



ANNUAL REPORT

**Metropolitan  
Memorial Parks**

Northern Metropolitan Cemeteries Land Manager  
Rookwood General Cemeteries Reserve Land Manager  
Southern Metropolitan Cemeteries Land Manager

**2023**

**Field of Mars Cemetery**

The Darug  
Gai-mariagal people.  
Water Way | Parramatta  
River, Burramattagal.

**Eastern Suburbs  
Memorial Park**

The Bidjigal people.  
Water Way | Botany Bay,  
Yarra.

**Frenchs Forest  
Bushland Cemetery**

The Gai-mariagal people.  
Water Way | Middle Harbour  
Creek, Warringa.

**Gore Hill  
Memorial Cemetery**

The Gai-mariagal people.  
Water Way | Balls Head Bay,  
Yerroulbine.

**Rookwood General  
Cemetery**

The Dharug people.  
Water Way | Cooks River,  
Goolay'yari.

**Sandgate Cemetery**

The Awabakal and  
Worimi people.  
Water Way | Hunter River,  
Coquun.

**Woronora  
Memorial Park**

The Dharawal people.  
Water Way | Woronora  
River, Woniora.

**Macquarie Park  
Cemetery and  
Crematorium**

The Gai-mariagal  
Darug people.  
Water Way | Lane Cove  
River, Turrumburra.



## Acknowledgement of Country

We acknowledge the continuing connection to lands, waters and living cultures of the traditional custodians of the land on which our cemeteries are located.

**We pay our respects to elders past and present.**

# Contact Information

Northern Metropolitan Cemeteries Land Manager (NMC), Rookwood General Cemeteries Reserve Land Manager (RGC) and Southern Metropolitan Cemeteries Land Manager (SMC) oversees a total of 405 hectares of Crown land cemeteries across Sydney and Newcastle. Combined NMC, RGC and SMC maintain eight memorial parks, historic and modern memorial areas, culturally specific and non-denominational gardens, chapels, and function venues.

nmclm.com.au | rookwoodcemetery.com.au | smcnsw.org.au

**Our cemeteries are open sunrise to sunset.**

### Eastern Suburbs Memorial Park

12 Military Road, Matraville, NSW 2036  
(02) 9661 5655

#### Office hours

Monday to Friday: 8.30am-4.30pm

### Frenchs Forest Bushland Cemetery

1 Hakea Avenue, Davidson, NSW 2085  
(02) 9451 6204

#### Office hours

Monday to Friday: 8.00am-4.00pm  
Saturday: 9.00am-4.00pm

### Macquarie Park Cemetery and Crematorium

Cnr Delhi and Plassey Roads, North Ryde, NSW 2113  
1300 389 888

#### Office hours

Monday to Friday: 8.00am-4.00pm  
Saturday: 9.00am-4.00pm

### Sandgate Cemetery

116 Maitland Road, Sandgate, NSW 2304  
(02) 4968 3602

#### Office hours

Monday to Friday: 8.00am-4.00pm  
Saturday: 9.00am-4.00pm

### Field of Mars Cemetery

Quarry Road, Ryde, NSW 2112  
1300 389 888

#### Office hours

Monday to Friday: 8.00am-4.00pm  
Saturday: 9.00am-4.00pm

### Gore Hill Memorial Cemetery

Pacific Highway, St Leonards, NSW 2065  
1300 389 888

#### Office hours

Monday to Friday: 8.00am-4.00pm  
Saturday: 9.00am-4.00pm

### Rookwood General Cemetery

1 Hawthorne Avenue, Rookwood, NSW 2141  
(02) 8575 8100

#### Office hours

Monday to Friday: 8.00am-4.00pm  
Saturday: 9.00am-1.00pm  
Sunday: 9.00am-3.00pm

### Woronora Memorial Park

121 Linden Street, Sutherland, NSW 2232  
(02) 9545 4677

#### Office hours

Monday to Friday: 8.30am-4.30pm

*This Annual Report provides operational and financial information concerning NMC, RGC, SMC for the 2022-23 financial year.*

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## Purpose

At one of life's most significant moments, we provide genuine care and affordable choices for everyone, now and into the future.



## Values



### Respect Diversity

- We actively listen and give others our attention
- We respect the work and opinion of everyone
- We go the extra mile to meet individual needs and differences



### Genuine Care

- We show empathy for others
- We provide emotional support for each other
- We have the courage to speak up when something is wrong because we care about the outcome



### One Team

- We communicate with each other clearly, transparently, and honestly
- We collaborate cross functionally to solve problems
- When something needs to be done, we go out of our way to help each other



### Deliver Excellence

- We take pride in what we do
- We attend to tasks with our full attention and follow through on our commitments
- We go above and beyond to achieve the best outcomes for the community

## Highlights



### Services

**NMC**  
 Ash interments: **1,157**  
 Bodily interments: **1,749**  
 Chapel services: **2,294**  
 Cremation services: **3,168**

**RGC**  
 Ash interments: **23**  
 Bodily interments: **2,133**  
 Chapel services: **320**  
 Cremation services: **118**

**SMC**  
 Ash interments: **1,889**  
 Bodily interments: **1,427**  
 Chapel services: **1,588**  
 Cremation services: **2,774**

### Engagement

**NMC**  
**65** Communities serviced  
**235** New social media followers  
**130,408** Website visits

**RGC**  
**65** Communities serviced  
**890** New social media followers  
**148,185** Website visits

**SMC**  
**65** Communities serviced  
**279** New social media followers  
**128,047** Website visits

Key
NMC
RGC
SMC
MMPLM

Metropolitan Memorial Parks Land Manager (MMPLM)

### Governance

**NMC**  
**4** Community Engagement Committee meetings

**RGC**  
**3** Community Advisory Committee meetings  
**4** Heritage Advisory Committee meetings

**MMPLM**  
**4** Administrator meetings  
**4** Finance, Risk and Audit Committee meetings

### Workforce

**NMC**  
**65** Total  
 46 Male  
 19 Female

**RGC**  
**96** Total  
 69 Male  
 27 Female

**SMC**  
**106** Total  
 69 Male  
 37 Female

### Financials

**NMC**  
**\$16.388 m** surplus  
**\$191.128 m** in net assets  
**\$111.970 m** in investments

**RGC**  
**\$24.568 m** surplus  
**\$253.368 m** in net assets  
**\$198.651 m** in investments

**SMC**  
**\$14.500 m** surplus  
**\$210.027 m** in net assets  
**\$107.755 m** in investments

## Message from the Administrator

**Ken Morrison**

ADMINISTRATOR



The 2022-23 financial year represents the final year in which the three former OneCrown cemetery land managers – Northern Metropolitan Cemeteries Land Manager (NMC), Rookwood General Cemeteries Reserve Land Manager (RGC) and Southern Metropolitan Cemeteries Land Manager (SMC) – existed as separate entities.

This annual report presents the annual reports and statutory accounts of these three now-former land managers.

On 1 July 2023 the three entities merged to form Metropolitan Memorial Parks Land Manager (Metropolitan Memorial Parks). This decision by Minister for Lands and Property, Steve Kamper MP, brought an end to two years of preparation for the merger under the OneCrown initiative and three years after this amalgamation had been recommended as a part of a Statutory Review into the Cemeteries and Crematoria sector.

Shortly after its election, the new NSW Government moved quickly to bring certainty to the cemetery sector with the announcement of a two-operator crown cemetery model and that the merger of the OneCrown entities would proceed. Minister Kamper appointed me as Administrator of the three land managers effective from 5 June 2023 with the directive to transition the organisations through the merger, create a transition plan for the organisation, support the establishment of an inaugural Board, appoint a new CEO and work with the Government on a fresh strategic mandate for the organisation.

I would like to record the organisations' thanks to my predecessor, Lee Shearer, for steering the organisations through this OneCrown phase.

### Serving the Community

One of our greatest achievements during the past financial year has been our continued commitment to the communities we proudly serve.

During what has been a period of significant change for the former land managers, I am pleased to report that the organisation remained focused on the provision of quality services, the implementation of new burial grounds, and the upgrade of important facilities.

We continued to fulfil our responsibility by conducting a total of 5,309 bodily interments, 3,069 ash interments, 4,202 chapel services, and 6,060 cremations across the three land managers.

Our extensive capital works program ensured the enhancement of our memorial parks. Notable developments include the dedicated Antiochian Orthodox burial ground and pavilion at Rookwood Cemetery, a valued initiative of the Antiochian Orthodox Archdiocese of Australia, New Zealand, and the Philippines; and the completion of the impressive Mausoleum of the Holy Way at Macquarie Park Cemetery and Crematorium.

We also completed extensive refurbishments of our heritage-listed chapels at Eastern Suburbs Memorial Park and Woronora Memorial Park. These renovations, respecting the

Art Deco detail, signify our commitment to conserving our memorial parks, and ensuring a culturally rich environment for visitors.

### Engagement with Community

Community engagement remains fundamental to our operations. Accordingly, we established a Multifaith Liaison Group (MLG) to gain a deeper understanding of the needs and values of faith and cultural groups within our community. The MLG has allowed us to develop strong relationships with important stakeholders, gather invaluable feedback on products and services, and better align our engagement activities with the needs of the public.

In addition to the MLG, we continue to support community engagement committees at NMC and RGC, and the heritage advisory committee at RGC. These committees play a critical role in ensuring that our services and facilities evolve to meet the changing needs and expectations of diverse communities; they have also been highly valuable in terms of creating continuity within the land managers during the amalgamation period.

My thanks also to the members of our Finance, Risk and Audit Committee (Katherine O'Regan, Robyn Scott and Melinda Snowden) for their invaluable governance role throughout the year.

Following the Covid-19 pandemic, our community and religious events have made a return to our parks. The Police Memorial Services, a Centenary Open Day, Heritage Month Discovery Day, and a series of historical tours throughout our parks have played a pivotal role in strengthening our community ties. We have also implemented educational initiatives as a crucial part of our role in the cemetery industry, with online webinars and Death Cafes to assist the public in planning ahead, understanding their choices, and coping with grief.

### Organisational Developments

The past year witnessed transformative internal changes within NMC, RGC and SMC. A strong Work, Health, and Safety (WHS) program was implemented, reinforcing our commitment to the safety of employees and visitors. Leadership training programs were also established to ensure that our workforce is well-equipped with the

knowledge and skills necessary to uphold the responsibilities of their roles.

The organisation collaborated with the Department of Planning and Environment on a Health Check into the OneCrown initiative, which included a review into governance, finance, leadership and employee wellbeing. This report has provided vital guidance on the priorities required to build capability within the organisation and led to a strong work program of improvements.

### Looking to the Future

Metropolitan Memorial Parks was established to provide a stronger platform to deliver important services to the community.

To address the future supply of cemetery space, we are collaborating with the NSW Government to develop an interment supply strategy. This strategy focuses on maximising our existing burial capacity, identifying and developing new cemeteries and cemetery renewal.

Following the amalgamation to become Metropolitan Memorial Parks, the organisation is preparing for the establishment of its inaugural Board and embarking on a fresh strategy to serve the people of NSW.

As we look towards the future, we are excited about the opportunities that lie ahead as we embrace another year of growth and change. I want to extend my heartfelt thanks to our dedicated staff team for their unwavering support during this period of change. It is through their commitment and enthusiasm that we continue to thrive and serve our communities with distinction.

**Ken Morrison**  
Administrator

**Metropolitan Memorial Parks Land Manager**  
*Incorporating NMC, RGC and SMC.*

# Our Organisation



## Our Organisation



## About Us

We provide places of reflection and are committed to serving the changing needs of our diverse communities by supporting people to grieve, celebrate life, and remember loved ones.

Our parks offer sustainable and affordable interment options, crematoria, memorialisation, chapels and functions, through to history and recreational facilities.

Metropolitan Memorial Parks was established to unite NMC, RGC and SMC.

As a consolidated entity, we are stronger and more equipped to create a sustainable cemetery sector for generations to come.



# History

1792	1820	1860	1867	1868
Sydney's first burial ground (The Old Burial Ground) was situated where Sydney Town Hall now stands. This cemetery served the growing Sydney colony up until 1820.	The Devonshire Street Cemetery (also known as Sandhills or Brickfield Cemetery - because of its position at Brickfield Hill) was established where Central station now stands.	Colonial Secretary for Lands, John Robertson, announced the search for a new cemetery. The Sydney colony was outgrowing its previous two cemeteries.	Haslams Creek Cemetery was consecrated to coincide with the closure of Devonshire Street Cemetery. The mortuary train then commenced with twice-daily services running from Sydney's Central Station No.1.	Gore Hill Memorial Cemetery was established by then politician, William Turks.

1876	1881	1888	1890	1895
Residents of Haslams Creek began campaigning for a new suburb name to remove the association with the cemetery. As a result, the local railway station and suburb were renamed Rookwood.	Sandgate Cemetery opened and continues to serve the people of Newcastle to this day.	Land in the Eastern Suburbs district of Sydney was dedicated as Botany Cemetery. This same year, Bunnerong Cemetery opened to take unclaimed remains from the former Devonshire Street Cemetery.	Field of Mars Cemetery was established, with 85 acres of what was originally known as Field of Mars Common (an area set aside for early settlers) dedicated for cemetery use.	Woronora Cemetery was established on 1 April 1895. The first interment occurred the following day on 2 April 1895.

1902	1913	1922	1932
Northern Suburbs General Cemetery was committed; however, it would be another two decades until the first burial.	Gradually Haslams Creek Cemetery also adopted the name Rookwood, causing locals to once again complain that their suburb bore the same name as the Cemetery. The suburb's name was again changed, this time to Lidcombe, a combination of the names of two former mayors of the town, Lidbury and Larcombe.	The first interment occurred at Northern Suburbs General Cemetery, with 2022 marking the centenary of this historic cemetery.	Frenchs Forest General Cemetery was gazetted by the Lands Department, and in 1937 the cemetery was officially dedicated.

1938	1948	1972	1987	1990
The Eastern Suburbs Crematorium was established.	The mortuary train service was officially terminated, after 80 years of operation.	Bunnerong Cemetery, Botany Cemetery, and Eastern Suburbs Crematorium amalgamated to create Eastern Suburbs Memorial Park.	Sandgate Cemetery became heritage listed.	Frenchs Forest General Cemetery was renamed Frenchs Forest Bushland Cemetery to reflect the bushland setting.

2004	2012			2014
Northern Suburbs General Cemetery was renamed Macquarie Park Cemetery and Crematorium. The crematorium and three Chapels were established.	<b>The NSW Government commenced reforms to the Crown cemetery sector with significant consolidation of Crown Trusts.</b>			The management of Sandgate Cemetery, along with the remainder of Field of Mars Cemetery, were incorporated into NMC.
	NMC was established to unite Frenchs Forest Bushland Cemetery, Gore Hill Memorial Cemetery, Macquarie Park Cemetery and Crematorium, and parts of Field of Mars Cemetery.	RGC was established to unite the former Anglican, General, Independent, Jewish and Muslim Trusts at Rookwood.	SMC was established to unite Eastern Suburbs and Woronora Memorial Parks.	

2021	2023
An Administrator was appointed to bring together NMC, RGC and SMC.	On 1 July 2023, Metropolitan Memorial Parks was gazetted by the Lands Departments to formerly amalgamate NMC, RGC and SMC.

Key
NMC
RGC
SMC
MMPLM

# Operating Environment

## Political Factors

### Cemetery Reform

NSW has the most diverse range of cemetery operators in Australia, with the Crown, private, local government and community operators all providing end-of-life products and services.

*The Cemeteries and Crematoria Act 2013 (the Act)* regulates the management and operation of cemeteries and crematoria.

In 2020 a statutory review of the Act was undertaken, during which critical challenges within the industry were identified. Following this, a project titled 'OneCrown' was initiated to bring together NMC, RGC and SMC, while the Government determined the final operating model for the Crown cemetery sector.

On 19 May 2023, the Honourable Stephen Kamper, NSW Minister for Lands and Property, announced that a model for the sector had been selected, with a two-operator model to be implemented.

The Minister also confirmed the OneCrown initiative would be officially established as a legal entity, with a formal merger of NMC, RGC and SMC to take place, under the name Metropolitan Memorial Parks Land Manager.

Minister Kamper has appointed Ken Morrison as the Administrator of Metropolitan Memorial Parks, until such time as a skills-based Board is implemented to provide stable leadership, efficient practices and a strategic long-term vision for the future of the industry.

### Interment Industry Scheme

To support the reform, the Interment Industry Scheme (IIS) for all cemetery and crematorium operators is being implemented by the industry regulator, Cemeteries and Crematoria NSW (CCNSW).

The IIS is a licensing system that sets clear standards for all cemetery and crematoria operators so families will know what to expect when they use our services and can make informed choices. The key licensing conditions include the provision of easy-to-understand plain language contracts, minimum standards for cemetery maintenance, pricing transparency, quality customer service and respect for people's religious and cultural requirements.

## Legal Factors

The primary documents directing our organisation include:

- Burra Charter (nationally accepted standards for heritage conservation practice in Australia)
- *Biodiversity Conservation Act 2016*
- *Cemeteries and Crematoria Act 2013*
- *Cemeteries and Crematoria Regulation 2022*
- *Crown Land Management Act 2016*
- *Crown Land Management Regulation 2018*
- *Environment Operations Act 1997*
- *Disability Inclusion Act 2014*
- *Government Information (Public Access) Act 2009*
- *Government Sector Finance Act 2018 (GSF Act)*

- *Government Sector Finance Regulation 2018 and the Treasurer's Directions issued under the GSF Act*
- *Health Records and Information Privacy Act 2002*
- *Heritage Act 1977*
- *Heritage Regulation 2012*
- *Independent Pricing and Regulatory Tribunal Act 1992*
- *Local Environment Plans*
- *Modern Slavery Act 2018 (NSW)*
- *Privacy and Personal Information Protection Act 1998*
- *Public Interest Disclosure Act 1994*
- *Southern Conservation Management Plans*
- *State Records Act 1998*
- *Threatened Species Conservation Act 1995*
- *Threatened Species Conservation Regulation 2010*
- *Work Health and Safety Act 2011*
- *Work Health and Safety Regulation 2017*

## Economic Factors

For many people, farewelling their loved ones is prescribed by their religious, spiritual or personal beliefs. For some communities, burial is the only viable option. This means there will be an ongoing need for cemetery land. For others, rising costs are impacting the overall cost of living, including end-of-life choices.

To meet the needs of our different communities, our role is to offer a range of options, from affordable to premium. We are also committed to working across all levels of State Government to identify potential sites for new cemeteries. This work is underpinned by the requirement for environmentally and financially sustainable options, balanced with the need to ensure products and services meet diverse community needs.

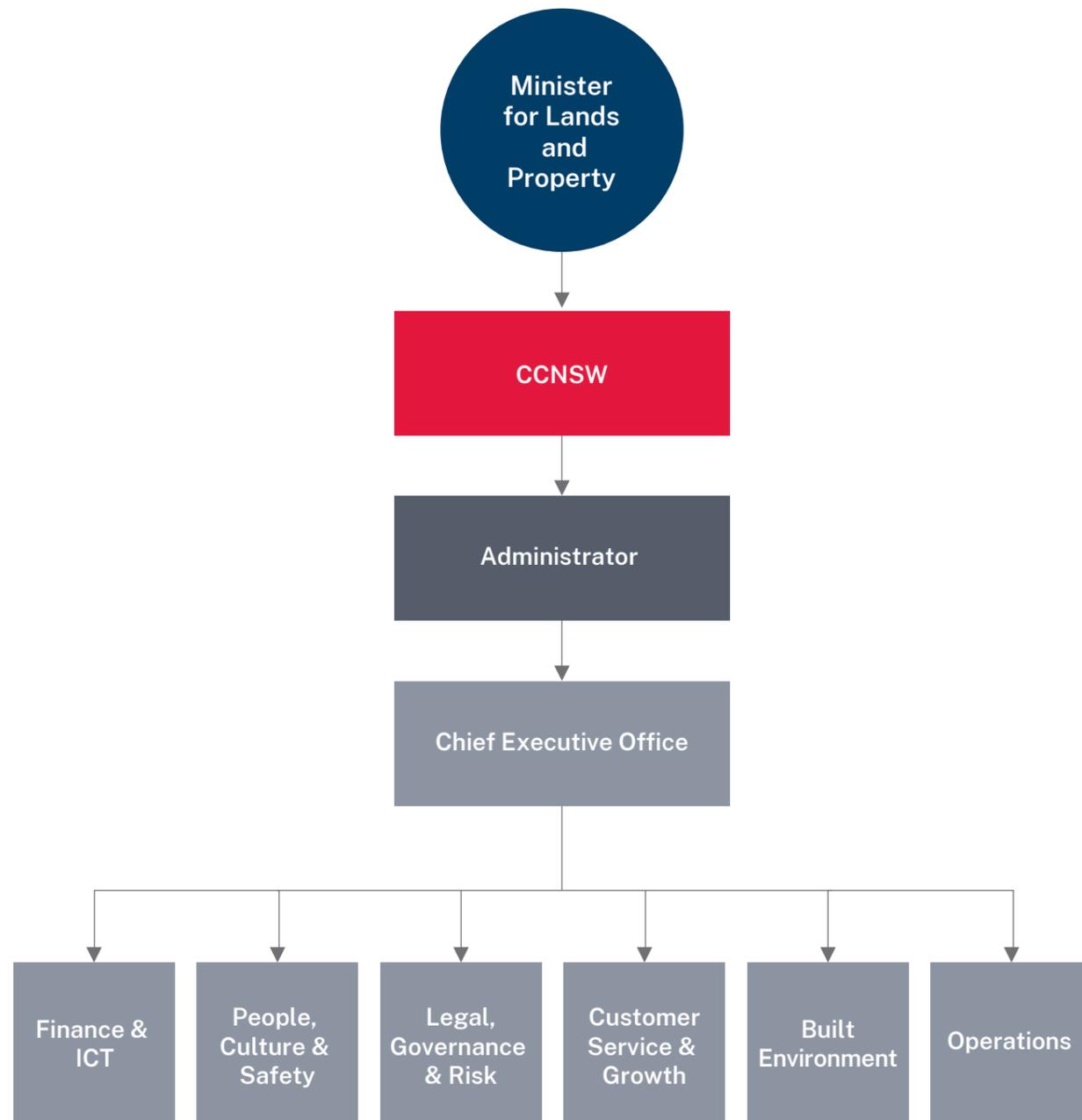
## Technological Factors

Our technological operating environment has been impacted by the consolidation of NMC, RGC and SMC. The integration of systems is a complicated undertaking due to the nature and scale of our cemetery records and documents, which differ at each site.

An information communication technology roadmap has been developed to define current and future projects over the next twelve months.

<b>Contact Centre Phone Project</b> Implementing a single telephony supplier across all locations. Enabling integration across all locations.	<b>Cemetery Management System Update</b> Providing the same Opus version for former Northern and Southern cemeteries.	<b>Single Finance System</b> Streamlining our financial processes.	<b>Human Resources/ Payroll/Work Health &amp; Safety System</b> Creating an improved experience for our people.	<b>Single Cemetery Management System</b> Creating efficiencies for stakeholders and our people.
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# Corporate Structure



# Team

## Administrator



**Ken Morrison**  
*Administrator*

Ken is an experienced chief executive and non-executive director of for-purpose organisations operating within complex environments. He has helped shape public policy and industry outcomes for more than two decades and has been a member of a range of government and industry Boards, taskforces and committees.

He is currently the ministerial-appointed Administrator of Metropolitan Memorial Parks leading a governance, organisational and public policy transition of this newly merged entity before handing over to a new Board later this year.

Prior to this he was the Chief Executive of the Property Council of Australia for eight years representing Australia's property industry, and the Chief Executive of the Tourism & Transport Forum, the peak CEO forum for the tourism, aviation and transport sectors.

Ken holds degrees from UNSW and UTS, has undertaken courses at INSEAD and Harvard Business School and is a graduate of the Australian Institute of Company Directors.

## Executive



**Simon Officer**  
*Chief Financial Officer*

Simon Officer has extensive expertise in re-engineering finance and corporate services across multiple industries, including state government, federal government, the private sector, and not-for-profit sector. Currently as Chief Financial Officer, Simon is responsible for overseeing the finance and information technology functions of Metropolitan Memorial Parks.

Notably, he served as the Chief Financial Officer of one of NSW's largest aged care providers, leading transformative changes in Finance, IT, and property services. He also held key c-level roles at the Aged Care Quality and Safety Commission, Planning and Environment Cluster of NSW, Westmead Millennium Institute for Medical Research, Mater Health Services Brisbane, Lifetime Care Authority of NSW, and Mission Australia.

His achievements included transforming operations and systems, establishing centralised corporate service operations, and delivering significant improvements to financial management and reporting.

Simon is a Fellow of The Institute of Chartered Accountants Australia New Zealand and holds qualifications from the Australian Institute of Company Directors. Beyond his professional accomplishments, he contributes to public service and senate inquiries, and served on the Prime Minister's Charities Consultative Committee.

**Executive (cont'd)**



**Georgina Mason**

*Company Secretary/Executive Director Governance, Legal and Risk*

Georgina Mason joined the executive team in September 2022 and is a qualified and experienced practicing solicitor. Georgina has worked extensively in the public, private and not-for-profit sectors for over 25 years in diverse areas including WHS (in the mining sector), corporate governance, administrative and criminal law. Georgina has held senior positions in various government departments and led major reform work across the resources and legal sector. Georgina is a qualified trainer and has delivered to regulators across Australia in government investigations, compliance and risk. Georgina has worked for First Nations organisations providing legal services and has also coordinated the governance framework and supported delivery of bespoke cultural land management training programs specifically focussed on Indigenous communities working on Country.

Currently, Georgina is the Executive Director Governance, Legal and Risk, and Corporate Secretary for the organisation leading and advising on best practices in governance, risk management and compliance to improve organisational performance. Further providing governance advice and support to the Administrator/Board in implementing corporate strategy and managing Administrator/Board committee administration and other community-based committees.

