter related to a cemetery operator mistakenly converting perpetual interment rights to renewable interment rights without the consent of holders. The operator acknowledged the error and put in place processes to contact impacted interment rights holders and restore their perpetual interment rights. The operator provided us with quarterly progress reports as they undertook restoration actions.

In addressing the 84 complaints received by CCNSW during 2021–22, we also requested the operators relevant to those complaints to investigate the complaints and provide us with certain information and responses.

Consumer and operator enquiries to CCNSW

CCNSW provides information and guidance to operators and the public on matters regulated by CCNSW under the Cemeteries and Crematoria Act.

During 2021–22, CCNSW received a total of 163 enquiries, up from 97 enquiries received last financial year (see Figure 5).

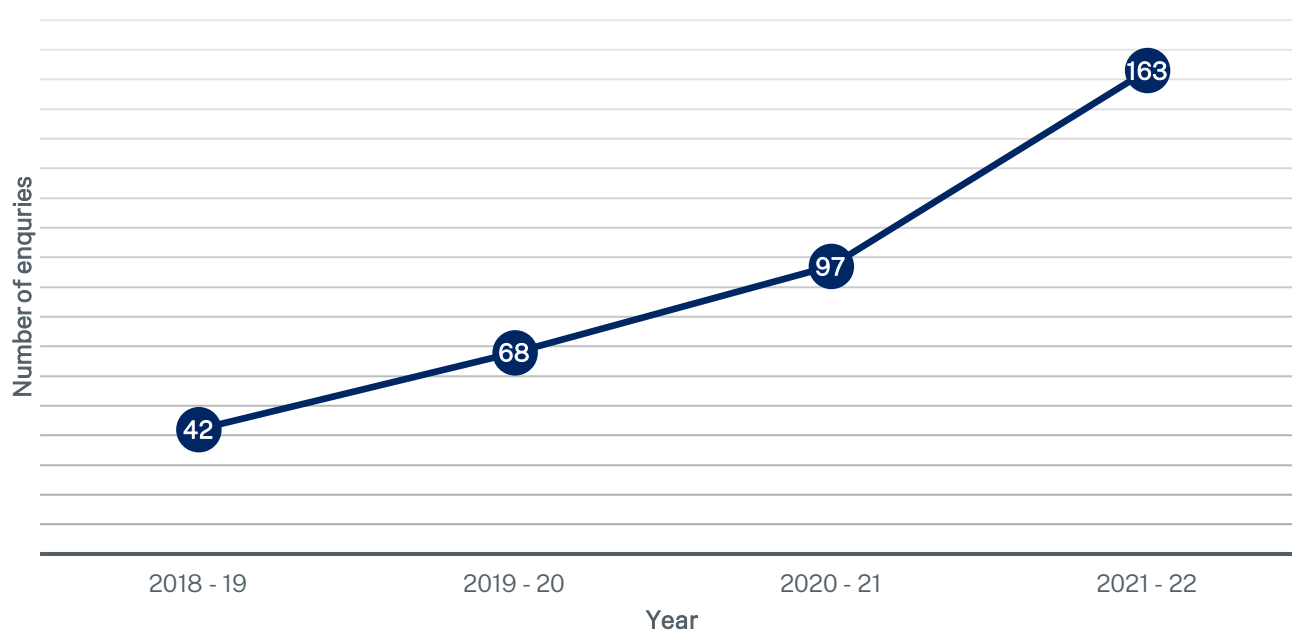


Figure 5. Enquiry trend analysis

Of the 163 enquiries received, the majority related to cemetery operations (28%) and interment rights (28%), as shown in Figure 6.

The majority of enquires (see Figure 7) came from cemetery operators (37%), followed by the public (31%).

