

ANNUAL REPORT

20 18



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ABOUT THIS REPORT

The Rookwood General Cemeteries Reserve Trust (RGCRT) 2018 Annual Report provides information pertaining to the Trust's operational and financial performance for the 2017/18 financial year. It complies with the legislative guidelines established by Cemeteries and Crematoria NSW (CCNSW) and NSW Treasury.

All Annual Reports developed by RGCRT can be found on our website under Corporate Governance – www.rookwoodcemetery.com.au.



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Primary Contact

George Simpson
 Chief Executive Officer

Hours of Operation

Monday to Friday 0730 – 1700
 Saturday to Sunday 0900 – 1500



1. YEAR IN REVIEW

COMMUNITIES SERVICED

- Anglican
- Armenian
- Assyrian
- Chinese
- Druze
- Estonian
- German
- Greek
- Indochinese
- Jewish
- Khmer
- Latvian
- Lutheran
- Mandaean
- Maori
- Methodist
- Muslim
- Non-Denominational
- Orthodox - Macedonian
- Orthodox - Russian
- Orthodox - Serbian
- Presbyterian
- Public
- Salvation Army
- Syrian
- Ukrainian

SERVICES

- 2,064 interments conducted
- 1,712 allotments sold
- 1,418 monumental and inscription permits processed
- 448 new monumental projects completed
- 179 monuments repaired to address safety concerns
- 107 historic monuments conserved and repaired, including WW1 soldier and nurse memorials
- 22 conservation projects completed for external organisations

DEVELOPMENTS

- 11 new interment areas developed
- 8 new infrastructure developments undertaken
- 15 rejuvenation projects completed

FINANCIALS

- \$1.6 million invested in capital expenditure to improve Rookwood and our services
- \$11 million surplus generated

GOVERNANCE

- 6 Administrator meetings held
- 6 Audit and Risk Committee meetings held
- 4 Community Advisory Committee meetings held
- 3 Heritage Advisory Committee meetings held
- 2 Soil Committee meetings held

ENGAGEMENT INITIATIVES

- 238 stakeholder meetings held
- 22 stakeholder events held
- 40 new stakeholder networks established
- 35 public events held
- 369 instances of media coverage
- 5,649 new Facebook fans (total 23,800)
- 1,259 new Instagram followers (total 4,503)
- 219,505 website visits

OUR PEOPLE

- 90 employees (27 female and 63 male)
- 511 employee development opportunities
- 20 employee engagement events held
- 10 employee newsletters distributed



1.1 MESSAGE FROM THE ADMINISTRATOR



BACKGROUND

My appointment as Administrator of Rookwood General Cemeteries Reserve Trust (RGCRT) commenced in 2016, following the resignation of RGCRT's former Chair and two Board Directors. Concerns were raised by a number of community members into the Governance of the Trust and an independent investigation was conducted on behalf of the then Minister for Primary Industries, the Honourable Niall Blair. As a result of this investigation, a number of recommendations were presented to the RGCRT Executive team and over the last two years I have worked with the Trust to address all areas of concern.

As my tenure with the RGCRT comes to an end, I am pleased to confirm that RGCRT has transformed into a high performing and consultative organisation that has the needs of its communities at its core.

The issues identified in the 2016 governance review have been resolved, a strategic plan has been established, an industry-leading stakeholder engagement program is in place, the financial position of the business is delivering growth within Rookwood's perpetuity fund, and innovative projects are now in place that will continue improving the business overall.

GOVERNANCE AND LEGISLATION

Over the last year RGCRT has demonstrated the ability to meet governance and legislative requirements in a changing landscape. The focus has been on ensuring effective ongoing operations, high levels of client satisfaction and adherence to government and community expectations.

The organisation continued to engage with all levels of Government and started the process of (a) transitioning to a controlled entity in accordance with NSW Treasury, and (b) transitioning from a Trust to a Land Manager in accordance with Department of Industry.

STRATEGY AND LAND

The RGCRT is now one year into the execution of a robust and innovative strategic plan. This plan focuses on delivering quality interment services to multicultural Sydney and acquiring new land to address the shortage of burial space in Sydney and beyond.

Due to the critical shortage of cemetery land in Sydney, land acquisition has been of utmost importance for myself and the Trust. In 2017 RGCRT entered into a due diligence process to assess the possibility of purchasing Fernhill Estate in Mulgoa. This extensive assessment process was completed to the full satisfaction of internal RGCRT criteria, however the site did not receive the permission to proceed and as such, RGCRT was unable to acquire the land.

While Fernhill is no longer a consideration, the larger program of acquisition and development has continued. Accordingly, RGCRT has continued to research alternative sites that would be suitable for cemetery development, with a number of prospective sites identified.

STAKEHOLDER ENGAGEMENT

Over the last twelve months, the RGCRT has continued to establish strong and collaborative relationships with government, community, industry and public stakeholders.

An organisational structure has been established that ensures seamless interactions between the stakeholder team and the rest of the business, including Marketing, Client Services, R&D and Operations. This has enabled the Trust to respond quickly to stakeholder needs.

We believe we now have developed and implemented the most sophisticated and active stakeholder program in the cemetery industry in NSW.

FINANCIAL POSITION

Last financial year (2016/17), I supported RGCRT to turn around a \$1.2M deficit to a \$3.1M surplus, and this momentum has continued in 2017/18.

The Trust's financial results are testament to the journey the organisation has been on over the last two years. Financial targets have been achieved, which in turn has allowed the Trust to carry out major development projects and improve the services offered to communities.

There has been a strong focus on improving investment capabilities and the pricing issues of the past have been addressed, with community and government stakeholders involved in the implementation of a five-year pricing strategy. This strategy will ensure pricing is affordable for families, improve the Trust's financial position and safeguard Rookwood's perpetuity fund.

INNOVATION

RGCRT is now an organisation that is focused on innovation and over the last 12 months, a number of projects have been initiated to improve organisational efficiencies and meet the needs of stakeholders.

To streamline business processes the team is currently implementing a cemetery-wide information management system to integrate existing systems, enable departments to share resources and remove the need for duplication. Delivery of this new solution is scheduled for completion in 2019.

When it comes to stakeholders, providing sufficient burial space for Rookwood's communities, continues to be the priority. To that end, a soil composition project is underway that could enable families to reuse their family graves for hundreds of years.

As RGCRT moves into the next period, I am confident that the team will continue to push the bounds of innovation, whilst not losing sight of community needs.

Jason Masters

Administrator

Rookwood General Cemeteries Reserve Trust



1.2 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Rookwood General Cemeteries Reserve Trust (RGCRT) is committed to helping the communities of Sydney to farewell and remember their loved ones. Each of these communities has different beliefs and we strive to respect these differences by providing quality and customised services.

Throughout the 2017/18 financial year our focus has been on ensuring effective cemetery operations, whilst implementing a strategic plan that will enable us to meet community needs in the future.

The fundamental aspects of our strategy include the availability of cemetery land, maintaining the heritage of Rookwood, building stronger relationship with stakeholders and creating a collaborative organisational culture.

CEMETERY LAND

In an industry where availability of cemetery land is reaching a critical state, the first year of our strategy focused on addressing this shortage, both within and externally to Rookwood.

Whilst a due diligence process was entered into with a view of acquiring Fernhill Estate in Mulgoa, this strategic target was not approved at a Government level. As a result, RGCRT has revisited its land strategy and continues to search for suitable land at an accelerated rate.

Within the gates of Rookwood, RGCRT continues to work on a number of strategies that will extend the life of Rookwood Cemetery. These strategies include developing new interment areas to meet demand, maximising vertical space by developing crypts and mausolea, and implementing innovative technologies that will enable families to re-use existing space.

For many of Rookwood's communities, burial is the only option. To that end, we are committed to ensuring sufficient burial space long into the future. In addition to this however, to meet the needs of those communities that prefer to cremate, we are planning to implement a cremation service offering. To compliment this offering an extensive renovation to the All Souls Chapel is scheduled for the beginning of 2018/19. This renovation will transform All Souls into a state-of-the-art reflection venue, that is also sympathetic to Rookwood's heritage.

HERITAGE OBLIGATIONS

RGCRT is responsible for the care and management of Australia's oldest working Victorian cemetery. As of 2017, Rookwood has been serving the community for 150 years and as custodian of such a significant site we are committed to conserving its heritage.

Over the last two years we have rejuvenated many of Rookwood's significant structures, including the Elephant House, Serpentine Canal, Circle of Love and Martyrs Memorial. In 2017/18 we also completed the final year of a five-year Monumental Safety and Conservation program, which involved the assessment of every monument within Rookwood. As a part of this program we repaired monuments identified as safety hazards, whilst conserving and maintaining non-hazardous monuments for future generations.

RELATIONSHIPS

Through strong and effective relationships with stakeholders, we are able to better meet the needs of the families that use Rookwood Cemetery. As a result, the team at RGCRT focuses on building relationships with all levels of Government, cemetery industry operators, religious and cultural groups, and the wider community.

Industry

RGCRT has continued to sustain a competitive stance with industry stakeholders and set the benchmark on service delivery. As a result of our strong relationship building, particularly with our funeral directors we have established partnership opportunities for a number of key products. Through this and our advertising initiatives we received phenomenal results in our existing Mausoleum sales in the last quarter of the financial year.

Religious & Cultural Groups

RGCRT has dramatically grown our community events and engagements, which is creating new opportunities in the market. The main objective over the last period has been to include Rookwood's community in pricing and land strategies, with community representatives regularly consulted in regard to these projects.

A major achievement in this area has been negotiations with the Jewish Board of Deputies and the Lebanese Muslim Association. As a result of these collaborations, the Jewish community has transferred their portion of previously allocated space (Lot 10) to the Muslim community, whilst a new portion of land has been granted to the Jewish community.

Wider Community

To celebrate Rookwood's 150th anniversary RGCRT held a range of events and promotions. This includes the development of historic videos, the commencement of historic tours, a community centric open day, and a combination of advertising, PR and social media initiatives. The Trust has also implemented a five-year plan to expand its signature event – HIDDEN, A Rookwood Sculpture Walk, with all employees working together to attract a growing number of visitors to this exhibition.

CULTURE

RGCRT consists of dedicated employees that genuinely care about Rookwood's families. To ensure employees are equipped with the skills to meet community needs, we have continued to provide ongoing learning and development opportunities, including cultural competency training.

Throughout the year the Executive team has strived to engage all employees in the Trust's strategic journey. Ultimately, our aim is to ensure that all employees, no matter their role, deliver the best service possible to Rookwood's communities. This client centric focus will continue into the next period.

George Simpson

Chief Executive Officer

Rookwood General Cemeteries Reserve Trust



1.3 MESSAGE FROM THE DIRECTOR OF CORPORATE SERVICES



2017/18 HIGHLIGHTS

- Generated a total surplus of \$11 million, of which \$6 million is due to investments and \$5 million is a result of operations
- Increased net assets to a total value of \$180 million (including impact of revaluation of assets)

The 2017/18 financial year audit was conducted, by Audit Office of NSW, from 14 to 18 August 2017.

Rookwood General Cemeteries Reserve Trust's focus throughout the 2017/18 financial year has been on refining and improving financial routines and reporting processes.

We addressed the majority of the issues that occurred following the amalgamation of Rookwood's former Trusts in 2012, whilst at the same time preparing for innovation and future growth.

During the last three months of the year, the team implemented a new financial accounting software system, based on the Sage Platform. This was a vital step toward meeting a key component of the Trust's strategic plan, being to develop an efficient IT environment.

REPORTING

During the year the Trust was informed by NSW Treasury that we are a controlled entity. In preparation for this change, we commenced a number of initiatives to ensure the efficient implementation of new procedures, including procurement processes and investments in Treasury Corporation of NSW (Tcorp).

There was a fair amount of work completed in preparation to apply the policies mandated by NSW Treasury and the audit of the Trust's books for the year ended 30th June 2018.

ACHIEVEMENTS

In comparison to last financial year, during FY17/18 the Trust achieved an increase of approximately \$1 million in revenue. This was a direct result of higher sales volumes and a 3 – 6 percent pricing increase, which was agreed by government and community stakeholders.

Again in comparison to the last financial year, the Trust experienced a decrease in surplus, down from \$19 million in FY16/17 to \$11 million in FY17/18. The reason for the decrease was a result of changes implemented in order to comply with NSW Treasury policies. Specifically, there was a one-off recognition of increase in market value through the profit and loss statement to the extent of \$6 million, which occurred in the previous financial year.

Despite this decrease in surplus from year to year, the underlying surplus from operations remains strong. In addition, there are clear steps being taken to further improve and diversify revenue streams and surplus from operations.

In regard to operational cash flow, the finance team have been working closely with each department to ensure a good measure of control. During 2017/18 we achieved \$4.9 million in cash flow from operations, after a cash outflow of \$1.6 million for capital expenditure, which include investments into new vehicles, machinery, an ERP system and infrastructure.

INVESTMENT PORTFOLIO

Our well-balanced investment portfolio performed strongly during the year, generating around nine percent annual return on the average amounts under investment.

We have continued to transition our investments to Tcorp and follow a strict investment policy framework. Our investment portfolio includes a carefully selected range of investments, with potential risks and exposure monitored on a regular basis. We have a long-term view on our investments and accordingly, short term fluctuations in market valuations are managed as and when they arise. We benefit from Tcorp's scale and expertise, diversification of its investments and extremely competitive management fees.

Strong investment returns will continue to support the accumulation of reserves for the future maintenance and preservation of Rookwood Cemetery.

FINANCIAL SUSTAINABILITY

As of 30th of June 2018, RGCRT achieved annual financial targets and is on track to achieve our perpetual maintenance obligations, which will ultimately ensure the long term maintenance and sustainability of Rookwood Cemetery.