Qualifications include Bachelor of Arts, Diploma of Education, Bachelor of Law and Admitted Lawyer to NSW Supreme Court and member of the NSW Law Society and various Boards and committees over the years.



**David Ham**

*Executive Director Built Environment*

David Ham joined the cemetery industry in 2019, overseeing roles of Chief Operations Officer and later Deputy Chief Executive Officer. Currently, as Executive Director Built Environment, David has responsibility for capital works, facilities management, stonemason permits and monumental works.

Previously David has held senior leadership roles in the not-for-profit sector, where he developed extensive experience in managing growth, development, and change. This included the position of National Director Strategy, Planning, and Research of the Australian Red Cross where he oversaw research and evaluation, social policy and advocacy, government tendering, business development, and strategic and operational planning. He has also worked as a management consultant, specialising in strategic planning, organisational reviews, business process improvement, and building organisational capacity and sustainability.

David has worked with diverse communities, including Aboriginal and Torres Strait Islander peoples in the Northern Territory and culturally and linguistically diverse communities in South-west Sydney. David has a Bachelor of Arts and post-graduate qualifications in business.



**Rob Smart**

*Executive Director Operations*

Rob Smart has worked in the cemetery industry for over eight years, holding executive roles in major Crown cemeteries across Sydney. His prior positions include Director of Operations, Chief Operations Officer, and Deputy Chief Executive Officer.

Currently, as Executive Director Operations, Rob oversees burials, cremations and grounds maintenance across eight cemeteries. With vast experience in cemetery operations, Rob's role incorporates section development, civil works, facilities management, horticulture, and grounds maintenance, along with fleet, plant and machinery management.

Before his cemetery industry tenure, Rob garnered over 20 years of experience in the landscape sector and was a Board member of the Landscape Contractors' Association NSW.

Rob's background includes work in public recreational facilities, residential and commercial landscapes, as well as involvement in the not-for-profit and charity sectors. His expertise also encompasses budget forecasting and project and program management.



**Haylee Smee**

*Executive Director People, Culture and Safety*

Haylee Smee is an innovative and agile people and culture leader with nearly two decades of experience in complex organisational structures. Her expertise centres on leadership, coaching, talent management, training and development, employee experience and company culture.

Haylee is a strategic leader known for her adept stakeholder management skills, enabling her to connect with individuals across all workforce levels.

Haylee's objective is to foster a common set of values among leaders and employees, while building teams dedicated to delivering quality, customer-focused outcomes in alignment with programming and organisational strategy.

Haylee has successfully implemented organisation-wide initiatives to manage sustainable long-term change and promote positive transformation. She is committed to supporting the organisation to embed a culture where the workforce is deeply engaged and motivated to meet business needs, ultimately delivering exceptional customer service.

Executive (cont'd)



**Crystal Lindsay**

*Head of Marketing and Stakeholder Engagement*

Crystal Lindsay has over 20 years' experience in marketing, stakeholder engagement, service delivery, and communications, across the private and public sectors.

Crystal has undertaken key leadership roles, advising on strategy and corporate affairs. She has played pivotal roles in complex amalgamations, with a focus on brand development and communications.

Her early career was dedicated to global technology organisations, where she was responsible for generating business growth and improving customer retention. Her career then shifted to for-purpose roles, committed to enhancing stakeholder relationships and customer experience.

During her time in the cemetery industry, Crystal has overseen award winning projects, recognised by the Australasian Reporting Awards, the Australian Business Awards, and the Western Sydney Awards for Business Excellence. At Metropolitan Memorial Parks, she leads the marketing, stakeholder, and communications functions.

Crystal holds degree qualifications in marketing and information technology, further qualifications in copy writing and community development, and has completed training with the International Association of Public Participation.



**Darren Eurlings**

*Head of Sales and Client Services*

Darren Eurlings is an accomplished senior executive specialising in operations, change management, and customer excellence.

Darren has extensive experience leading and mentoring large multi-disciplined front-line teams, is skilled in building relationships and has a strong focus on internal and external engagement at all levels.

Currently, he serves as the Head of Sales and Client Services, overseeing teams responsible for sales and customer care at Metropolitan Memorial Parks. Prior to this, he held senior customer focused roles at DEXA Group, Sydney Trains and Wilson Security.

Darren possesses expertise in product and service experience, sound financial management skills, strategic business development and networking skills. He also has a genuine passion for delivering exceptional customer service and putting the customer at the centre.

Darren is qualified in management, and security and risk management; he has an Advanced Diploma of Government and is an experienced trainer. He also volunteers for the NSW State Emergency Services.

# Strategy

## Business Plan

This financial year is an important year of transition and change as we bring NMC, RGC and SMC together as a united organisation. To oversee this work, a business plan has been developed to define the priorities for our new organisation.

- Reset our governance
- Maximise our existing burial capacity
- Government endorsed interment supply strategy
- Build the foundations for a crematoria-based growth strategy
- Create a customer-centric business
- Shape our business and financial model to suit our needs
- Develop a high-performance organisation
- Refresh our technology base

## Plans of Management

With numerous Plans of Management (PoM) in place to guide the conservation of biodiversity, rehabilitation of landscapes and the protection of natural and cultural heritage across our parks, a consolidated register of these plans is being developed. These PoMs will be reviewed and where required, updated in consultation with key stakeholder groups.

# Our Services



### Service Offering



#### Client Services

We provide empathetic care throughout the entire customer journey with our organisation. Whether families are pre-planning or have immediate needs, we are committed to delivering quality services and clients are encouraged to provide feedback to promote continuous improvement.



#### Interment Services

Our interment offerings include monumental and lawn areas, above-ground crypts, and mausolea. We offer non-denominational areas and areas tailored to most cultural and religious requirements.



#### Cremation Services

Our cremation services offer families cost-effective end-of-life options. To complement cremation, we offer unique memorial areas, from rose gardens and monumental gardens, through to niche walls.



#### Ceremonial Venues

Our multi-purpose ceremonial venues and chapels provide families of all sizes and cultures with contemporary facilities and amenities. These venues range from modern developments through to restored heritage assets.



#### Condolence Venues

To meet the needs of our community groups, we manage cultural and non-denominational venues that cater for wakes and memorial services. Our function rooms, which consist of elegant indoor and outdoor spaces, are serviced by a team of hospitality specialists.



#### Exhumation Services

Our exhumation services allows families to organise for remains to be removed or transferred to another location. This service requires written approval from NSW Health.



#### Genealogy Services

As custodians of significant historic data, we are committed to providing information on the services that have taken place within our grounds. This information is available via our website and administration office.



#### Monumental Services

Physical memorials, from small plaques through to full monuments acknowledge the deceased and provide the living with a place of remembrance. We offer families monuments that reflect their loved one's personal, religious, or cultural values.



#### Monumental Care

We work hard during the year to maintain our cemeteries' landscapes. For families looking for additional care options, some of our cemeteries offer an annual package that includes washing down and preserving the monument. One-off special care is also available for families requiring a deep clean of their loved one's monument, this service is ideal for anniversaries and special occasions.



#### Heritage Restoration and Conservation

We specialise in heritage restoration and conservation, with our team working to ensure the longevity of historic monuments, memorials, and architecture.

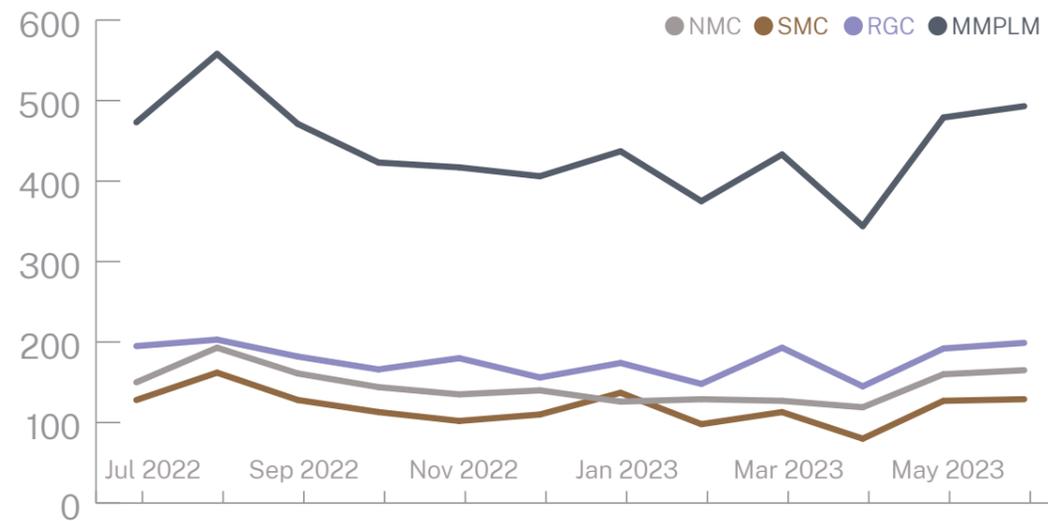
## Service Delivery

We design our products and services to meet the preferences of the diverse religious and cultural groups that use our cemeteries for their farewells and memorials.

As a united entity Metropolitan Memorial Parks performs over 10,000 burial and cremation services per annum, with respect for the beliefs of all communities.

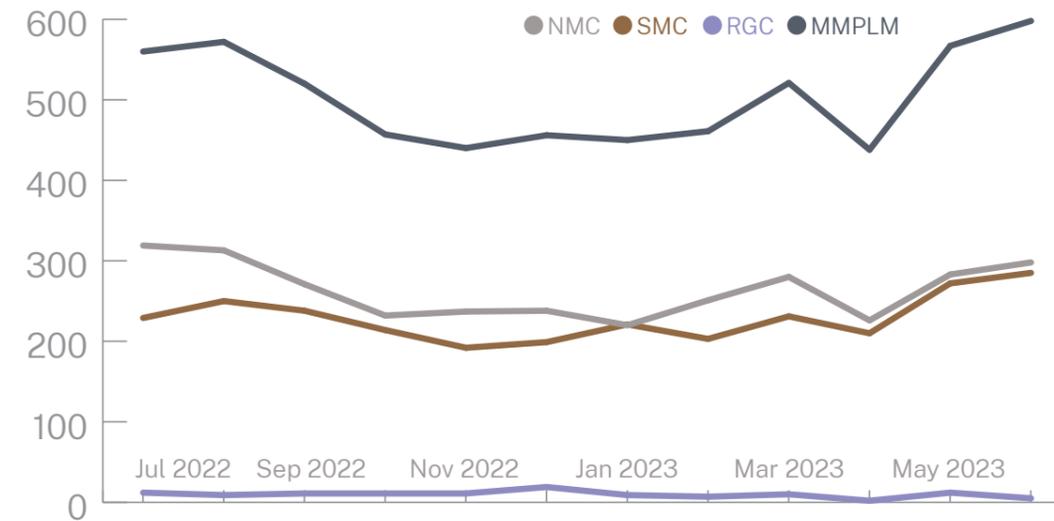
Our service figures across NMC, RGC and SMC for the 2022-23 financial year are presented below.

### Burial Interment Services by Month



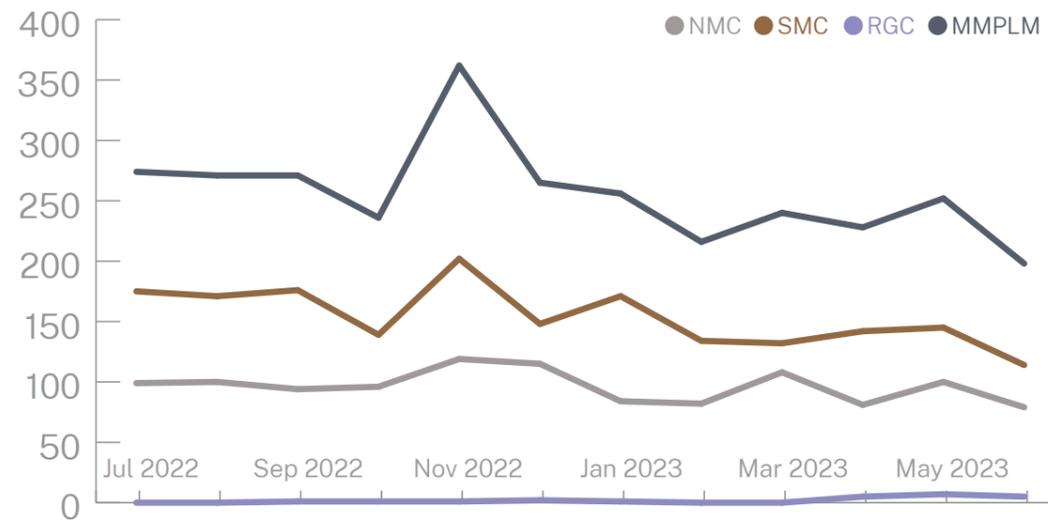
Number of burial interment services conducted by NMC, RGC and SMC by month during the 2022-23 financial year.

### Cremation Services by Month



Number of cremation services conducted by NMC, RGC and SMC by month during the 2022-23 financial year.

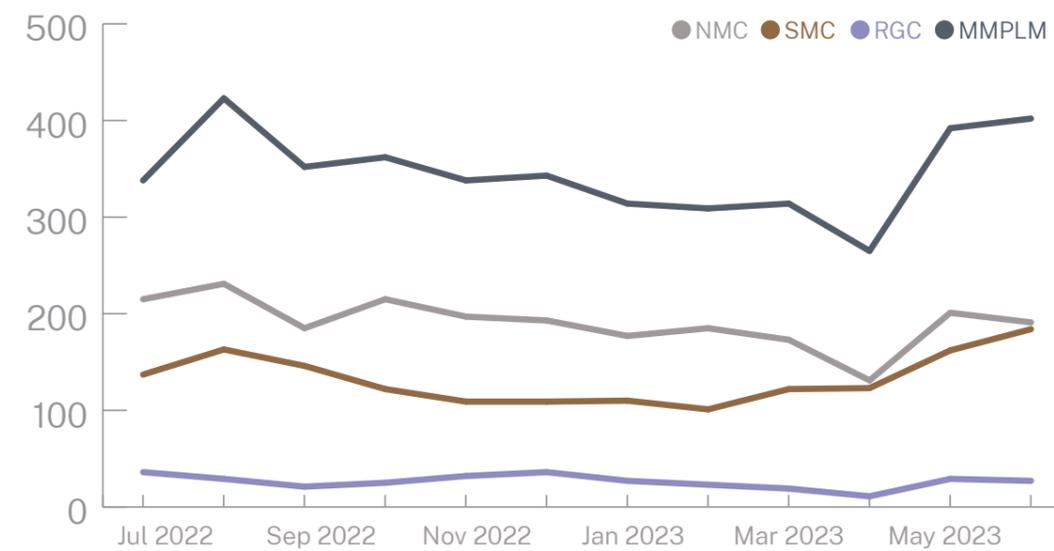
### Ash Interment Services by Month



Removed from RGC Dataset: 16th of March 2023 - 440 re-interments at the Latvian Niche Wall Zone F per a project.

Number of ash interment services conducted by NMC, RGC and SMC by month during the 2022-23 financial year.

### Chapel Services by Month



Number of chapel services conducted by NMC, RGC and SMC by month during the 2022-23 financial year.

## Consumer Response

Feedback is an essential part of our service delivery process, as it helps us to understand the needs of the families and communities that we work with. We use this feedback to evaluate and improve our systems and processes.

During 2022-23 common complaints received by NMC, RGC and SMC related to our phone systems, transfer processes and cemetery maintenance. All of these areas are being reviewed for process improvement opportunities, and as a part of our 2023-24 business plan, new phone systems will be implemented, transfer processes streamlined, and maintenance standards communicated as part of the IIS.

“The staff are always lovely and willing to help with anything. A beautiful resting place for our loved ones.”

“Just wanted to say thank you for being so wonderful to work with and looking after our families so beautifully. Greatly appreciated.”

“Lovely gardens and always maintained to the highest standard. Best place to take in nature and the beauty of this place.”

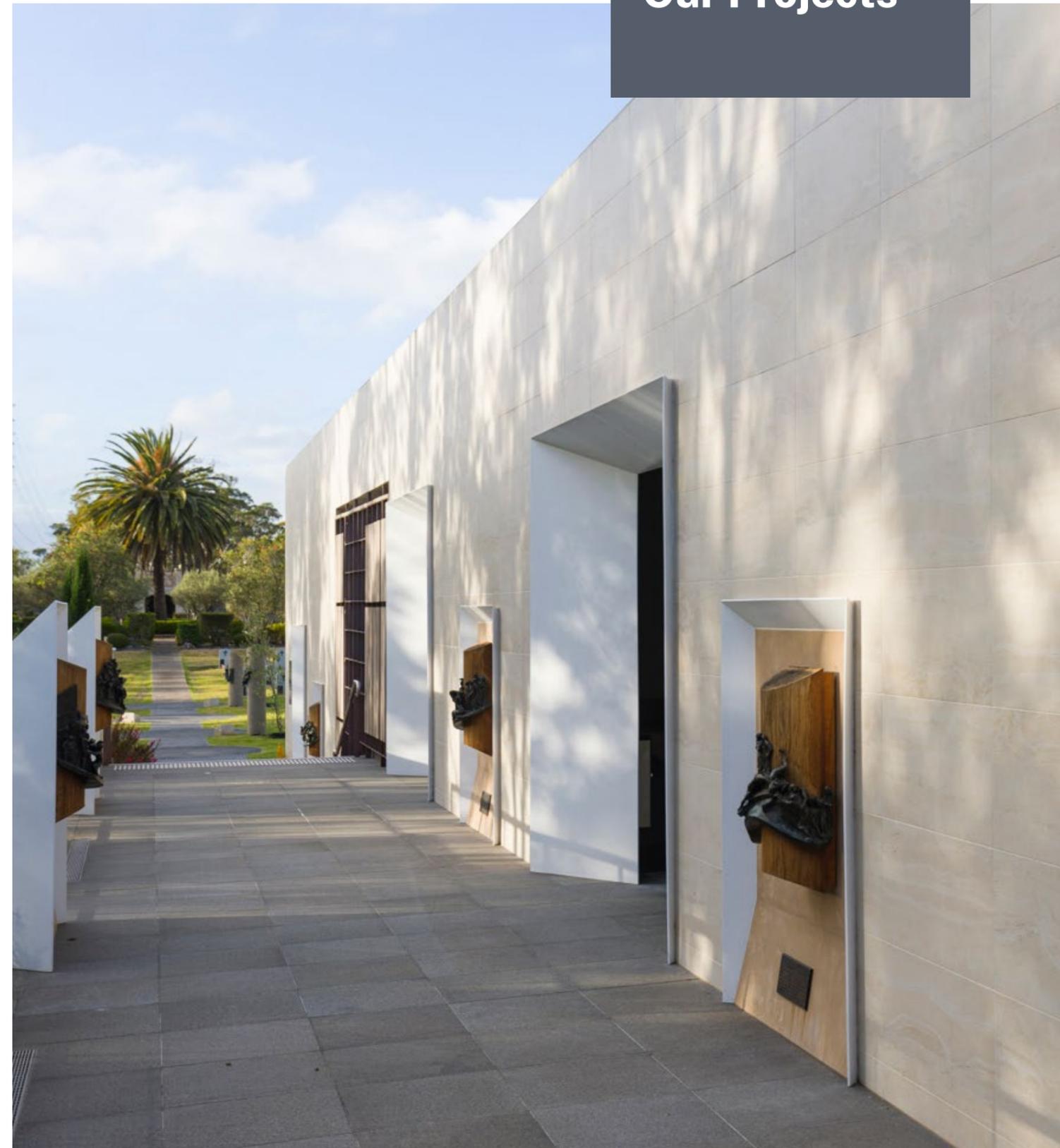
“Service has been amazing from the start. Staff went out of their way with the purchase of our plot and the interment service, even with our last-minute requests. Thank you.”

“Biggest thanks to your professional, experienced and very helpful staff! Really appreciated! They understood our thoughts and helped us with heart!”

## Pricing

In setting fees and charges NMC, RGC and SMC are guided by *the Act*. To that end, pricing is determined based on the following:

- (a) any contractual arrangements in relation to the cemetery,
- (b) the number of intended interments or cremations within the cemetery,
- (c) the costs of developing the land for use,
- (d) future maintenance of perpetual allotments and surrounding areas,
- (e) infrastructure costs.



# Cemetery Development

During 2022-23 we continued our program of capital projects across the cemeteries managed by NMC, RGC and SMC. This work, which focused on enhancing our cemeteries, included:

- Section development to meet community needs for burial and memorialisation
- Infrastructure improvements to address ageing assets and improve safety and access
- Building remediation and upgrades to improve the amenity of our facilities

Labor shortages, supply chain issues and wet weather resulted in project delays and cost escalation. Where necessary, projects were rescoped, with timelines and budgets adjusted to address these challenges.

## Development Highlights



### Mausoleum of the Holy Way

The Mausoleum of the Holy Way reflects our ongoing commitment to provide mausoleum vault options for Sydney’s diverse community. The Mausoleum of the Holy Way is the centrepiece of an ongoing expansion project across the beautiful grounds, chapels, facilities and picturesque gardens that make up Macquarie Park Cemetery and Crematorium.

Macquarie Park Cemetery and Crematorium. NMC



### Antiochian Pavilion and Burial Grounds

An initiative of the Antiochian Orthodox Archdiocese of Australia, New Zealand and the Philippines, the Antiochian Orthodox burial ground is a treasured landmark for the Antiochian Orthodox community. Characterised by an understated array of memorialisation, the Antiochian Orthodox ground incorporates Orthodox icons, and The Holy Resurrection pavilion as a dedicated space for prayer and reflection.

Rookwood General Cemetery. RGC



### Art-Deco chapels at Eastern Suburbs and Woronora Memorial Park

The heritage-listed chapels at Eastern Suburbs and Woronora Memorial Parks have undergone extensive refurbishments, with careful repair and preservation of their Art Deco detail. Upgrades consist of state-of-the-art audio-visual equipment, including Hearing Loop installation, and new public amenities, including amenities for people with disability, in addition to raised footpaths and new handrails for improved safety.

Eastern Suburbs and Woronora Memorial Parks. SMC

The tables below illustrate the development projects undertaken this financial year, with a cost of greater than \$50,000.

NMC				
Site	Development Type	Project	Cost (\$)	Status at 30/06/2023
Macquarie Park Cemetery and Crematorium	Section Development	Mausoleum (DA2018/0338)	603,711	Completed
		Traditional Monumental Extension	2,359,624	Ongoing
		Ascension Hill Extension	599,004	Ongoing
		Burial Section Extensions	86,660	Ongoing
		Eucalyptus Lawn Ash Circles	109,156	Ongoing
	Infrastructure	Remediation M2 Embankment	387,016	Ongoing
	Buildings	Public Amenities Upgrade	127,013	Completed
		Admin Building Roof Upgrade	74,104	Ongoing
Frenchs Forest Bushland Cemetery	Section Development	Burial Section Extensions	100,638	Completed
Field of Mars Cemetery	Section Development	Burial Section Extensions	210,602	Ongoing
Sandgate Cemetery	Section Development	Burial Section Extensions	176,901	Ongoing
	Buildings	Heritage Chapel Upgrade (DA2021/01533)	448,285	Completed

RGC				
Site	Development Type	Project	Cost (\$)	Status at 30/06/2023
Rookwood General Cemetery	Section Development	Antiochian Lawn & Eastern Orthodox Q (DA2021/0699)	1,917,023	Completed
		Eastern Orthodox LOL O	259,718	Completed
		Chinese 10	846,571	Ongoing
		Jewish 26H	198,125	Completed
		Latvian Niche Wall	119,552	Completed
		Macedonian 10	294,549	Completed
		Muslim 8H & I	312,744	Completed
		Russian Orthodox O	68,413	Completed
		Serbian Orthodox 1	135,485	Completed
		Serbian Orthodox 6 (DA2021/0656)	487,117	Completed
		Infrastructure	Antiochian & Eastern Orthodox Road Works	356,935
	Carpenter Ave & Greek Flower Shop Remediation		191,252	Completed
	Jewish Section Roads & Drainage Works		351,364	Completed
	Van Vorst Dr & Oliver Ave Road Works		189,653	Completed
	Buildings	Lunchroom Upgrade	52,650	Completed
		Muslim Amenities (DA2022/0099)	488,472	Completed

SMC				
Site	Development Type	Project	Cost (\$)	Status at 30/06/2023
Eastern Suburbs Memorial Park	Section Development	Bunnerong Project	75,937	Ongoing
		Pioneer Park General Lawn	87,443	Ongoing
		General 1 Full Monumental	292,034	Completed
		Roman Catholic 29	52,613	Ongoing
		Bumbarah Point Planning	69,976	Ongoing
	Infrastructure	Roadway Resurfacing	51,500	Completed
		Jacaranda Retaining Wall Upgrade	86,035	Completed
		Machinery Compound	143,065	Completed
		Function Centre Air Conditioning	72,106	Completed
		Woronora Memorial Park	Section Development	Casuarina Lawn Extensions
General 1 Full Monumental	109,982			Ongoing
General Lawn Beam Replacements	213,637			Ongoing
Eastern Suburbs Memorial Park and Woronora Memorial Park	Buildings	Burial Section Extensions	157,389	Ongoing
		Chapel Refurbishment (DA213/2021, DA21/0381)	10,528,556	Completed

## Innovation

### Decomposition Project and Above Ground Structure

The composition of soil within Rookwood is not conducive to the re-use of graves. To address this, RGC has completed a five-year decomposition project that was conducted in collaboration with Dr Boyd Dent (consultant geologist), along with the Australian Facility for Taphonomic Experimental Research (AFTER) facility and the University of Technology Sydney (UTS).

The project has examined how to influence soil composition by exploring safe ways to accelerate the decomposition process, including different soil mixes, water, oxygen, oxidising compounds, and varying temperatures. These experiments have been conducted on-site at RGC, including in-ground burial samples and an Above Ground Structure, as well as the AFTER facility.