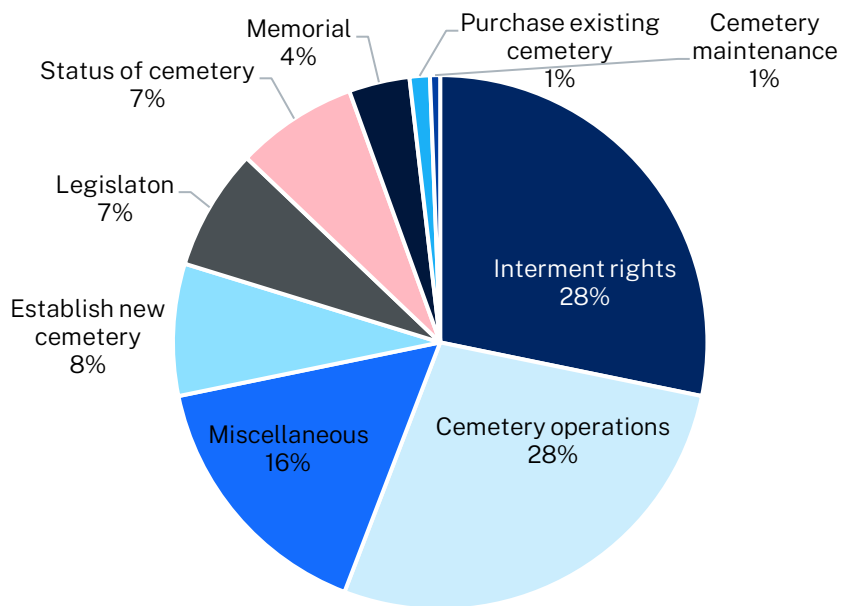


Figure 6. 2021-22 enquiries by sub-category

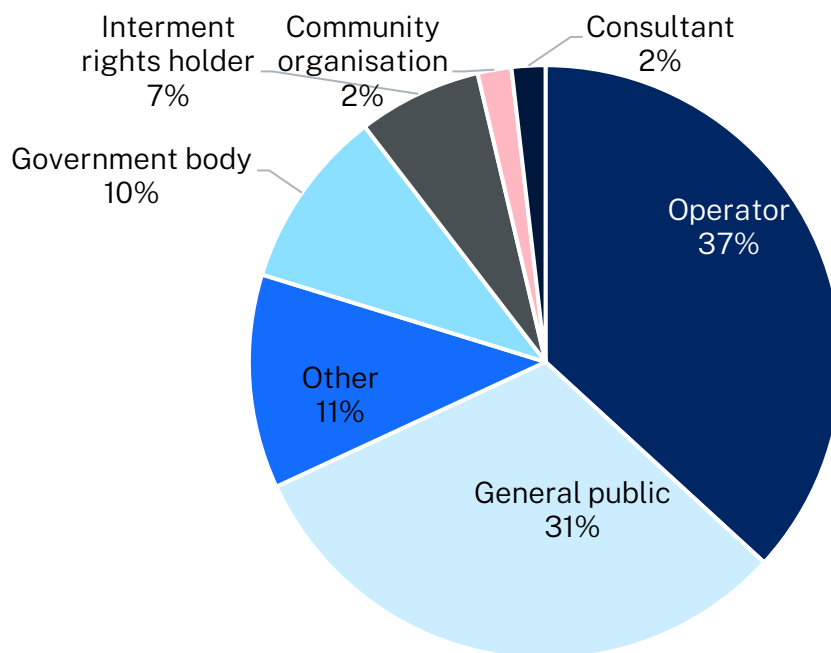


Figure 7. 2021-22 enquiries by enquirer category

Financial regulation

Our approach to financial regulation of the interment sector is based on a changing regulatory environment with an increased focus on the financial health of the cemetery and crematoria sector and its ability to provide for perpetual maintenance. This reflects both the 5 Year Statutory Review and recent IPART review on the costs and pricing of interment

Crown cemetery operator annual reports and financial statements

CCNSW assesses Crown cemetery operator annual reports for compliance against a range of reporting criteria drawn from the Cemeteries and Crematoria Act and through 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.

Three annual reports were submitted late due to audit delays. The delays were reported to the CCNSW Board, and it approved the late submission. 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.

A key message contained in the annual reports has been the improvement in operating conditions, particularly investment returns, despite the impact of COVID-19 on operations. The ability to manage cemetery operations in a COVID-safe manner was a key theme in all annual reports.

Each of the major metropolitan Crown cemetery operators had accumulated reserves or perpetual funds of more than \$100 million. These funds had experienced lower earning rates because of COVID-19, which was the same situation for many funds nationally. However, there was a recovery in the second half of 2020–21.

Annual reports from Crown cemetery operators can be found on their respective websites.

Crown cemetery operators charges

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

While there is no approval function assigned to CCNSW, section 107(8) of the Act provides that ‘the Cemeteries Agency may serve notice on the Crown cemetery operator disallowing or varying any fee or charge as specified in the notice’. The Act also provides general authority for CCNSW to require reporting by any operator on any matter as required (Sections 41 and 43).

During 2021–22, we reviewed proposed changes to the charges of one Crown cemetery operator. The CCNSW Board resolved to allow the proposed changes.

Pricing as part of the Interment Industry Scheme

The Interment Industry Scheme will introduce new pricing transparency requirements for operators. However, CCNSW does not currently regulate prices beyond our pricing role with Crown operators.

Special projects and strategic advice

COVID-19 response

In 2021–22, COVID-19 remained a significant and evolving challenge for the sector. Nevertheless, a new COVID-normal approach to operations was achieved in the last 2 quarters of the financial year. We worked closely with the sector and NSW Health to ensure that public health guidance recognised the specific operational challenges faced by operators, including managing their workforce availability levels and protecting the safety of visiting families. We helped facilitate real-time communication as public health guidance was updated.

Planning for future cemeteries

The Cemeteries Review Taskforce, part of the Crown Lands and Local Government group within the Department of Planning and Environment, is leading the planning for future cemeteries. CCNSW provides advice to the taskforce as necessary.

Working groups and committees

CCNSW is a member of several groups and committees. This section details our involvement.