We have a well-balanced investment portfolio, adequate liquidity and the balance sheet remains strong. The investment portfolio, which now sits at around \$137 million has institutional, industry and instrument diversification. In total, our net assets are approximately \$180 million.

Harin Rana

Director of Corporate Services

Rookwood General Cemeteries Reserve Trust



2. ROOKWOOD CEMETERY IN PROFILE

The Colonial Secretary for Lands, John Robertson, announced the search for a new cemetery, as the Sydney colony was outgrowing its previous two cemeteries at the sites of Sydney Town Hall and Central Station.

Haslams Creek Cemetery was consecrated to coincide with the closure of Devonshire Street Cemetery. The mortuary train commenced with the consecration of Haslams Creek Cemetery, with twice daily services running from Sydney's Central Station No. 1.

Residents of Haslams Creek began campaigning for a new suburb name to remove the association with the cemetery. Following this, the local railway station and suburb were renamed Rookwood.

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 mortuary train service was officially terminated, after 80 years of operation. In the years that followed, Rookwood's Mortuary Station No.1 fell into disrepair. It was then sold for 100 pounds to Reverend Mr Buckle in 1957.

Rookwood General Cemeteries Reserve Trust was established to unite the former Anglican, General, Independent, Jewish and Muslim Trusts that managed Rookwood.



The Government purchased 200 acres of the Liberty Plains Estate, which was situated 30 minutes from the Sydney CBD, near the newly established Sydney to Parramatta Railway.

A separate funeral terminal from the main Central Station was built at Regent Street Redfern. A similar receiving house, known as the Mortuary Station Receiving House No.1, was also constructed in the cemetery.

Central Station opened on the site of the former Devonshire Street Cemetery, with those interred at the site exhumed and relocated to other cemeteries around the city, including Rookwood.

Regular funeral trains to Rookwood ceased due to the growing popularity of motor vehicles. Following this, trains to Rookwood were only used for visitors on Sundays and Mother's Day.

The volunteer group, Friends of Rookwood, was established to promote Rookwood's heritage and raise funds for the restoration and conservation of the cemetery's historic monuments.

Rookwood Cemetery celebrated its 150th anniversary, with a grand open day and parade uniting the many communities that use Rookwood to farewell and remember their loved ones.



Historic footings of Mortuary Station #1, Rookwood Cemetery



3. OUR ORGANISATION IN PROFILE

Rookwood General Cemeteries Reserve Trust (RGCRT) was established in 2012 to provide compassionate, equitable and accessible end-of-life services to the multicultural Sydney community.

We manage over 190 hectares of Rookwood, which equates to two-thirds of the cemetery. Within our remit are over 130 unique interment grounds, historic and modern memorial areas, culturally specific gardens, four beautiful chapels and a state-of-the-art function centre. To further meet needs of families, we customise interment practices to respect different community beliefs.

3.1 OUR IDENTITY

BRAND

As of July 1 2018, in accordance with the *Crown Lands Management Act (2016)*, all Crown Reserve Trusts transitioned to Land Managers. As a result, our new legal entity became Rookwood General Cemeteries Reserve Land Manager. As we commence the new financial year, we are in the process of implementing a new brand, using the business name of Rookwood General Cemetery.

PURPOSE

Through commitment to family, community and heritage, we help our clients to celebrate the life and memories of a loved one.

VISION

To be the Cemetery of choice for our multicultural communities, by offering a complete range of innovative interment related services.

VALUES

- We **respect** our stakeholders by delivering quality services that meet their different needs
- We provide picturesque locations for families to **reflect** on the memory of a loved one
- We **remember** our rich heritage and strive to maintain the historic Rookwood Cemetery

3.2 OUR OFFICIAL RESPONSIBILITIES

RGCRT is responsible for the following Crown Land reserves.

Reserve Name & Numbers	Titles - Volume / Folio System Titles*	Titles - Lot / Deposited Plan System Titles**	Primary Dedicated Use	Other Permitted Uses
Rookwood Necropolis (including D500912, D500906, D500913, D500903, D500904)	<ul style="list-style-type: none"> • 535-3000 (Portion only) • 876-730 (Portion only) • 8631-3000 • 11864-3000 • 15399-3000 • 15782-3000 • 21071-3000 • 22156-3000 • 22159-3000 • 22791-3000 • 22926-3000 	<ul style="list-style-type: none"> • 1-1184042 • 3-1140277 • 4-1140277 • 10-829656 • 470-752036 • 483-47759 • 485-48201 • 492-48441 • 494-48448 • 506-1016919 • 7053-1029128 	Zone Special Purpose 1 (Primary use to be dedicated to cemetery activities)	Other activities with a correlation to cemetery activities permitted

These titles have been extracted from information published by the Lands Department.

* Titles established under former Volume/Folio system, which was paper-based

** Titles established under the new Lot/Deposited Plan system, which is paper-based and electronic

3.3 OUR OPERATING ENVIRONMENT

POLITICAL FACTORS

- **Past political considerations** - In 2012 the NSW Government initiated a cemetery reform to ensure sufficient cemetery land for the future of Sydney. This involved the restructure of Crown cemeteries, with RGCRT established to manage two-thirds of Rookwood Cemetery. Under this reform the *Cemeteries and Crematoria Act 2013* was initiated and a statutory agency, known as Cemeteries and Crematoria NSW (CCNSW), was established to support and regulate the interment industry.
- **Present political considerations** - During the reporting period RGCRT has been informed by NSW Treasury that we are a controlled entity. In preparation for this change, RGCRT has consulted with the Department of Industries, CCNSW and NSW Treasury, and commenced a number of initiatives to ensure the efficient implementation of new procedures. This includes procurement processes, Treasury policies, Audit by NSW Audit office and Investments in Tcorp.

In regard to the ongoing governance of Rookwood Necropolis, PWC have been contracted by CCNSW to conduct a review of cemetery operations. Recommendations for future management have since been published.
- **Future political considerations** - As of the 1st of July, 2018, in accordance with the *Crown Lands Management Act 2016* the Trust will become a statutory land manager, with our legal name replacing Trust with Land Manager. During the last quarter of FY17/18 the Trust has been preparing for this name change.

The 2018/19 financial year will also see part four of the *Cemeteries and Crematoria Act* implemented. This final phase of the Act involves the implementation of renewable interment rights within new interment locations. Perpetual interment rights will still be available in addition to renewable rights. RGCRT will work with Government and community stakeholders to ensure the needs of Rookwood's families are met throughout this implementation process.

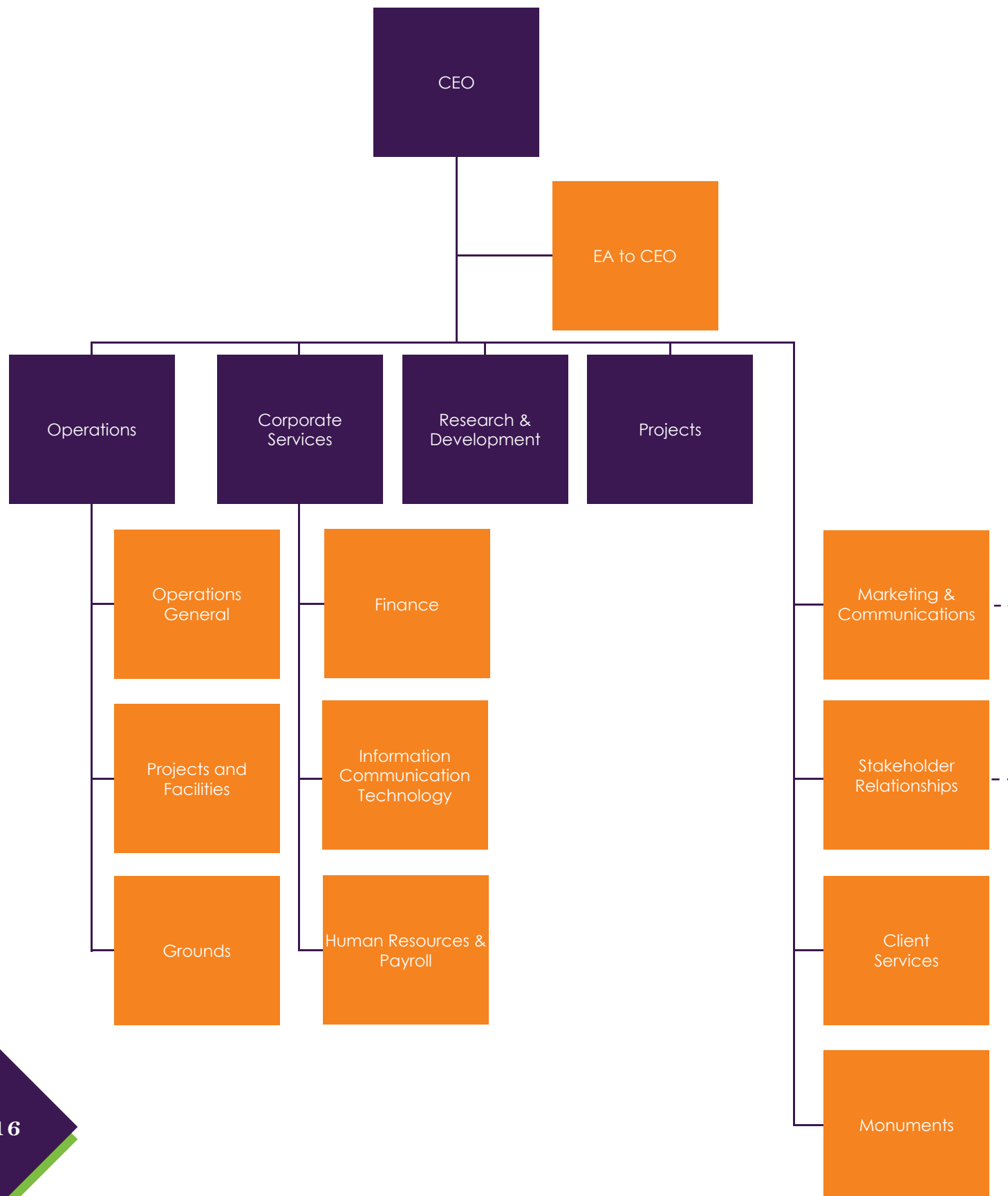
LEGAL FACTORS

The primary documents directing and/or constraining the Trust's activities include:

- Auburn Local Environmental Plan 2010
- Cemeteries and Crematoria Act 2013
- Cemeteries and Crematoria Regulation 2014
- Crown Lands Act 1989 (the Crown Lands Act 2016 will be enacted on the 1st of July, 2018)
- Crown Lands Regulation 2006
- Conservation Management Plan 2016
- Disability Inclusion Act 2014
- Freedom of Information Act 1982
- Heritage Act 1977
- Heritage Regulation 2012
- Rookwood Necropolis Trust, Landscape Master Plan 2014
- Privacy Act 1988
- Property Management Plan 2015
- Protection of the Environment Operations Act 1997
- Rookwood Necropolis Plan of Management 2014
- Threatened Species Conservation Act 1995
- Threatened Species Conservation Regulation 2010
- Threatened Species Conservation (Biodiversity Banking) Regulation 2008
- Work Health and Safety Act 2011
- Work Health and Safety Regulation 2011



3.4 ORGANISATIONAL STRUCTURE



3.5 ADMINISTRATOR



In 2016 an administrator was appointed to govern RGCRT. As of June 2018, the Minister for Lands and Forestry recommended to Cabinet for this tenure to be extended for a further six months. This will provide the NSW Government with sufficient time to appoint an independent Board to the Trust.

Jason Masters, Administrator

Jason Masters is an Administrator, Chair and non-executive director with extensive experience gained through serving on the board of over twenty private, public and not-for-profit organisations. His areas of focus as a non-executive director include Governance, Probity, Audit, Risk, Technology and Finance.

Throughout his extensive career, he has held senior roles in risk management, audit management, facilities and outsourcing, and consulting. Jason has experience across a number of sectors, including Utilities and Infrastructure, Transport and Logistics, Technology, Manufacturing and Maintenance, Financial Services, Public Sector, Health, and Start-up businesses.

Jason is a Fellow and graduate of the Australian Institute of Company Directors (AICD) and holds a degree in Economics (Economics and Computer Science). He also holds qualifications in the governance of enterprise IT, is a Certified Fraud Examiner, is Certified in Risk Management Assurance and a Professional Fellow of the Institute of Internal Auditors.

Jason is a co-author of the landmark Australian research book "Computer Security in Australia". He has developed various white papers across his area of expertise and is both a facilitator and writer for the AICD in their Foundation Course program on Risk, Strategy and Finance. He also regularly facilitates the Company Director's Course (the flagship of AICD), and is an international speaker on a wide range of topics relating to business, technology and governance.



3.6 EXECUTIVE TEAM



GEORGE SIMPSON, CHIEF EXECUTIVE OFFICER

George Simpson has dedicated his career to the funeral industry. During his 29-year tenure, he has worked for the largest funeral providers in the UK and Australia, performing roles of Funeral Director, Area Manager and Regional Manager.

He has wide-ranging experience across all aspects of the funeral and interment process, including mortuary care, client services, and service delivery.

In 2008 George moved to Australia, taking on the position of Shared Services Manager NSW with InvoCare. In this role, he oversaw improvements in service delivery, client satisfaction and operational efficiencies.

George is a graduate of the Australian Institute of Company Directors and since joining Rookwood General Cemeteries Reserve Trust in 2015, he has been instrumental in improving service delivery, implementing an effective stakeholder engagement program, developing a strategic plan, and initiating a land strategy to safeguard the future of burials for multicultural Sydney.