The monitoring and testing of groundwater levels, recording of temperature, moisture levels, soil composition and gases have all been completed, sites have been decommissioned and final reporting on the findings has been consolidated and submitted. The results of this project will be used as part of Metropolitan Memorial Parks' strategic planning for renewable interment practices in the future.

### Spoil Processing Plant

The spoil processing plant is designed to give RGC the ability to completely manage not only our soil, but also our green and organic waste. All soil generated from burial operations is processed on-site through the spoil processing plant, thus reducing waste by producing a higher volume of reusable soil that we have called 'Rookwood Soil'. The site also acts as a central point for all waste management.

### UTS Project

RGC's strategic partnership with the UTS has provided the opportunity to engage a research fellow and engineering students to assist with a WHS challenge – the safe movement of coffins within monumental areas. Initial research commenced as part of UTS's Mechanical and Mechatronic Design Department Student Studio Program under the mentorship of the UTS Research Fellow.

The UTS research team, in consultation with RGC's WHS and Operations teams, developed conceptual designs for potential devices to assist with carrying coffins down narrow pathways, and manoeuvring coffins around monuments and other obstacles during the interment process. In May this year UTS produced a prototype to be trialed on-site at RGC.

This Primary Scoping Study has been consolidated into a final report by UTS with the aim of informing funeral industry practices and standards. RGC have also engaged representatives from the Funeral Directors Association (FDA) to ensure project outcomes can be accessed by industry stakeholders.

## Sustainability

### Heritage Conservation

#### Monumental Safety and Conservation Programme

In 2022-23 the large-scale Monument Safety and Conservation Programme (MSCP) that previously existed across Eastern Suburbs Memorial Park, Macquarie Park Cemetery and Crematorium, RGC and Woronora Memorial Park was expanded to our remaining parks including Field of Mars Cemetery, Frenchs Forest Bushland Cemetery, Gore Hill Memorial Cemetery and Sandgate Cemetery.

The MSCP consists of safety surveys, emergency works and long-term safety repairs to improve monument safety across our parks. The proactive safety repairs follow heritage best-practices, and protects cemetery visitors and staff from injury, while also preserving the monuments from damage.

Overseen by the Rookwood Monumental-Heritage team, the MSCP has been recognised as industry leading and is being used in modelling and consultation to potentially expand the Australian Standards to include on-going monument safety programmes as part of standard cemetery maintenance.

#### Works Completed with The Friends of Rookwood

After years of planning, the conservation of the Frazer Mausoleum commenced this year.

Work is in progress to ensure a watertight dome, desalinate the stonework, repoint open joints, replace missing stained-glass windows, install protective bronze mesh grills, and reconstruct alabaster Sarcophagi to honour the mausoleum's significant heritage.

This restoration is being completed in collaboration with the Friends of Rookwood, to ensure the restoration of one of RGC's most impressive heritage assets.

#### External Conservation Projects

The Monumental-Heritage team continued off-site works with numerous councils, churches, and community groups, with a key focus on monument safety programs and War Memorial conservation.

The table opposite illustrates the external conservation projects undertaken this financial year.



East Maitland War Memorial



Hawkesbury River Disaster Monument, Rookwood



Sodwalls Inn Cemetery

Location	Organisation	Project Summary
The Bight Cemetery	Mid North Coast Council	Continued safety repairs and reinstallation of all remaining damaged monuments at The Bight Cemetery in Wingham.
East Maitland War Memorial	Maitland City Council	Conservation and maintenance of WWI War Memorial, including damaged Ravensfield sandstone boundary stones.
Gosford War Memorial	Gosford Council	Completed stage 1 of works, including cleaning and repointing the significant sandstone WWI War Memorial. Stage 2 will be completed in 2023-24.
Maitland Anzac Park War Memorial	Maitland City Council	Renovation of Anzac Park War Memorial including regilding, cleaning and repointing.
Maitland Glebe Cemetery	Maitland City Council	Completion of stage 3 of a Conservation Management Plan implementation, repairing 22 monuments and vaults.
Maitland Jewish Cemetery	Maitland City Council	Careful removal of graffiti to historic Jewish memorials. Installation of bench and interpretation signage blocks.
Richmond Presbyterian Cemetery	Hawkesbury City Council	Restoration of damaged monuments.
Rookwood Catholic Mortuary 1	Catholic Cemeteries and Crematoria	Year 3 of a comprehensive safety and repair project at the historic Mortuary Station 1, at the Rookwood Catholic Cemetery.
St Bartholomew's, Prospect Cemetery	Blacktown City Council	Year 3 of a Monument Safety and Conservation Program including survey and safety repair works.
St Johns Cemetery, Parramatta	NSW Police and Friends of St. Johns Cemetery	Care of historic monument and placement of new plaque for early NSW Constable Ben Ratty.
St Matthews Anglican Church	William Cox Fellowship	Stabilisation of subsiding vault of pioneering road builder William Cox.
Sodwalls Inn Cemetery	Sodwalls Inn Property Owners	Documentation and repair of highly significant railway cemetery on private land at original Sodwalls Inn site.



Woronora Safety Repairs



Sodwalls Inn Cemetery



East Maitland Glebe Cemetery

## Environmental Management

This year we continued our work to minimise the impact of our operations on the environment and improve the sustainability of our products and services across the cemeteries managed by NMC, RGC and SMC. The tables below illustrate the key initiatives undertaken to improve environmental sustainability throughout our memorial parks.

	NMC	RGC	SMC
Ensured all new developments and master planning include environmental sustainability measures.	x	x	x
Included new plantings in new section developments, preferencing native species and hardy exotics.	x	x	x
Implemented and/or continued a tree management plan and tree replacement program across all sites.	x	x	x
Rationalisation of waste services, recycling and separation of green waste, and recycling and reuse of brick and rock rubble.	x		x
Operation of the soil processing plant to produce suitable soil for grave top-ups and backfilling, which reduced soil removal off-site. The plant also enables sorting of green waste and rainwater harvesting.		x	
Use of water catchment and storage to support irrigation systems.		x	x
Installed rainbird sensors and monitored for water leaks to reduce water wastage.			x
Use of chemical wash down bays to minimise contamination of drainage system.			x
Monitored water, gas and electricity consumption to identify most efficient use of energy.	x		x
Use of solar array systems, passive infrared sensor lights, daylight photoelectric cells and other energy saving devices in key buildings.	x		x
Increased uptake of electric utility vehicles and handheld equipment (hedgers, blowers and whipper snippers).			x
Delivered community engagement activities to promote environmentally friendly burials, cremations and funerals.	x	x	x
Ensured our events include sustainable initiatives such as biodegradable supplies, recycling bins and online marketing to reducing paper printing.	x	x	x
Increased uptake of natural burials at Frenchs Forest.	x		
Continued sales of living legacy memorial trees and incorporated them in new developments.	x		



## Stakeholders

We are Sydney's leading provider of burial and cremation services, helping over 60 religious and cultural communities to farewell and remember their loved ones. Accordingly, we collaborate with community, industry and government stakeholders across these various groups.

### Stakeholders

#### Community (Primary)

Cultural and religious leaders  
 First Nations groups  
 Friends of Frenchs Forest Bushland Cemetery  
 Friends of Gore Hill Cemetery  
 Friends of Rookwood  
 Friends of Sandgate Cemetery  
 Historical and genealogy groups  
 Licence holders  
 Mourners

#### Community (Secondary)

Environmental groups  
 Local community  
 Media  
 School groups  
 Recreationalists

#### Industry

Rookwood Necropolis Land Manager  
 Catholic Metropolitan Cemeteries Trust  
 Funeral directors  
 Stonemasons

#### Government (Primary)

NSW Minister for Lands  
 Cemeteries and Crematoria NSW  
 Crown Lands, Department of Planning and Environment

#### Government (Secondary)

Audit Office of NSW  
 Commonwealth War Graves Commission  
 Communities and Justice, NSW Department, including related agencies:  
 -Office for Veterans Affairs  
 -Police Force, NSW  
 -Coroners Court NSW  
 -Independent Commission Against Corruption  
 -Crown Solicitor's Office  
 -Multicultural NSW  
 Customer Services, NSW Department, including related agencies:  
 -Independent Pricing and Regulatory Tribunal  
 -NSW Fair Trading  
 -Information and Privacy Commission NSW  
 -SafeWork NSW  
 -Service NSW  
 -NSW Registry of Births, Death and Marriages  
 -NSW Trustee and Guardian  
 Planning and Environment, NSW Department, related agencies:  
 -Heritage Council of NSW  
 Health, NSW Department  
 Treasury, NSW Department  
 Local Councils

**Religious and cultural groups**

The most prominent religious and cultural groups, based on our geographic catchment areas, are illustrated below.

Aboriginal & Torres Strait Islanders	Druze	Iraqi	Russian
Albanian	Dutch	Japanese	Salvation Army
Australian	Eastern Orthodox	Jewish	Samoan
Anglican	Egyptian	Korean	Scottish
Assyrian	English	Latvian / Lithuanian	Serbian
Armenian	Estonian	Lebanese	Slovakian
Bangladeshis	Fijian	Macedonian	South African
Bosnian	Filipino	Malaysian	Spanish
Brazilian	German	Maltese	Sri Lankan
Buddhist	Greek	Maronite Catholic	Syrian
Bulgarian	Hillsong	Nepalese	Tongan
Burmese	Hindu	New Zealander	Turkish
Cambodian	Hong Kong Chinese	No Religion	Ukrainian
Chilean	Hungarian	Orthodox	Uniting
Chinese	Indian	Pentecostal	Vietnamese
Christianity	Indonesian	Polish	Welsh
Croatian	Irish	Presbyterian	Western Catholic
Cuban	Islamic	Portuguese	
Czech	Italian	Romanian	

Multifaith Liaison Group

During the 2022-23 financial year we have established a Multifaith Liaison Group (MLG) to ensure we understand the needs and values of religious and cultural groups in our operations.

The MLG operated across NMC, RGC and SMC providing the opportunity for members to share their cultures and customs; and raise issues and opportunities. Information gathered from the MLG helps to inform our operations.

The objective of the MLG is to build strong relationships with stakeholders, while gathering feedback on our products and services, pricing, changing demographics, and engagement activities to inform the public about cemetery services.

Engagement Initiatives

As we brought together the operations of NMC, RGC and SMC we conducted various engagement initiatives including religious and cultural events, arts events, open days and history tours.

We also implemented education forums in collaboration with impactful organisations, focused on end-of-life planning, bereavement support, and promoting informed discussions.

Regular communication, including the Metropolitan Insights newsletter, maintained stakeholder engagement, emphasising our commitment to community, heritage and transparent service delivery.

Events

Event Highlights



**Civic Disability Back to Site Morning Tea, February 2023**

In recognition of ten years of partnership with Civic Disability Services and the return of the Civic crew to Woronora Memorial Park a celebratory morning tea took place.

Our partnership with Civic provides people with disability with local employment opportunities and our business with positive operational and social outcomes.

Further to this, Woronora Memorial Park won the Sutherland Shire Access and Inclusion Award, following Civic's proud nomination.

Woronora Memorial Park. SMC



**Sutherland Shire Heritage Festival, April 2022**

As part of the Sutherland Shire Citizens' Heritage Festival, the community was invited to discover the natural beauty and rich history of Woronora Memorial Park.

Visitors were given the opportunity to tour the cemetery, including the newly refurbished chapels, both the new and heritage crematoriums, along with a showcase of historic photos and artefacts.

Woronora Memorial Park. SMC



**Police Memorial Events, September and October 2022**

Poignant Police Remembrance Day Memorial events took place in collaboration with the Police Memorial Service Committee.

These events, which unite local law enforcement, the Police community, and the public, honour the memory of fallen police officers. With the presence of uniformed officers and community members, underscoring the enduring bond between those who serve and protect, and the communities they serve.

Woronora and Eastern Suburbs Memorial Parks. SMC



**Centenary Open Day, November 2022**

Macquarie Park Cemetery and Crematorium hosted an Open Day to mark 100 years since its first burial with the event also announcing the official opening of the Mausoleum of the Holy Way.

Other attractions included stonemasonry demonstrations, children's activities, chapel and crematorium tours, vintage hearse displays, grave digging displays, sustainable burial exhibits, coffin painting, along with indigenous weaving and rose pruning.

Macquarie Park Cemetery and Crematorium. NMC



**HIDDEN Rookwood Sculptures September 2022**

HIDDEN Rookwood Sculptures is a unique outdoor sculpture exhibition that encourages the community to enjoy Rookwood’s Victorian-era surroundings, whilst supporting the Australian art and tourism industries.

The month-long exhibition attracted over 5,000 people to Rookwood and offered an extensive public program, including curator tours, short film screenings, and a photography and videography meet up.

*Selected 2022 artworks, from top (left to right)*

- 1 *In Contemplation of Loved Ones Past*, Hurlstone Agricultural High School
- 2 *And Then, Pai Ti Kong (A praying The Heaven God)*, Jayanto Tan
- 3 *Making Connections*, Barker College
- 4 *The Bell Tolls for Three*, Szymon Dorabialski
- 5 *Your one wild and precious life*, June Golland
- 6 *Songs for Sitti: prayers for my grandmother*, Maissa Alameddine
- 7 *Mani*, Adam King

Rookwood General Cemetery

Events across the year

August 2022	September 2022	October 2022
Victory in the Pacific Day, Macquarie Park Cemetery and Crematorium	Father’s Day Mass, Field of Mars Cemetery	Police Memorial Event, Eastern Suburbs Memorial Park
	HIDDEN Rookwood Sculptures, Rookwood General Cemetery	All Souls Day, Field of Mars Cemetery
	Police Memorial Event, Woronora Memorial Park	

November 2022	February 2023	April 2023
Centenary Open Day, Macquarie Park Cemetery and Crematorium	Seniors Festival, Woronora Memorial Park	Palm Sunday, Macquarie Park Cemetery and Crematorium
Remembrance Day Event, Macquarie Park Cemetery and Crematorium	Civic Disability Back to Site Morning Tea, Woronora Memorial Park	Merchant Navy Memorial, Rookwood General Cemetery
UTS Memorial Service, Rookwood General Cemetery		ANZAC Day Service, Macquarie Park Cemetery and Crematorium
Stonemason Carving Competition, Rookwood General Cemetery		ANZAC Day Service, Woronora Memorial Park
		Sutherland Shire Heritage Festival, Woronora Memorial Park
		Latvian Lutheran Community “Talka”, Rookwood General Cemetery

May 2023	June 2023	Key
American Legion Post AU01 Memorial Service, Rookwood General Cemetery	Antiochian Orthodox Burial Ground Consecration, Rookwood General Cemetery	NMC
		RGC
		SMC
		MMPLM

### Education Forums

August 2022	September 2022	October 2022
Rest Assured Webinar: "Understanding grief and how to support the bereaved with Griefline"	Rest Assured Webinar: "Planning ahead: how to prepare for end-of-life"	Death Café in partnership with Compassionate Communities
Dying to Know Day Randwick Webinar: "Choice and control in life and death"		
Death Café in partnership with St George and Sutherland Community College		
December 2022	April 2023	
Death Café in partnership with Compassionate Communities	Rest Assured Webinar: "Supporting Families and Communities Through Grief with Griefline"	

Key  
MMPLM



### History Tours

In collaboration with our Friends of Groups and various history societies, we hosted a range of tours throughout Eastern Suburbs Memorial Park, Macquarie Park Cemetery and Crematorium, Rookwood General Cemetery and Woronora Memorial Park.

These initiatives provided visitors the opportunity to learn about the story behind the cemeteries development and evolution, and its significant link to our nation's heritage.

### Communications

As part of our commitment to transparent communication with stakeholders, we implemented regular electronic newsletters, Metropolitan Insights, to funeral directors, stonemasons, religious and cultural groups, and the broader community. These newsletters allow us to communicate organisational updates, construction notices, and information on cemetery community events.

### Our People



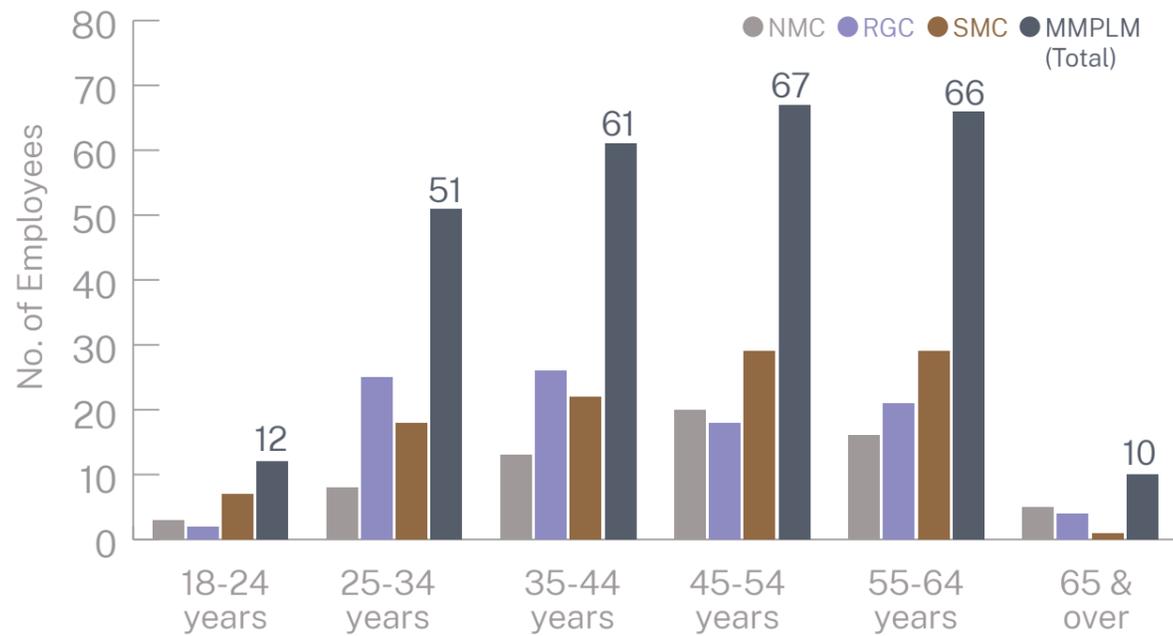
## Workforce Diversity

During the 2022-23 financial year a new functional structure was implemented to unite NMC, RGC, and SMC as one organisation. This restructuring led to the ongoing transformation in employee roles and responsibilities.

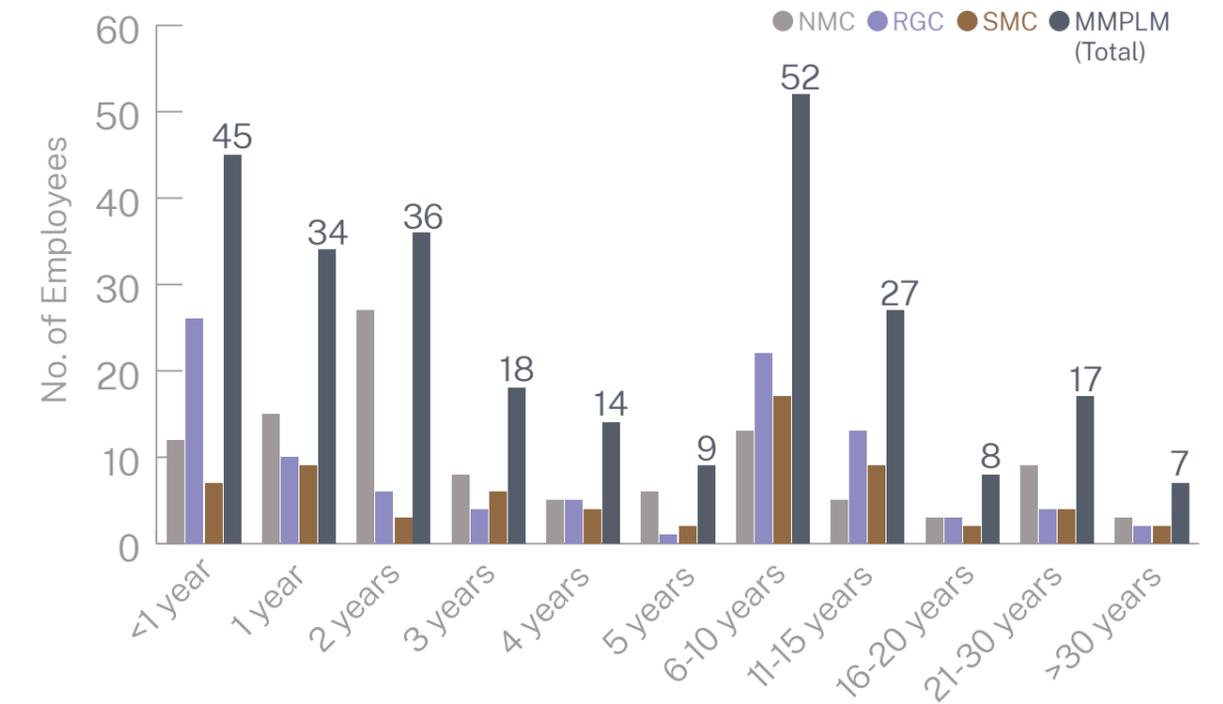
Throughout the year, we observed the departure of several senior leaders and employees, and the appointment of new individuals to positions that spanned across our cemeteries.

As of June 30, 2023, the following statistics reflect the diversity of our workforce across NMC, RGC, and SMC.

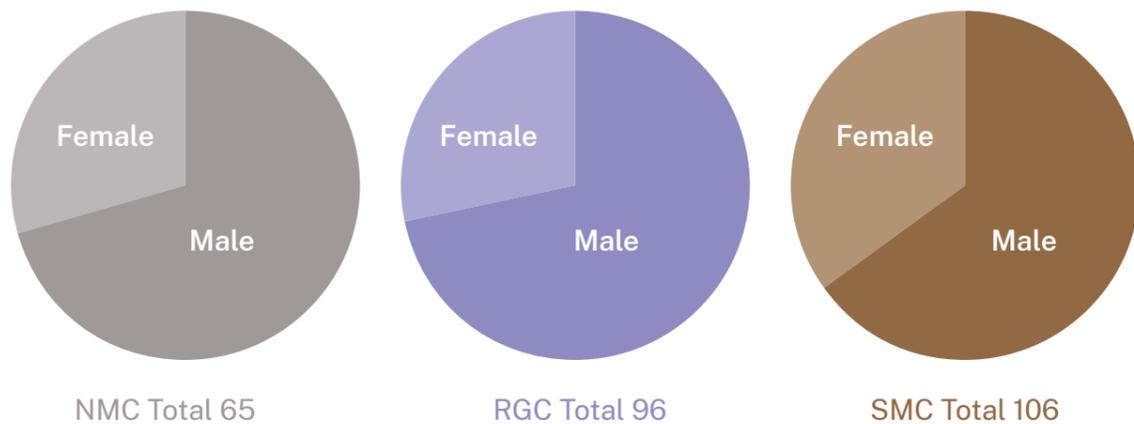
### Employees by Age Bracket



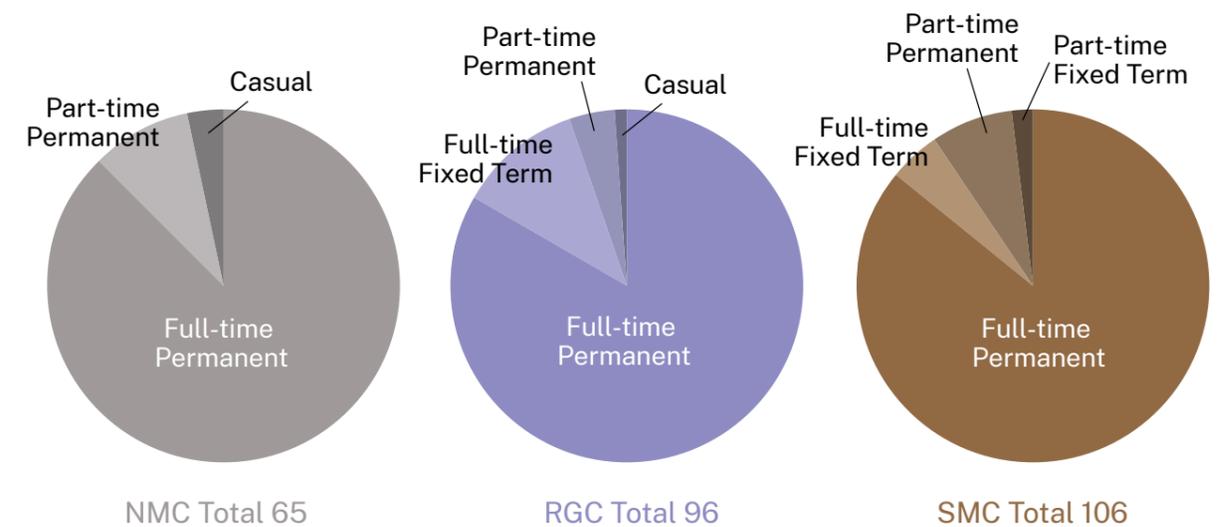
### Employees by Length of Service



### Employees by Gender



### Employees by Employment Type



### Senior Executive by Salary Band and Gender

<b>NMC</b>			
SOORT Remuneration Band	Salary Range (\$)	Male	Female
Band 4	281,551-307,050	-	-
Band 3	247,901-281,550	1	-
Band 2	231,151-247,900	-	-
Band 1	197,400-231,150	-	-
<b>Total</b>		<b>1</b>	<b>0</b>

<b>RGC</b>			
SOORT Remuneration Band	Salary Range (\$)	Male	Female
Band 4	281,551-307,050	-	-
Band 3	247,901-281,550	1	1
Band 2	231,151-247,900	-	1
Band 1	197,400-231,150	-	1
<b>Total</b>		<b>1</b>	<b>3</b>

<b>SMC</b>			
SOORT Remuneration Band	Salary Range (\$)	Male	Female
Band 4	281,551-307,050	-	-
Band 3	247,901-281,550	-	-
Band 2	231,151-247,900	1	-
Band 1	197,400-231,150	-	-
<b>Total</b>		<b>1</b>	<b>0</b>

### Use of Consultants

Consultant	Purpose	NMC Cost (\$)	RGC Cost (\$)	SMC Cost (\$)
Capital	Preliminary work in relation to a possible company acquisition	-	16,912.50	-
Delta Performance Coaching	WHS ICAM investigations	2,488.10	2,488.10	2,488.10
Department of Planning Industry and Environment	Financial scenario modelling, land valuation and recruit support	91,696.97	91,696.97	91,696.97
Gordon Property Advisory Services	Accommodation search and shortlist	2,670.00	2,670.00	2,670.00
GriffinBrooks Consulting	Amalgamation advice	13,782.12	14,614.62	13,782.12
Other Architects	Design works for new development concepts	-	55,785.00	-
Peter Berry Consultancy	Hogan reports	-	2,400.00	-
Red Earth Geosciences	Professional services provided research and development	-	91,961.95	-
Winterbottom Advisory	Amalgamation advice	899.00	899.00	899.00
Wise Workplace	Culture health check – Finance/ICT and Customer Care	6,767.52	6,767.52	6,767.52



**Think Safe.  
Act Safe.  
Home Safe.**

## Developing Capabilities

### Leadership Programs

Throughout the 2022-23 financial year, there has been significant focus placed on leadership capabilities to support the development of a unified culture. To this end, several programs have been implemented to enhance capabilities across all levels of leadership.