Property Working Group

The Property Working Group (PWG) was established to help agencies and the NSW Government identify how best to use the government's property portfolio to deliver improved economic, environmental, cultural and social outcomes and to maximise community benefit. The PWG provides advice to senior public service executives on alternative land uses in line with the government's strategic priorities. It helps to ensure a strategic and coordinated approach is taken to the use of government land in key precincts and provides input into the delivery of the government's housing strategy, Housing 2041.

CCNSW sat on the PWG during 2021–22 as a government agency that has an interest in the allocation of government land and attended the PWG's monthly meetings.

Cemeteries Review Taskforce – Cemeteries Review Program Steering Committee

CCNSW is a member of the Cemeteries Review Program Steering Committee, which was established in mid-2021 to oversee the government's response to the 2021 statutory review of the Cemeteries and Crematoria Act and IPART's 'Review of the Costs and Pricing of Interment in NSW'. Although the NSW Government is yet to endorse the IPART review, most of its recommendations accord with statutory review recommendations, some with shorter timeframes.

The Cemeteries Review Program Steering Committee ensures that departmental leadership and the minister are informed of progress and engaged at key stages. It is managed by the Cemeteries Review Taskforce (CRT), which was established by the department to coordinate the government's response to the reviews. The CRT also leads work on certain review topics, such as the proposed amalgamation of the Crown sector.

Cemeteries Review Taskforce – Cemeteries Land subcommittee

The Cemeteries Land subcommittee sits under the Cemeteries Review Program Steering Committee as a supporting committee. It drives the government's response to parts of the statutory review of the Cemeteries and Crematoria Act and the IPART review that relate to land identification, land acquisition and land use and planning. CCNSW is a member of this subcommittee.

End of Life Journeys Steering Committee

CCNSW is a member of the End of Life Journeys Steering Committee, which is overseeing the delivery of the End of Life Planner of the NSW Government's Life Journeys program. This committee met every two months during 2021–22.

CCNSW contributed to the development of the [end-of-life planner](#), published in January 2021.

CCNSW was particularly involved in developing the Funeral wishes PDF, which is part of the End of Life Planner, published in June 2022. This document allows people to record their post-death wishes, including whether they would like to be buried or cremated, and any other specific requirements they may have.

Mortuary Capacity Committee

CCNSW continued its participation in the Mortuary Capacity Committee convened as part of the COVID-19 response. These meetings allowed the communication of key issues and concerns raised by the interment industry to NSW Health. They also ensured that public health orders and advice reflected the relevant biosafety risks for the interment industry when undertaking storage of and handling remains. The committee went into hiatus in April 2022. However, we maintain ongoing surveillance of COVID issues and have a regular dialogue with NSW Health.

Communications and stakeholders

We engaged with our stakeholders via our 2 consultative groups (the CCCG and ICG) and through extensive consultation on the Interment Industry Scheme. We also:

- presented at the Cemeteries & Crematoria Association of NSW conference in May 2022
- published a report on sustainable burial and cremation
- continued to engage with other NSW government agencies
- engaged with Aboriginal representative stakeholders and departmental staff.

Issues considered by the CCCG

The CCCG considered the following issues during the year:

- CCNSW's strategic plan
- CCNSW's regulatory reform framework
- TAFE NSW headstone project
- cemetery land allocation
- industry presentations

- development of the proposed draft Interment Industry Scheme
- CCNSW's draft complaints policy
- Digital NSW – Navigating End of Life Journeys.

Issues considered by the ICG

During 2021–22, the involvement of the ICG with the development and drafting of the Interment Industry Scheme and its various components for the licensing system was invaluable in ensuring that a meaningful and workable regulatory scheme was developed.

The ICG met 4 times during 2021–22 and discussed matters including:

- COVID-19 management matters such as staff safety and public interaction at memorial services at cemeteries
- the CCNSW Strategic Plan 2022–2025
- TAFE NSW headstone project
- a national guide for Aboriginal and Torres Strait Islander communities to identify and protect unmarked graves and cemeteries
- the development of an Interment Industry Scheme and the proposed licensing conditions for cemetery and crematoria operators
- revised planning legislation to allow cemeteries to be recognised as state significant developments
- a new guideline for large applications under section 56(4) of the Cemeteries and Crematoria Act.

Assurance and business improvement

Business planning

The CCNSW Strategic Plan 2022–2025 commits the agency to a set of strategic goals to drive the development of CCNSW as a capable and modern regulator. During 2021–22, we undertook detailed business and implementation planning to support the rollout of the strategic plan. It sets out practical steps toward meeting the plan’s vision and goals and is focused on demonstrating how we will implement identified priorities.

Customer relationship management

CRM systems are software for managing a business’ or organisation’s relationships and interactions with customers.

In August 2021, we began using our CRM system built on propriety software to better manage our interactions with regulated entities, stakeholders and the public.