HARIN RANA, DIRECTOR OF FINANCE

Harin Rana is a Corporate Finance and Management Accounting professional with extensive experience working in Australia and Internationally with blue chip, global corporates.

Harin has expertise in Strategic Finance and Financial Modelling, Business Case Development, Post Implementation Review, Business Transformation, Mergers and Acquisitions, Integrations and Divestments including Government Asset Sales. His experience spans a number of industries, including FMCG, Travel, Freight and Logistics, and Transport.

Throughout his career, his achievements include insightful commercial analysis, robust investment evaluation, timely reporting on financial and non-financial key performance indicators (KPI), change management, finance best practice implementation, and cost reduction and revenue growth opportunities.

Educated in Australia and the United Kingdom, Harin has a degree in Commerce (Accounting), he is a Chartered Management Accountant, a Certified Practising Accountant, is a graduate of the Australian Institute of Company Directors (AICD) and is now an AICD member. He is also fluent in English, Marathi, Hindi and Gujarati, and has a workable knowledge of French.



JEFFREY BRAZEL, DIRECTOR OF RESEARCH AND DEVELOPMENT

Jeff Brazel began his career in the cemetery industry in 2003 as a Customer Services Officer within Rookwood's former Anglican and General Cemetery Trust, as part of the monumental business division.

By 2005, Jeff had been promoted to senior management as a direct result of his experience in administration and analysis.

Throughout his years working in the cemetery industry, Jeff has developed substantial experience in monumental design and installation, operational systems, and activity analysis, as well as resource and development planning. Most recently he has assisted in developing a land strategy that focuses on future cemetery planning both inside and outside the gates of Rookwood.



ROB SMART, DIRECTOR OF EXTERNAL OPERATIONS

Rob Smart has extensive business experience working within public recreational facilities, residential and commercial landscape and the not-for-profit/charity sectors. Rob's expertise encompasses budget forecasting and management, and project and program management involving stakeholders, government, key organisational staff and employees.

Rob has over 20 years' experience working within the landscape industry and has been a Board member of the Landscape Contractors' Association NSW.

Rob's position at Rookwood General Cemeteries Reserve Trust encompasses interment logistics, building projects, section development, civil works, horticulture and grounds maintenance, facilities management, fleet and plant and machinery management.



LINDA KELLY-SMITH, DIRECTOR OF PROJECTS

Linda Kelly-Smith is a specialist in project, product and program management, with comprehensive expertise leading change, capturing greater cost effectiveness, driving growth strategies and identifying new business opportunities.

With over 20 years' leadership and strategy experience growing businesses across Asia Pacific, the United Kingdom and the United States of America, Linda has managed the implementation of major IT solutions for a range of global public and private companies, development shops and technology vendors.

Linda's qualifications include a Diploma in Travel and Tourism, along with an array of Management, Program and Product delivery courses.

At Rookwood General Cemeteries Reserve Trust, Linda is responsible for managing fundamental strategic projects, with a focus on new developments both within and externally to Rookwood. Through her ability to understand Rookwood's communities, whilst managing multiple work streams simultaneously, she has transformed the way projects are managed within the business.



4. STRATEGIC PRIORITIES



STRATEGIC PRIORITY 1:
BUILDING A VIABLE
AND SUSTAINABLE
ORGANISATION



STRATEGIC PRIORITY 2:
ENSURING STRONG
GOVERNANCE AND
ACCOUNTABILITY



STRATEGIC PRIORITY 3:
ENHANCING
RELATIONSHIPS WITH
COMMUNITY, CLIENTS
AND STAKEHOLDERS



STRATEGIC PRIORITY 4:
DEVELOPING OUR PEOPLE
AND WORKFORCE



STRATEGIC PRIORITY 5:
PROVIDING LEADERSHIP



Serpentine Canal, Rookwood Cemetery





5. STRATEGIC PRIORITY 1: Building a Viable and Sustainable Organisation

HIGHLIGHTS

Services

- Developed service level agreements to define the various burial types available.
- Implemented a five-year pricing strategy in collaboration with stakeholders.
- Developed new interment areas, including developments for the Muslim, Jewish and Chinese communities to enable these faiths to continue interring their loved ones at Rookwood.
- Initiated plans for the implementation of a cremation service offering.

Land

- Conducted a due diligence process and satisfied all internal criteria to assess the possibility of purchasing Fernhill Estate in Mulgoa.
- Established a Product Development Team to manage stock and analyse product demand.
- Initiated plans for the development of a state-of-the-art Mausoleum to maximise vertical space.
- Completed the first year of a soil composition project to extend the life of Rookwood.

Operations

- Continued our rejuvenation program to improve the overall presentation of Rookwood.
- Received approval from council to establish an onsite soil processing and recycling facility.
- Developed a disability inclusion plan and developed plans for the renovation of the All Souls Chapel to meet disability requirements.
- Progressed plans to implement a cemetery-wide information management system

Heritage

- Completed the final year of a five-year Monumental Safety and Conservation program, with the program to recommence in the next period.
- Repaired monuments identified as safety hazards, whilst conserving and maintaining non-hazardous monuments for future generations.
- Continued to work with external organisations to restore heritage monuments within the wider community.
- Assisted the monumental industry with the revision of the Australian Standards for monuments.



5.1 SERVICES

At Rookwood General Cemeteries Reserve Trust (RGCRT) we provide a complete range of interment related services to help families farewell and remember their loved ones

5.1.1 RANGE OF SERVICES

Culturally Specific Interment Services

We offer a range of culturally specific and non-denominational interment grounds, including monumental and lawn areas, above-ground crypts and mausolea. Interment practices are customised to respect community beliefs.

Concierge Services

Complimentary to all interment services, we provide an office to graveside concierge, along with funeral support items, including canopies, chairs, tables, PA systems, chilled water and tissues.

Chapel Venues

The All Soul Chapel and Chapel of Eternal Rest offer all denominations an intimate setting in which to farewell a loved one. The Beit Tephilla and St. Athanasios Greek Orthodox Church provide the Jewish and Greek communities respectively with an alternative to a graveside service.

Condolence Venues

Village Functions at Rookwood consists of two elegant function rooms and a peaceful outdoor courtyard. The centre is serviced by a team of hospitality specialists, whilst our menus reflect the religious and cultural culinary needs of our communities.

Monumental Services

Creating an everlasting and unique memorial is one of the most important factors involved in honouring the life of a loved one. We therefore offer families monuments that enable them to reflect their religious and cultural values, whilst at the same time honouring the memory of their loved one.

Heritage Restoration and Conservation

We also specialise in heritage restoration and conservation, with our team working to ensure the longevity of historic monuments, memorials and architecture, both within the grounds and externally to Rookwood.

Annual Care Service

Annual Care services are available to families that would like additional maintenance carried out on their loved one's allotment. Depending on the level of maintenance, this service can include ground maintenance of the surrounding area and washing of the memorial.

Exhumation Service

We provide an exhumation service, whereby an allotment can be re-opened and the remains removed or transferred to another site. This service occurs as per family or courts requests and must be approved by the NSW Department of Health.

Genealogy Services

As heritage custodians we are committed to assisting historians and genealogists to locate ancestry information. Our genealogy services provide information on the interments that have taken place at Rookwood, with information available via our website and our onsite research facility.

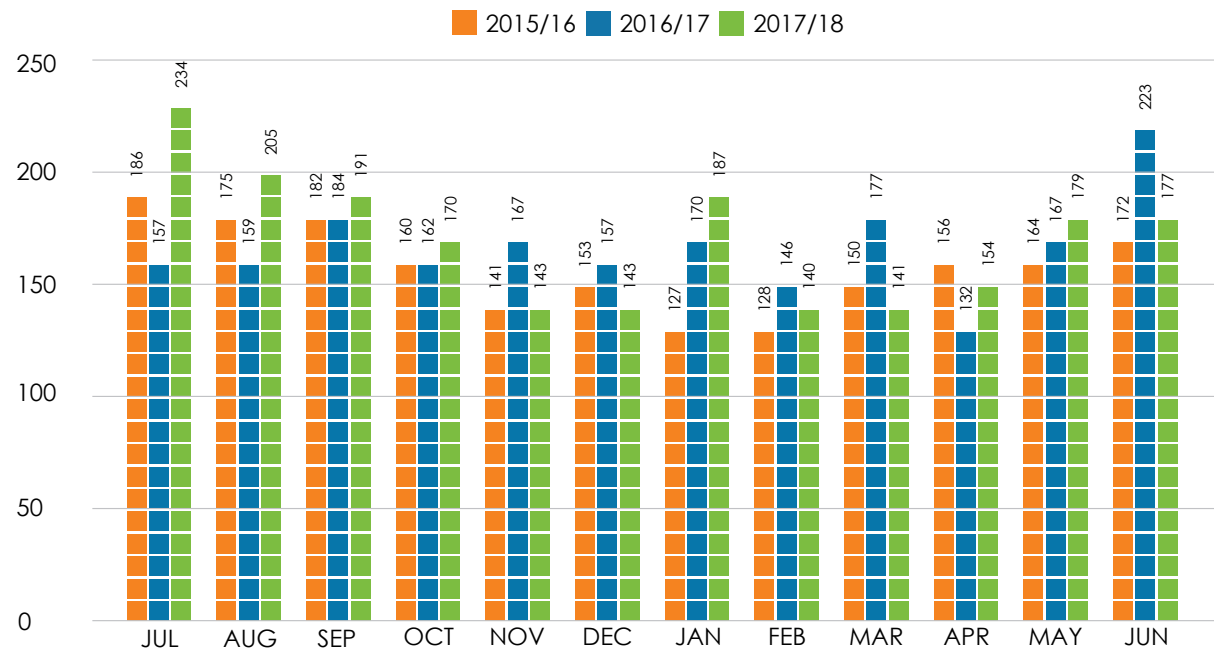


5.1.2 INTERMENTS CONDUCTED

Interments Conducted By Month

RGCRT offers fifteen unique burial types, which enables us to meet the religious and cultural values of the many communities that use Rookwood Cemetery.

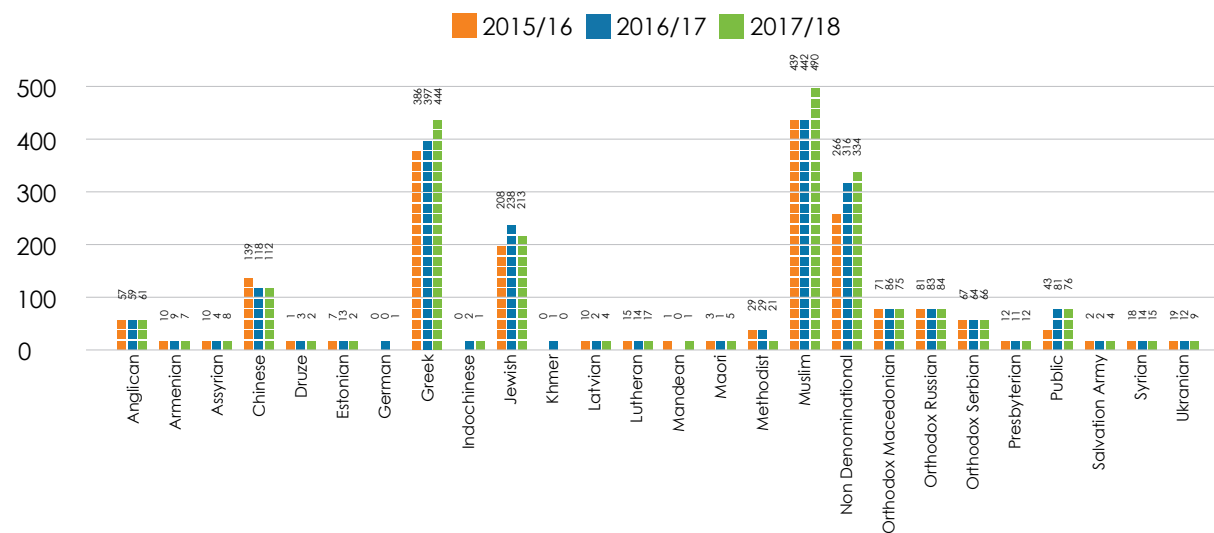
Over the past three years, we have experienced a steady increase in interment numbers, with 2064 interments conducted during 2017/18. Of note, last year's figures show a modest increase during the winter months. These interment figures are illustrated in the graph below.



Number of interments conducted by month during the 2017/18 financial year, in comparison to the 2016/17 and 2015/16 financial years.

Interments Conducted by Community

RGCRT provides interment services to a growing number of religious and cultural communities, however there are specific communities that frequently use Rookwood for their end-of-life needs. These communities are identified in the graph below.



Number of interments conducted by community during the 2017/18 financial year, in comparison to the 2015/16 and 2016/17 financial years.

5.1.3 SERVICE DELIVERY

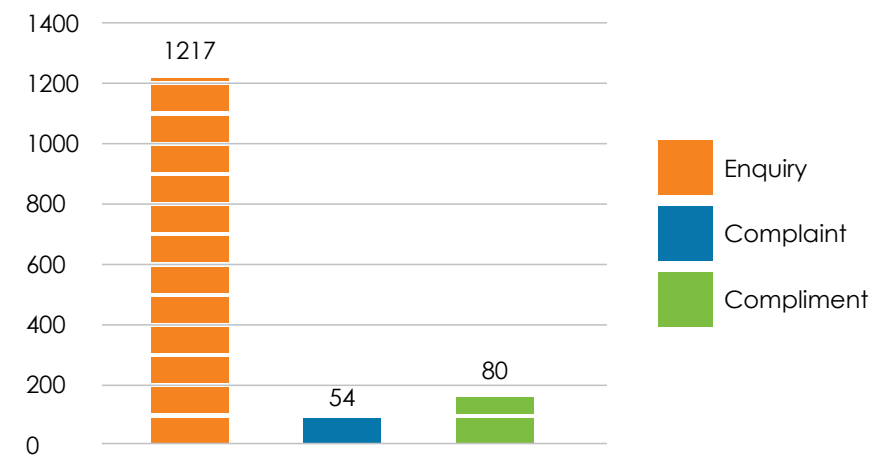
Throughout our entire organisation, our aim is to be the cemetery provider of choice in the Sydney region, by providing unique, high quality services. It is our client facing teams that are responsible for delivering this standard of service to our families.