#### Beyond Leadership

This 9-month program, using a top-down approach, is designed to create sustained leadership, in the areas of self-leadership and performance leadership.

#### Beyond Safety

Critical to the successful implementation of our WHS Framework, this program equips leaders with awareness of their obligations and practical tools to support risk management and incident investigation.

### Employee Programs

As we have worked to bring the NMC, RGC and SMC workforces together, a number of employee focused initiatives have been implemented, with a view to building a culture of high performance.

#### Enterprise Agreement

In consultation with all employees, one enterprise agreement has been implemented to create a consistent foundation across our eight memorial parks. This agreement includes a single classification structure that defines the knowledge, skills and capabilities required at each level, while also facilitating the development of an employee career progression matrix.

#### Remuneration Review

Independent remuneration benchmarking of all roles has enabled the development of a remuneration framework that supports good governance and guides decisions relating to employee pay, benefits and harmonisation activity.

#### Enterprise Change Management

Implementation of our enterprise change management framework through facilitated workshops, toolkits and ongoing coaching has supported the organisation to develop sustained change capability.

## Work, Health and Safety

During the reporting period, our WHS program has fostered a safety-first culture, and we have seen enhanced workplace safety, employee well-being, and injury recovery.

#### Safety

A robust WHS risk profile and risk management framework has been established, underpinned by risk policies, procedures, workshops and consultations. Further to this, WHS document control has transitioned into a centralised safety management system, while a WHS information portal stands ready to launch as a valuable resource hub.

In addition to the WHS leadership training that has commenced, risk committees have been established, and safety notice boards installed. We have also launched a WHS induction program to empower all employees with crucial safety knowledge.

As a result of these initiatives, incident management has been systematically addressed, lessons learnt compiled, and corrective actions initiated. These accomplishments, have significantly reduced our insurance premiums, standing as a testament to our holistic approach to safety and the welfare of our visitors and workforce.

#### Injury Recovery

Immediate reporting and early intervention efforts have been amplified through toolbox talks, emphasising the importance of promptly reporting incidents and supporting injured employees towards recovery.

The Recovery at Work Program has made remarkable strides, after meticulous development and team leader education, which highlighted benefits of early intervention. Proactive recovery at work efforts have yielded positive outcomes, fostering a culture of support and cooperation across the organisation.

#### Well-being Initiatives

United workplace wellbeing initiatives have been implemented across NMC, RGC and SMC, including a single Employee Assistance Program (EAP) provider, the Benestar proactive model, and a comprehensive serology and immunisation program. The successful conclusion of the on-site flu vaccination campaign and the provision for missed vaccinations, further reflect our dedication to employee health.

Injury Statistics

Total Lost Time Injuries (1 or more days off work)		14	Total New Worker's Compensation Cases Opened		26
NMC	2	NMC	6		
RGC	6	RGC	9		
SMC	6	SMC	11		
Total Medical Treatment Injuries (treatment but no time off work)		12	Total Workers Compensation Open with iCare as at 30.06.23		7
NMC	4	NMC	1		
RGC	3	RGC	2		
SMC	5	SMC	4		

Fire Prevention

In line with our commitment to safety and compliance, our facilities are equipped with advanced fire protection systems, including fire indicator panels, emergency warning intercommunication systems, smoke and heat detection and wet systems. These systems are maintained in accordance with the Australian Standard 1851 2012, we ensure the completion of annual fire safety statements, and our emergency evacuation procedures are included in employee and contractor inductions.

The emergency planning committee and emergency control organisations manage the documentation, maintenance, and implementation of site-based evacuation plans, which include the roles of fire wardens.



## Governance Framework

Metropolitan Memorial Parks, under a ministerially appointed Administrator, manages NMC, RGC and SMC. The Administrator is appointed under the *Crown Land Management Act 2016* to act in lieu of a Board to ensure the ongoing governance of the Crown land managers.

### Policy Framework

A Policy Framework has been developed to deliver a consistent approach to governance, management, standards, accountability, and implementation requirements across our cemeteries.

A Code of Conduct has also been developed to define the standard of conduct that is required to be met by our employees in the delivery of services to the community. Relevant policies have also been developed to support the Code of Conduct.

There is full coverage for all land managers under renewed insurance policies for 2022-23.

### Disability Inclusion Action Plan

In accordance with the *Disability Inclusion Act 2014* we will be developing a consolidated disability inclusion plan to ensure accessibility and inclusion across our cemeteries for customers, stakeholders, suppliers and our workforce with disability.

Currently RGC has a disability access plan, which is being reviewed. Further to this, the Crown land managers have engaged the support of disability employment services particularly in areas of grounds maintenance.

Over the coming reporting period, we will endeavour to create a consolidated approach to disability inclusion.

## Committees

To support the Administrator and leadership team, several committees operated throughout the 2022-23 financial year.

### Finance, Risk, Audit Committee

A single Finance, Risk, Audit Committee operated across all three land managers to oversee financial management, investments, reporting, audit, insurance, and risk management.

### Community Engagement Committee

The Community Engagement Committee collaborated with NMC to provide advice about engaging with the communities that utilise NMC cemeteries.

### Community Advisory Committee

The Community Advisory Committee assisted RGC to deliver effective stakeholder engagements and understand priority areas of concern for the communities that utilise Rookwood Cemetery.

### Heritage Advisory Committee

The Heritage Advisory Committee operated to provide RGC with advice for monumental works in heritage sensitive areas of Rookwood Cemetery.

## Committee Meetings

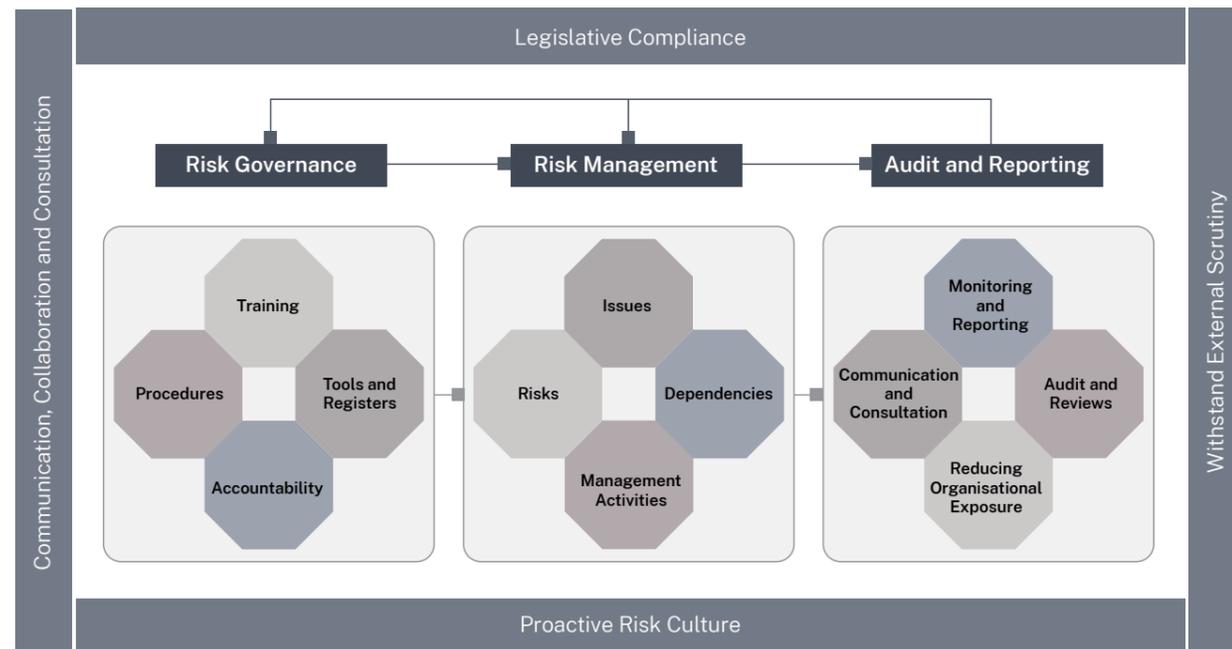
	Meetings Held	Lee Shearer	Katherine O'Regan	Robyn Scott	Melinda Snowden	Penny Barletta	Virginia Flitcroft	Rev Dr Manas Ghosh	Kris Hume	Peter Owens	David Johnson	Nigel Corne	Mary Dewar Dutailis	Julie Rusten	Sach Killam
Administrator Meetings	4	4													
Finance, Risk and Audit Committee	4		4	4	4										
Community Advisory Committee (RGC)	3					3	3	1							
Community Engagement Committee (NMC)	4								4	4	4				
Heritage Advisory Committee (RGC)	4											4	4	4	4

Melinda Snowden resigned 21 April 2023.

## Risk Management

As we bring NMC, RGC and SMC together, we are committed to effectively managing risks to support the achievement of strategic and operational objectives. Effective risk management promotes good resource prioritisation and proactive decision making.

Underpinning our risk culture is the adoption of the following framework, which assists us in managing our risks as an essential element of good business and operational governance.



Our risk management practices contribute to linking our risk acceptance with the realisation of opportunities. Importantly however, risk management provides us with early warnings that objectives may not be achieved thereby allowing us to prevent or reduce the likelihood that serious impacts will occur that may include harm to our workers, the public and other assets.

Our risk management objectives include:

- Providing assurance that objectives will be achieved within an acceptable level of risk
- Enhancing the safety of people who interact with our cemeteries
- Ensuring our risk management methodology is consistent across the business
- Embedding systematic risk management into business processes
- Promoting clear communication and consultation with internal and external stakeholders
- Developing our risk management capacity and capability to drive continual improvement

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# Northern Metropolitan Cemeteries Land Manager Financial Report 2023

ABN 33 874 656 026

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## INDEPENDENT AUDITOR'S REPORT Northern Metropolitan Cemeteries Land Manager

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Northern Metropolitan Cemeteries Land Manager (the Land Manager), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

### Basis for Opinion

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

I am independent of the Land Manager in accordance with the requirements of the:

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

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

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

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

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

**Administrator's Responsibilities for the Financial Statements**

The Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Administrator's responsibility also includes such internal control as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administrator is responsible for assessing the Land Manager'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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

- that the Land Manager 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  
Delegate of the Auditor-General for New South Wales

4 October 2023  
SYDNEY

**Statement by Accountable Authority**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- Have been prepared in accordance with Australian Accounting Standards and the applicable requirement of the Act, the Government Sector Finance Regulations 2018, and the Treasures directions, and
- Present fairly Northern Metropolitan Cemeteries Land Manager's financial position, financial performance and cash flows.



Ken Morrison  
Administrator  
Metropolitan Memorial Parks Land Manager

3rd October 2023

## Statement of Comprehensive Income

for the financial year ended 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
<b>Continuing operations</b>			
Expenses excluding losses			
Employee-related expenses	2 (a)	10,020	7,429
Operating expenses	2 (b)	11,440	10,998
Depreciation and amortisation	2 (c)	3,374	2,692
Finance costs	2 (d)	2	4
<b>Total expenses excluding losses</b>		<b>24,836</b>	<b>21,123</b>
<b>Revenue</b>			
Sale of goods and services from contracts with customers	3 (a)	26,908	23,018
Investment revenue	3 (b)	11,636	(9,130)
Other income	3 (c)	327	335
<b>Total revenue</b>		<b>38,871</b>	<b>14,223</b>
<b>Operating result</b>			
		14,035	(6,900)
Gains / (losses) on disposal		-	(14)
Other gains / (losses)	4	6	-
<b>Net result from continuing operations</b>		<b>14,041</b>	<b>(6,914)</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus of property, plant and equipment	9	2,347	8,100
Net gains / (losses) on financial assets at fair value through other comprehensive income		-	(1,135)
Total other comprehensive income / (loss)		2,347	6,965
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>16,388</b>	<b>51</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

for the financial year ended 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	16,278	8,120
Receivables	6	1,095	1,129
Inventories	7	24,026	23,885
<b>Total current assets</b>		<b>41,399</b>	<b>33,134</b>
<b>Non-current assets</b>			
Financial assets at fair value	8	111,970	100,899
<b>Inventories</b>			
<b>Property, plant and equipment</b>			
- Land and buildings		82,395	73,474
- Plant and equipment		2,741	3,674
- Infrastructure systems		7,683	14,798
Total property, plant and equipment	9	92,819	91,946
Right-of-use assets	10 (a)	-	94
<b>Total non-current assets</b>		<b>204,789</b>	<b>192,939</b>
<b>Total assets</b>		<b>246,188</b>	<b>226,073</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12	2,914	1,858
Contract liabilities	14	50,602	47,534
Provisions	13	1,360	1,271
Other current liabilities	10 (b)	-	32
<b>Total current liabilities</b>		<b>54,876</b>	<b>50,695</b>
<b>Non-current liabilities</b>			
Provisions	13	184	571
Other non-current liabilities	10 (b)	-	67
<b>Total non-current liabilities</b>		<b>184</b>	<b>638</b>
<b>Total liabilities</b>		<b>55,060</b>	<b>51,333</b>
<b>Net assets</b>		<b>191,128</b>	<b>174,740</b>
<b>EQUITY</b>			
Accumulated surplus funds	15	94,022	79,981
Asset revaluation reserve	15	45,508	43,161
Other reserves	15	51,598	51,598
<b>Total equity</b>		<b>191,128</b>	<b>174,740</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the financial year ended 30 June 2023

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Other Reserves \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	79,981	43,161	-	51,598	174,740
<b>Net result for the year</b>	14,041	-	-	-	14,041
<b>Other comprehensive income</b>					
Net change in revaluation surplus of property, plant and equipment	-	2,347	-	-	2,347
Total other comprehensive income for the year	14,041	2,347	-	-	16,388
<b>Balance at 30 June 2023</b>	<b>94,022</b>	<b>45,508</b>	<b>-</b>	<b>51,598</b>	<b>191,128</b>

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Financial assets at FVOCI Reserve \$'000	Other Reserves \$'000	Total \$'000
<b>Balance at 1 July 2021 (Restated)*</b>	81,679	35,061	6,351	51,598	174,689
<b>Net result for the year</b>	(6,914)	-	-	-	(6,914)
<b>Other comprehensive income</b>					
Net change in revaluation surplus of property, plant and equipment	-	8,100	-	-	8,100
Transfer from OCI to accumulated funds on disposal of old investment	5,216	-	(5,216)	-	-
Net change in financial assets through OCI	-	-	(1,135)	-	(1,135)
<b>Total other comprehensive income for the year</b>	<b>(1,698)</b>	<b>8,100</b>	<b>(6,351)</b>	<b>-</b>	<b>51</b>
<b>Balance at 30 June 2022</b>	<b>79,981</b>	<b>43,161</b>	<b>-</b>	<b>51,598</b>	<b>174,740</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(10,020)	(7,163)
Suppliers for goods and services		(13,991)	(18,668)
<b>Total payments</b>		<b>(24,011)</b>	<b>(25,831)</b>
<b>Receipts</b>			
Sale of goods and services		34,072	30,237
Interest received		35	2
Grants and other contributions		-	23
<b>Total receipts</b>		<b>34,107</b>	<b>30,262</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>17</b>	<b>10,096</b>	<b>4,431</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend income		-	4,401
Proceeds from disposal of investments		-	107,762
Purchase of property, plant and equipment		(1,840)	(1,968)
Purchase Investments (T-Corp)		-	(112,164)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(1,840)</b>	<b>(1,969)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		(98)	(66)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(98)</b>	<b>(66)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>8,158</b>	<b>2,396</b>
Opening cash and cash equivalents		8,120	5,724
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>5</b>	<b>16,278</b>	<b>8,120</b>

The accompanying notes form part of these financial statements.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting entity**

The Northern Metropolitan Cemeteries Land Manager (NMCLM) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. NMCLM is a not-for-profit entity (as profit is not its principal objective) and there are no distribution of proceeds. The delivery of burial and memorial services is a charitable purpose.

Northern Metropolitan Cemeteries Land Manager (NMCLM) is a Land Manager under the *Crown Lands Management Act (2016)* operating under the *Cemeteries and Crematoria Act 2013* (NSW). The Entity is primarily involved in the provision of burial and memorialisation services for the public.

On 23 June 2023, the NSW Lands and Property Minister, Stephen Kamper, announced the amalgamation of Rookwood General, Northern Metropolitan and Southern Metropolitan cemeteries effective 1 July 2023 under the new name of Metropolitan Memorial Parks. This decision amalgamates the operations, assets, and liabilities of Northern Metropolitan and Southern Metropolitan cemeteries into Rookwood General Cemetery on 1 July 2023.

The financial statements for the year ended 30 June 2023 have been authorised for issue by the Administrator on 3rd October 2023.

**(b) Basis of preparation**

NMCLM's financial statements are general purpose financial statements which have been prepared on an accrual's basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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 one thousand dollars and are expressed in Australian currency, which is the entity's 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**

Income, expenses, and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(e) Comparative information**

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

**1. Statement of significant accounting policies (cont'd)****(f) Changes in accounting policies, including new or revised standards**

The accounting policies applied in the preparation of this financial report are consistent with those of the previous financial year.

- Effective for the first time in FY2022-23

There are no changes as a result of adoption of any new accounting standards.

- Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The entity has assessed the impact on new AAS on the financial statements to be immaterial.

**2. EXPENSES EXCLUDING LOSSES****(a) Employee related expenses:**

	2023 \$'000	2022 \$'000
Salaries and wages (including annual leave)	8,504	6,253
Superannuation – defined contribution plans	582	678
Workers compensation insurance	453	346
Long service leave	(16)	(50)
Fringe benefit tax	16	16
Other	481	186
<b>TOTAL</b>	<b>10,020</b>	<b>7,429</b>

**2 (b) Operating expenses**

	2023 \$'000	2022 \$'000
Auditor's remuneration - audit of financial statements	125	129
Cost of sales	6,201	5,065
Maintenance *	1,087	750
Consultants and professional services**	367	561
IT related costs	588	367
Insurance	406	342
Utilities	208	175
Brokerage fees	-	16
One Crown Costs***	-	1,758
Other operating expenses	2,458	1,835
<b>TOTAL</b>	<b>11,440</b>	<b>10,998</b>

**2. Expenses excluding losses (cont'd)****Recognition and measurement****Maintenance expenses**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

\* No employee related maintenance expenses are included in the maintenance category.

\*\* \$118,304 is for consulting and \$248,696 for professional services expenses in FY2022-23.

\*\*\*Expenses paid by Rookwood General Cemeteries Reserve Land Manager (RGCRLM) for the project OneCrown initiatives, invoiced to the entity, shared by the three land managers RGCRLM, NMCLM and SMCLM (Southern Metropolitan Cemeteries Land Manager), in FY2023, these expenses (\$1.781M) were incurred but were recognised in specific accounts to which they relate.

**Insurance expenses**

The entity's insurance activities are conducted through an independent insurance broker, the expense (premium) is determined by the insurer based on past claiming experience.

**Cost of sales**

'At need' and 'pre need' licence sales cost of goods sold are recognised as and when a sale occurs. However 'Pre-need' interment services are recognised when the service is requested by the licence holder. Monument cost of sales are recognised when the costs for materials / service charges are incurred.

Total maintenance expenditure is further explained as follows:

**(c) Depreciation and amortisation expense**

	2023 \$'000	2022 \$'000
<b>Depreciation</b>		
Buildings	942	955
Plant & equipment	1,022	694
Infrastructure systems	1,350	977
Amortisation of right-of-use assets	60	66
<b>TOTAL</b>	<b>3,374</b>	<b>2,692</b>

Refer to Note 9 for recognition and measurement policies on depreciation and amortisation.

**(d) Finance costs**

	2023 \$'000	2022 \$'000
Interest expenses	2	4
<b>TOTAL</b>	<b>2</b>	<b>4</b>

**Recognition and measurement**

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred in accordance with the Treasury's Mandate to not-for-profit NSW GGS entities.

**3. REVENUE****Recognition and measurement**

Revenue 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 AASB15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

**Sale of goods**

Revenue from sale of goods is recognised as when NMCLM satisfies a performance obligation by transferring the promised goods.

Type of good	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Interment licences	The performance obligation of transferring the right of interment is typically satisfied at the point in time that payment and all necessary documents have been received from the customer.  Payments from individuals are typically received in advance of the right to inter being provided. We provide credit terms to funeral directors.	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Monument products	The performance obligation of delivering and installing a completed product is typically satisfied when the customer confirms that the product delivered is acceptable.  Payments from customers are typically received in advance.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Stonemasons permits	The performance obligation of issuing a permit is typically satisfied when the works proposed by the customer are approved by NMCLM.  Payments from customers are typically due 7 days after the date the permit is issued.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.

**3. Revenues (cont'd)****Rendering of services**

Revenue from rendering of services is recognised when NMCLM satisfies the performance obligation by transferring the promised services.

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Interment services	The performance obligations in relation to interment services are typically satisfied when the interment event has occurred. Payments from customers are typically received either in advance or at the time-of-service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Government interment services	The performance obligations in relation to interment services are typically satisfied when the interment event occurs. Payments from individuals are typically received either in advance or at the time-of-service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Monument works	The performance obligation of completing works on a monument is typically satisfied when the customer confirms that the monument works delivered are acceptable. Payments from individuals are typically received in advance. We provide credit terms to funeral directors.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Administration and other income	The performance obligations in relation to administration services is typically satisfied when the service activities are completed for the customer and payment is received. Payments from individuals are typically received in advance. We provide credit terms to funeral directors.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Exhumations	The performance obligations in relation to exhumation services is typically satisfied when the service is delivered. Payments from individuals are typically received in advance. We provide credit terms to funeral directors.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Cremation and Chapel Services	The performance obligations in relation to cremation and / or chapel services are/ is typically satisfied when the service is delivered. Payments from customers are typically received either in advance or at the time-of-service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.

**3. Revenues (cont'd)****3 (a) Sales of goods and services**

	2023 \$'000	2022 \$'000
Sales of goods	20,648	17,332
Rendering of services	6,260	5,686
<b>TOTAL</b>	<b>26,908</b>	<b>23,018</b>

**3 (b) Investment revenue**

	2023 \$'000	2022 \$'000
Distributions from investment	2,350	4,401
Interest income	35	2
Rental income	530	436
Net gain / (loss) from T-CorpIM Funds measured at fair value through profit or loss	8,721	(13,969)
<b>TOTAL</b>	<b>11,636</b>	<b>(9,130)</b>

**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 costs of the financial assets (i.e., after deducting the loss allowance for expected credit losses).

*Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

*Dividend income*

Dividend income is recognised when NMCLM's right to receive the payments has been established.

**Recognition and measurement**

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by NMCLM is recognised when NMCLM satisfies its obligations under the transfer. NMCLM satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

During prior financial year (FY2021), NMCLM received government contributions from the NSW Government in relation to the Crown Cemetery WHS Stimulus Funding Program and the Crown Reserves Improvement Fund.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/ funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 3. Revenues (cont'd)

#### 3 (C) Other income

	2023 \$'000	2022 \$'000
Sale of scrap metal	327	335

### 4. GAIN / (LOSSES) ON DISPOSAL

	2023 \$'000	2022 \$'000
Net gain / (losses) on disposal of property, plant and equipment	-	(14)
Other gains / (losses)	6	-
<b>TOTAL</b>	<b>6</b>	<b>(14)</b>

### 5. CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
Cash at bank and on hand	16,278	8,120
<b>TOTAL</b>	<b>16,278</b>	<b>8,120</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value.

Refer to Note 16 for details regarding credit risk and market risk arising from financial instruments.

### 6. RECEIVABLES

	2023 \$'000	2022 \$'000
Trade receivables from contracts with customers	901	1,003
Less Allowance for expected credit losses	-	-
-Trade receivables from contracts with customers	-	-
Net trade receivable	901	1,003
Prepayments	194	126
<b>TOTAL</b>	<b>1,095</b>	<b>1,129</b>

## Notes to the financial statements

for the financial year ended 30 June 2023

### 6. Receivables(cont'd)

#### Recognition and measurement

All 'regular way' purchases or sales of financial assets 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

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

#### Impairment

NMCLM 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 NMCLM expects to receive, discounted at the original effective interest rate.

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

### 7. INVENTORIES

	2023 \$'000	2022 \$'000
<b>Held-for-resale</b>		
Materials and goods	4	4
Interment sites	4,904	3,175
Crypt, vault & mausoleum	13,317	14,218
Memorials & niches	1,800	2,904
Work in progress	4,001	3,584
<b>TOTAL</b>	<b>24,026</b>	<b>23,885</b>

#### Recognition and measurement

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount, or any loss of operating capacity due to obsolescence. Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average costs method.