The CRM system will help us improve our effectiveness as a regulator and strengthen our regulatory posture when undertaking:

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

CCNSW 2020–21 activity information

Annual activity of NSW cremation and interment services

One of our key responsibilities is to record the annual activity of cremation and interment services across all regions of NSW and by all sectors of the industry. This information helps us understand the current usage level of cemetery land. It also provides essential data to guide planning to deliver services to the NSW community.

The data highlights the number of services over 5 years (see Table 6) and by sector (Table 7) in the most recent statistical reporting year (2020–21). Figure 8 illustrates the percentage of burials and cremations within NSW in 2020–21, and Figure 9 and Figure 10 illustrate the distribution of burial and cremation in NSW by sector.

In 2020–21, there was a significant increase in the cremation rate of 1.3% and a corresponding decrease in the burial rate. In the whole of NSW, there was a 1.5% increase in the total number of interment services provided from the previous year, with a 29.5% burial rate and a 70.5% cremation rate.

Private operators managed 81.7% of all cremations in NSW and performed 59.5% of the total number of services including burials, cremations and ash interments.

Also shown are services for the whole of NSW by planning region, with 47.8% of all services carried out in metropolitan Sydney including burials, cremations and ash interments.

Table 6. Burial and cremation volumes for the whole of NSW

Services per financial year	Number of services 2016–17	Number of services 2017–18	Number of services 2018–19	Number of services 2019–20	Number of services 2020–21
Total number of burials	18,415 (33.4%)	18,335 (32.1%)	17,955 (31.3%)	17,841 (30.8%)	17,359 (29.5%)
Total number of cremations	36,704 (66.6%)	38,768 (67.9%)	39,391 (68.7%)	40,081 (69.2%)	41,448 (70.5%)
Total number of services	55,119	57,103	57,346	57,922	58,807

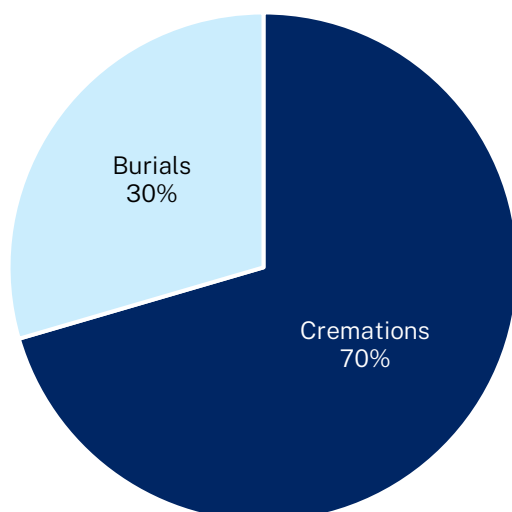


Figure 8. Percentage of burials and cremations in NSW for 2020-21

Table 7. Service type by sector for 2020-21

Operator sector	Number of burials	Number of cremations	Total services
Local government	7,881	2,058	9,939
Crown	6,284	5,535	11,819
Private	2,842	33,855	36,698
Church	224	0	224
Community	127	0	127
Total number of services	17,359	41,448	58,807