Client Services

Client feedback is an essential component within our service delivery process, as it enables us to understand and address the needs of the families that use our services.

This feedback continues to be managed through an internal database, with feedback categorised as enquiries, complaints and compliments. It is pleasing to see that, when it comes to the complaints we receive, our employees maintain extremely high resolution standards, with all client concerns addressed in a timely manner.

The feedback captured within these above categories is illustrated in the graph below.



Client feedback categorised as an enquiry, versus a complaint, versus a compliment during the 2017/18 financial year

Funeral Operations

In order to offer customised burials for different religious and cultural groups we have developed service level agreements that define the various burial types available. Further to this, to ensure unity when delivering services to families, the funeral operations team continues to collaborate with funeral directors and provides training for new funeral directors using Rookwood Cemetery.

5.2 OPERATIONAL ACHIEVEMENTS

To ensure we can continue to provide high quality services for the community of Sydney, the team at Rookwood General Cemeteries Reserve Trust is committed to continually increasing our operational capacity. Our focus in this area during 2017/18 has been on land strategies, cemetery improvements and judicious financial management.

5.2.1 LAND STRATEGIES

RGCRT continues to progress the Land Strategy that was presented to Cemeteries and Crematoria NSW (CCNSW) at the beginning of 2017. Given some of Rookwood's communities have as little as six (6) years of stock remaining, this strategy focuses on developments within and externally to Rookwood.

Land Strategies outside the Gates

In 2017, RGCRT entered into a due diligence process to assess the possibility of purchasing Fernhill Estate in Mulgoa. This extensive assessment was completed to the full satisfaction of internal RGCRT criteria, however we did not receive permission to acquire the land.

While Fernhill is no longer a consideration, RGCRT continues to review available land parcels suitable for cemetery land throughout Western Sydney. Accordingly, we have been in discussions with vendors of three alternative sites. A generic Land Acquisition Program has also been created which can be utilised for any future potential sites. This will expedite any further Due Diligence processes.

Land Strategies within the Gates

RGCRT continues to work on strategies to extend the life of Rookwood Cemetery. Immediate internal land strategies include:

- **Developing new interment areas** – with a Product Development Team established to monitor stock levels, analyse product demand, and ensure robust product development procedures. Eleven (11) new interment locations have been developed, with the most significant being new areas for the Jewish, Muslim and Chinese communities, and a non-denominational rose garden.
- **Maximising vertical space** – with planning underway for a new mausoleum that will incorporate crypts, retail facilities and condolences spaces. A tender process was conducted for the design of this new facility and the successful firm was appointed at the end of June 2018.
- **Implementing innovative technologies** – with a soil composition project in place to extend the life of Rookwood. This revolutionary project, which is being conducted under controlled and scientifically managed circumstances, is designed to investigate whether changes to soil composition can allow families to re-use family graves. Through collaborations with the Australian Facility for Taphonomic Experimental Research facility and the University of Technology Sydney, 86 specimens have been interred in the last 12 months. We also have a Patent Pending status on an above ground design that will be utilised within the study.

For more information on the Jewish and Muslim development, see section 7.3.2 Jewish and Muslim Burial Ground Consecrations.

In the long-term, internal land strategies also include accessing additional land within Rookwood, by moving roadways, service compounds and storage sheds, and intensifying development in existing areas, by auditing older areas and making use of unused interment spaces.

5.2.2 CEMETERY IMPROVEMENTS

New Infrastructure Projects

In addition to new interment areas, RGCRT has also made eight (8) new infrastructure developments throughout Rookwood Cemetery. Developments include a bioswale within the new Jewish lawn, the removal of above and below ground powerlines from the Muslim lawn, drainage works in the Macedonian monumental ground, renovations of a soil stockpile igloo, and collaborations with the Rookwood Necropolis Trust (RNT) in regard to road and access upgrades.

Rejuvenation Projects

At RGCRT we are passionate about the preservation of Rookwood's important structures and memorials, as they are a significant part of Rookwood's heritage. To this end, fifteen (15) rejuvenation projects were completed in the last year, including the refurbishment of the Mausoleum of Eternal Rest, filing of the Russian pavilion, upgrade of pathways in the Jewish, Serbian, Russian and public areas, repairs to cobblestone paving in the Jewish Martyrs memorial, new gardens around the historic Serpentine Canal and general clearing of vegetation throughout Zones B and C.

Environmental Sustainability Projects

Plans for a soil processing and recycling facility were submitted to Cumberland Council for Development Application (DA) in February 2018. Additional consultation has been required with Sydney Trains due to the location of their high voltage powerlines. Construction is due to commence in the second quarter of 2019, with completion prior to end of the financial year. The facility will enable us to recycle soil and green waste, whilst collecting fresh water for use within the cemetery.

Disability Inclusion Projects

We have worked with a consultant to develop a disability inclusion action plan for Rookwood Cemetery. This plan addresses accessibility to buildings, amenities and pathways. The first building to be transformed will be the iconic All Souls Chapel, which will be renovated in FY18/19 to include a disability access ramp and wider entrance.

Information Management Projects

At the end of 2016/17 RGCRT initiated a project to implement a cemetery-wide information management system to integrate existing systems, enable departments to share resources, remove the need for duplication and improve productivity.

Throughout 2017/18, a full review of current systems was executed. Following this, the Core Accounting System was developed, due to go live early 2018/19, whilst the Geospatial Mapping System, using drone images, commenced.

In 2018/19, the project will continue with the development of the Cemetery Management System, with completion of the Mapping Systems to follow shortly thereafter.

Delivery for the entire solution is scheduled to be completed by financial year end 2019.



5.2.3 HERITAGE INITIATIVES

Monumental Safety and Conservation at Rookwood

During 2017/18, RGCRT completed the fifth year of a cemetery wide Monumental Safety and Conservation (MSC) program. The completion of this survey is an important milestone, as we now have an assessment of every monument within Rookwood, with the data to be used to inform conservation works in collaboration with communities.

In accordance with our strategic plan, our aim is to carry out emergency repairs on any immediate safety hazards, whilst also conserving a specified number of historic monuments each year. The following projects were completed in the reporting period:

- Repair of twenty-six (26) monuments which were direct and immediate safety hazards
- Safety works to 153 monuments which were high safety priorities
- Conservation and maintenance work to 107 additional monuments, with a focus on WW1 soldiers and nurses graves interred in unofficial war graves throughout Rookwood.



PHOTO: The RGCRT Monumental-Heritage team completing maintenance work on WW1 graves, as a part of our WW1 unofficial war graves project. Works included re-tapping lead lettering, re-attaching fallen inscription plaques, re-installing fallen monuments, removing overgrowth, and hand-cleaning inscriptions.



PHOTO: Again as a part of our WW1 unofficial war graves project, we worked with the Friends of Rookwood to repair and conserve Rookwood's WW1 nurses graves. This included the reinstallation of the Bessie Florence Myler monument, which had been lying face-down for decades. Reinstallation and repair of this gravestone is an important mark of respect for the self-sacrifice of this Australian Imperial Forces nurse who died of tuberculosis shortly after her overseas service.

For more information on the WW1 unofficial war graves project, see section 7.2.2 WW1 Unofficial War Graves Project.

Monumental Safety and Conservation in the Wider Community

In addition to repairing and conserving Rookwood's monuments, our strategy at RGCRT also focusses on conservation and monument safety within the wider community. Our Monumental-Heritage team provides practical, highly skilled conservation-based expertise, occupying a unique market niche between conservators and monumental masons.

This team completed eleven (11) conservation projects outside the gates of Rookwood during 2017/18. The following table details these projects.

Location	Works Completed
Bar Island Cemetery Hornsby Shire Council	Year 1 of conservation works to the monuments
Bigge Park Liverpool City Council	Reinstallation of all monuments
Bourke Shire Council	Traditional lead lettering repairs to the Bourke War Memorial
Dapto RSL and Community	Conservation and repair of the monument for William Beach monument (undefeated World Champion Sculler)
East Maitland Glebe Cemetery Maitland City Council	Year 3 of safety and conservation works at State Heritage listed Glebe Cemetery, including the reinstallation of the Edward Denny Day monument. <i>See photo and overview below for more information on Edward Denny Day.</i>
Holy Cross Cemetery, Kincumber Central Coast Council (previously Gosford City Council)	Conservation of monuments
Manly General Cemetery Northern Beaches Council	Repair of notable monuments for the 2017 Manly General Cemetery Repair Project
North Sydney Council	Gilding and hand-painting monuments for Maccallum Pool and North Sydney founding plaque
St. Matthews Church and Cemetery, Windsor Hawkesbury City Council	Specialised repair works
St. Peter's Church and Cemetery, Richmond Hawkesbury City Council	Conservation of vault and monuments
Wilberforce Cemetery Hawkesbury City Council	Safety works to vaults

Over the next year, the Monumental-Heritage team have interesting and challenging works scheduled, including:

- a second project at Bar Island Cemetery in the Hawkesbury River,
- a fourth year of works at Maitland Glebe Cemetery,
- provision of a cemetery heritage training package with Hawkesbury Council, and
- a number of provisional projects around the Sydney area.





PHOTO: RGCRT Monumental-Heritage team members reinstalling the Edward Denny Day monument at Maitland Glebe Cemetery, as part of the conservation works program being undertaken by Maitland City Council at Glebe Cemetery. Police Magistrate Denny Day was notable for defying political pressures and successfully prosecuting a case against a gang of white colonists for the massacre of aboriginal women and children at Myall Creek. Photo Credit: 2018 Daniel Woo UXED.



PHOTO: RGCRT Monumental-Heritage team member completing specialised traditional lead lettering work on the Bourke War Memorial, for Bourke Shire Council.

To further assist the monumental industry, we have also been involved in the revision of the Australian Standards for monuments, in addition to volunteering with the National Trust Cemeteries Committee and the International Committee of Monuments and Sites Australia (ICOMOS-Australia) technical materials committee.

5.3 FINANCIAL MANAGEMENT

5.3.1 FIVE-YEAR PRICING STRATEGY

During the reporting period RGCRT implemented a five-year pricing strategy, with an agreement reached between the Trust and key communities in regard to pricing for the next five years.

We achieved this milestone by consulting with community and government stakeholders to discuss future pricing principles and resolve the issue of inappropriate fees levied on certain community groups.

Overall the Trust's long-term pricing strategies are to keep pricing affordable for communities, whilst ensuring sufficient funds to maintain the perpetuity of Rookwood and to meet the interments needs of all denominations in the future.

5.3.2 FUNDING

RGCRT received a grant from Cumberland Council, via the Cumberland Community Grants Program. This program aims to support the development of new community events that provide a platform to learn about the rich and diverse people and cultures in Cumberland. A total of \$8,195 was granted to the Trust to organise a Dusk Ceremony.

For more information on the Dusk Ceremony, see section 7.2.3 Winter Solstice Dusk Ceremony.

5.3.3 LEASES AND LICENCES

The following table outlines the leases and licences in effect for RGCRT during the 2017/18 financial year.

Title of Lease / Licence	Tenant Name	Purpose / Description
Village at Rookwood	Fresh Catering Pty Ltd	Function Centre Flower Shop Cafe
Greek Florist	SA Florist	Flower Shop

5.3.4 IMPROVEMENTS

As outlined in section 5.2.1 Land Strategies, during the 2017/18 financial year, RGCRT executed a number of capital works, development and improvements. The value of each individual project was costed at less than \$250,000.

5.3.5 INSURANCES

The Trust obtains independent valuation for insurance reporting purposes, whilst also seeking independent insurance advice through an Insurance Broker. Our property assets are protected under an insurance policy called Industrial Special Risks Policy and we have additional insurance cover for public and products liability, motor fleet, management, professional liability and cyber insurance, group personal accident and sickness.





6. STRATEGIC PRIORITY 2: Ensuring Strong Governance and Accountability

HIGHLIGHTS

- Continued to manage a number of committees in accordance with the *Cemeteries and Crematoria Act*.
- Implemented a soil project committee is to review and analyse RGCRT's soil composition project.
- Finalised our policy suite to meet Government and Community expectations, whilst keeping cemetery employees and visitors safe.
- Implemented risk management plans that focus on strategic and departmental risks, and business continuity planning.

6.1 COMMITTEES

To ensure strong governance and to assist in the successful implementation of the Trust's strategic plan, RGCRT administers a number of committees. The members within these committees, provide critical insights within their area of expertise.

6.1.1 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) is directly responsible and accountable to the RGCRT Administrator / Board for the exercise of its responsibilities, which include monitoring, reviewing and providing advice about the RGCRT's governance processes, risk management and control frameworks, and its external accountability obligations.

6.1.2 COMMUNITY ADVISORY COMMITTEE

The role of the Community Advisory Committee (CAC) is to assist and inform the Trust Administrator / Board to advise, guide and deliver exemplary engagement with communities and stakeholders. It is responsible for ensuring that RGCRT manages Rookwood in accordance with community expectations and statutory requirements.