#### Materials and goods for resale

Materials and goods for resale are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**7. Inventories (cont'd)****Interment sites**

Interment sites are valued at the lower of the cost of development and net realisable value. The cost of the interment sites is recognised in the income statement on the signing of an unconditional contract of sale and the issuance of a burial licence. Effective control of the interment site is passed to the buyer at this point. Cost of goods sold is determined by reference to average cost of section development cost per unit of interment site within each section/area.

**Mausoleums and crypts**

Mausoleums and crypts are valued at the lower of the cost of development and net realisable value. The cost of the mausoleum or crypt is recognised in the income statement on the signing of an unconditional contract of sale and the issuance of a burial licence. Effective control of the mausoleum or crypt site is passed to the buyer at this point. Cost of goods sold is determined by reference to average cost of section development cost per unit of the mausoleum or crypt within each section/area.

**Construction contracts and work in progress**

Construction contracts and works in progress are valued at the cost of materials and supplies utilised.

**8. FINANCIAL ASSETS AT FAIR VALUE**

	2023 \$'000	2022 \$'000
Non-current		
TCorpIM Long-term Growth Fund	111,970	100,899
<b>TOTAL</b>	<b>111,970</b>	<b>100,899</b>

Refer to Note 16 for details regarding credit risk and market risk arising from financial instruments.

**Recognition and measurement**

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

**Classification and measurement**

Financial assets at fair value are classified, at initial recognition, as subsequently measured at either fair value through other comprehensive income or fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried at other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

**Financial assets at fair value through other comprehensive income**

NMCLM measures financial assets at fair value through other comprehensive income when they are held for both collection of contractual cash flows and for selling the financial assets, and where the assets' cash flows represent solely payments of principal and interest.

Movements in the carrying amount are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to net results and recognised in other gains/(losses).

Interest income from these financial assets is included in investment revenue using the effective interest method.

**8. Financial assets at fair value (cont'd)****Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed, and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

**9. PROPERTY, PLANT AND EQUIPMENT**

Total property, plant and equipment - all held and used by NMC

	Land and Buildings	Plant and Equipment	Infra-structure Systems	Total \$'000
<b>At 30th June 2022 – fair value</b>				
Gross carrying amount	76,576	9,710	20,423	106,709
Accumulated depreciation and impairment	(3,102)	(6,036)	(5,625)	(14,763)
Net carrying amount	<b>73,474</b>	<b>3,674</b>	<b>14,798</b>	<b>91,946</b>
<b>At 30th June 2023 – fair value</b>				
Gross carrying amount	94,475	10,484	27,163	132,122
Accumulated depreciation and impairment	(12,080)	(7,743)	(19,480)	(39,303)
Net carrying amount	<b>82,395</b>	<b>2,741</b>	<b>7,683</b>	<b>92,819</b>
<b>Year ended 30 June 2022</b>				
Net carrying amount at beginning of year	68,735	2,857	12,956	84,548
Additions	250	595	1,123	1,968
Disposals	-	(44)	-	(44)
Net revaluation increments less decrements	5,444	960	1,696	8,100
Depreciation expenses	(955)	(694)	(977)	(2,626)
<b>Net carrying amount at end of year</b>	<b>73,474</b>	<b>3,674</b>	<b>14,798</b>	<b>91,946</b>
<b>Year ending 30 June 2023</b>				
Net carrying amount at beginning of year	73,474	3,674	14,798	91,946
Additions	540	386	914	1,840
Assets reclass	-	(369)	369	-
Disposal	-	-	-	-
Net revaluation increments less decrements	9,323	72	(7,048)	2,347
Depreciation Expenses	(942)	(1,022)	(1,350)	(3,314)
<b>Net carrying amount at end of year</b>	<b>82,395</b>	<b>2,741</b>	<b>7,683</b>	<b>92,819</b>

**Recognition and measurement****Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e., deferred payment amount is effectively discounted over the period of credit.

**9. Property, plant and equipment (cont'd)****Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$1,000 and above individually (or forming part of a network costing more than \$1,000) are capitalised.

**Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied.

**Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**Depreciation of property, plant and equipment**

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

- Buildings 25-50 years
- Plant and equipment 1-20 years
- Infrastructure systems 20-40 years

**Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09). This policy adopts fair value in accordance with AASB 13, AASB 116 and AASB 140 Investment Property.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 11 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The entity conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The next comprehensive revaluation, which will be based on an independent assessment, is in process.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

**9. Property, plant and equipment (cont'd)**

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciations are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

**Impairment of property, plant and equipment**

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The entity assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. The recoverable amount is expected to be materially the same as Fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

**10. LEASES****As a lessee**

NMCLM leases printers. The lease typically run for a period of three to five years. The Entity has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Due to the amalgamation, NMCLM has ceased those leases during this financial year 2022-2023.

**Right of use assets under leases**

The following table presents right-of-use assets that do not meet the definition of investment property.

**(a) Right-of-use assets  
Plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July	94	160
Addition / (Disposal)	(34)	-
Depreciation expense	(60)	(66)
<b>Balance at 30 June</b>	<b>-</b>	<b>94</b>

**(b) Lease liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July	99	164
Additions	-	-
Interest expense	2	4
Payments	(101)	(69)
<b>Balance at 30 June</b>	<b>-</b>	<b>99</b>
Current	-	32
Non-current	-	67
	<b>-</b>	<b>99</b>

**Recognition and measurement**

NMCLM assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

**i. Right-of-use assets**

NMCLM recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets. At commencement or on modification of a contract that contains a lease component, NMCLM allocates the consideration in the contract to each lease component based on its relative stand-alone prices.

NMCLM recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

**10. Leases (cont'd)**

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to NMCLM at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment assess at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NMCLM estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

**ii. Lease liabilities**

At the commencement date of the lease, NMCLM recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable.
- variable lease payments that depend on an index or a rate.
- amounts expected to be paid under residual value guarantees.
- exercise price of a purchase options reasonably certain to be exercised by the Entity; and
- payments of penalties for terminating the lease, if the lease term reflects the Entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that NMCLM would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments

(e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments or a change in the assessment of an option to purchase the underlying asset).

**iii. Short-term leases and leases of low-value assets**

NMCLM applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**10. Leases (cont'd)****Entity as a lessor**

NMCLM leased properties to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although NMCLM is exposed to changes in the residual value at the end of current leases, the Entity typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

**Lessor for operating leases**

Future minimum rental receivables (undiscounted) under non-cancellable operating as at 30 June are as follows:

	2023 \$'000	2022 \$'000
Within one year	501	489
<i>Later than one year and no later than five years</i>		
One to two years	142	463
Two to three years	35	142
Three to four years	35	35
Four to five years	35	35
Later than five years	393	428
<b>TOTAL</b>	<b>1,141</b>	<b>1,592</b>

**11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS****i. Fair value measure and hierarchy**

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

When measuring fair value, the revaluation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation technique as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

NMCLM recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**11. Fair value measurement of non-financial assets (cont'd)**

2023	Level 1	Level 2	Level 3	Total
<b>Property, plant and equipment (Note 9)</b>				
Land and buildings	-	-	82,395	82,395
Plant and equipment	-	-	2,741	2,741
Infrastructure systems	-	-	7,683	7,683
<b>TOTAL</b>	-	-	<b>92,819</b>	<b>92,819</b>

2022	Level 1	Level 2	Level 3	Total
<b>Property, Plant and Equipment (Note 9)</b>				
Land and buildings	-	-	73,474	73,474
Plant and equipment	-	-	3,674	3,674
Infrastructure systems	-	-	14,798	14,798
<b>TOTAL</b>	-	-	<b>91,946</b>	<b>91,946</b>

**ii. Valuation techniques, inputs and processes**

Fair value of main property assets is estimated based on appraisals performed by independent, professionally qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by management and Finance Risk and Audit Committee at each reporting date.

NMCLM engaged external, independent, and qualified valuers – Preston Rowe Paterson (PRP) to determine the fair value of its tangible assets for this financial year ending.

The appraisal for Crown land was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances, and current use.

The value for buildings was derived from current replacement cost that reflects the amount that would be required to replace the service capacity of an asset. For the valuation industry the replacement cost is generally understood to mean the estimated cost to construct or acquire, as of the valuation date, a substitute asset of comparable utility, adjusted for obsolescence.

The valuer utilised the depreciated replacement cost approach for civil works / infrastructure assets with unobservable inputs after determining that no active market existed for the types of assets. This approach considered the useful life of each asset in line with industry standards, an expended life for each asset and calculated the remaining useful life. A replacement cost was determined and then depreciated by the expended life to provide an ending fair value as at 30 June 2023. The change in value of the tangible assets was adjusted to reflect the current fair value in the accounts.

Plant and machinery and motor vehicles are considered non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value.

**11. Fair value measurement of non-financial assets (cont'd)****iii. Reconciliation of recurring level 3 fair value measurement**

	30 June 2023 \$'000	30 June 2022 \$'000
Fair Value at 1 July	91,946	84,548
Additions	1,840	1,968
Transfer from PPE to inventories	-	-
Transfer to Inventories	-	-
Depreciation movement	(3,314)	(2,626)
Disposals	-	(44)
Revaluation of Land and Building	9,323	5,444
Revaluation of civil works / infrastructure	(7,048)	1,696
Revaluation of Plant and Equipment	72	960
<b>Fair value at 30 June</b>	<b>92,819</b>	<b>91,946</b>

**12. CURRENT LIABILITIES – PAYABLES**

	2023 \$'000	2022 \$'000
Creditors	2,178	1,452
Accrued salaries and wages	91	60
Other creditors and accruals	645	346
	<b>2,914</b>	<b>1,858</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 16

**Recognition and measurement**

Payables represent liabilities for goods and services provided to NMCLM and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

**13. PROVISIONS**

	2023 \$'000	2022 \$'000
Annual leave	787	814
Personal leave	39	53
Long service leave	706	665
Maintenance provision	12	310
	<b>1,544</b>	<b>1,842</b>

**11. Provisions (cont'd)**

	2023 \$'000	2022 \$'000
Provisions-current	1,360	1,271
Provisions-non-current	184	571
	<b>1,544</b>	<b>1,842</b>
Annual leave obligations Expected to be settled after 12 months	276	427
Long service leave obligations Expected to be settled after 12 months	173	262
	<b>449</b>	<b>689</b>
<b>Movement in maintenance provisions</b>		
	2023 \$'000	2022 \$'000
Carrying amount as at 1 July 2022	310	486
Additional provisions recognised	-	-
Provision used during the year	(298)	(176)
<b>Carrying amount as at 30 June 2023</b>	<b>12</b>	<b>310</b>

A provision is recognised in the statement of financial position when NMCLM has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Recognition and measurement****Employee benefit and related on-costs****Salaries and wages, annual leave and sick leave**

Salaries and wages (including non-monetary benefits) and paid salaries and wages, annual leave and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits.

NMCLM has assessed its circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where NMCLM does not expect to settle the liability within 12 months as NMCLM does not have an unconditional right to defer settlement.

Unused non-vesting sick leave (personal leave) gives rise to a liability as employees have the right to periodically cash out unused leave.

**Long service leave and superannuation**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

**11. Provisions (cont'd)**

Consideration is given to the effects of discounting and future wage levels and were determined to not provide a material effect, therefore have not been reflected. Expected future payments are discounted using the Commonwealth Government bond rate at the reporting date.

NMCLM pays contributions to certain superannuation Funds as per Superannuation Guarantee (Administration) Act 1992. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. NMCLM has no obligation to pay further contributions to these Funds.

**Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

**Maintenance provision**

NMCLM has a present obligation for certain remedial repair works to cemeteries under its control. The cost of the provision has been estimated based on an assessment performed by an external assessor.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan, and NMCLM has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

NMCLM determined that the time value of money is immaterial.

**14. CONTRACT LIABILITIES**

	2023 \$'000	2022 \$'000
<b>Current</b>		
Customer deposits	2,353	2,019
Prepaid interments	45,724	42,655
Prepaid plaques	194	197
Prepaid headstones	2,008	2,340
Unearned grant income	323	323
<b>Total Contract Liabilities</b>	<b>50,602</b>	<b>47,534</b>

**Recognition and measurement****Prepaid fees**

Consideration received in advance from customers for services not performed are recorded as prepaid fees and customer deposits. These fees are recorded as revenue in the year the service is rendered. The balance of contract liabilities at 30 June 2023 was impacted by the ability of the Entity to finalise to the satisfaction of the customer with whom the contract has been made. The contract liability has increased during the year due to deposits taken during the year for new contracts exceeding the volume of contracts for services performed.

Most burial rights are sold with two interments attached. The balance shown as current is the total contract liabilities / deferred income as at 30 June 2023. Revenue will be recognised upon the services rendered; the amount will be recognised as income within 12 months which normally reflects NSW death rate.

**14. Contract liabilities (cont'd)****Reconciliation of contract liability**

	2023 \$'000	2022 \$'000
<b>Opening contract liabilities</b>	47,533	43,782
Add: Net receipts of cash during the financial year	5,828	5,753
Deduct: income recognised during the financial year	(2,759)	(2,002)
<b>Closing contract liabilities</b>	<b>50,602</b>	<b>47,533</b>

Net Receipts during the financial year are for newly issued tax invoices with payments for prepaid services, net of refunds. Income recognised during the financial year is for rendering of prepaid services-redemptions taken incurred in the current financial year.

The transaction price allocated to the remaining performance obligations relate to payment plan contracts, cemetery, and crematorium contracts with customers. Of those amounts, 6% is expected to be recognised as revenue in the 2023/24 financial year and 5% is the 2024/25 financial year, the balance will be recognised in future years.

**15. CAPITAL AND RESERVES****(a) Accumulated surplus funds**

NMCLM has an obligation to manage and maintain the cemetery in perpetuity. Accumulated surplus funds are used for the purpose of providing perpetual maintenance of the cemetery once interment revenue is exhausted.

**(b) Asset revaluation reserve**

Asset revaluation reserve relates to the revaluation of property, plant, and equipment.

**(c) Other reserve**

Upon establishment of the previous Trust, the assets, liabilities, and obligations of former, now dissolved Trusts were transferred to NMCLM.

**16. FINANCIAL INSTRUMENTS**

NMCLM's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NMCLM's main risks arising from financial instruments are outlined below, together with the entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Administrator 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 the risks faced by the entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the entity on a continuous basis.

**16. Financial instruments (cont'd)****(a) Financial instrument categories**

Class	Note	Category	2023 \$'000	2022 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	5	Amortised cost	16,278	8,120
Receivables	6	Amortised cost	862	1,003
Financial assets at fair value	8	Fair value through profit or loss	111,970	100,899
<b>Financial liabilities</b>				
Payables	12	Financial liabilities measured at amortised cost	(2,914)	(1,452)
Lease liabilities	10	AASB16 lease liabilities	-	(99)

NMCLM determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate re-evaluates this at each financial year end.

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

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

- the entity has transferred substantially all the risks and rewards of the asset; or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the entity 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. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

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

**(c) Financial risks**

NMCLM has exposure to the following risks arising from financial instruments:

*(i) Credit risk*

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the entity. The carrying amount of financial assets (net of any allowance for credit losses or allowance for impairment) represents the maximum credit exposure.

**16. Financial instruments (cont'd)**

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

NMCLM considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

At the reporting date, NMCLM did not have any provisions for impairment of trade receivable balances.

**Cash and cash equivalents**

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances.

**(ii) Liquidity risk**

Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due.

The entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets.

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

	Weighted Average Effective Int. Rate \$'000	Nominal Amount \$'000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non-interest Bearing \$'000	< 1 yr	1 - 5 yrs	> 5 yrs
<b>2023</b>								
Payables	0.00%	2,178	-	-	2,178	2,178	-	-
Lease liabilities	3.00%	-	-	-	-	-	24	-
<b>2022</b>								
Payables	0.00%	1,452	-	-	1,452	1,452	-	-
Lease liabilities	3.00%	99	99	-	-	32	67	-

**(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 price. The entity's exposures to market risk are primarily through interest risk on the entity's borrowings and other price risks associated with movement in the unit price of TCorp Investment Facilities. The entity has no exposure to foreign currency risk and does not enter into commodity contracts.

**(iv) 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 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 the entity's cash balance.

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 structured change in the level of interest rate volatility.

**16. Financial instruments (cont'd)**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2023 -1% \$'000	2023 1% \$'000	2022 -1% \$'000	2022 1% \$'000
Net result	(163)	163	(82)	82
Equity	(163)	163	(82)	82

**(v) Other price risk**

Expose to 'other price risk' primarily arises through the investment in the TCorpIM funds which are held for strategic rather than trading purposes. The entity has no direct equity investment at year end. The entity holds units in the following TCorpIM Fund trust.

Facility	Investment Horizon	Investment Sector	2023 \$'000	2022 \$'000
TCorpIM Long Term	7 years and over	Cash and Fixed Income, credit, equities	111,970	100,899

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for the above facility is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for reach of the investment facilities, which is used to demonstrate the impact on the funds net assets as a result of a change in the unit price. The impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at Fair Value through profit or loss and therefore any change in Unit price impacts directly on net results.

Facility	Change in Unit Price	Impact on net result/ equity	
		2023 \$'000	2022 \$'000
TCorpIM Long Term	+/-10%	11,197	10,090

**16. Financial instruments (cont'd)****(d) Fair value measurement***(i) Fair value compared to carrying amount*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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. Investments in equities and managed funds are carried at the fair value provided by quoted market prices.

*(ii) Fair value recognised in the statement of financial position*

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

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets/ liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

NMCLM recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

<b>30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
TCorp IM Long-term Growth Fund		111,970	-	111,970
	-	<b>111,970</b>	-	<b>111,970</b>

<b>30 June 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
TCorp IM Long-term Growth Fund		100,899	-	100,899
	-	<b>100,899</b>	-	<b>100,899</b>

**17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flow from operating activities</b>		
Net cash flow from operating activities	10,096	4,431
Adjustments for:		
Depreciation	(3,314)	(2,692)
Interest paid	(2)	(2)
Gain / (loss) on sale of property, plant and equipment including leased assets	6	(14)
Unrealised movement in financial assets	8,721	(14,057)
Investment distributions	2,350	4,403
Termination of leases	(98)	-
	<b>17,759</b>	<b>(7,931)</b>
Increase / (Decrease) in inventories	140	3,357
Increase / (Decrease) in receivables	(35)	39
Increase / (Decrease) in payables	(1,056)	1,117
Increase / (Decrease) in provisions and employee benefits	301	256
Increase / (Decrease) in deferred income	(3,068)	(3,752)
<b>Net result</b>	<b>14,041</b>	<b>(6,914)</b>

**18. CAPITAL COMMITMENTS**

NMCLM entered into a contract to purchase property, plant and equipment for the construction of a Mausoleum in 2020, this project is completed in this financial year 2022-2023, there were only some retentions held for this project, no further commitments in this financial year 2022-2023.

**19. CONTINGENT LIABILITIES**

NMCLM has nil contingent liabilities as at 30 June 2023 (2022: nil).

## Notes to the financial statements

for the financial year ended 30 June 2023

### 20. RELATED PARTY DISCLOSURES

#### Key management personnel remuneration

Compensations of NMCLM's key management personnel includes salaries, non-cash benefits and contributions to superannuation.

	2023 \$'000	2022 \$'000
Salaries	917	1288
Non-monetary benefits	27	17
Other long - term employee benefit	9	(80)
Post -employment benefits	70	127
Termination benefits	-	177
<b>TOTAL</b>	<b>1,023</b>	<b>1,529</b>

NMCLM has not entered any other transactions with its key management personnel other than transactions undertaken during the ordinary course of the business.

NMCLM has entered transactions with other entities that are controlled/jointly controlled/ significantly influenced by NSW Government. These transactions, in aggregate are a significant portion of the Entity's receiving of services.

- Payments to Cemeteries and Crematoria NSW for levy
- Payments to and from Rookwood General Cemeteries Reserve Land Manager
- Payments to and from Southern Metropolitan Cemeteries Land Manager
- Payment to the Audit office for the audit of our financial statement.

The fees for the audit and review of the financial statements performed by NSW audit office amounted to \$124,500 (2022: \$129,000). This expense has been recorded within other expenses in the statement of comprehensive income.

### 21. SUBSEQUENT EVENTS

On the 30 June 2023, the Honourable Stephen Kamber, NSW Minister for Land and Property transferred effective 1 July 2023 all assets, rights, and liabilities of Northern Metropolitan Cemeteries Land Manager to Metropolitan Memorial Parks Land Manager and dissolved Northern Metropolitan Cemeteries Land Manager pursuant to clause 34(1) of schedule 5 to the Crown Land management Act (2016).

# Rookwood General Cemeteries Reserve Land Manager Financial Report 2023

ABN 65 959 157 751

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**INDEPENDENT AUDITOR'S REPORT**

**Rookwood General Cemeteries Reserve Land Manager**

To Members of the New South Wales Parliament

**Opinion**

I have audited the accompanying financial statements of Rookwood General Cemeteries Reserve Land Manager (the Land Manager), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

**Basis for Opinion**

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

I am independent of the Land Manager in accordance with the requirements of the:

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

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

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

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

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

**Administrator's Responsibilities for the Financial Statements**

The Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Administrator's responsibility also includes such internal control as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administrator is responsible for assessing the Land Manager'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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

- that the Land Manager 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  
Delegate of the Auditor-General for New South Wales

4 October 2023  
SYDNEY

## Statement by Accountable Authority

### Statement by Accountable Authority

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- Have been prepared in accordance with Australian Accounting Standards and the applicable requirement of the Act, the Government Sector Finance Regulations 2018, and the Treasures directions, and
- Present fairly Rookwood General Cemeteries Land Manager's financial position, financial performance and cash flows.



Ken Morrison  
Administrator  
Metropolitan Memorial Parks Land Manager

3rd October 2023

## Statement of Comprehensive Income

for the financial year ended 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
<b>Continuing operations</b>			
<b>Expenses excluding losses</b>			
Employee-related expenses	2 (a)	10,792	9,205
Operating expenses	2 (b)	12,234	9,862
Depreciation and amortisation	2 (c)	1,424	1,350
Finance costs	2 (d)	16	4
<b>Total expenses excluding losses</b>		<b>24,466</b>	<b>20,421</b>
<b>Revenue</b>			
Sale of goods and services from contracts with customers	3 (a)	29,004	26,742
Investment revenue	3 (b)	19,510	(14,387)
<b>Total revenue</b>		<b>48,514</b>	<b>12,355</b>
Operating result		24,048	(8,066)
Gains / (losses) on disposal	4	96	93
<b>Net result from continuing operations</b>		<b>24,144</b>	<b>(7,973)</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus of property, plant and equipment		424	2,455
Total other comprehensive income / (loss)		424	2,455
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>24,568</b>	<b>(5,518)</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

for the financial year ended 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	8,483	6,579
Receivables	6	1,593	1,210
Inventories	7	8,531	6,950
<b>Total current assets</b>		<b>18,607</b>	<b>14,739</b>
<b>Non-current assets</b>			
Financial assets at fair value	8	198,651	179,539
Other financial assets	9	193	192
<b>Property, plant and equipment</b>			
- Land and buildings		36,364	35,821
- Plant and equipment		1,980	1,665
- Infrastructure systems		2,917	1,811
Total property, plant and equipment	10	41,261	39,297
Right-of-use assets	11	485	747
<b>Total non-current assets</b>		<b>240,590</b>	<b>219,775</b>
<b>Total assets</b>		<b>259,197</b>	<b>234,514</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	1,723	1,493
Contract liabilities	15	1,456	1,421
Provisions	14	1,681	1,609
Borrowings	16	212	195
<b>Total current liabilities</b>		<b>5,072</b>	<b>4,718</b>
<b>Non-current liabilities</b>			
Contract liabilities	15	-	99
Provisions	14	587	514
Borrowings	16	170	383
<b>Total non-current liabilities</b>		<b>757</b>	<b>996</b>
<b>Total liabilities</b>		<b>5,829</b>	<b>5,714</b>
<b>Net assets</b>		<b>253,368</b>	<b>228,800</b>
<b>Equity</b>			
Accumulated funds	17	223,049	198,905
Reserves	17	30,319	29,895
<b>Total equity</b>		<b>253,368</b>	<b>228,800</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the financial year ended 30 June 2023

	Accumulated Equity \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	198,905	29,895	228,800
<b>Net result for the year</b>	24,144	-	24,144
<b>Other comprehensive income</b>			
Net change in revaluation surplus of property, plant and equipment	-	424	424
Total other comprehensive income	-	424	424
<b>Total comprehensive income for the year</b>	<b>24,144</b>	<b>424</b>	<b>24,568</b>
<b>Balance at 30 June 2023</b>	<b>223,049</b>	<b>30,319</b>	<b>253,368</b>
<b>Balance at 1 July 2021</b>			
<b>Balance at 1 July 2021</b>	206,878	27,440	234,318
<b>Net result for the year</b>	(7,973)	-	(7,973)
<b>Other comprehensive income</b>			
Net change in revaluation surplus of property, plant and equipment	-	2,455	2,455
Total other comprehensive income	-	2,455	2,455
<b>Total comprehensive income for the year</b>	<b>(7,973)</b>	<b>2,455</b>	<b>(5,518)</b>
<b>Balance at 30 June 2022</b>	<b>198,905</b>	<b>29,895</b>	<b>228,800</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(10,501)	(8,739)
Suppliers for goods and services		(17,178)	(12,934)
<b>Total Payments</b>		<b>(27,679)</b>	<b>(21,673)</b>
<b>Receipts</b>			
Sale of goods and services		32,394	29,539
Interest received		8	98
<b>Total Receipts</b>		<b>32,402</b>	<b>29,637</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	20	<b>4,723</b>	<b>7,964</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		98	93
Proceeds from sale of financial assets		-	13,967
Repayment of other loans and deposits		-	-
Purchase of property, plant and equipment		(2,705)	(1,545)
Purchase of financial assets		-	(16,301)
Purchase of other financial assets		-	(192)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,607)</b>	<b>(3,978)</b>
Payment of principal portion of lease liabilities		(212)	(52)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(212)</b>	<b>(52)</b>
Net increase in cash and cash equivalents		1,904	3,934
Opening cash and cash equivalents		6,579	2,645
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>8,483</b>	<b>6,579</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting entity

The Rookwood General Cemeteries Reserve Land Manager (RGCRM), is a NSW government entity and is controlled by the State of New South Wales. RGCRM is a not-for-profit entity (as profit is not its principal objective) and there are no distribution of proceeds. The delivery of burial and cremation services is a charitable purpose.