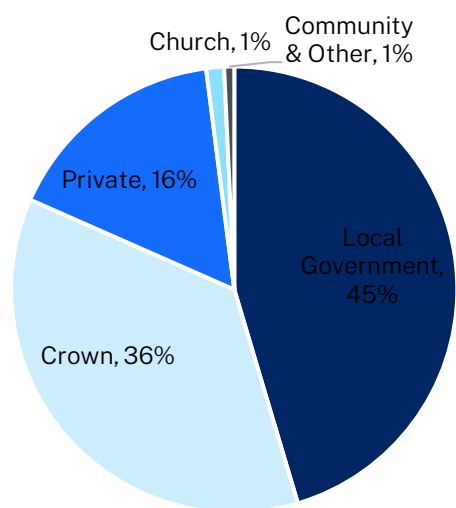


Figure 9. Percentage of burials in NSW by sector for 2019-20

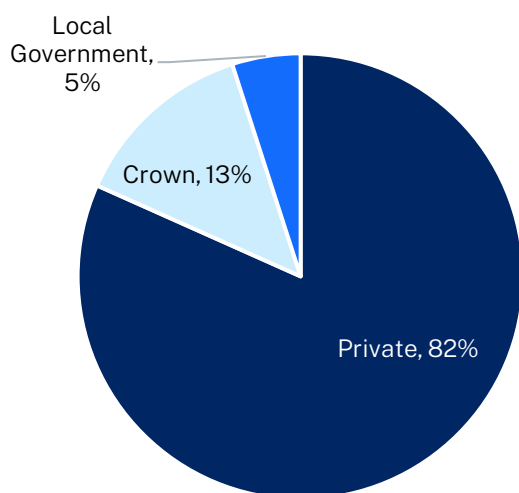


Figure 10. Percentage of cremations in NSW by sector for 2019-20

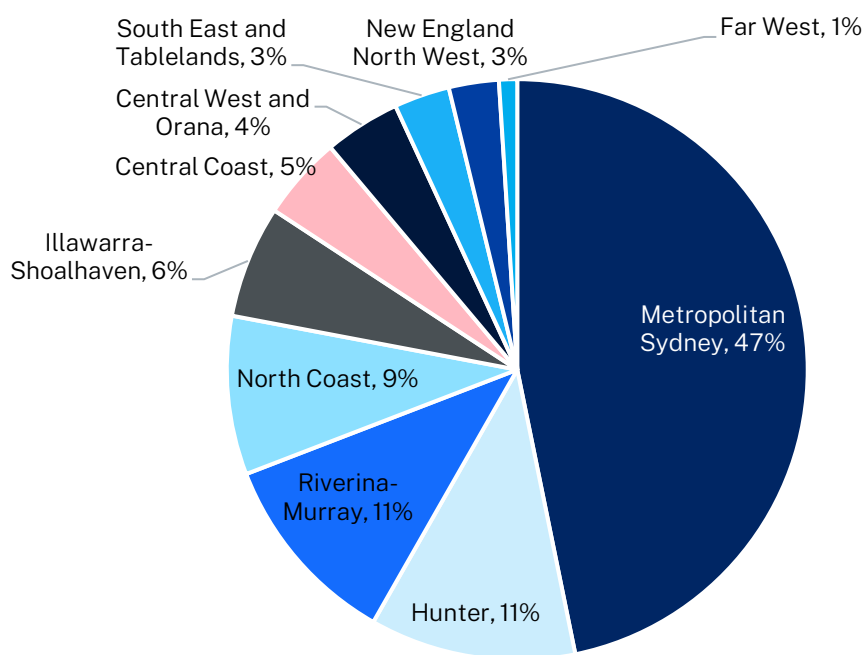


Figure 11. Percentage of total NSW services (burials and cremations) by planning region

Cemeteries and crematoria register

During 2021–22, 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.

Councils operate 70% of all facilities in NSW. Private operators and councils provide cremation services in regions, with the distribution of facilities generally focused on regional towns with sufficient population and service demand.

In 2020–21, we continued to refine the register, identifying additional cemeteries and cemetery operators and, where necessary, determining the current cemetery operator for a site.

Many historic cemeteries in rural and regional areas were set aside in the late 19th century to provide for towns and villages across NSW. Over time, these were overlooked, often falling into disuse due to demographic changes, the trustees dying or the cemetery being in the name of entities that no longer exist, such as former churches or local councils. We work with current cemetery operators to identify an appropriate future manager for such cemeteries and to ensure these cemeteries are recorded in the register.

Table 8 summarises data on operational cemeteries and crematoria in NSW as of 30 June 2021.

Table 8. Operational cemetery and crematoria facilities in NSW by region as of 30 June 2021

Planning region	Number of active cemeteries	Number of inactive cemeteries	Number of operational crematoria
Central Coast	20	3	2
Central West and Orana	163	85	5
Far West	42	28	2
Hunter	183	49	6
Illawarra–Shoalhaven	34	28	4
Metropolitan Sydney	122	47	13
New England and North West	97	55	4
North Coast	99	35	11
Riverina Murray	120	39	9
South East and Tablelands	153	68	3
Total	1,033	437	59

Workforce diversity, multicultural and disability policies

Our diversity achievements now fall under the Department of Planning and Environment and will be reported in the department's 2021–22 annual report.

Table 9. CCNSW staff

Reporting year	Male	Female
2021–22	3	11

Human resources

Table 9 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 10. Staff composition and salary levels

Employment type	2021–22	2020–21
Ongoing	8	7
Temporary	4	1
Executive	2	2
TOTAL	14	10

There were no exceptional movements in wages, salaries or allowances in 2021–22.

Numbers and remuneration of senior executives

There were 2 executives employed at the end of the 2021–22 financial year, as shown in Table 11.

Table 11. Number and band of senior executives 2021–22

Executive level	Female	Male	Total
Band 4 Secretary	0	0	0
Band 3 Group/Deputy Secretary	0	0	0

Executive level	Female	Male	Total
Band 2 Executive Director	1	0	1
Band 1 Director	1	0	1
Total	2	0	2

Table 12. Remuneration range of senior executives 2020–21

Executive level	Salary range
Band 2 Executive Director	\$274,701 to \$345,550
Band 1 Director	\$192,600 to \$274,700

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

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

Consultants

CCNSW did not engage any consultants in 2021-22.

Consumer and industry response

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 2021–22.

Customer service

We exhibited our commitment to customer service in 2021–22 by:

- developing a new complaints policy
- using stakeholder feedback to guide the development of the Interment Industry Scheme, which will in turn improve customers' interactions with cemetery and crematoria operators
- launching a CRM system to better manage our interactions with regulated entities, stakeholders and the public.

Promotion –overseas travel

CCNSW staff made no overseas visits during 2021-22.