6.1.3 HERITAGE ADVISORY COMMITTEE

The role of the Heritage Advisory Committee (HAC) is to maintain the historical, scientific, cultural, social, archaeological, architectural, natural and aesthetic significance of Rookwood Cemetery. This includes investigating, consulting and providing oversight on all heritage items managed by RGCRT, and monitoring the cemetery's monumental safety and conservation program.

6.1.4 SOIL PROJECT COMMITTEE

The role of the soil project committee is to review and analyse RGCRT's soil composition project. This extensive project explores ways in which we can influence soil composition to enable families to continue using family graves for generations. The committee is made up of the RGCRT executive team, UTS scientists and Rookwood community members.

For more information on the soil composition project see section 5.2.1 Land Strategies.



6.2 GOVERNANCE PROCESSES

6.2.1 MEETING ATTENDANCE

ADMINISTRATOR MEETING						
DATE	11-Dec-17	2-Feb-18	19-Mar-18	16-Apr-18	21-May-18	18-Jun-18
Jason Masters ADMINISTRATOR	YES	YES	YES	YES	YES	YES
George Simpson CHIEF EXECUTIVE OFFICER	YES	YES	YES	YES	YES	YES
Harin Rana DIRECTOR CORPORATE SERVICES	YES	YES	YES	YES	YES	YES
Jeff Brazel DIRECTOR R&D	YES	YES	YES	YES	YES	YES
Linda Kelly-Smith DIRECTOR PROJECTS	YES	YES	YES	YES	YES	YES
Rob Smart DIRECTOR OPERATIONS	YES	YES	YES	YES	YES	YES
Samantha Stewart TRUST SECRETARY / EXEC ASSISTANT	YES	YES	YES	YES	YES	YES

AUDIT & RISK COMMITTEE (ARC)						
DATE	9-Aug-17	21-Sep-17	26-Sep-17	23-Nov-17	14-Feb-18	21-May-18
Jason Masters ADMINISTRATOR	YES	YES	YES	YES	YES	YES
Christine Feldmanis ARC CHAIR	YES	YES	YES	YES	YES	YES
Abby Bloom	YES	YES	YES	YES	YES	YES
George Simpson CHIEF EXECUTIVE OFFICER	YES	YES	YES	YES	YES	YES
Harin Rana DIRECTOR CORPORATE SERVICES	YES	YES	YES	YES	YES	YES

COMMUNITY ADVISORY COMMITTEE (CAC)				
DATE	17-Oct-17	5-Dec-17	6-Mar-18	5-Jun-18
George Simpson CHIEF EXECUTIVE OFFICER	YES	YES	YES	YES
Dimity D'Arbon STAKEHOLDER RELATIONSHIP MANAGER	YES	YES	YES	YES
Crystal Lindsay MARKETING & COMMS MANAGER	YES	YES	YES	YES
Natalie Gane PROJECTS MANAGER - MARKETING AND R&D	YES	YES	APOLOGY	YES
Samantha Stewart TRUST SECRETARY / EXEC ASSISTANT	IRENE IRVINE	IRENE IRVINE	YES	YES

HERITAGE ADVISORY COMMITTEE (HAC)			
DATE	15-Aug-17	20-Dec-17	6-Apr-18
Robyn Hawes PRESIDENT FRIENDS OF ROOKWOOD	YES	YES	YES
George Simpson CHIEF EXECUTIVE OFFICER	YES	APOLOGY	APOLOGY
Jeff Brazel DIRECTOR R&D / HAC CHAIR	YES	YES	YES
Christopher Killam HERITAGE SPECIALIST / DEPUTY HAC CHAIR	APOLOGY	YES	YES
Matthew Johnson HERITAGE SPECIALIST	YES	YES	YES
Natalie Gane PROJECTS MANAGER - MARKETING AND R&D	APOLOGY	YES	APOLOGY
Samantha Stewart TRUST SECRETARY / EXEC ASSISTANT	IRENE IRVINE	YES	YES

6.2.2 CONTROL FRAMEWORK

To maintain effective internal controls, during the 2017/18 financial year RGCRT worked in conjunction with the Audit and Risk Committee to finalise the Trust's policy suite. This extensive project has resulted in a streamlined system of principles that employees and contractors must adhere to when carrying out their job roles.

During the next financial year, to ensure employees understand the policies that apply to them, we will be providing policy training via Safetrac, a comprehensive online compliance training solution.

6.2.3 RISK MANAGEMENT

RGCRT's risk management framework systematically manages and mitigates risk within business, from the executive team all the way through to an operational level.

In collaboration with the ARC we have implemented risk management plans that focus on strategic and departmental risks, and business continuity planning. Risk management plans are now established for all major projects or undertakings. Likewise, we regularly review the impact of any potential risks on our operating environment and insurance arrangements.



7. STRATEGIC PRIORITY 3: Enhancing Relationships with Community, Clients and Stakeholders

HIGHLIGHTS

Public Relationships

- Executed a Discover Rookwood Cemetery campaign to celebrate Rookwood Cemetery's 150th year.
- Implemented a partnership strategy to further develop our sculpture exhibition, HIDDEN – A Rookwood Sculpture Walk.
- Held a cemetery-wide open day, that was attended by Government and Community dignitaries, along with the wider Sydney community.
- Completed a four year WW1 Unofficial War Graves project, to remember servicemen and women from World War 1.
- Commenced a Historic Tour program, to assist in expanding our market and sharing the heritage of Rookwood.

Community Relationships

- Continued to collaborate with existing community groups, including supporting them with memorial events.
- Held consecration events for the Jewish and Muslim communities.
- Expanded our community networks outside of the cemetery industry, including the education and retirement markets.

Industry Relationships

- Continued to collaborate with existing industry stakeholders, including involving them in our HIDDEN partnership program.
- Established a number of strategic partnerships to assist with the promotion of Rookwood products



7.1 STAKEHOLDERS



7.2 PUBLIC STAKEHOLDER ENGAGEMENT

Our public stakeholder engagement enables us to invite the public to explore Rookwood and enjoy the cemetery as a parkland, with our primary initiatives for 2017 focusing on Rookwood's 150th year.

To commemorate this significant milestone, RGCRT executed a Discover Rookwood Cemetery campaign, focused on sharing the story behind Australia's oldest operating cemetery.

Other significant initiatives included the completion of a four-year WW1 Unofficial War Graves project and a Dusk Ceremony that was made possible through a grant from Cumberland Council.

7.2.1 DISCOVER ROOKWOOD CEMETERY CAMPAIGN

Transport Heritage Expo

RGCRT partnered with Transport Heritage NSW and Sydney Trains to take part in the annual Transport Heritage Expo, which took place from the 10th – 12th of June 2017. For the duration of the expo, RGCRT was positioned at Mortuary Station on Regent Street Sydney, where we were able to share historic talks and video displays, and stonemasonry demonstrations with close to 3,000 visitors.

Note, whilst this event occurred at the end of the 2016/17 financial year, it was the inaugural event for the Discover Rookwood Cemetery campaign.



HIDDEN – A Rookwood Sculpture Walk

HIDDEN was established in 2009 to showcase the history and culture of Rookwood, whilst also encouraging the public use and enjoyment of cemetery land. This outdoor sculpture exhibition has continued to grow in popularity, with HIDDEN 2017, which ran from the **26th August to 24th September**, attracting almost 5,000 visitors.

The success of HIDDEN 2017 was due to the commencement of a Partnership strategy, that enabled RGCRT to increase the promotion of the event. In February 2018, HIDDEN was approved to continue until 2023, with the aim being to build on this partnership strategy and create specific programs for community, youth, education and accessibility groups.



Rookwood Open Day

The Open Day provided the community with a unique way to explore Rookwood Cemetery. Activities included, historic talks, tours and video displays; family history research; heritage stone masonry workshops; live entertainment; children's activities; and a multicultural food fair.

The event, which was held on the **24th of September 2017**, in consultation with our Rookwood neighbours, commenced with an official opening and parade. The Minister for Lands and Forestry, the Honourable Paul Toole, opened the event, alongside a representative from the Office of Luke Foley, and key leaders from the Aboriginal, Chinese, Islamic, Catholic and Uniting Church groups.



150th Anniversary Videos

In order to share Rookwood's story we developed two historic videos, both of which are available on our website – www.rookwoodcemetery.com.au.

The first video provided an overview of Rookwood's conception, development, and evolution, along with the significance of Rookwood's past and present communities. The second told the story of the intrinsic link between Rookwood and Mortuary Station.

7.2.2 WW1 UNOFFICIAL WAR GRAVES PROJECT

In recognition of the WW1 centenary, RGCRT embarked on a project to research the servicemen and women interred or memorialised in unofficial war graves throughout Rookwood, with over 1700 memorials identified. This includes memorials of soldiers who died in training, returned service people memorialised in family graves, and symbolic monuments erected by families for soldiers killed or missing in action.

As a sign of respect to the fallen, their graves have been cleaned, their stories documented and a service was conducted at each site. We now plan to complete monumental repairs on the more severely damaged graves, whilst sharing the many stories uncovered.



7.2.3 WINTER SOLSTICE DUSK CEREMONY

The Dusk Ceremony was held on the **23rd of June 2018** in collaboration with Living with our Dead, funded through the Cumberland Council Community Grants Program. The event, which took place at Rookwood's historic Serpentine Canal and Elephant House, enabled the community to spend time at Rookwood, participate in an artistic ceremony and discuss death as a natural part of life. Over 120 attendees were present, including youth and families.



The following table details the public stakeholder engagements held during the 2017/18 financial year.

Date	Engagement Activity
August 2017	HIDDEN Garden Party Launch Maitland & Beyond Family History Group Presentation Photography Instameet Wyong History Group Tour
September 2017	Funeral Director Association Expo HIDDEN Exhibition HIDDEN Public Program, including Tours, Workshops, Meet the Artist Sessions and Picnics Rookwood Cemetery Open Day
November 2017	University of Technology Sydney Memorial Event Sydney Olympic Park Youth Eco Summit Central Coast Historical Society Tour Maitland Family History Society Tour
December 2017	Public Memorial Unveiling
March 2017	University of NSW Talk Cumberland Locale Festival Picnic Day
April 2017	Wyong History Group Tour Seabrook Memorial Event
May 2017	Heart Foundation Walk Central Coast Library Talk Cotts Cottage Talk
June 2017	Nepean Riverlands Probus Club Tour Dusk Ceremony

7.3 COMMUNITY STAKEHOLDER ENGAGEMENT

In 2017/18 our community stakeholder strategy focused on supporting Rookwood's communities, establishing new relationships within existing religious and cultural groups and developing new relationships with other community groups. New groups include youth, education, retirement, palliative care, RSLs and social clubs.

RGCRT played a major role in three strategic events, including the Chinese Miners Memorial Event, the Jewish Consecration Event and the Muslim Consecration Event. All of which were attended by relevant dignitaries. We also developed a multicultural plan to ensure equity for Rookwood's communities.

7.3.1 MULTICULTURAL PLAN

Following the amalgamation of Rookwood's former Trusts, RGCRT has remained committed to the diverse groups that use Rookwood Cemetery. Our vision in relation to people from culturally diverse backgrounds is to forever meet their interment needs, however different they may be. To that end, we have developed a multicultural plan, which has been approved by Multicultural NSW and incorporated into our strategic plan

7.3.2 JEWISH AND MUSLIM BURIAL GROUND CONSECRATIONS

Throughout the 2017/18 financial year it was identified that the Muslim community had utilised half of their allocated land at Rookwood Cemetery. To address this critical issue we began collaborating with the Jewish Board of Deputies and the Lebanese Muslim Association to develop a solution.

In 2013, the Jewish and Muslim communities had been allocated a burial ground at Rookwood, which could be shared on a 50/50 basis. As a result of our extensive collaborations, the Jewish community transferred their portion of the burial ground to the Muslim community, whilst a new portion of land has been granted to the Jewish community.

For religious and cultural reasons, within both the Jewish and Muslim communities, burial is the only option and there are very specific requirements they must adhere to. Through this project, these two communities have had the opportunity to work together to create two distinct interment grounds that reflect their end-of-life values.

The new Jewish ground was consecrated by Rabbi Yehoram Ulman on the **1st of May 2018**, whilst the Muslim ground was consecrated by Sheik Yahya Safi on the **16th of May 2018**. The Minister, along with other key community leaders, were present to witness the exchange of land, and collaboration between communities.



7.3.3 CHINESE MINERS EVENT

In 2016 the Australian Chinese Workers Association (ACWA) collaborated with RGCRT to establish a monument in memory of the Chinese miners who were injured and killed in riots from 1851 to 1861.

Each year we now hold a remembrance event at the site of the memorial to commemorate the Chinese gold miners who were assaulted, injured or killed during these tragic events.

The event continues to attract an increasing number of Chinese community members, with this year's event on the **31st of October 2017**, attended by 300 community members, including national and international Chinese media.



The following table details the community stakeholder engagements held during the 2017/18 financial year.