RGCRM is a Land Manager under the Crown Lands Management Act (2016) operating under the Cemeteries and Crematoria Act 2013 (NSW). RGCRM is primarily involved in the provision of burial and memorialisation services for the public.

On 23 June 2023, the NSW Lands and Property Minister, Stephen Kamper, announced the amalgamation of Rookwood General, Northern Metropolitan and Southern Metropolitan cemeteries effective 1 July 2023 under the new name of Metropolitan Memorial Parks. This decision amalgamates the operations, assets, and liabilities of Northern Metropolitan and Southern Metropolitan cemeteries into Rookwood General Cemetery on 1 July 2023.

#### (b) Basis of preparation

RGCRM's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act).
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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 one thousand dollars and are expressed in Australian currency, which is RGCRM's 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

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except that the:

- amount of GST incurred by RGCRM as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (e) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

**(f) New or revised AAS**

The accounting policies applied in the preparation of this financial report are consistent with those of the previous financial year.

i. Effective for the first time in FY2022-23

There are no changes as a result of adoption of any new accounting standard.

ii. Issued but not yet effective

RGCRM has assessed the impact on new AAS on the financial statements to be immaterial.

**2 EXPENSES EXCLUDING LOSSES****(a) Employee related expenses:**

	2023 \$'000	2022 \$'000
Salaries and wages (including annual leave)	8,643	7,792
Superannuation – defined contribution plans	1,092	731
Long service leave	211	173
Workers compensation insurance	800	496
Fringe benefit tax	46	13
<b>TOTAL</b>	<b>10,792</b>	<b>9,205</b>

**(b) Operating expenses**

	2023 \$'000	2022 \$'000
Auditor's remuneration - audit of the financial statements	97	89
Cost of sales	4,590	3,524
Maintenance*	1,172	585
Insurance	302	279
Consulting and professional services**	501	586
Research and development	-	195
Operating lease rental expense	16	15
Brokerage fees	-	66
Gardening and horticultural costs	1,700	1,262
Communications and IT	766	709
Site costs	975	1,117
Other operating expenses	2,115	1,435
	<b>12,234</b>	<b>9,862</b>

\*No employee related maintenance expenses are included in the maintenance category.

\*\*\$285,717 for consulting and \$215,172 for professional services expense in FY2022-23.

Expenses incurred for the project OneCrown initiatives, being one-third share of the expenses paid by RGCRM, are invoiced to Northern Metropolitan Cemeteries Land Manager and Southern Metropolitan Cemeteries Land Manager in equal proportion.

**2 Expenses excluding losses (cont'd)****Recognition and measurement****Maintenance expense**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

**Cost of sales**

Licence sales cost of goods sold are recognised as and when a sale occurs. Monument cost of sales are recognised when the costs for materials/service charges are incurred.

**(c) Depreciation and amortisation expense**

	2023 \$'000	2022 \$'000
<b>Depreciation</b>		
Buildings	424	569
Infrastructure systems	230	261
Plant and equipment	508	481
Right-of-use assets	262	39
<b>TOTAL</b>	<b>1,424</b>	<b>1,350</b>

Refer to notes 10 and 21 for recognition and measurement policies on depreciation and amortisation.

**(d) Finance costs**

	2023 \$'000	2022 \$'000
Interest expense from lease liabilities	16	4
<b>TOTAL</b>	<b>16</b>	<b>4</b>

**Recognition and measurement**

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

**3 REVENUE**

**Recognition and measurement**

Revenue 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. Comments regarding the accounting policies for the recognition of income are discussed below.

**(a) Sales of goods and services from contracts with customers**

	2023 \$'000	2022 \$'000
<b>Sale of goods</b>		
-Interment licences	18,619	16,610
-Monument products	2,144	1,866
-Stonemasons' permits	740	603
<b>Subtotal of sale of goods</b>	<b>21,503</b>	<b>19,079</b>
<b>Rendering of services</b>		
-Interment services	6,289	6,739
-Government interment levies	170	180
-Monument works	455	307
-Annual and abiding care	175	78
-Administration and other income	207	119
-Chapel services	118	106
-Exhumations	-	47
-Cremation services	87	87
<b>Subtotal of rendering of services</b>	<b>7,501</b>	<b>7,663</b>
	<b>29,004</b>	<b>26,742</b>

**Recognition and measurement**

**Sale of goods**

Revenue from sale of goods is recognised as when RGCRLM satisfies a performance obligation by transferring the promised goods.

Type of good	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Interment licences	The performance obligation of transferring the right of interment is typically satisfied at the point in time that payment and all necessary documents have been received from the customer.  Payments from customers are typically received in advance of the right to inter being provided.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.

**3 Revenue (cont'd)**

Monument products	The performance obligation of delivering and installing a completed monument is typically satisfied when the customer confirms that the monument product delivered is acceptable.  Payments from customers are typically received in advance of the monumental product being delivered except in instances when the total contract value exceeds \$5,000, in which case 50% is payable in advance and the remainder is payable when the monument product is delivered.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Stonemasons permits	The performance obligation of issuing a permit is typically satisfied when the works proposed by the customer are approved by RGCRLM.  Payments from customers are typically due 7 days after the date the permit is issued.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.

**Rendering of services**

Revenue from rendering of services is recognised when RGCRLM satisfies the performance obligation by transferring the promised services.

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Interment services	The performance obligations in relation to interment services are typically satisfied when the interment event has occurred.  Payments from customers are typically received either in advance or at the time of service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Government interment services	The performance obligations in relation to interment services are typically satisfied when the interment event occurs.  Payments from customers are typically received either in advance or at the time of service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Monument works	The performance obligation of completing works on a monument is typically satisfied when the customer confirms that the monument works delivered are acceptable.  Customer payments are typically received in advance of the monument works starting except in instances when the total contract value exceeds \$5,000, in which case 50% is payable in advance and the remainder is payable when the monument works delivered are accepted by the customer.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.

**3 Revenue (cont'd)**

Annual and abiding care	The performance obligations in relation to annual and abiding care is typically satisfied on an on-going basis over a 12 month period. As the performance obligation is over time (a 12 month period), the revenue from abiding care recognised at the end of the year achieves that basis.  The revenue from annual care recognised on receipt is not material and recognition on this basis will not materially impact the financial statements.  Payments from customers are typically received in advance of service provision.	Revenue from these sales is recognised based on the price specified in the contract and at the point when payment is received, in the case of annual care, or at the end of the financial year, in the case of abiding care.
Administration and other income	The performance obligations in relation to administration services is typically satisfied when the service activities are completed for the customer and payment is received.  Payments from customers are typically received at the time of service provision.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Chapel services	The performance obligations in relation to chapel services is typically satisfied when the service is delivered.  Payments from customers are typically received either in advance or at the time of service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Exhumations	The performance obligations in relation to exhumation services is typically satisfied when the service is delivered.  Payments from customers are typically received either in advance of service provision.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.
Cremation services	The performance obligations in relation to cremation services is typically satisfied when the service is delivered.  Payments from customers are typically received either in advance or at the time of service provision with exception to some customers that have access to 7-day payment terms.	Revenue from these sales is recognised based on the price specified in the contract and at the point that the performance obligation is satisfied.

Refer to Note 15 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when RGCRM expects to recognise the unsatisfied portion as revenue.

**3 Revenue (cont'd)****(b) Investment revenue**

	2023 \$'000	2022 \$'000
Net gain / (loss) from TCorp IM Funds measured at fair value through profit or loss	14,811	(19,538)
Rental income	390	249
Dividend income	-	195
Interest income from financial assets at fair value through profit and loss	4,309	4,707
	<b>19,510</b>	<b>(14,387)</b>

**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).

**Rental income**

Rental income arising from a licence agreement is accounted for based on sales generated each month or on a straight-line basis.

**Dividend income**

Dividend income is recognised when RGCRM's right to receive payment has been established.

**4 GAINS / (LOSSES) ON DISPOSAL****(b) Investment revenue**

	2023 \$'000	2022 \$'000
Net gain on disposal of property, plant & equipment	96	93
	<b>96</b>	<b>93</b>

**5 CASH AND CASH EQUIVALENTS**

	2023 \$'000	2022 \$'000
Cash at bank and on hand	8,483	6,579
	<b>8,483</b>	<b>6,579</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes 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.

Refer Note 21 for details regarding credit risk and market risk arising from financial instruments.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 6 RECEIVABLES

	2023 \$'000	2022 \$'000
Trade receivables from contracts with customers	1,399	876
Less Allowance for expected credit losses*		
-Trade receivables from contracts with customers	(28)	(10)
<b>Net trade receivable</b>	<b>1,371</b>	<b>866</b>
Prepayments	222	260
Other debtors	-	84
	<b>1,593</b>	<b>1,210</b>

\*Movement in the allowance for expected credit loss

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	(10)	(8)
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	(18)	(2)
Balance at the end of the year	<b>(28)</b>	<b>(10)</b>

#### 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

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

#### Impairment

RGCRM 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 RGCRM expects to receive, discounted at the original effective interest rate.

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

Details regarding credit risk of trade receivables are shown in note 21.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 7 INVENTORIES

	2023 \$'000	2022 \$'000
<i>Held-for-resale</i>		
Materials and goods for resale at cost	77	116
Interment sites at cost	7,285	3,881
Mausoleum and crypts at cost	26	197
Work in progress at cost	1,143	2,756
	<b>8,531</b>	<b>6,950</b>

#### Materials and goods for resale

Materials and goods for resale are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Costs are assigned on a first-in, first-out basis.

#### Interment sites

Interment sites are valued at the lower of the cost of development and net realisable value. The cost of the interment sites is recognised in the income statement on the signing of an unconditional contract of sale and the issuance of a burial licence. Effective control of the interment site is passed to the buyer at this point. Cost of good sold is determined by reference to average cost of section development cost per unit of interment site within each section/area.

#### Mausoleums and crypts

Mausoleums and crypts are valued at the lower of the cost of development and net realisable value. The cost of the mausoleum or crypt is recognised in the income statement on the signing of an unconditional contract of sale and the issuance of a burial licence. Effective control of the mausoleum or crypt site is passed to the buyer at this point. Cost of good sold is determined by reference to average cost of section development cost per unit of the mausoleum or crypt within each section/area.

#### Construction contracts and work in progress

Construction contracts and works in progress are valued at the cost of materials and supplies utilised.

As projects are relatively short-term in nature, costs are brought to account on completion and once accepted by the buyer.

### 8 FINANCIAL ASSETS AT FAIR VALUE

	2023 \$'000	2022 \$'000
TCorpIM Long Term Income Fund	190,169	171,366
TCorpIM Short Term Income Fund	8,482	8,173
	<b>198,651</b>	<b>179,539</b>

Refer to Note 21 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

**8 Financial assets at fair value (cont'd)****Recognition and measurement**

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

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

All 'regular way' purchases or sales of financial assets 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.

**Classification and measurement**

RGCRM's financial assets at fair value are classified, at initial recognition, as subsequently measured at either fair value through other comprehensive income or fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried at other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

**9 OTHER FINANCIAL ASSETS**

	2023 \$'000	2022 \$'000
Other loans and deposits	193	192
	<b>193</b>	<b>192</b>

Refer to Note 21 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

**Recognition and measurement**

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

Other financial assets are initially measured at fair value plus any transaction cost.

**Subsequent measurement**

Financial assets at amortised cost

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

**Impairment**

RGCRM 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 RGCRM expects to receive, discounted at the original effective interest rate.

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, RGCRM considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

**10 PROPERTY, PLANT AND EQUIPMENT**

	Land and Buildings	Plant and Equipment	Infra-structure Systems	Total \$'000
<b>At 1 July 2022 - fair value</b>				
Gross carrying amount	44,271	7,336	6,405	58,012
Accumulated depreciation and impairment	(8,450)	(5,671)	(4,594)	(18,715)
Net carrying amount	35,821	1,665	1,811	<b>39,297</b>
<b>At 30 June 2023 - fair value</b>				
Gross carrying amount	43,427	7,775	8,314	59,516
Accumulated depreciation and impairment	(7,063)	(5,794)	(5,398)	(18,255)
Net carrying amount	36,364	1,981	2,916	<b>41,261</b>
<b>Year ended 30 June 2023</b>				
Net carrying amount at beginning of year	35,821	1,665	1,811	39,297
Additions	641	827	1,237	2,705
Disposals	-	(3)	-	(3)
Net revaluation increments less revaluation decrements	326	-	98	424
Depreciation expense	(424)	(508)	(230)	(1,162)
Other movements - expensing of previous planning works from work-in-progress	-	-	-	-
Net carrying amount at end of year	36,364	1,981	2,916	<b>41,261</b>
<b>At 1 July 2021 - fair value</b>				
Gross carrying amount	44,604	6,170	4,159	54,933
Accumulated depreciation and impairment	(10,124)	(5,338)	(2,769)	(18,231)
Net carrying amount	34,480	832	1,390	<b>36,702</b>
<b>At 30 June 2022 - fair value</b>				
Gross carrying amount	44,271	7,336	6,405	58,012
Accumulated depreciation and impairment	(8,450)	(5,671)	(4,594)	(18,715)
Net carrying amount	35,821	1,665	1,811	<b>39,297</b>
<b>Year ended 30 June 2022</b>				
Net carrying amount at beginning of year	34,480	832	1,390	36,702
Additions	101	1,314	130	1,545
Disposals	-	-	-	-
Net revaluation increments less revaluation decrements	1,814	-	641	2,455
Depreciation expense	(569)	(481)	(261)	(1,311)
Other movements - expensing of previous planning works from work-in-progress	(5)	-	(89)	(94)
Net carrying amount at end of year	35,821	1,665	1,811	<b>39,297</b>

**10 Property, plant and equipment (cont'd)****Recognition and measurement****Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

**Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$1,000 and above individually (or forming part of a network costing more than \$1,000) are capitalised.

**Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

**Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**Depreciation of property, plant and equipment**

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to RGCRLM.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

	Depreciation rates	
	2023 % pa	2023 % pa
Buildings	2.5-5.0	2.5-5.0
Plant and equipment	5-33.3	5-33.3
Infrastructure systems	5-20.0	5-20.0

**Right-of-use assets acquired by lessees**

RGCRLM has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 11

**Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09). This policy adopts fair value in accordance with AASB 13, AASB 116 and AASB 140 Investment Property.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-

**10 Property, plant and equipment (cont'd)**

political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, relevant observable inputs and minimise unobservable inputs. Also refer to Note 12 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. RGCRLM conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for infrastructure assets.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. RGCRLM has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

**Impairment of property, plant and equipment**

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

RGCRLM assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, RGCRLM estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

**10 Property, plant and equipment (cont'd)**

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

**11 LEASES****(a) Entity as a lessee**

RGCRLM leases an office space for use by the OneCrown amalgamation. The lease term is for 3 years and is due to expire on 30 April 2025 with an option to extend the lease by an additional 3 years. RGCRLM does not provide residual value guarantees in relation to the lease.

The extension option held is exercisable only by RGCRLM and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Potential future cash outflows of \$689,000 have not been included in the lease liability because it is not reasonably certain that the lease will be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

RGCRLM has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less.

**Right-of-use assets under leases**

The following table presents right-of-use assets that do not meet the definition of investment property.

	Land and Buildings	Plant and Equipment	Infra-structure Systems	Total \$'000
<b>Balance at 1 July 2022</b>	747	-	-	<b>747</b>
Additions	-	-	-	-
Depreciation expense	(262)	-	-	<b>(262)</b>
<b>Balance at 30 June 2023</b>	<b>485</b>	-	-	<b>485</b>
<b>Balance at 1 July 2021</b>	-	-	-	-
Additions	787	-	-	<b>787</b>
Depreciation expense	(39)	-	-	<b>(39)</b>
<b>Balance at 30 June 2022</b>	<b>747</b>	-	-	<b>747</b>

## Notes to the financial statements

for the financial year ended 30 June 2023

### 11 Leases (cont'd)

#### Lease liabilities

The following table presents liabilities under leases, including leases in respect of investment properties.

	2023 \$'000	2022 \$'000
<b>Balance at 1 July 2022</b>	578	-
Additions	-	591
Interest expense	16	4
Payments	(212)	(17)
<b>Balance at 30 June 2023</b>	<b>382</b>	<b>578</b>

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where RGCRM is the lessee:

	2023 \$'000	2022 \$'000
Depreciation expense of right-of-use assets	262	39
Interest expense on lease liabilities	16	4
Expenses relating to short-term leases	-	11
<b>Total amount recognised in the statement of comprehensive income</b>	<b>278</b>	<b>54</b>

RGCRM had total cash outflows for leases of \$211,764 in FY2022-23 (FY2021-22: \$17,437).

#### (b) Entity as a lessor

RGCRM's investment properties are leased to tenants operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

#### Lessor for operating leases

RGCRM has entered into an operating lease agreement as a lessor starting from 31 October 2022 for a period of five years. Future minimum rentals receivable (undiscounted) under non-cancellable operating leases as at 30 June are, as follows:

	2023 \$'000	2022 \$'000
Within one year	360	120
Later than one year and not later than five years		
Two to three years	360	-
Three to four years	360	-
Four to five years	360	-
Later than five years	120	-
<b>Total (excluding GST)</b>	<b>1,560</b>	<b>120</b>

#### Recognition and measurement - lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its

## Notes to the financial statements

for the financial year ended 30 June 2023

### 11 Leases (cont'd)

operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 12 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

#### Fair value measurement and hierarchy

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

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, RGCRM categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that RGCRM can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

RGCRM recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	2023	Level 1	Level 2	Level 3	Total
<b>Property, plant and equipment (Note 10)</b>					
Land and buildings				36,364	<b>36,364</b>
Plant and equipment				1,980	<b>1,980</b>
Infrastructure systems				2,917	<b>2,917</b>
<b>TOTAL</b>		-	-	<b>41,261</b>	<b>41,261</b>

	2022	Level 1	Level 2	Level 3	Total
<b>Property, plant and equipment (Note 10)</b>					
Land and buildings				35,821	<b>35,821</b>
Plant and equipment				1,665	<b>1,665</b>
Infrastructure systems				1,811	<b>1,811</b>
<b>TOTAL</b>		-	-	<b>39,297</b>	<b>39,297</b>

#### (b) Valuation techniques, inputs and processes

Fair value of RGCRM's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by management and Finance Risk and Audit Committee at each reporting date.

RGCRM engages external, independent and qualified valuers to determine the fair value of its land and building assets on a regular basis. The last comprehensive valuation on land and buildings was completed on

## Notes to the financial statements

for the financial year ended 30 June 2023

### 12 Fair value measurement of non-financial assets (cont'd)

30 June 2023 by Preston Rowe Paterson.

The appraisal for Crown land was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use.

A significant discount (90%) has been applied to interred land compared to similar land that has not been utilised for this purpose. This discount reflects the impact to the parcel and the resulting significant reduction in utility to unconstrained land. A Fair Value Hierarchy of Level 3 has been adopted for this component.

The value for buildings was derived from current replacement cost that reflects the amount that would be required to replace the service capacity of an asset. For the valuation industry the Replacement Cost is generally understood to mean the estimated cost to construct or acquire, as of the valuation date, a substitute asset of comparable utility, adjusted for obsolescence.

RGCRM engaged Preston Rowe Paterson to provide a desktop valuation of civil works assets. The valuer utilised the depreciated replacement cost approach with unobservable inputs after determining that no active market existed for the types of assets. This approach considered the useful life of each asset in line with industry standards, an expended life for each asset and calculated the remaining useful life. A replacement cost was determined and then depreciated by the expended life to provide an ending fair value as at 30 June 2023. The change in value of the civil works assets was adjusted to reflect the current fair value in the accounts.

Plant and machinery and motor vehicles are considered non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. RGCRM has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

#### (c) Reconciliation of recurring Level 3 fair value measurements

	2023 \$'000	2022 \$'000
<b>Fair value at beginning</b>	39,297	36,702
Additions	2,705	1,545
Disposals	(3)	-
Depreciation movement	(1,162)	(1,311)
Other movements-expensing of previous planning works from work-in-progress	-	(94)
<b>Gains/losses recognised in other comprehensive income:</b>		
Revaluation of crown land	(494)	1,405
Revaluation of buildings	820	409
Revaluation of civil works	98	641
<b>Fair value at end</b>	<b>41,261</b>	<b>39,297</b>

## Notes to the financial statements

for the financial year ended 30 June 2023

### 13 PAYABLES

	2023 \$'000	2022 \$'000
Accrued salaries, wages and on-costs	98	79
Creditors	903	355
Other creditors and accruals	722	1,059
	<b>1,723</b>	<b>1,493</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 21.

#### Recognition and measurement

Payables represent liabilities for goods and services provided to RGCRM and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

### 14 PROVISIONS

#### Employee benefits and related on-costs

	2023 \$'000	2022 \$'000
Annual leave-current	1,052	995
Long service leave-current	630	614
Long service leave-non-current	427	354
	<b>2,109</b>	<b>1,963</b>

	2023 \$'000	2022 \$'000
Annual leave obligations expected to be settled after 12 months	245	232
Long service leave obligations expected to be settled after 12 months	996	849
	<b>1,241</b>	<b>1,081</b>

#### Other provisions

	2023 \$'000	2022 \$'000
Make-good provisions	160	160
	<b>160</b>	<b>160</b>

RGCRM entered into a lease agreement for office premises to be used as part of the OneCrown amalgamation process. The lease term is for 3 years and is due to expire on 30 April 2025. At this date, RGCRM will incur costs to dismantle the improvements made at the start of the lease designed to make the premises suitable for use by OneCrown. A suitable estimate was made that the cost of dismantling would be \$160,000.

**14 Provisions (cont'd)****Aggregate employee benefits and related on-costs**

	2023 \$'000	2022 \$'000
Provisions-current	1,681	1,609
Provisions-non-current	427	354
Accrued salaries, wages and on-costs (Note 13)	98	79
	<b>2,206</b>	<b>2,042</b>

**Movements in other provisions**

	2023 \$'000	2022 \$'000
Carrying amount at 1 July 2022	160	160
Additional provisions recognised	-	-
<b>Carrying amount at 30 June 2023</b>	<b>160</b>	<b>160</b>

**Recognition and measurement****Employee benefits and related on-costs****Salaries and wages, annual leave and sick leave**

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 17.5% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. RGCRLM has assessed the actuarial advice based on RGCRLM's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where RGCRLM does not expect to settle the liability within 12 months as RGCRLM does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

**Long service leave and superannuation**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the effects of discounting and future wage levels. Expected future payments are discounted using the Commonwealth Government bond rate at the reporting date.

RGCRLM pays contributions to certain superannuation funds as per Superannuation Guarantee (Administration) Act 1992. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. The Land Manager has no obligation to pay further contributions to these Funds.

**14 Provisions (cont'd)****Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

**Other provisions**

Provisions are recognised when: RGCRLM has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When RGCRLM expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and RGCRLM has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

RGCRLM determined that the effect of the time value of money is immaterial.

**15 CONTRACT ASSETS AND LIABILITIES**

	2023 \$'000	2022 \$'000
Contract liabilities-current	1,456	1,421
Contract liabilities-non-current	-	99
	<b>1,456</b>	<b>1,520</b>

**Recognition and measurement**

Contract liabilities relate to consideration received in advance from customers in respect of monument works. Additionally, historically prepaid ash interments and abiding care are also included. The balance of contract liabilities at 30 June 2023 was impacted by the ability of RGCRLM to finalise monumental work to the satisfaction of the customer with whom the contract has been made.

**16 BORROWINGS**

	2023 \$'000	2022 \$'000
Current lease liability	212	195
Non-current lease liability	170	383
	<b>382</b>	<b>578</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 21.

**Recognition and measurement**

Borrowing represents interest bearing liabilities mainly raised through NSW Treasury Corporation, lease liabilities, service concession arrangement liabilities and other interest bearing liabilities.

**17 EQUITY****Revaluation surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with RGCRLM's policy on the revaluation of property, plant and equipment as discussed in Note 10.

**Accumulated funds**

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

**Reserves**

Separate revenue accounts are recognised in the financial statements only if such accounts are required by specific legislation or AAS (e.g. revaluation surplus and foreign currency translation reserve).

**18 COMMITMENTS****Capital commitments**

There are no capital commitments at 30 June 2023

**19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities as at 30 June 2022 and as at 30 June 2023.

**20 RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES TO NET RESULT**

Reconciliation of net surplus for the year to net cash flow from operations

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Net cash from operating activities	4,723	7,964
Depreciation and amortisation expense	(1,424)	(1,350)
Decrease / (increase) in provisions	(166)	(427)
Increase / (decrease) in prepayments and other assets	21,061	(13,313)
Decrease / (increase) in payables	(210)	(780)
Decrease / (increase) in contract liabilities	64	(160)
Net gain / (loss) on sale of property, plant and equipment	96	93
<b>Surplus / (deficit) for the year</b>	<b>24,144</b>	<b>(7,973)</b>

**21 FINANCIAL INSTRUMENTS**

RGCRLM's principal financial instruments are outlined below. These financial instruments arise directly from RGCRLM's operations. RGCRLM does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

RGCRLM's main risks arising from financial instruments are outlined below, together with RGCRLM's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Administrator 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 the risks faced by RGCRLM, to set risk limits and controls and to monitor risks.

**21 Financial instruments (cont'd)**

Compliance with policies is reviewed by RGCRLM on a continuous basis.

<b>Class</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	
			<b>2023</b>	<b>2022</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	5	Amortised cost	8,483	6,579
Receivables*	6	Amortised cost	1,371	866
Financial assets at fair value	8	Fair value through profit or loss - mandatory classification	198,651	179,539
Other financial assets	9	Amortised cost	193	192
<b>Financial liabilities</b>				
Payables**	13	Financial liabilities measured at amortised cost	(903)	(355)

Notes

\* Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

\*\* Excludes statutory payables and unearned revenue (not within scope of AASB 7).