Payment of accounts

The Department of Planning and Environment, through its Corporate Services division, provided us with various accounting and corporate services, including account payments. We operate under a formal corporate and shared services agreement with the department, which covers all corporate functions and services, including legal advice. Reporting on account payment performance is provided at a departmental level.

Risk management and insurance activities

The Department of Planning and Environment supports CCNSW in managing its risks. Insurance is covered at a departmental level.

In 2021–22, the department continued to implement its enterprise-wide risk management framework across its business and the cluster entities to which it provides risk management services. The framework reflects the department's commitment to providing a consistent and systematic process to manage risks across the department. The framework is consistent with international risk management standards (ISO 31000-2018) and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP20-08). It provides the principles and tools for risk management practice and culture within the wider department.

During 2021–22, several improvements were made to the framework, which flowed to CCNSW. These included conducting a risk maturity assessment, drafting a risk appetite statement for the department and beginning a project to provide enterprise governance, risk and compliance system. Further to these developments, we undertook quarterly risk reporting to the CCNSW Audit and Risk Committee, which enabled alignment with the department's Enterprise Risk Register.

The department supports risk management in CCNSW through a business partnering model operated by the department's Governance division. Risk reviews were conducted quarterly during the year and involved senior management. The department provided ad hoc advice and support as required.

CCNSW uses the department's Business Continuity Management (BCM) process, which is based on ISO22301:2019. The process has been rolled out across all entities within the Department of Planning and Environment that have staff employed in or through the department. It includes a comprehensive document suite to prepare for and respond to incidents and events that impact critical business operations.

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

In 2021–22, CCNSW used the BCM process as part of the department's response to the challenges posed by the COVID-19 pandemic.

The department became a Corporate Partner of the Business Continuity Institute (BCI) in 2021. Membership provides staff with the opportunity to become affiliate members of the BCI and access a wide range of business continuity tools and resources. One CCNSW staff member became an affiliate member of the BCI in 2021–22. Membership will help to build business continuity capability in CCNSW. Awareness training to support key staff has also been held.

Audit

Internal audit

The Chief Audit Executive and internal audit function for CCNSW is provided by the Internal Audit Branch, Governance and Legal group with the Department of Planning and Environment.

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

The internal audit function provides independent and objective review and advisory services designed to improve the operations, risk management, controls and governance processes. The 2021–22 Internal Audit Plan included one risk-based audit engagement and was developed following consultation with management and the Audit and Risk Committee.

Audit and Risk Committee

CCNSW continued to report to an independent Audit and Risk Committee established under a collaborative shared Audit and Risk Committee arrangement during the year. The Chief Audit Executive reported to the Audit and Risk Committee about internal audit activities.

CCNSW is not required to have an Audit and Risk Committee under Treasury Policy TPP 20-08 Internal Audit and Risk Management for the General Government Sector. However, continued access to an Audit and Risk Committee to support CCNSW is considered to be good governance practice. The Chair of the CCNSW Board is invited to attend Audit and Risk Committee meetings and is supportive of the committee arrangements. The Audit and Risk Committee discharged its' responsibilities under the Charter and met 7 times during 2021–22.

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

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

Work, health and safety

Our staff follow work, health and safety policies and procedures issued by the Department of Planning and Environment. There was one minor reported work, health and safety incident in 2021–22.

Ethics and integrity

The Department of Planning and Environment revised its Code of Ethics and Conduct in March 2022. The code is web-based and provides an accessible and up-to-date resource to help all employees understand and comply with their integrity-related obligations. The revision of the code followed extensive consultation with employees and community stakeholders. The code shapes the way we act and work together as an organisation, to deliver outcomes for the NSW community.

Significant developments in the reporting period included:

- **conflicts of interest requirements relating to the NSW Biodiversity Offset Scheme protocol** – the department implemented this protocol and delivered training and awareness courses. The protocol outlines the mandatory requirements to address integrity risks and establishes rules for the consistent management of the Biodiversity Offset Scheme conflict of interests
- **an organisational compliance framework** comprised of a compliance policy, procedure and register that ensures departmental compliance with key legislative and regulatory obligations in the performance of its functions
- **a policy on the lobbying of government officials**, which was updated in response to the NSW Independent Commission Against Corruption's (ICAC's) public inquiry into lobbying, access and influence in NSW. The revised policy aligns with the Premier's whole-of-government response to lobbying reform, which accepted 27 of the ICAC's recommendations to strengthen lobbying integrity measures across the state
- **an ethics portal** – a centralised, automated declaration platform to make it easier for employees to submit their integrity related declarations and applications. Throughout 2021–2022, considerable enhancements were made to strengthen safeguards and enable a new range of reporting capabilities.

The Department of Planning and Environment continues to collaborate with central agencies, such as the NSW Ombudsman, the Audit Office of NSW, the ICAC, NSW Procurement, Transport for NSW and NSW Treasury, to ensure leading practice guidance is continually revised, developed and implemented.