Date	Engagement Activity
August 2017	Assyrian Church of the East Meeting Chinese Woman's Association Meeting Eid al-Adha Event Fernhill Community Meetings and Workshops Macedonian Community Meeting Macquarie Park Community Liaison Meeting Mulgoa Progress Association Meeting Muslim Land Management Meeting Ukrainian Community Meeting
September 2017	Armenian Church Meeting Latvian Community Meeting Maori Community Meeting
October 2017	Belorussian Meeting Chinese Miners Event Community Advisory Committee Meeting Community Pricing Consultations Focus Group Meeting Open Day Community Meetings
November 2017	Armenian Church Meeting Chinese Community Lunch Muslim Radio Russian Meeting
December 2017	Anglican Community Meeting Community Advisory Committee Meeting Jewish Community Meeting Methodist Community Meeting Presbyterian Community Meeting Uniting Church Meeting
January 2018	Armenian Community Donation Chinese Community Meeting
February 2018	Brighton Retirement Croydon Meetings Chinese Miners Memorial Event Lesbian, Gay, Bisexual and Transgender Meeting Naval Event Pine Village Retirement Ashfield Meetings St Joseph Palliative Care Meetings St Joseph Retirement Village Meetings Uniting Retirement Village Meetings
March 2018	Chinese Community Yum Cha Lunch Chinese Community Meeting Community Advisory Committee Meeting Hindu Murugan Temple Meeting Hung Fook Tong Meeting Italian Community Meeting Lesbian, Gay, Bisexual and Transgender Meeting Muslim Community Meeting Premier's Harmony Dinner
April 2018	Anglican St Ann's Church Meeting Belarusian Community Meeting Byelorussian Community Meeting Burwood Croydon Uniting Church Meeting Brentwood Nursing Home Meeting Catholic Vietnamese Community Meeting Concord Community Anglican Church Meeting Concord Presbyterian Church Meeting Focus Group Meeting Macedonian Easter Event Merchant Navy Event Presbyterian Church Meetings Russian Easter Event St John Ashfield Anglican Church Meeting St Joseph's Historical & Educational Talks St Stephen Anglican Church Lidcombe Meeting Sydney Presbyterian Church Meetings Syrian Community Donation Syrian Easter Event Uniting Church Meetings
May 2018	Aboriginal Community Meeting Ecumenical Dinner Jewish Community Meeting Jewish Consecration Event Lebanese Muslim Association Engagement Muslim Consecration Event Ramadan Dinner Serbian Community Meeting
June 2018	Community Advisory Committee Congregational Federation of Australia Meeting Eid al-Fitr Event Italian Community Meeting Serbian Community Meeting

7.4 INDUSTRY STAKEHOLDER ENGAGEMENT

We have continued to strengthen our relationships with Government, Funeral Directors and Stonemasons to collectively deliver quality interment services. We also established a number of strategic partnerships to assist with the promotion of Rookwood products, such as the Mausoleum of Eternal Rest and the Harmony Rose Garden.

The following table details the industry stakeholder engagements held during the 2017/18 financial year.

Date	Engagement Activity
August 2017	Stonemason one-on-one Meetings
October 2017	Funeral Director one-on-one Meetings Stonemason one-on-one Meetings
November 2017	Cemeteries and Crematoria Association Conference End of year Stakeholder Engagement Olsens Funeral Services Meeting
February 2018	Olsens Funeral Services Event Olsens Funeral Services Meeting
March 2018	Funeral Directors Engagement Olsens Funeral Services Event Muslim Funeral Director Meeting Stonemason Engagement
April 2018	A. O'Hares Funeral Director Meeting Olsens Funeral Services Meeting
May 2018	Invocare Training Day Invocare Tour





8. STRATEGIC PRIORITY 4: Developing our People and Workforce

HIGHLIGHTS

Employee Culture

- Implemented six-monthly performance reviews focused on recognising employee achievements.
- Provided all employees with ongoing learning and development opportunities, including cultural competency training.
- Implemented a leadership development program, to provide managers with additional skills to motivate and manage their teams.
- Implemented strategies to position RGCRT as an employer of choice.

Safety Culture

- Continued to implement new safety initiatives focused on mitigating risks and improving safety throughout Rookwood



8.1 WORKFORCE EQUITY AND DIVERSITY

As an organisation that provides services to a growing number of communities in Sydney, it is important that our workforce is equally diverse. Our employees comprise of a range of diversity groups, including people from culturally and linguistically diverse backgrounds, men, women, mature workers, young workers, carers, and those with special needs.

The following tables provide an overview of the RGCRT workforce for the 2017/18 financial year.

Employees by Employment Type

Full-time Permanent	80
Part-time Permanent	8
Casual	2

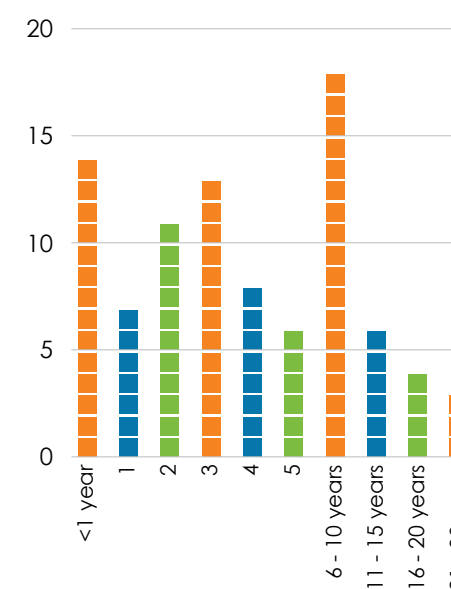
Number of employees by employment type for the 2017/18 financial year.

Employees by Departmental Category

	2015-2106	2016-2017	2017-2018
Internal	30	30	32
External	62	62	58

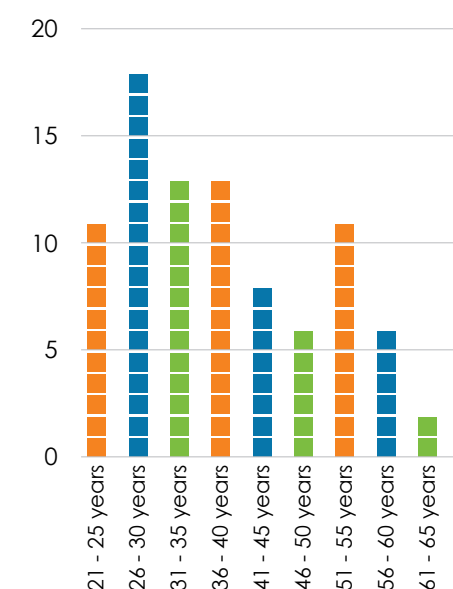
Number of employees by category of internal versus external for the 2017/18 financial year, in comparison to the 2015/16 and 2016/17 financial years.

Employees by Length of Service



Number of employees by length of service for the 2017/18 financial year.

Employees by Age Bracket



Number of employees by age bracket for the 2017/18 financial year.

Employees by Gender

Female	27
Male	63

Number of employees by gender for the 2017/18 financial year.



Senior Executives by Salary Band and Gender

Band	Gender	
2017/18	Male	Female
Executive Team	4	1
Average Remuneration	\$189,351	

Band	Gender	
2016/17	Male	Female
Executive Team	4	1
Average Remuneration	\$151,655.11	

Number of senior executives employed as at 30 June 2018, broken down by salary band and gender, compared with the number as at 30 June 2017. Note, for the month of June 2018, the Trust employed two Directors of Corporate Services, during which a hand-over period was being conducted.

8.2 RECOGNISING EMPLOYEES

At RGCRT we recognise that our employees are one of our most valuable resources. As such, regular performance reviews and achievement awards are used to encourage and motivate individuals.

8.2.1 PERFORMANCE REVIEWS

Performance reviews are conducted to ensure employee responsibilities are aligned to our overarching strategic plan, with our organisational achievements only possible through the hard work and dedication of our employees. Reviews are managed through an electronic HR system, ConnX, and conducted on a six-monthly basis.

8.2.2 ACHIEVEMENT AWARDS

Annual awards are used to recognise high performing employees, with awards given to those individuals that continue to go above and beyond what is expected of them. The following table illustrates the awards given to employees during FY17/18.

Award	Employee
CEO's Award	Dean Skinner, WHS Coordinator
Employee of the Year	Doug Skinner, Plants & Logistics Coordinator
People's Choice Award	Grant Skinner, Monuments Manager
Rookie of the Year	Corinn Cordina, Marketing & Events Coordinator
Team of the Year	Shared Services team

8.3 EMPLOYEE DEVELOPMENT

RGCRT employees are provided with ongoing development opportunities that enable them to increase their skill-sets, provide quality services and reduce risks within the business.

8.3.1 DEVELOPMENT OPPORTUNITIES

Training	Training Provider	Department	Numbers
Chemical Application Training	ChemCert	Operations	10
Culture Competency Program	SBS	All Departments	88
Fringe Benefit Tax (FBT) Training	NTAA	Management	2
Get Healthy At Work	Health By Design	All Departments	43
Leadership / Executive Training	Julie Garland Training	Management	28
Machinery Training and Verification	Newcastle Training and Assessment	Admin / Operations	115
Managing and Investigating Workplace Incidents	AFEI	People & Culture	2
Safety For Leaders	National Safety Council of Australia	Operations	19
Single Touch Payroll Training	Sage	Management	2
Snake and Spider Safety	SSSafe	All Departments	72
Strategy Leadership Training	In house	Management	13
TAPS	The Association of Payroll Specialists	Management	1
WHS Seminar	Phillip Smallman	All Staff	90
Warden Training	Chubb	All Departments	26
TOTAL			511

8.3.2 CULTURAL COMPETENCY TRAINING

One of the key outcomes of RGCRT's strategic and multicultural plans is to establish a company culture that promotes diversity and culturally inclusive practices. With Rookwood Cemetery utilised by a growing number of different religious and cultural groups, it is vital that all employees can understand and adapt to the needs of these communities.

With this in mind, a cultural competency program has been implemented to help build employees' knowledge and understanding of Australia's diverse cultures and practices. All RGCRT employees have now completed this training and moving forward, as and when new employees commence with the Trust, they too will be required to complete the course.

8.3.3 LEADERSHIP DEVELOPMENT

The leadership team is responsible for developing and implementing RGCRT's strategic plan, whilst at the same time growing the capabilities of their individual teams. As such, we are committed to providing leaders with skills that enable them to effectively manage their teams and drive the business forward.

During the 2017/18 financial year, all managers completed leadership training. In addition to this, the Executive Team is running a mentoring program to provide managers with one-to-one guidance and support.

8.4 WORK HEALTH AND SAFETY

The team at RGCRT take Work Health and Safety (WHS) very seriously. To that end, we have implemented a WHS program to ensure the health and safety of employees, visitors, volunteers and contractors that may be affected by cemetery operations.

8.4.1 SAFETY INITIATIVES

We continue to implement new safety initiatives to remove risks and improve safety throughout Rookwood. During the reporting period, this included:

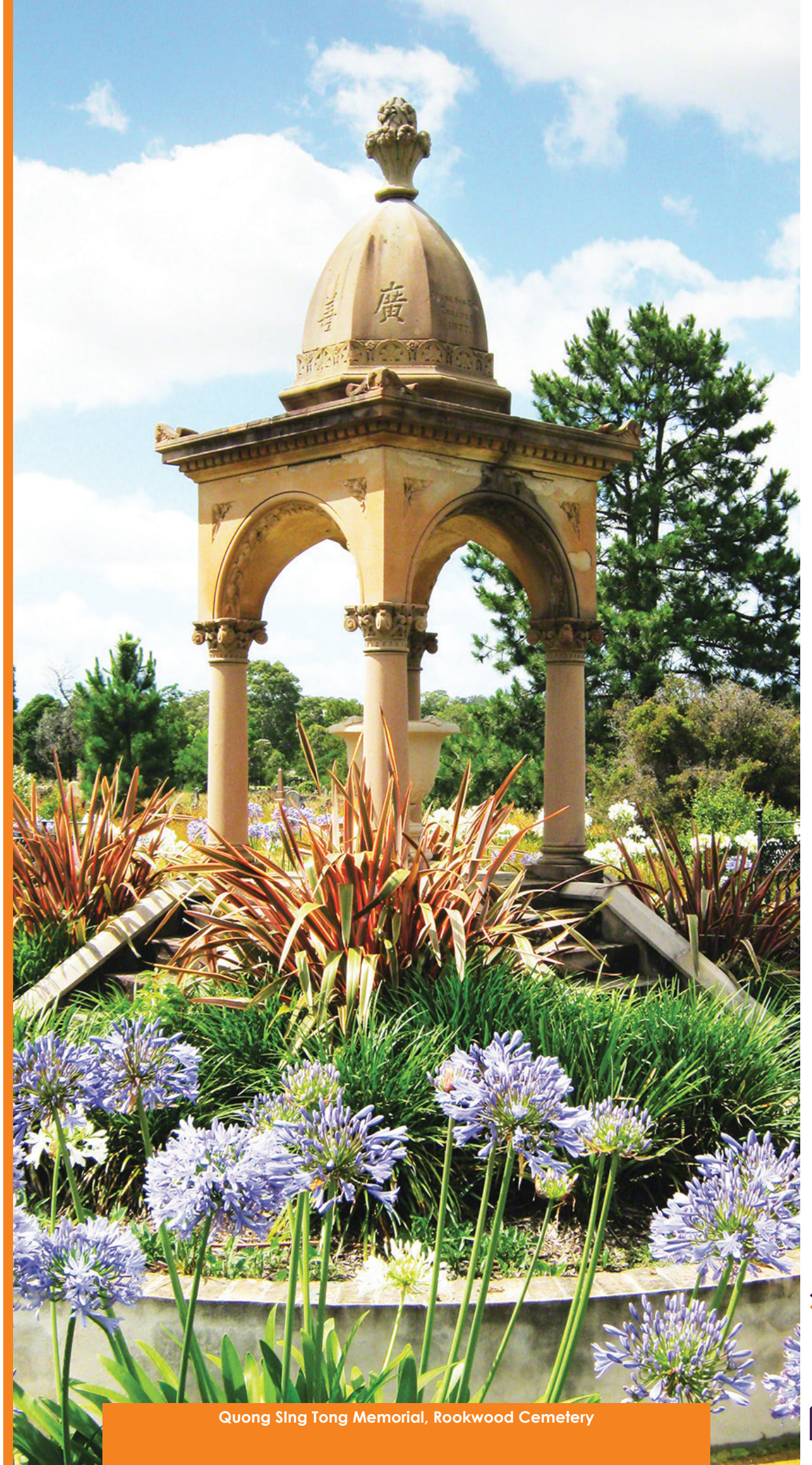
- **Compliance checks on safety equipment and PPE** – Regular checks conducted on safety equipment and PPE controls.
- **Online workplace incident reporting** – Electronic reporting mechanism implemented to better manage workplace incidents and injuries.
- **Safety awards** – Safety awards given each month to employees that have been identified performing safe work practices.
- **Safety for leaders** – Training for managers and supervisors in regards to safety requirements, legislation, and creating a safety culture.
- **Safety motivational speaker** – Company-wide seminar by Phillip Smallman, a leading WHS speaker committed to changing attitudes towards workplace safety.
- **Snake and spider awareness program** – Training conducted by SSSafe to provide employees with practical training relating to Australia's venomous snakes and spiders.
- **Staff cross over program** – Cross-departmental training, enabling internal and external employees to better understand the roles and challenges of their colleagues.