**(b) Derecognition of financial assets and 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 RGCRLM 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:

- RGCRLM has transferred substantially all the risks and rewards of the asset; or
- RGCRLM has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When RGCRLM has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where RGCRLM has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of RGCRLM's continuing involvement in the asset. In that case, RGCRLM also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that RGCRLM has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that RGCRLM could be required to repay.

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

**(c) Financial risks****(i) Credit risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to RGCRLM. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

**21 Financial instruments (cont'd)**

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

Credit risk associated with RGCRLM's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

RGCRLM considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, RGCRLM may also consider a financial asset to be in default when internal or external information indicates that RGCRLM is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by RGCRLM.

**Cash and cash equivalents**

Cash comprises cash on hand and bank balances within the 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. The TCorpIM Cash Fund is discussed in market risk below.

**Accounting policy for impairment of trade receivables**

Collectability of trade receivables is reviewed on an ongoing basis.

RGCRLM applies the AASB 9 simplified approach to measuring 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 expected loss rates re based on payment profiles of sales over a period of 12 months.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 365 days past due.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables:

		0-30 days due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2023</b>	<b>Current</b>					
Expected loss rate	0.00%	1.38%	0.00%	0.00%	32.92%	
Gross carrying around (\$'000)	820	479	27	9	64	<b>1,399</b>
Loss allowance (\$'000)	0	7	0	0	21	<b>28</b>
<b>30 June 2022</b>	<b>Current</b>					
Expected loss rate	0.00%	6.62%	0.00%	0.00%	0.70%	
Gross carrying around (\$'000)	647	138	32	-	59	<b>876</b>
Loss allowance (\$'000)	-	9	-	-	0	<b>10</b>

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the sum of the receivables total in Note 6.

RGCRLM is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2023 and 2022.

**21 Financial instruments (cont'd)****(ii) Liquidity risk**

Liquidity risk is the risk that RGCRLM will be unable to meet its payment obligations when they fall due. RGCRLM 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 overdrafts, loans and other advances.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. RGCRLM's 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.

The table below summarises the maturity profile of RGCRLM's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

30 June 2023	Interest Rate Exposure			Maturity		
	Weighted Average Effective Rate	Nominal Amount \$'000	Fixed Interest Rate \$'000	Non-interest Bearing \$'000	< 1 Year \$'000	1 - 5 Years \$'000
<b>Trade and other payables</b>	0.0%	(903)	-	(903)	(903)	-
<b>Lease liabilities</b>	3.5%	(382)	(382)	-	(212)	(170)

30 June 2022	Interest Rate Exposure			Maturity		
	Weighted Average Effective Rate	Nominal Amount \$'000	Fixed Interest Rate \$'000	Non-interest Bearing \$'000	< 1 Year \$'000	1 - 5 Years \$'000
<b>Trade and other payables</b>	0.0%	(355)	-	(355)	(355)	-
<b>Lease liabilities</b>	3.5%	(578)	(578)	-	(195)	(383)

**(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. RGCRLM's exposures to market risk are primarily through interest rate risk on RGCRLM's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. RGCRLM has no exposure to foreign currency risk and does not enter into commodity contracts.

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 RGCRLM operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

**Other price risk - TCorpIM Funds**

Exposure to 'other price risk' primarily arises through the investment in the TcorpIM funds, which are held for

## Notes to the financial statements

for the financial year ended 30 June 2023

### 21 Financial instruments (cont'd)

strategic rather than trading purposes. RGCRLM has no direct equity investments. RGCRLM holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2023 \$'000	2022 \$'000
TCorpIM Short-term Income Fund	Cash and fixed income	1.5 to 3 years	8,482	8,173
TCorpIM Long-term Growth Fund	Cash and fixed income, credit, equities, alternative assets, real assets	7 years and over	190,169	171,366

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits RGCRLM's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of a change in the unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

Facility	Change in Unit Price	Impact on net result/ equity	
		2023 \$'000	2022 \$'000
TCorpIM Short-term	+/-10%	848	817
TCorpIM Long-term	+/-10%	19,017	17,137

#### (d) Fair value measurement

##### (i) Fair value recognised in the statement of financial position

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

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, RGCRLM categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1-quoted (unadjusted) prices in active markets for identical assets / liabilities that RGCRLM can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

## Notes to the financial statements

for the financial year ended 30 June 2023

### 21 Financial instruments (cont'd)

RGCRLM recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

30 June 2023 Financial assets measured at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
TCorpIM Long-term Growth Fund	-	190,169	-	190,169
TCorpIM Short-term Growth Fund	-	8,482	-	8,482
	-	<b>198,651</b>	-	<b>198,651</b>

30 June 2022 Financial assets measured at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
TCorpIM Long-term Growth Fund	-	171,366	-	171,366
TCorpIM Short-term Growth Fund	-	8,173	-	8,173
	-	<b>179,539</b>	-	<b>179,539</b>

The value of the TCorpIM Funds is based on RGCRLM's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds facilities are valued using 'redemption' pricing.

## 22 RELATED PARTY DISCLOSURES

The entities key management personnel compensation are as follows:

	2023 \$'000	2022 \$'000
Short-term employee benefit	944	1,194
Post-employment benefits	70	124
Long-term employee benefit	9	37
Termination benefits	-	23
<b>Total remuneration</b>	<b>1,023</b>	<b>1,378</b>

RGCRLM entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions, in aggregate are a significant portion of the entities sale of goods/rendering of services/receiving of services.

Payments to Cemeteries and Crematoria NSW for levy

Payments to Rookwood Necropolis Land Manager for levy

Payments to and from Northern Metropolitan Cemeteries Land Manager

Payments to and from Southern Metropolitan Cemeteries Land Manager

## 23 EVENTS AFTER THE REPORTING PERIOD

On 23 June 2023, the NSW Lands and Property Minister, Stephen Kamper, announced the amalgamation of Rookwood General, Northern Metropolitan and Southern Metropolitan cemeteries effective 1 July 2023 under the new name of Metropolitan Memorial Parks. This decision amalgamates the operations, assets, and liabilities of Northern Metropolitan and Southern Metropolitan cemeteries into Rookwood General Cemetery on 1 July 2023.

### End of Audited Financial Statements.

# Southern Metropolitan Cemeteries Land Manager Financial Report 2023

ABN 13 806 606 081

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## INDEPENDENT AUDITOR'S REPORT Southern Metropolitan Cemeteries Land Manager

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Southern Metropolitan Cemeteries Land Manager (the Land Manager), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

### Basis for Opinion

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

I am independent of the Land Manager in accordance with the requirements of the:

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

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

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

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

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

**Administrator's Responsibilities for the Financial Statements**

The Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Administrator's responsibility also includes such internal control as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administrator is responsible for assessing the Land Manager'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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

- that the Land Manager 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  
Delegate of the Auditor-General for New South Wales

4 October 2023  
SYDNEY

**Statement by Accountable Authority**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018 ('the Act')*, I state that these financial statements:

- Have been prepared in accordance with Australian Accounting Standards and the applicable requirement of the Act, the Government Sector Finance Regulations 2018, and the Treasures directions, and
- Present fairly Southern Metropolitan Cemeteries Land Manager's financial position, financial performance and cash flows.



Ken Morrison  
Administrator  
Metropolitan Memorial Parks Land Manager

3rd October 2023

## Statement of Comprehensive Income

for the financial year ended 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
<b>Expenses excluding losses</b>			
Employee-related expenses	2(a)	11,993	10,915
Operating expenses	2(b)	8,513	9,721
Depreciation and amortisation	2(c)	4,650	3,943
<b>Total expenses excluding losses</b>		<b>25,156</b>	<b>24,579</b>
<b>Income</b>			
Sale of goods and services from contracts with customers	3(a)	23,818	26,967
Investment revenue (loss)	3(b)	11,366	(8,237)
Grants and other contributions	3(c)	13	90
<b>Total revenue</b>		<b>35,197</b>	<b>18,820</b>
<b>Net income/(loss)</b>		<b>10,041</b>	<b>(5,759)</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus of property, plant and equipment		4,459	4,918
<b>Total other comprehensive income</b>		<b>4,459</b>	<b>4,918</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>14,500</b>	<b>(841)</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

for the financial year ended 30 June 2023

	Notes	30 June 2023 \$'000	30 June 2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	14,919	21,136
Receivables	5	1,362	2,128
Contract assets	6	1,912	1,987
Inventories	7	15,932	16,184
<b>Total current assets</b>		<b>34,125</b>	<b>41,435</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	8	107,755	97,101
<b>Property, plant and equipment</b>			
- Land and building		45,829	35,455
- Plant and equipment		7,219	6,251
- Infrastructure systems		23,336	20,370
- Capital work in progress		370	4,804
<b>Total property, plant and equipment</b>		<b>76,754</b>	<b>66,880</b>
Right-of-use assets	11	8	23
Intangibles asset	12	-	1
<b>Total non-current assets</b>		<b>184,517</b>	<b>164,005</b>
<b>Total assets</b>		<b>218,642</b>	<b>205,440</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	1,677	2,575
Lease liabilities	14	4	15
Provisions	15	1,450	1,344
Contract liabilities	6	5,313	5,699
<b>Total current liabilities</b>		<b>8,444</b>	<b>9,633</b>
<b>Non-current liabilities</b>			
Lease liabilities	14	4	9
Provisions	15	167	271
<b>Total non-current liabilities</b>		<b>171</b>	<b>280</b>
<b>Total liabilities</b>		<b>8,615</b>	<b>9,913</b>
<b>Net assets</b>		<b>210,027</b>	<b>195,527</b>
<b>EQUITY</b>			
Accumulated funds	16	155,206	145,165
Reserves		54,821	50,362
<b>Total equity</b>		<b>210,027</b>	<b>195,527</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the financial year ended 30 June 2023

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
<b>Balance at 1 July 2022</b>		<b>145,165</b>	<b>50,362</b>	<b>195,527</b>
<b>Net result for the year</b>		10,041	-	10,041
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment		-	4,459	4,459
<b>Total comprehensive income for the year</b>		10,041	4,459	14,500
<b>Balance at 30 June 2023</b>		<b>155,206</b>	<b>54,821</b>	<b>210,027</b>

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
<b>Balance at 1 July 2021</b>		<b>150,924</b>	<b>45,444</b>	<b>196,368</b>
<b>Net result for the year</b>		(5,759)	-	(5,759)
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment		-	4,918	4,918
<b>Total comprehensive income for the year</b>		(5,759)	4,918	(841)
<b>Balance at 30 June 2022</b>		<b>145,165</b>	<b>50,362</b>	<b>195,527</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(12,030)	(11,027)
Suppliers for goods and services		(10,476)	(11,883)
<b>Total payments</b>		<b>(22,506)</b>	<b>(22,910)</b>
<b>Receipts</b>			
Sale of goods and services		26,965	29,124
Interest received		146	14
Grants		-	90
Dividends received		-	7,861
<b>Total receipts</b>		<b>27,111</b>	<b>37,089</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>19</b>	<b>4,605</b>	<b>14,179</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale property, plant and equipment		101	160
Proceeds from sale of financial assets		-	117,875
Purchase of property plant and equipment		(10,908)	(3,954)
Purchase of financial assets		-	(112,869)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(10,807)</b>	<b>1,212</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		(15)	(19)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(15)</b>	<b>(19)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>(6,217)</b>	<b>15,372</b>
Opening cash and cash equivalents		<b>21,136</b>	<b>5,764</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>4</b>	<b>14,919</b>	<b>21,136</b>

The accompanying notes form part of these financial statements.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting entity**

Southern Metropolitan Cemeteries Land Manager (SMCNSW) is a NSW government entity and is controlled by the State of New South Wales.

SMCNSW is incorporated under the Crown Lands Management Act 2016 and operates under the Cemeteries and Crematoria Act 2013 (NSW).

SMCNSW is primarily involved in the provision of burial, cremation and memorialisation services for the public.

SMCNSW is a not-for-profit entity (as profit is not its principal objective) and there are no distribution of proceeds. The delivery of burial and cremation services is a charitable purpose.

On 23 June 2023, the NSW Lands and Property Minister, Stephen Kamper, announced the amalgamation of Rookwood General Cemetery, Northern Metropolitan Land Manager and SMCNSW effective 1 July 2023 under the new name of Metropolitan Memorial Parks Land Manager. This decision amalgamates the operations, assets, and liabilities of Northern Metropolitan and SMCNSW into Rookwood General Cemetery on 1 July 2023.

**(b) Basis of preparation**

SMCNSW's financial statements are general purpose financial statements which have been prepared on an accruals basis, and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and certain financial assets and liabilities are measured on a fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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 one thousand dollars and are expressed in Australian currency, which is SMCNSW's 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 the SMCNSW as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(e) Comparative information**

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

**(f) Changes in accounting policies, including new or revised AAS**

The accounting policies applied in the preparation of this financial report are consistent with those of the

**1. Statement of significant accounting policies (cont'd)**

previous financial year unless otherwise stated.

i. Effective for the first time in FY2022-23

There are no changes as a result of adoption of any new accounting standard.

ii. Issued but not yet effective

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

**2. EXPENSES EXCLUDING LOSSES****(a) Employee related expenses:**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including annual leave)	10,230	9,472
Superannuation - defined contribution plans	931	866
Long service leave	(89)	(4)
Fringe benefits tax	18	108
Workers' compensation insurance	903	473
	<b>11,993</b>	<b>10,915</b>

The amount of employee related costs that have been capitalised, in particular property, plant and equipment or intangible assets accounts, and therefore excluded from the above is \$nil in 2023 (\$10k in 2022).

**(b) Other operating expenses include the following:**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of sales	2,489	2,595
Maintenance	312	305
Insurance	378	291
Consulting and professional services*	333	166
Marketing	119	74
Temporary staff	435	853
Motor vehicles	104	105
Utilities	259	188
Cleaning	431	317
Information technology	1,182	971
Communications	201	204
Legal fees	102	70
Investment and bank fees	76	214
Security	143	133
Training	64	52
Recruitment	146	27

## Notes to the financial statements

for the financial year ended 30 June 2023

### 1. Statement of significant accounting policies (cont'd)

#### (b) Other operating expenses (cont'd)

Waste and rubbish	54	152
Grounds operations	311	190
OneCrown costs**	-	1,632
Other operating expenses ***	1,374	1,182
	<b>8,513</b>	<b>9,721</b>

\* Within the expense Consulting and professional services in 2023 \$197k related to consultancy matters and, \$136k related to professional services matters.

\*\*Expenses paid by Rookwood General Cemeteries Reserve Land Manager (RGCRLM for the project One Crown Initiatives, being one-third share, are invoiced to SMCNSW and are equally proportionate among the three land managers (RGCRLM, SMCNSW and Northern Metropolitan Cemeteries Land Manager). In 2023 these expenses (\$3.254m) were incurred but were recognised in specific accounts to which they relate.

\*\*\* Within other operating expenses in 2023 is included auditor's remuneration of \$116k for the audit of the Financial Statements. All of this amount relates to audit of the 2023 Financial Statements (\$nil relates to the audit of prior year Financial Statements), (2022: \$177k relates to the audit of Financial Statements, represented by \$125k relating to the audit of the 2022 Financial Statements and \$52k relating to the audit of prior year Financial Statements)

Total maintenance expenditure is further explained as follows:

	2023 \$'000	2022 \$'000
Maintenance expense-contracted labour and other non-employee related, as above	312	305
Employee related maintenance expense included in Note 2(a)	3,207	2,566
	<b>3,519</b>	<b>2,871</b>

#### Recognition and measurement

##### Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

##### Insurance

SMCNSW's insurance activities are conducted through an independent Insurance Broker. Property assets are protected under an Industrial Special Risks Policy and additional insurance cover is held for public and product liability, cyber, motor fleet, management liability, voluntary workers and business travel insurance,

##### Consultants

SMCNSW regards a consultant as a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision making by management. The advisory nature of this work differentiates these consultants from other contractors. Consultant's expenses are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 1. Statement of significant accounting policies (cont'd)

#### (c) Depreciation and amortisation expense

	2023 \$'000	2022 \$'000
<b>Depreciation</b>		
Buildings	1,060	573
Infrastructure systems	2,260	2,169
Plant and equipment	1,315	1,182
Right-of-use asset	15	19
	<b>4,650</b>	<b>3,943</b>

Refer to Note 9 for recognition and measurement policies on depreciation and amortisation.

## 3. INCOME

#### Recognition and measurement

Revenue 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.

Comments regarding the accounting policies for the recognition of revenue are discussed below.

#### (a) Sales of goods and services from contracts with customers

	2023 \$'000	2022 \$'000
<b>Sale of goods</b>		
Sales of goods-Cemetery	12,448	15,463
Sales of goods-Crematorium	4,568	4,740
<b>Sub-total sale of goods</b>	<b>17,016</b>	<b>20,203</b>
<b>Rendering of services</b>		
Rendering of services-Cemetery	5,085	4,701
Rendering of services-Crematorium	1,717	2,063
<b>Sub-total rendering of services</b>	<b>6,802</b>	<b>6,764</b>
	<b>23,818</b>	<b>26,967</b>

#### Recognition and measurement

##### Sale of goods

Revenue from sale of goods is recognised when SMCNSW satisfies a performance obligation by transferring the promised goods.

**3. Income (cont'd)**

Type of good	Nature of timing of satisfaction of performance obligation	Revenue recognition policies
Interment Rights	The performance obligation of transferring the interment right is typically satisfied at the point in time that full payment and all necessary documents have been received from the customer. Payments from customers are typically received in advance of the grant of the interment right (or in certain cases upon the completion of an instalment payment plan).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Plaque and related memorialisation products	The performance obligation of delivering and installing a plaque is typically satisfied when the customer confirms the product is acceptable. Payments from customers are typically received in advance of the delivery of the product.	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied

**Rendering of services**

Revenue from rendering of services is recognised when SMCNSW satisfies the performance obligation by transferring the promised services.

Type of good	Nature of timing of satisfaction of performance obligation	Revenue recognition policies
Interment Services	The performance obligation in relation to interment services is typically satisfied when the interment event occurs. Payments from customers are typically received in advance of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Cremation Services	The performance obligation in relation to cremation services is typically satisfied when the cremation service is delivered. Payments from customers are typically received in advance of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied
Chapel Services	The performance obligation in relation to chapel services is typically satisfied when the chapel service is delivered. Payments from customers are typically received in advance of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied

**3. Income (cont'd)**

Exhumations	The performance obligation in relation to exhumation services is typically satisfied when the service is delivered. Payments from customers are typically received in advance of service provision.	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied
Administration Services	The performance obligation in relation to services of an administrative nature is typically satisfied when the service activity is completed. Payments from customers are typically received at the time of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied

For each contract with a customer, SMCNSW identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Refund liabilities are recognised where SMCNSW receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which SMCNSW does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

The recognition of revenue in accordance with AASB15 requires each distinct performance obligation within a contract to be identified and revenue allocated to each performance obligation based on a reasonable estimate of their "stand alone prices". Where possible, a direct "stand alone" price for a performance obligation has been applied. However, often these contracts will have been entered into many years ago and information as to "stand alone" prices may not be available. SMCNSW has therefore applied reasonable methods of estimation of "stand alone" prices including reference to price indices and third-party price information.

Refer to Note 6 for additional information in relation to SMCNSW contract liabilities providing revenue from the rendering of services including disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when SMCNSW expects to recognise the unsatisfied portion as revenue.

**(b) Investment revenue**

	2023 \$'000	2022 \$'000
Interest income from financial assets at amortised cost	146	14
Rental income	465	402
Dividend income*	2,262	3,474
Net gains/(losses) from financial assets at fair value through profit or loss	8,493	(12,127)
	<b>11,366</b>	<b>(8,237)</b>

\* Dividend income includes dividends which were immediately reinvested in the acquisition of further investments (not received in cash). In 2023 all dividends were reinvested in this manner (in TCorpIM Long Term Fund) (2022: \$2.602m)

## Notes to the financial statements

for the financial year ended 30 June 2023

### 3. Income (cont'd)

#### 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).

##### Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

##### Dividend income

Dividend income is recognised when the SMCNSW's right to receive the payment has been established.

#### (c) Grants

	2023 \$'000	2022 \$'000
Other grants with sufficiently specific performance obligations	13	90
	<b>13</b>	<b>90</b>

#### Recognition and measurement

SMCNSW has been provided with a NSW Government Grant with specific performance obligations – to complete a research project and a Funeral Director portal for its website. This grant was provided as part of the NSW Government Serving Communities Program. Income from these grants will be recognised when these performance obligations involving project completion are satisfied.

Revenue from this grant is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

SMCNSW received government contributions in relation to COVID-19. SMCNSW typically satisfies its performance obligations when wages are paid to employees. Revenue from these contributions is recognised based on the wages amount specified in the COVID-19 measures introduced by the federal government, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The funding payments are usually received shortly after the relevant obligation is satisfied.

### 4. CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
Cash at bank and on hand	14,919	21,136
	<b>14,919</b>	<b>21,136</b>

For the purpose of the statement of cash flows, cash and cash equivalents includes cash at bank and cash on hand.

Refer Note 20 for details regarding credit risk and market risk arising from financial instruments.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 5. RECEIVABLES

	2023 \$'000	2022 \$'000
Trade receivables from contracts with customers	887	1,666
Other receivables	213	144
	<b>1,100</b>	<b>1,810</b>
Prepayments	262	318
	<b>1,362</b>	<b>2,128</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 20.

#### Recognition and measurement

All 'regular way' purchases or sales of financial assets 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

SMCNSW 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.

For trade receivables, SMCNSW applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. Given the terms of many contractual arrangements, the ECL is not material.

### 6. CONTRACT ASSETS AND LIABILITIES

	2023 \$'000	2022 \$'000
Contract assets – current	1,912	1,987
Contract liabilities – current	5,313	5,699

#### Recognition and measurement

##### Contract assets

Contract assets relate to the SMCNSW's right to receive consideration in exchange for goods transferred or services provided to customers, or to works completed, but not billed at the reporting date in respect of:

- The entitlement held by SMCNSW to receive the redemption value of funds held by funeral plan management companies which are payable to SMCNSW on the performance of the plans contracted events.
- The right held by SMCNSW to recover an interment right when SMCNSW acts in relation to its current business policy of processing valid requests for refund and surrender of interment rights.

The balance of contract assets recognised by SMCNSW was impacted by normal business factors in 2023 and fell by \$75,000 in the course of the year as a result of the occurrence of normal business levels of the redemption of funeral plan management contracts (as services covered by those agreements occur) and the surrender of interment rights.

**6. Contract assets and liabilities (cont'd)****Contract liabilities**

Contract liabilities relate to consideration received in advance from customers in respect of:

- Services which are agreed to be performed under prepaid funeral management contracts. SMCNSW will defer recognition of revenue until the time the performance obligations are satisfied (whether, most commonly, they be interment services, cremation services or the placement of ashes with plaque).
- SMCNSW deliverables including:
  - o Interment rights – An interment right is the right to be committed in a designated space in a cemetery in perpetuity. The specific site is allocated at the time of signing the contract. Upon receipt of full payment, a certificate of exclusive right of interment is issued to the customer. Revenue is recognised at this time of grant of right of interment to the customer.
  - o Crematorium services – Revenue is recognised at the time the service is performed.
  - o Memorialisation services – Revenue is recognised at the time the memorialisation is installed.
- Contracts with customers in which deliverables are “bundled” together, often with an interment right. These additional deliverables may include a headstone, candilli, granite tablet, plaque and placement and/or lettering. Each distinct performance obligation within these “bundled” contracts has been identified and revenue allocated to each performance obligation based on a reasonable estimate of their standalone alone prices. Revenue is then recognised when each of the performance obligations is satisfied.
- The surrender of interment rights where SMCNSW has a current business policy of processing valid requests for refunds of interment rights. Consideration that is expected to be returned as a refund is recorded as a contract liability, and not as revenue.

The balance of contract liabilities recognised by SMCNSW was impacted by normal business factors in 2023 and fell by \$0.4m in the course of the year as a result of the performance of services which were the subject of the contract liabilities.

**Contract liabilities – other features**

	2023 \$'000	2022 \$'000
Revenue recognised included in the contract liability balance at year beginning	1,780	1,455
Transaction price allocated to remaining performance obligations from contracts with customers	5,313	5,699

The transaction price allocated to the remaining performance obligations relates to funeral plan contracts, payment plan contracts and cemetery and crematorium contracts with customers. Of these amounts 31% is expected to be recognised as revenue in the 2023-24 financial year and 6% in the 2024-25 financial year, with the remainder recognised in succeeding years as performance obligations are delivered in the remainder of contracts.

**Perpetual care of monuments**

SMCNSW is a party to a series of customer contracts (287 in number) entered before 2008 which require a place of burial to be maintained in perpetuity in accordance with Regulation 50 for The Management of Woronora General Cemetery (1935). SMCNSW must expend on each of these places of burial an amount equal to 5% of the original sum paid by the customer. SMCNSW has recognised a contract liability in respect of these perpetual obligations at an amount equivalent to the net present value of the amount required in perpetuity to meet these perpetual care obligations.

**7. INVENTORIES**

	2023 \$'000	2022 \$'000
<i>Held-for-resale</i>		
Crypts and mausoleums (at cost)	2,996	3,904
Grave foundations and beams (at cost)	5,403	5,794
Garden memorialisations (at cost)	1,322	491
Inventory work in progress (at cost)	2,355	2,139
Future developed areas (at cost)	3,856	3,856
	<b>15,932</b>	<b>16,184</b>

**Recognition and measurement**

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Inventory which is surrendered to SMCNSW as part of its surrender and revocation policy is recognised at the replacement cost SMCNSW incurs to acquire the asset.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The current inventory balance is based on the inventory items available for sale held primarily for the purpose of trading.