Privacy

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

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

In 2021–22, we received no applications for review under Part 5 of the PPIP Act.

Public interest disclosures

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

Applications to access information

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

Digital information security policy

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

Annual report cost and availability

We have prepared the CCNSW Annual Report 2021–22 in compliance with Premier’s Memorandum M2013-09, with zero external cost. The report is available on the [CCNSW website](#) and the NSW Government’s OpenGov NSW website. We have provided electronic copies to the State Library of NSW, the NSW Parliamentary Library and the National Library of Australia.

Access

We can be contacted in the following ways:

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

Postal: Locked Bag 5022, NSW 2124

Phone: (02) 9842 8473

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

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

Appendices

- Independent auditor's report
- Financial statements 2021-22



INDEPENDENT AUDITOR'S REPORT

Cemeteries and Crematoria NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Cemeteries and Crematoria NSW (CCNSW), which comprise the Statement by the accountable authority, the Statement of comprehensive income for the period ended 30 June 2022, the Statement of financial position as at 30 June 2022, the Statement of changes in equity and the Statement of cash flows, for the year then ended, notes comprising a Summary of significant accounting policies, and other explanatory information.

In my opinion, the financial statements:

- 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 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 CCNSW in accordance with the requirements of the:

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

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

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

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

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

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

The Board and Chief Executive Officer are 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 determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board and Chief Executive Officer are responsible for assessing CCNSW's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

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



Karen Taylor
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 September 2022
SYDNEY

Cemeteries and Crematoria NSW

Financial Statements

for the year ended 30 June 2022

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Cemeteries and Crematoria NSW
Statement by the accountable authority
For the year ended 30 June 2022

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.....

Dr Stepan Kerkyasharian AO
Chair, Cemeteries & Crematoria NSW
Date: 28 September 2022



Signed.....

Jennifer Hickey
Chief Executive Officer
Date: 28 September 2022

Beginning of the financial statements

Cemeteries and Crematoria NSW

Statement of comprehensive income for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Expenses			
Personnel services	2(a)	2,270	1,614
Operating expenses	2(b)	277	1,019
Total expenses		2,547	2,633
Revenue			
Retained levies	3(a)	777	659
Investment revenue	3(b)	3	2
Grants and contributions	3(c)	1,767	1,972
Total revenue		2,547	2,633
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 2022

	Notes	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	1,851	1,330
Receivables	5	197	568
Total current assets		2,048	1,898
Total assets		2,048	1,898
Liabilities			
Current liabilities			
Payables	6	422	272
Total current liabilities		422	272
Total liabilities		422	272
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 2022

	Accumulated funds \$'000	Total equity \$'000
Balance at 1 July 2021	1,626	1,626
Net result for the year	-	-
Balance at 30 June 2022	1,626	1,626
Balance at 1 July 2020	1,626	1,626
Net result for the year	-	-
Balance at 30 June 2021	1,626	1,626

The accompanying notes form part of these financial statements.

Cemeteries and Crematoria NSW
Statement of cash flows for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Payments			
Personnel services		(151)	(388)
Payments to suppliers		(468)	(221)
Total payments		(619)	(609)
Receipts			
Retained levies		754	446
Interest received		3	2
Grants and contributions		383	-
Total receipts		1,140	448
Net cash flows from operating activities	7	521	(161)
Net increase/(decrease) in cash and cash equivalents		521	(161)
Opening cash and cash equivalents		1,330	1,491
Closing cash and cash equivalents	4	1,851	1,330

The accompanying notes form part of these financial statement

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

1. Summary of significant accounting policies

(a) Reporting entity

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

Cemeteries is 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 2022 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 Department of Planning and Environment

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

The Department of Planning and Environment 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 2022

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 2021-22

The following policies, amendments and interpretations apply for the first time in 2021-22, and do not have an impact on the financial statements of cemeteries:

- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1 (effective for annual periods ending on or after 30 June 2022)*

(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 22-07):

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2022)*
- *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 2021-2 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 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2022)*
- *AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2022)*
- *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 2022)*

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

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

(ii) Issued but not yet effective (continued)

- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information (effective from 1 January 2023)*
- *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 (effective from 1 July 2022)*

Cemeteries has assessed any potential impact on the financial statements due to these new accounting standards or interpretations 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. Cemeteries is continually assessing the impact of Covid-19 on the operating performance and its financial assets and liabilities.