8.4.2 INJURY STATISTICS

RGCRT tracks and analyses the injuries sustained by employees and visitors to the cemetery, our aim being to mitigate risks and reduce injuries each year.

The following table illustrates the injuries sustained at Rookwood Cemetery during 2017/18.

	Number of Lost Time Injury	Number of Medical Treatment Injury	New Workers Compensation Claims Opened	Total Open Workers Compensation Claims
Jul 17	0	0	0	4
Aug 17	2	2	2	6
Sep 17	0	0	0	3
Oct 17	1	1	1	4
Nov 17	2	2	2	5
Dec 17	0	0	0	4
Jan 18	2	2	2	6
Feb 18	0	0	0	4
Mar 18	2	2	2	6
Apr 18	0	2	0	3
May 18	0	0	0	3
Jun 18	0	0	0	2



Quong Sing Tong Memorial, Rookwood Cemetery





9. STRATEGIC PRIORITY 5: Providing Leadership

HIGHLIGHTS

Planning

- Completed the first year of the Trust's strategic plan.
- Continued our focus on finding additional land for burials, both within and externally to Rookwood.

Employee Engagement

- Implemented an employee engagement survey with a view to improving cemetery operations and increasing job satisfaction.
- Developed a program to ensure regular team building activities to enable employees to build positive relationships with their colleagues.
- Implemented an innovation program to encourage employees to submit ideas that could improve our business.



9.1 STRATEGIC PLANNING

July 2017 through to June 2018 represents the first year of Rookwood General Cemeteries Reserve Trust's strategic plan. This plan was developed to ensure the longevity of Rookwood and the long-term provision of interment related services in an industry where availability of cemetery land is a growing concern. To that end, the most fundamental part of our strategic plan is finding new land, both within and externally to Rookwood Cemetery.

RGCRT's strategic plan is broken into five (5) strategic priorities, with a focus on organisational viability, governance and accountability, clients and stakeholders, workforce and people, and leadership. Each of these priorities have been addressed within this Annual Report.

Within these strategic priorities, we have many underlying objectives and as we progress through the implementation of this plan, these objectives will evolve.

The table below illustrates the status of our primary objectives as at June 30 2018.

Strategic Priorities	Objectives	Status
Building a Viable and Sustainable Organisation	Acquire new land outside of Rookwood Cemetery	Progressing
	Maximise existing land through innovative research projects	Progressing
	Develop an efficient IT environment	Progressing
	Develop a strong perpetuity fund	Progressing
Ensuring strong governance and accountability	Develop transparent communications with government regulators	Progressing
	Implement a new policy framework	Complete
	Develop effective reporting mechanisms	Complete
Enhancing relationships with community, clients and Stakeholders	Further develop a stakeholder engagement plan	Progressing
	Establish RGCR as recognised and trusted brand	Progressing
	Support the development of new products and services	Progressing
Developing our people and workforce	Cultivate a collaborative workplace	Progressing
	Implement a staff recognition and annual review program	Progressing
	Establish RGCR as an employer of choice	Progressing
Providing Leadership	Engage all employees in our strategic journey	Progressing
	Align Key Performance Indicators with strategic vision	Progressing



9.2 EMPLOYEE ENGAGEMENT

In order to include employees in our strategy and ensure all individuals are working towards a common goal, effective employee engagement is vital to our success. This includes such as initiatives as internal communications, employee surveys, team collaborations, and an innovation program.

9.2.1 INTERNAL COMMUNICATION

Monthly electronic communications are distributed to all employees. These communications provide an update from each department, information on upcoming events, and the opportunity for employees to get to know a different colleague each month. Over the next financial year, an electronic newsletter system will be implemented, which will enable RGCRT to track and analyse the response rate for these communications.

9.2.2 EMPLOYEE FEEDBACK SURVEY

Our employees are responsible for overseeing the day-to-day operation of our business, and as a result their input enables us to improve our business. In July 2017 we executed a voluntary employee feedback survey, with the purpose being to gain constructive feedback, assess job satisfaction and determine the areas of the business that may require improvement.

Pleasingly, 65 out of 91 employees completed the survey, and overall 66% of the response rates, were positive. Further to this as a result of the feedback collected, we have been able to implement a number of new initiatives within the business. This survey will now be executed annually.

9.2.3 TEAM BUILDING INITIATIVES

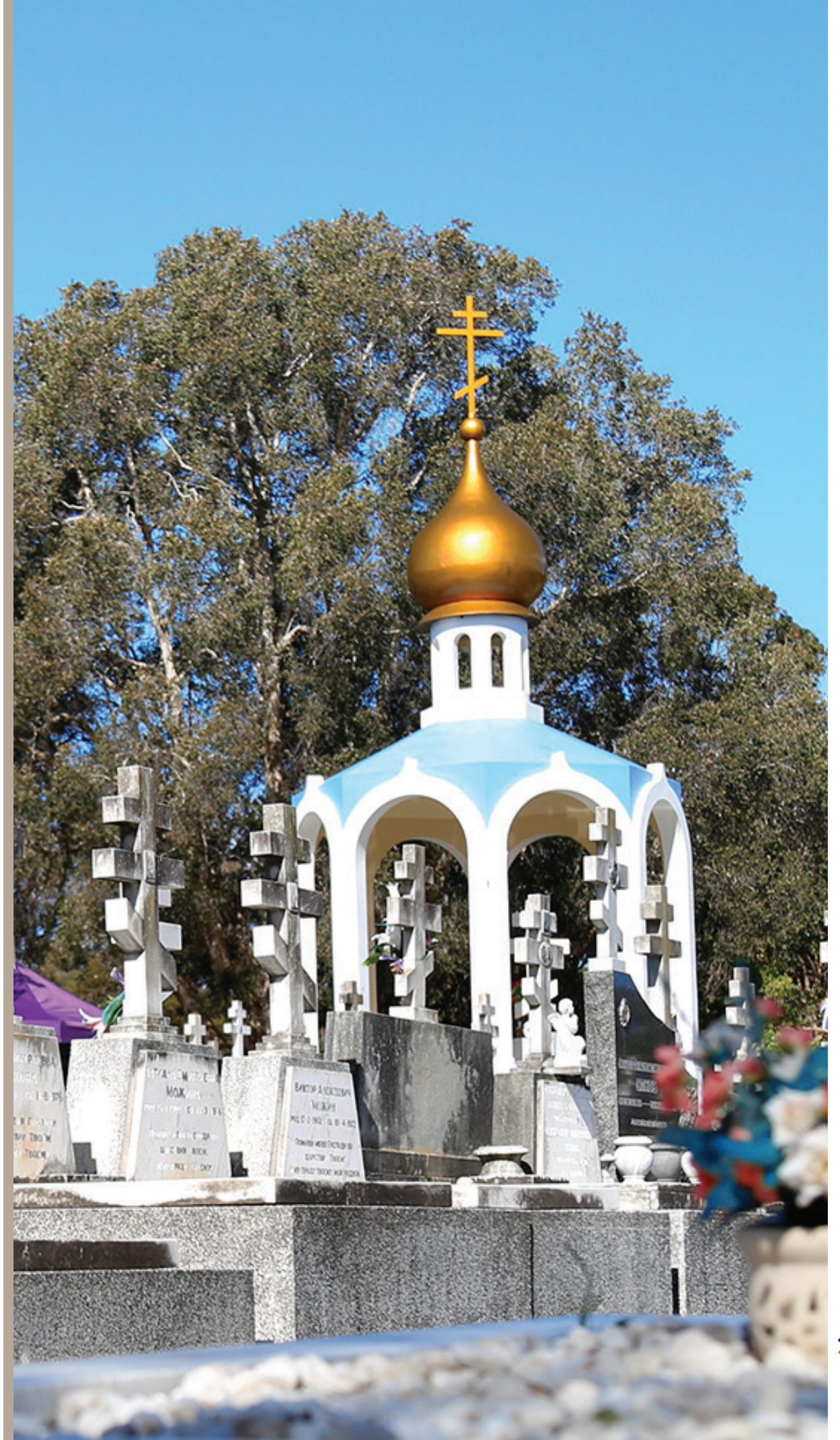
Over the last year, we have continued to provide opportunities for employees to establish effective working relationships. These team building initiatives unite internal and external employees and encourage them to get to communicate and collaborate with their colleagues.

The following table outlines the team building initiatives held during the 2017/18 financial year.

Date	Engagement Activity
Quarter 1 (July – September 2017)	End Of Financial Year Update Monthly BBQs x3
Quarter 2 (October – December 2017)	Melbourne Cup End of Year Celebration Monthly BBQs x3
Quarter 3 (January – March 2018)	Family Day Farewell BBQ Monthly BBQs x3
Quarter 4 (April – June 2018)	Biggest Morning Tea Farewell BBQs x2 Monthly BBQs x3

9.2.4 INNOVATION PROGRAM

RGCRT has introduced an innovation program that encourages employees to submit ideas that could improve our business. Ideas should relate to one or more of the five strategic priorities identified in our strategic plan. The most innovative ideas will be implemented and each year, the individual and/or team responsible for the best idea, will be rewarded with a gift voucher and an award.



Russian Pavilion, Rookwood Cemetery



FINANCIAL REPORT

20 18



10. FINANCIAL INFORMATION

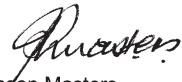
10.1 ADMINISTRATOR DECLARATION

STATEMENT BY THE ADMINISTRATOR, ROOKWOOD GENERAL CEMETERIES RESERVE LAND MANAGER

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, and in relation to the Rookwood General Cemeteries Reserve Land Manager, I state that

- The accompanying financial statements and notes to the financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015* and the financial reporting directions mandated by the Treasurer;
- The financial statements exhibit a true and fair view of the financial position of the Rookwood General Cemeteries Reserve Land Manager as at 30 June 2018, and of its financial performance and its cash flows for the period then ended; and
- At the date on which the statement is signed, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Dated: 29th October 2018



Jason Masters
Administrator
Rookwood General Cemeteries Reserve Land Manager

10.2 INDEPENDENT AUDITOR'S REPORT



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 comprise the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, 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:

- give a true and fair view of the financial position of the Land Manager as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the *Public Finance and Audit Regulation 2015*.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under 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' (APES 110).

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

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

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

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



Other Information

Other information comprises the information included in the Land Manager's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Land Manager's Administrator is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by the Administrator

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Administrator's Responsibilities for the Financial Statements

The Administrator of the Land Manager (the Administrator) is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for 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 except where the Land Manager's operations will cease as a result of an administrative restructure.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

My opinion does not 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



C J Giunelli
Director, Financial Audit Services

30 October 2018
SYDNEY

10.3 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2018

	Note	Jun 2018 \$	Jun 2017 \$
REVENUE FROM CONTINUING OPERATIONS			
Sales		25,135,890	24,250,339
Other revenue		270,420	115,977
OTHER INCOME			
Investment income		8,815,172	6,273,297
Net increase in fair value of investment		1,826,910	7,617,310
Net gain on disposal of fixed assets		190,513	107,885
Other Interest Revenue		34,586	36,718
Revenue and other income	4	36,273,491	38,401,526
EXPENSES			
Cost of sales		(3,478,399)	(2,892,215)
Employee benefits expense	4(d)	(8,066,562)	(7,939,456)
Depreciation and amortisation expenses		(1,759,813)	(1,706,792)
Lands and grounds expenses		(2,509,310)	(2,488,211)
Write-down and impairment of assets		60,000	(60,000)
Other expenses	4(c)	(4,272,650)	(3,282,684)
Net decrease in fair value of investment		(4,620,244)	(0)
Finance Cost		(36,411)	(135,217)
R&D Project expense		(116,214)	(511,101)
Expenditure		(24,799,603)	(19,015,676)
Net result		11,473,888	19,385,850
Other comprehensive for the year			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Changes in revaluation surplus of property, plant and equipment		-	(1,435,734)
Total other comprehensive income		-	(1,435,734)
Total comprehensive income for the year		11,473,888	17,950,116

The accompanying notes form part of these financial statements

10.4 STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	Jun 2018 \$	Jun 2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,408,500	1,169,017
Trade and other receivables	6	725,528	2,215,105
Inventories	7	7,907,238	7,171,083
TOTAL CURRENT ASSETS		11,041,266	10,555,205
NON-CURRENT ASSETS			
Property, plant and equipment	8	36,198,908	36,530,693
Financial assets	9	135,195,625	124,437,710
Trade and other receivables	6	1,699,676	1,326,502
TOTAL NON-CURRENT ASSETS		173,094,209	162,294,905
TOTAL ASSETS		184,135,475	172,850,110
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	924,968	1,136,379
Short-term provisions	11	919,530	924,419
Other	12	1,132,593	1,097,884
TOTAL CURRENT LIABILITIES		2,977,091	3,158,682
NON-CURRENT LIABILITIES			
Long-term provisions	11	317,564	313,181
Other	12	143,891	155,206
TOTAL NON-CURRENT LIABILITIES		461,455	468,387
TOTAL LIABILITIES		3,438,546	3,627,069
NET ASSETS		180,696,929	169,223,041
FUNDS			
Accumulated funds	14	153,777,641	142,303,753
Revaluation Reserve		26,919,288	26,919,288
TOTAL FUNDS		180,696,929	169,223,041