**8. FINANCIAL ASSETS AT FAIR VALUE**

	2023 \$'000	2022 \$'000
TCorpIM Long Term Fund	107,755	97,101
	107,755	97,101

Refer to Note 20 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

**Recognition and measurement**

All ‘regular way’ purchases or sales of financial assets 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 timeframe established by regulation or convention in the marketplace.

**Classification and measurement**

The entity’s financial assets at fair value are classified, at initial recognition, as subsequently measured at fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 8. Financial assets at fair value (cont'd)

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses) except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

## 9. PROPERTY, PLANT AND EQUIPMENT

Total property, plant and equipment - all held and used by SMCNSW

	Land and Buildings	Plant and Equipment	Infra-structure Systems	WIP	Total \$'000
<b>At 1 July 2021 – fair value</b>					
Gross carrying amount	32,315	6,432	21,608	1,760	62,115
Accumulated depreciation and impairment	(1,064)	-	-	-	(1,064)
Net carrying amount	<b>31,251</b>	<b>6,432</b>	<b>21,608</b>	<b>1,760</b>	<b>61,051</b>
<b>Year ended 30 June 2022</b>					
Net carrying amount at beginning of year	31,251	6,432	21,608	1,760	61,051
Purchases of assets	-	596	-	4,705	5,301
Disposals	-	(373)	-	-	(373)
Net revaluation increments less decrements	4,777	141	-	-	4,918
Depreciation expense	(573)	(1,182)	(2,169)	-	(3,924)
Transfers in/(out)	-	636	931	(1,661)	(94)
Net carrying amount at end of year	<b>35,455</b>	<b>6,250</b>	<b>20,370</b>	<b>4,804</b>	<b>66,879</b>
<b>At 1 July 2022 – fair value</b>					
Gross carrying amount	35,455	7,432	22,539	4,804	70,230
Accumulated depreciation and impairment	-	(1,182)	(2,169)	-	(3,351)
Net carrying amount	<b>35,455</b>	<b>6,250</b>	<b>20,370</b>	<b>4,804</b>	<b>66,879</b>
<b>Year ending 30 June 2023</b>					
Net carrying amount at beginning of year	35,455	6,250	20,370	4,804	66,879
Purchases of assets	-	-	-	10,192	10,192
Disposals	-	(189)	-	-	(189)

## Notes to the financial statements

for the financial year ended 30 June 2023

### 9. Property, plant and equipment (cont'd)

Net revaluation increments less decrements	(1,495)	1,110	4,844	-	4,459
Depreciation expense	(1,060)	(1,315)	(2,260)	-	(4,635)
Transfers in/(out)	12,929	1,363	382	(14,626)	48
Net carrying amount at end of year	45,829	7,219	23,336	370	76,754
<b>At 1 July 2023 – fair value</b>					
Gross carrying amount	45,829	7,219	23,336	370	76,754
Accumulated depreciation and impairment	-	-	-	-	-
Net carrying amount	<b>45,829</b>	<b>7,219</b>	<b>23,336</b>	<b>370</b>	<b>76,754</b>

#### Recognition and measurement

##### Acquisition of property, plant and equipment

Items of property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e., deferred payment amount is effectively discounted over the period of credit. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

##### Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$500 and above individually (or forming part of a network costing more than \$500) are capitalised.

##### Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

##### Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

##### Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the SMCNSW. All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

Class of fixed asset	Useful life	Depreciation rate
Buildings	10 to 40 years	2.5% to 10%
Office furniture and equipment	3 to 10 years	10% to 33%
Motor vehicles	5 years	20%
Roadwork and grounds	5 to 20 years	5% to 20%

**9. Property, plant and equipment (cont'd)****Right-of-use assets acquired by lessees**

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. SMCNSW has elected to present right-of-use assets separately in the Statement of Financial Position. Further information on leases is contained at Note 11.

**Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper. This policy adopts fair value in accordance with AASB 13, AASB 116 and AASB 140 Investment Property.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. SMCNSW conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of specialised property, plant and equipment. The last comprehensive revaluation for different classes of assets completed is listed below and was based on an independent assessment.

Class of fixed asset	Independent Valuer	Date of Valuation
Land	Preston Rowe Paterson Sydney Pty Ltd	30 June 2022
Buildings	Preston Rowe Paterson Sydney Pty Ltd	30 June 2022
Infrastructure systems	Preston Rowe Paterson Sydney Pty Ltd	30 June 2021
Plant and equipment	Preston Rowe Paterson Sydney Pty Ltd	30 June 2021

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

**9. Property, plant and equipment (cont'd)****Impairment of property, plant and equipment**

SMCNSW assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

**10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS****a) Fair value measurement and hierarchy**

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

When measuring fair value the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

SMCNSW recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**Fair value hierarchy**

	Level 3 \$'000	Total \$'000
<b>2023</b>		
<b>Property, plant and equipment (Note 9)</b>		
Land and buildings	45,829	45,829
Plant and equipment	7,219	7,219
Infrastructure systems	23,336	23,336
WIP	370	370
	<b>76,754</b>	<b>76,754</b>

## 10. Fair value measurement of non-financial assets (cont'd)

	Level 3 \$'000	Total \$'000
<b>2022</b>		
<b>Property, plant and equipment (Note 9)</b>		
Land and buildings	35,455	35,455
Plant and equipment	6,251	6,251
Infrastructure systems	20,370	20,370
WIP	4,804	4,804
	<b>66,880</b>	<b>66,880</b>

## (b) Valuation techniques, inputs and processes

Fair value of SMCNSW's main property assets is estimated based on appraisals performed by independent, professionally qualified property valuers. Significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value assumptions are reviewed by management and the Finance Risk and Audit Committee at each reporting date.

SMCNSW engages external, independent and qualified valuers to determine the fair value of its land and building assets on a regular basis. The last comprehensive valuation was completed on 30 June 2023 by Preston Rowe Paterson Sydney Pty Limited (Preston Rowe).

This valuation of Crown Land was carried out using a market approach that reflects observed prices for recent market transactions for appropriate reference properties and incorporates adjustments for factors specific to the land in question (including current use). The adjustments include those for interred land compared to similar land that has not been utilised for this purpose and reflect the significant reduction in utility possessed by this interred land in comparison to unconstrained land.

## (c) Reconciliation of recurring Level 3 fair value measurements

	Land and Buildings	Plant and Equipment	Infra- structure Systems	WIP	Total \$'000
<b>Fair value as at 1 July, 2022</b>	35,455	6,251	20,370	4,804	66,880
Additions	-	-	-	10,192	10,192
Revaluation increments recognised in Comprehensive Income	(1,495)	1,110	4,844	-	4,459
Disposals	-	(189)	-	-	(189)
Depreciation expense	(1,060)	(1,315)	(2,260)	-	(4,635)
Transfers in/(out)	12,929	1,362	382	(14,626)	47
<b>Fair value as at 30 June, 2023</b>	<b>45,829</b>	<b>7,219</b>	<b>23,336</b>	<b>370</b>	<b>76,754</b>
<b>Fair value as at 1 July, 2021</b>	31,251	6,432	21,608	1,760	61,051
Additions	-	596	-	4,705	5,301
Revaluation increments recognised in Comprehensive Income	4,777	141	-	-	4,918
Disposals	-	(373)	-	-	(373)
Depreciation expense	(573)	(1,182)	(2,169)	-	(3,924)
Transfers in/(out)	-	637	931	(1,661)	(93)
<b>Fair value as at 30 June, 2022</b>	<b>35,455</b>	<b>6,251</b>	<b>20,370</b>	<b>4,804</b>	<b>66,880</b>

## 11. LEASES

## a) Entity as lessee

SMCNSW has leases for office equipment. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The lease of office equipment is limited to 3 to 5 years. Lease payments are generally fixed and are not dependent on any index or rate.

Lease contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. SMCNSW does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the SMCNSW and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No future cash outflows have been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

## Right of use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

	Plant and equipment	Total \$'000
Balance at 1 July 2022	23	23
Depreciation expense	(15)	(15)
Balance at 30 June 2023	<b>8</b>	<b>8</b>
Balance at 1 July 2021	42	42
Depreciation expense	(19)	(19)
Balance at 30 June 2022	<b>23</b>	<b>23</b>

## Lease liabilities

The following table presents liabilities under leases.

	2023 \$'000	2022 \$'000
Balance at 1 July	24	43
Payments	(16)	(19)
Balance at 30 June	<b>8</b>	<b>24</b>

**11. Leases (cont'd)**

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2023 \$'000	2022 \$'000
Depreciation expense of right of use assets	15	19
<b>Total amount recognised in the statement of comprehensive income</b>	<b>15</b>	<b>19</b>

SMCNSW had total cash outflows for leases of \$15,575 in FY2022-23 (FY2021-22: \$19,764).

**Recognition and measurement**

SMCNSW assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

SMCNSW recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

**i. Right-of-use assets**

SMCNSW recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3 to 5 years

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. SMCNSW assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

**ii. Lease liabilities**

At the commencement date of the lease, SMCNSW recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees.
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they

**11. Leases (cont'd)**

are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that SMCNSW would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

SMCNSW's lease liabilities are included in borrowings.

**b) Entity as a lessor**

SMCNSW's properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for the contracts include CPI increases. For one of the arrangements, fees are payable if certain thresholds are achieved or sales completed; a marketing and promotional contribution in the form of catering credits is available; an allowance has been agreed for capital contributions and a discount for staff and functions has been agreed. For another arrangement, a capital contribution has been agreed and a discount for staff has been agreed. Although the entity is exposed to changes in the residual value at the end of current leases, the entity typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

**Lessor for operating leases**

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are, as follows:

	2023 \$'000	2022 \$'000
Within one year	437	452
Later than one year and not later than 5 years		
One to two years	281	408
Two to three years	76	264
Three to four years	-	71
Four to five years	-	-
<b>Total (excluding GST)</b>	<b>794</b>	<b>1,195</b>

**Recognition and measurement - lessor for operating leases**

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income.

**12. INTANGIBLE ASSETS**

	Software \$'000	Other Categories \$'000	Total \$'000
<b>At 1 July 2021</b>			
Cost (gross carrying amount)	-	1	1
<b>Net carrying amount</b>	-	<b>1</b>	<b>1</b>
<b>Year ended 30 June 2022</b>			
Net carrying amount at beginning of year	-	1	1
<b>Net carrying amount at end of year</b>	-	<b>1</b>	<b>1</b>
<b>At 1 July 2022</b>			
Cost (gross carrying amount)	-	1	1
<b>Net carrying amount</b>	-	<b>1</b>	<b>1</b>
<b>Year ended 30 June 2023</b>			
Net carrying amount at beginning of year	-	1	1
Other movements (transfer to expense)	-	(1)	(1)
<b>Net carrying amount at end of year</b>	-	-	-
<b>At 30 June 2023</b>			
Cost (gross carrying amount)	-	-	-
<b>Net carrying amount</b>	-	-	-

**Recognition and measurement**

SMCNSW recognises intangible assets only if it is probable that future economic benefits will flow to SMCNSW and the cost of the asset can be measured reliably.

Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for SMCNSW's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be finite.

SMCNSW's intangible assets are amortised using the straight-line method over a period of 2 to 5 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

**13. PAYABLES**

	2023 \$'000	2022 \$'000
Accrued salaries, wages and on costs	182	143
Creditors	651	1,634
Accruals	844	798
	<b>1,677</b>	<b>2,575</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 20.

**Recognition and measurement**

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

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

**14. LEASE LIABILITIES**

	2023 \$'000	2022 \$'000
Lease liabilities	8	24
Current	4	15
Non-Current	4	9
	<b>8</b>	<b>24</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 20.

**Recognition and measurement**

Details relating to the accounting policies applied to leases of which SMCNSW is lessee are set out in Note 11.

**Changes in liabilities arising from financing activities**

	Leases \$'000	Total \$'000
At 1 July 2021	43	43
Cash flows	(19)	(19)
<b>30 June 2022</b>	<b>24</b>	<b>24</b>
At 1 July 2022	24	24
Cash flows	(16)	(15)
<b>30 June 2023</b>	<b>8</b>	<b>9</b>

**15. PROVISIONS**

	2023 \$'000	2022 \$'000
<b>Employee benefits and related on costs</b>		
Annual leave	865	778
Long service leave	704	793
RDO leave	47	44
	<b>1,616</b>	<b>1,615</b>
Current annual leave obligations expected to be settled after 12 months	264	275
Current long service leave obligations expected to be settled after 12 months	506	511
	<b>770</b>	<b>786</b>
<b>Aggregate employee benefits and related on costs</b>		
Provisions – current	1,450	1,344
Provisions – non-current	167	271
Accrued salaries, wages and on costs (Note 13)	182	142
	<b>1,799</b>	<b>1,757</b>

**Recognition and measurement****Employee benefits and related on-costs****Salaries and wages, annual leave and sick leave**

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits*.

The entity has assessed its circumstances and determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

**Long service leave and superannuation**

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth Government bond rate at the reporting date.

**Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of workers' compensation insurance premiums and fringe benefits tax.

**16. EQUITY****Revaluation surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the SMCNSW's policy on the revaluation of property, plant and equipment as discussed in Note 9.

**Accumulated funds**

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

**17. COMMITMENTS**

	2023 \$'000	2022 \$'000
<b>Capital Commitments</b>		
Aggregate capital expenditure for activities of inventory development and asset enhancement (contracted at balance date and not provided for):		
Within one year	100	7,932
Later than one year and not later than five years	-	-
Later than 5 years	-	-
<b>Total (including GST)</b>	<b>100</b>	<b>7,932</b>

**18. CONTINGENT LIABILITIES**

On 15 December 2016, the business entered into a Deed of Agreement with La Perouse Local Aboriginal Land Council and the New South Wales Aboriginal Land Council, the principal obligations being to grant Security Burial Rights, establish an Aboriginal Cemetery and grant Promised Burial Rights. It was envisaged that the obligations would be fulfilled within a three-year period. Delays have been experienced with regards to the rezoning of the area. A variation to the Deed with an extended timeframe has been negotiated and executed on 18 May 2020.

The Variation amended the Promised Burial Rights all parties agreeing that it means 125 burial licences, less any Security Burial Rights that have been used by La Perouse LALC in relation to burial places in the Aboriginal Cemetery, to be granted under the Deed. To date, 17 interments have occurred. 125 Burial Licences have been reserved in the inventory of Eastern Suburbs Memorial Park. This is an interim measure awaiting the fulfillment of the delivery of the intended Aboriginal Cemetery at Bumborah Point. The estimated financial effect of this measure if the remaining 108 burial positions are delivered is foregone revenue of \$1.24 million.

**19. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT**

	2023 \$'000	2022 \$'000
<b>Net cash from operating activities</b>	<b>4,605</b>	<b>14,179</b>
Depreciation and amortisation expense	(4,651)	(3,943)
Decrease/(increase) in provisions	(2)	111
Increase/(decrease) in prepayments and other assets	(993)	613
Increase/(decrease) in contract assets	(75)	(71)
Decrease/(increase) in payables	7	(88)
Decrease/(increase) in contract liabilities	386	90
<b>Distributions from Investments (reinvested)</b>	<b>2,262</b>	<b>-</b>
<b>Net gain/(Loss) on sale of property, plant and equipment and financial assets</b>	<b>8,502</b>	<b>(16,650)</b>
<b>Net result</b>	<b>10,041</b>	<b>(5,759)</b>

**20. FINANCIAL INSTRUMENTS**

SMCNSW's principal financial instruments are outlined below. These financial instruments arise directly from the SMCNSW's operations or are required to finance SMCNSW's operations. SMCNSW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

SMCNSW's main risks arising from financial instruments are outlined below, together with SMCNSW's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Administrator 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 the risks faced by SMCNSW to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the entity on a continuous basis.

**(a) Financial instrument categories**

Financial Assets Class	Note	Category	2023 \$'000	2022 \$'000
Cash and cash equivalents	4	Amortised cost	14,919	21,136
Receivables	5	Amortised cost	1,100	1,810
Financial assets at fair value through profit or loss	8	Fair value through profit or loss	107,755	97,101
<b>Financial Liabilities Class</b>				
Payables	13	Financial liabilities measured at amortised cost	1,677	2,575
Lease liabilities	14	Financial liabilities measured at amortised cost	8	24

SMCNSW determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

**20. Financial instruments (cont'd)****(b) Derecognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if SMCNSW 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:

- SMCNSW has transferred substantially all the risks and rewards of the asset; or
- SMCNSW has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When SMCNSW has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

Where SMCNSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of SMCNSW's continuing involvement in the asset.

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

**(c) Financial risks****(i) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to SMCNSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

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

Credit risk associated with SMCNSW financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

SMCNSW considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

**Cash and cash equivalents**

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances.

**Accounting policy for impairment of trade debtors and other financial assets**

Collectability of trade debtors is reviewed on an ongoing basis.

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

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

There was no allowance for expected credit losses for the trade debtors as at 30 June 2023.

**(ii) Liquidity risk**

Liquidity risk is the risk that SMCNSW will be unable to meet its payment obligations when they fall due. SMCNSW 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. The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 20. Financial instruments (cont'd)

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 TC11-12. 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.

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

#### Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate \$'000	Nominal Amount <sup>1</sup> \$'000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non-interest Bearing \$'000	< 1 yr	1 - 5 yrs	> 5 yrs
<b>2023</b>								
Payables	0.00%	1,677	-	-	1,677	1,677	-	-
Lease liabilities	1.11%	8	8	-	-	-	8	-
<b>2022</b>								
Payables	0.00%	2,575	-	-	2,575	2,575	-	-
Lease liabilities	1.32%	24	24	-	-	-	24	-

#### Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which SMCNSW can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

#### (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. SMCNSW exposure to market risk arises primarily through fluctuations in the equity prices of investments (comprising listed shares and managed funds). Further exposure to market risk arises in relation to interest rate risk on SMCNSW bank balances and cash held on deposit for which interest is earned at floating rates and for term deposits.

The effect on profit and equity due to a reasonably possible change in this risk variable is outlined in the information below - for equity price risk and interest rate 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 2023. The analysis assumes that all other variables remain constant.

#### (iv) 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 SMCNSW's cash balances.

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.

## Notes to the financial statements

for the financial year ended 30 June 2023

### 20. Financial instruments (cont'd)

	2023 -1% \$'000	2023 1% \$'000	2022 -1% \$'000	2022 1% \$'000
Net result	(125)	125	(13)	179
Equity	(125)	125	(13)	179

#### (v) Other price risk – TCorpIM funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM funds which are held for strategic rather than trading purposes. The entity has no direct equity investments at year end. The entity holds units in the following TCorpIM Fund trusts:

Facility	Investment Horizon	Investment Sector	2023 \$'000	2022 \$'000
TCorpIM Long Term	7 years and over	Cash and Fixed Income, credit, equities	107,755	97,101

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for the above facility is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for reach of the investment facilities, which is used to demonstrate the impact on the funds net assets as a result of a change in the unit price. The impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at Fair Value through profit or loss and therefore any change in Unit price impacts directly on net results.

Facility	Change in Unit Price	Impact on net result/ equity	
		2023 \$'000	2022 \$'000
TCorpIM Long Term	+/-10%	10,776	9,710

#### (d) Fair value measurement

##### (i) Fair value compared to carrying amount

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

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. Investments in equities and managed funds are carried at the fair value provided

**20. Financial instruments (cont'd)**

by quoted market prices.

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

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

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

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**Financial assets at fair value 2023**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
TCorp IM Long-term Growth Fund	-	107,755	-	107,755
	-	<b>107,755</b>	-	<b>107,755</b>

**Financial assets at fair value 2022**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
TCorp IM Long-term Growth Fund	-	97,101	-	97,101
	-	<b>97,101</b>	-	<b>97,101</b>

Of total gains (or losses) included in the net result, a gain of \$8.384m (loss of \$10.502m in FY2021-22) relates to unrealised gains (losses) relating to assets held at the end of the reporting period.

**21. RELATED PARTY DISCLOSURE**

The compensation provided to the key management personnel of SMCNSW is as follows:

	2023 \$'000	2022 \$'000
Short term employee benefits	917	1,375
Non-monetary benefits	(993)	613
Other long term employee benefits	27 9	177
Post-employment benefits	70	164
Termination benefits	-	288
	<b>1,023</b>	<b>2,004</b>

**21. Related party disclosure (cont'd)**

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

SMCNSW did enter into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the entities rendering and receiving of services and involve:

- Payments to Cemeteries and Crematoria NSW for levy
- Payments to and from Rookwood General Cemeteries Reserve Land Manager
- Payments to and from Northern Metropolitan Cemeteries Land Manager

**22. EVENTS AFTER REPORTING DATE**

On 23 June 2023, the NSW Lands and Property Minister, Stephen Kamper, announced the amalgamation of Rookwood General, Northern Metropolitan and Southern Metropolitan cemeteries effective 1 July 2023 under the new name of Metropolitan Memorial Parks. This decision amalgamates the operations, assets and liabilities of Northern Metropolitan and Southern Metropolitan cemeteries into Rookwood General Cemetery on 1 July 2023.

**GLOSSARY**

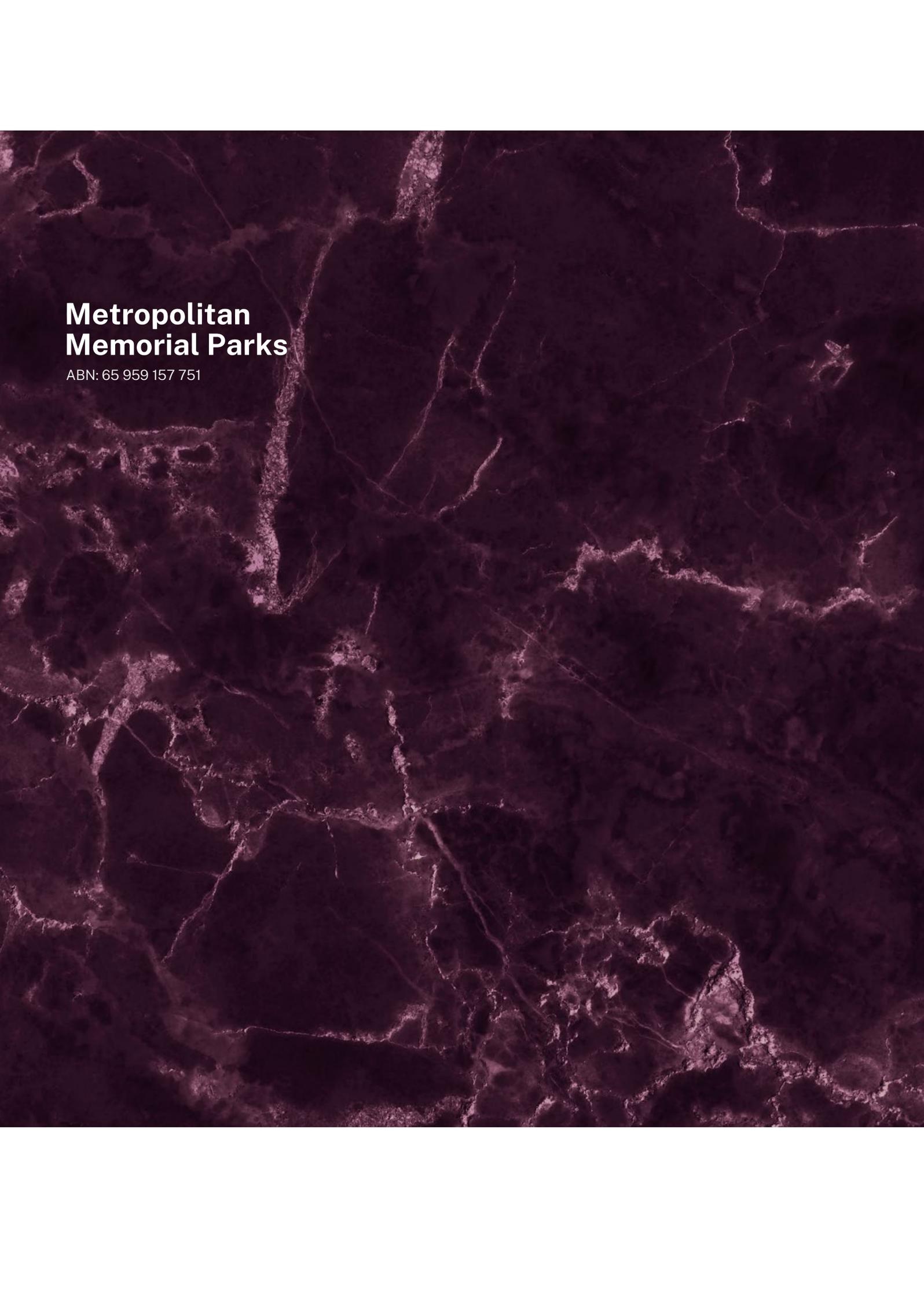
AFTER	Australian Facility for Taphonomic Experimental Research facility
APES	Accounting Professional and Ethical Standards
ATO	Australian Taxation Office
CCNSW	Cemeteries and Crematoria NSW
EAP	Employee Assistance Program
ECLs	Expected Credit Losses
FDA	Funeral Directors Association
FRAC	Finance, Risk and Audit Committee
GSA	Government Sector Finance Act
GST	Goods and Services Tax
IIS	Interment Industry Scheme
IPART	Independent Pricing and Regulatory Tribunal
MLG	Multifaith Liaison Group
NSW	New South Wales
NMC	Northern Metropolitan Cemeteries Land Manager
RGC	Rookwood General Cemeteries Reserve Land Manager
RNLM	Rookwood Necropolis Land Manager
SMCNSW	Southern Metropolitan Cemeteries Land Manager
The Act	<i>Cemeteries and Crematoria Act</i>
PoM	Plans of Management
UTS	University of Technology Sydney
WHS	Work, Health and Safety

## Disclosure Index

This Annual Report complies with the legislative guidelines developed by CCNSW and NSW Treasury.

<b>CCNSW Reporting Guidelines (2021)</b>	<b>Page Reference</b>
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# Metropolitan Memorial Parks

ABN: 65 959 157 751