(i) Going concern

The financial statements have been prepared on a going concern basis. Cemeteries receives financial support from the Department of Planning and Environment. 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:

	2022	2021
	\$'000	\$'000
Salaries and wages (including annual leave)	1,822	1,292
Superannuation	196	124
Payroll tax	99	68
Workers' compensation insurance	11	11
Board members salaries	142	119
	2,270	1,614

Recognition & measurement

Personnel services

Cemeteries does not employ staff but uses the personnel services of the Department of Planning and Environment. 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 2022

2. Expenses (continued)

(b) Other operating expenses include the following:

	2022 \$'000	2021 \$'000
Administration costs	10	18
Audit fees	29	37
Communication	9	15
Consultancy fees	-	492
Contractors	149	80
Legal fees	-	46
Low value and short-term leases	69	67
Purchase assets <\$5,000	8	6
Refund of overpaid levies	-	251
Travelling costs	3	7
	277	1,019

Recognition and measurement

Insurance

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

Lease expense

Cemeteries recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

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

3. Revenues

Recognition and measurement

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

(a) Retained levies

	2022 \$'000	2021 \$'000
Cemeteries levy	777	659
	777	659

Recognition and Measurement

Retained levies

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

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

3. Revenues (continued)

(b) Investment revenue

	2022 \$'000	2021 \$'000
Interest	3	2
	<u>3</u>	<u>2</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

	2022 \$'000	2021 \$'000
Non-cash		
Personnel services contribution - department	1,767	1,468
Operating expenses contribution - department	-	504
	<u>1,767</u>	<u>1,972</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 2021-22, Cemeteries did not use any volunteer services (2021: 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 2022

4. Current assets – cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	1,851	1,330
	1,851	1,330

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

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

Cash and cash equivalents (per statement of financial position)	1,851	1,330
Closing cash and cash equivalents (per statement of cash flows)	1,851	1,330

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

5. Current assets – receivables

	2022 \$'000	2021 \$'000
Current		
Accrued income	189	166
Receivable - department	-	383
Net GST receivable	8	19
	197	568

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

Recognition and measurement

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

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

Subsequent measurement

Cemeteries holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

5. Current assets – receivables (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 the entity expects to receive, discounted at the original effective interest rate.

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

6. Current liabilities - payables

	2022 \$'000	2021 \$'000
Current		
Accruals	32	21
Creditors	-	251
Creditor - department	390	-
	422	272

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

	2022 \$'000	2021 \$'000
Net cash used on operating activities	521	(161)
Increase / (decrease) in receivables	(371)	359
Decrease / (increase) in creditors	(150)	(198)
Net result	-	-

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 2022

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	Note	Category	Carrying amount 2022 \$'000	Carrying amount 2021 \$'000
Class:				
Cash and cash equivalents	4	Amortised cost	1,851	1,330
Receivables ¹	5	Amortised cost	-	383
Financial liabilities	Note	Category	Carrying amount 2022 \$'000	Carrying amount 2021 \$'000
Class:				
Payables ²	6	Financial liabilities measured at amortised cost	422	272

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 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.

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

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

10. Financial instruments (continued)

(c) Financial risks

(i) Credit risk

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

Credit risk arises from the financial assets of the 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. There was no allowance for expected credit losses for the trade receivables as at 30 June 2022. Cemeteries had no financial assets past due or impaired as of 30 June 2022.

(ii) Liquidity risk

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

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. Cemeteries' exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There was no interest paid during the period (2021: nil).

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

10. Financial instruments (continued)

(c) Financial risks (continued)

(ii) Liquidity risk (continued)

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted average effective int. rate	Nominal amount \$'000	Interest rate exposure		Non-interest bearing \$'000	Maturity dates		
			Fixed int. rate \$'000	Variable int. rate \$'000		< 1 yr.	1-5 yrs	> 5 yrs
2022								
<i>Payables</i>	0.0%	422	-	-	422	422	-	-
		422	-	-	422	422	-	-
2021								
<i>Payables</i>	0.0%	272	-	-	272	272	-	-
		272	-	-	272	272	-	-

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 2021. 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 2022

10. Financial instruments (continued)

(c) 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
2022					
Financial Assets					
Cash and cash equivalents	1,851	(19)	(19)	19	19
Financial Liabilities					
Payables	422	-	-	-	-
2021					
Financial Assets					
Cash and cash equivalents	1,330	(13)	(13)	13	13
Financial Liabilities					
Payables	272	-	-	-	-

Fair value measurement

Fair value compared to carrying amount

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

11. Contingent liabilities and contingent assets

Cemeteries is unaware of the existence of any contingent assets or liabilities as at balance date (2021: Nil).

Cemeteries and Crematoria NSW

Notes to and forming part of the financial statements for the year ended 30 June 2022

12. Related party disclosure

In 2022 \$296,543 out of \$452,124 key management personal services were provided as a non-cash contribution by the Department of Planning and Environment, for 2021 all KMP services of \$373,098 were provided as a non-cash contribution and equal revenue recognised.

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

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

Entity	Nature of Transaction
Department of Planning and Environment	Provision of administrative and secretarial support, personnel services and operational assistance.
Southern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services.
Catholic Metropolitan Cemeteries Trust	Levies received based on interment and cremation services.
Northern Metropolitan Cemeteries Land Manager	Levies received based on interment and cremation services.
Rookwood General Cemeteries Reserve Land Manager	Levies received based on interment and cremation services.

13. Events after reporting date

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

End of financial statements.