The accompanying notes form part of these financial statements

10.5 STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

2018	Accumulated funds \$	Asset Revaluation Surplus \$	Total \$
Balance at 1 July 2017	142,303,753	26,919,288	169,223,041
Net result for the year	11,473,888	-	11,473,888
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the year	11,473,888	-	11,473,888
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers	-	-	-
Balance at 30 June 2018	153,777,641	26,919,288	180,696,929
2017			
	Accumulated funds \$	Asset Revaluation Surplus \$	Total \$
Balance at 1 July 2016	122,917,903	28,355,022	151,272,925
Net result for the year	19,385,850	-	19,385,850
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	(1,435,734)	(1,435,734)
Total other comprehensive income	-	(1,435,734)	(1,435,734)
Total comprehensive income for the year	19,385,850	(1,435,734)	17,950,116
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers	-	-	-
Balance at 30 June 2017	142,303,753	26,919,288	169,223,041

The accompanying notes form part of these financial statements

10.6 STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	Jun 2018 \$	Jun 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from:			
Sales of goods and services		27,995,279	26,357,946
Dividends		1,905,753	899,463
Interest		1,665,031	3,355,506
Payments to:			
Employees		(8,053,350)	(7,865,579)
Suppliers		(13,803,153)	(11,734,432)
Net cash flows from operating activities	13	9,709,560	11,012,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sales of property, plant and equipment		353,727	262,441
Disposal of investments		40,664,856	11,215,091
Purchase of:			
Property, plant and equipment		(1,591,242)	(2,333,703)
Investments		(47,522,455)	(22,081,000)
Net cash flows used in investing activities		(8,095,114)	(12,937,171)
FINANCING ACTIVITIES			
Loans and trust funds		(374,963)	(400,022)
Net cash flows from/(used in) financing activities		(374,963)	(400,022)
Net increase/(decrease) in cash held		1,239,483	(2,324,289)
Cash at the beginning of the reporting period		1,169,017	3,493,306
Cash at the end of the reporting period	5	2,408,500	1,169,017

The accompanying notes form part of these financial statements

10.7 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. REPORTING ENTITY

The Rookwood General Cemeteries Reserve Land Manager (the Land Manager), is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Land Manager is a Crown Reserve Land Manager operating under the *Cemeteries and Crematoria Act (2013)* (NSW). The Land Manager is primarily involved in the provision of burial and memorialisation services for the public. The Land Manager was charity registered under the ACNC Act until 21.11.2017 when its charity status was revoked.

Rookwood General Cemeteries Reserve Land Manager was established on 27 April 2012 as a reserve Land Manager pursuant to section 92(1) of the *Crown Lands Act (1989)*. The establishment of the Land Manager was the subject of ministerial direction under the provisions of section 111A of the *Crown Lands Act (1989)*.

In accordance with the *Crown Lands Management Act (2016)*, all Crown Reserve Land Managers are transitioning to Land Managers. As a result of this change, from 1 July 2018 our new legal entity will be Rookwood General Cemeteries Reserve Land Manager ("the Land Manager").

2. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The entity'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 *Public Finance and Audit Act (1983)* and Public Finance and Audit Regulation 2015 and
- Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale, financial assets at 'fair value through profit or loss' and available-for-sale financial assets 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.

A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Land Manager applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Financial statements were authorised for issue by the Administrator on 29th October 2018

Standards issued but not yet effective and not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Land Manager, except for AASB9, AASB15 and AASB16. NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test. AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets;
- the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ii) The remaining change is presented in profit or loss.

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances.

Consequential amendments were made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8.

The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.

The Land Manager is currently assessing the impact of the AASB 9 requirements. This will be based on Treasury Policy as and when finalised.

Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

- a) identify the contract with a customer;
- b) identify the separate performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the separate performance obligations in the contract; and
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. The mandatory application date of AASB 15 has been deferred for NFP entities to annual reporting period beginning on or after 1 January 2019 by AASB 2016-7.

The Land Manager has made an internal assessment and is of the view that AASB 15 is not likely to materially impact the revenue recognition going forward.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs.

Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

The Land Manager will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the entity

(B) BASIS OF MEASUREMENT

The financial statements have been prepared on an accrual basis (with the exception of Statement of Cash Flow) and are based on historical cost, except for certain financial instruments. The method used to measure fair value is discussed further within the relevant notes.

(C) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimated liability for long service leave is recognised and measured based on the current wages, Superannuation and Worker compensation Insurance costs, using a Probability factor based on completed year of service published by Australian Government, Department of Finance. Currently the Land Manager has adopted the Treasury guidelines for calculating the provision for Long service leave with the exception of discounting as noted in the policy and has been considered as being immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES

(A) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Land Manager 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.

i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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.



Financial assets at fair value through profit or loss

The Land Manager subsequently measures financial assets classified as 'held-for-trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments under AASB 139.

The Hour-Glass Investment Facilities are designated at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Land Manager's key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

When measuring the fair value of an asset or a liability, the Land Manager uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

With regards to fixed income Tier 1 & Tier 2 assets the Land Manager adopts income recognition on a cash basis & therefore carries gross market value of the instrument on its Statement of Financial Position.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Receivables consist predominantly of trade debtors in relation to the provision of goods and services and accrued investment income. Collectability of debtors is reviewed on an ongoing basis. A provision for impairment is raised when there is some doubt as to whether collection exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Land Manager's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

ii) Financial liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held-for-trading are recognised in the net result.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in the net result.

Impairment of financial assets

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the Land Manager first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available-for-sale financial asset is considered to be impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers the financial asset: where substantially all the risks and rewards have been transferred; or where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

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.

(B) PROPERTY, PLANT AND EQUIPMENT

(i) Cemetery Land

Valuations of Government Property that are prepared for financial reporting purposes are to be valued in accordance with the Treasury Policy "" Valuation of Non-current assets at Fair value"" TPP 14-1 and AASB 13 Fair value measurement. The Land Manager has engaged an independent valuer to value the total land of 185 hectares as on 30.06.2017. The valuation is based on Market values as well as the application of cemetery land split between

1. Land under buildings
2. Land under Roads and Formed pathways
3. Land for interment and
4. Land buried out.

Discount factors of 50% to approx 95% are used depending upon the restriction on use. The Land buried out are required to remain undisturbed in perpetuity and therefore attracts the discounting of 95%.



(ii) 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.

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.

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.

Depreciation of property, plant and equipment

Except for certain non-depreciable assets including land, 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 Land Manager.

	2018 % pa	2017 % pa
Buildings	5 - 33.3	5 - 33.3
Civil Work	5 - 20	5 - 20
Plant and equipment	5 - 33.3	5 - 33.3
Computer equipment	33.3	33.3
Motor vehicles	14	14

Depreciation rates, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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 (TPP14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, 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 shall be 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 Land Manager 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 last comprehensive revaluation was completed on 30.06.2017 and was based on an independent assessment.

Land Manager has done an interim assessment on Property, Plant and equipment and noted that No Significant re-allocation from Land for interment to Land buried out as number of burials are in line with Land Manager's normal operations. In fact there is a significant amount of Non-land sales (Mausoleum) for year ending 30.06.2018.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The Land Manager 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.

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

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

If there is an indication of possible impairment, the recoverable amount of the affected asset (or group of related assets) is estimated by its disposal value in comparison with its carrying amount.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

Maintenance

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

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the Land Manager or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(C) INVENTORIES

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 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

Mausoleum and crypts are valued at the lower of the cost of development per unit of mausoleum and crypt and net realisable value. Where there is evidence that net realisable value is lower than the cost of development the carrying value of the interment spaces is reduced to reflect this. The cost of the interment space 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 space is passed to the buyer at this point.

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.

(D) EMPLOYEE BENEFITS

Employee benefits comprise wages and salaries, annual leave, accumulating and non-accumulating sick leave, long service leave, and contributions to superannuation plans.

Provision is made for the Land Manager's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled plus any related on-costs.

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 and were determined to not provide a material effect, therefore have not been reflected.

The Land Manager pays contributions to certain defined contribution superannuation plans. 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 plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(E) TRADE CREDITORS AND OTHER PAYABLES

Trade creditors and other payables represent liabilities for goods and services provided to the Land Manager before the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

(F) TRADE AND OTHER RECEIVABLES

Trade and other receivables, which include amounts due from sales of merchandise and from services provided to customers, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to ninety days. The carrying amount of the receivable is deemed to reflect fair value. An allowance for doubtful debts is made when there is objective evidence that the Land Manager will not be able to collect the debts. Bad debts are written off when identified.

(G) DEFERRED INCOME

The liability for deferred income is the amounts received in advance for incomplete construction contracts and works in progress. Revenue is recognised as the works are completed and accepted by the purchaser.

The incomplete work will usually be completed within 12 months of receipts of the amount in advance. Where the amount received is in respect of work that will be provided over a period that exceeds 12 months after the reporting date, the liability presented as non-current'.

(H) REVENUE RECOGNITION

Revenue is recognised in accordance with AASB118 Revenue and is recognised to the extent that it is probable that the economic benefits will flow to the Land Manager and the revenue can be reliably measured at fair value.

Revenue from the sales of goods is recognised when the control of goods passes to the customer.

Revenue from the provision of services is recognised when the service has been provided.

Sale of Burial Licences / goods sold

Revenue from the granting of a burial licence or sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns.

Revenue is recognised when substantial evidence exists, usually in the form of an executed perpetual interment right, that the significant risk and rewards of ownership have been transferred to the customer.

Recovery of the consideration is probable and the amount of revenue can be measured reliably.

Rendering services

Revenue from rendering services including interments, chapel fees, abiding care fees is recognised in profit and loss on execution of the service. Revenue from monumental work will be deferred income and is recognised according to stages of completion.

Other Revenue

Rental income from operating leases are recognised in profit and loss on a straight line basis over the term of the lease agreement.

Investment income

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs.

Investment income comprises of interest income on funds invested (on fixed term deposits, hybrids, subordinated debts) and dividend income received from equity investments.

Interest income on fixed term deposit is recognised as it accrues in the profit and loss using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend and franking credit income is recognised in the profit and loss on the date that the Land Manager's right to receive payment is established. As has been mentioned the Land Manager's charity status was revoked on 21.11.2017. The Land Manager is not eligible for Franking credits from that date.

During the year the Land Manager has decided to liquidate some financial instruments and invested in Treasury Corporation (Tcorp). The Tcorp Hour- Glass Investment facilities that are normally part of financial assets at fair value Categories include the strategic cash facility and Long-term growth facilities .

The Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option under AASB 139.9 (b) (ii) – i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Land Manager's key management personnel.

The Treasury Risk Management Policy requires management to report on all investments, including the amount, yield, maturity, counterparty credit rating and total investments with counterparty. Exposure limits per counterparty are set to minimise the Land Manager's risk.

Any Hour-Glass Investment facilities held by the Land Manager are short term unit and long term unit Land Manager investment funds managed by the NSW Treasury Corporation (TCorp). The Land Manager has been issued with a number of units in TCorp's Hour-Glass Cash Facility Land Manager, based on the amount of the deposit and the unit value for the day.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movement in fair value and is reported in the line item 'Revenue and other income'.



Sale of Investments

The gain/loss on the sale of investments is recognised when the investment is realised.

Net gain on disposal of fixed assets

Net gain on disposal of fixed assets is recognised once the sale is executed and the consideration is received.

(I) EXPENDITURE

Expenditure is accounted for on an accruals basis and is classified according to its nature.

(J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(K) TAXATION

Income tax

The Land Manager has received advise that it is exempt from income tax as per the Income Tax Assessment Act 1997.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flow on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as an operating cash flow.

(L) CURRENCY AND ROUNDING OF AMOUNTS

The financial statements are presented in Australian dollars, which is the Land Manager's functional and presentation currency. All values are rounded to the nearest dollar (\$) unless otherwise stated.

(M) COMPARATIVE FIGURES

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

(N) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Land Manager can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(O) PERPETUAL CARE

There is a general expectation on the part of the public that the cemetery will be maintained in perpetuity.

The Land Manager is currently accumulating reserves to provide for the future maintenance expenses of the cemetery. At this time the Land Manager is aware that there may be significant on-going cash outflows for future maintenance and have been advised by an independent Actuarial valuation consultant the estimated amount of Perpetual obligation . The Land Manager has invested in good quality financial instruments which can generate enough investment returns to maintain the Cemetery in Perpetuity. Therefore, no additional liability is recognised on this account.



4. REVENUE, OTHER INCOME AND EXPENSES

	30 June 2018	30 June 2017
	\$	\$
(A) REVENUE		
Sales of goods	18,765,615	18,065,394
Rendering of services	6,370,275	6,184,945
Sales revenue	25,135,890	24,250,339
Rental revenue	270,420	115,977
Other revenue	270,420	115,977
Total revenue	25,406,310	24,366,316
(B) OTHER INCOME		
Interest	7,107,522	3,327,531
Dividends	1,707,650	2,945,766
Investment income	8,815,172	6,273,297
Net gain on disposal of investments	1,826,910	2,032,381
Net increase in fair value of investments	-	5,584,929
Net gain on disposal of property, plant & equipment	190,513	107,885
Other Interest Revenue	34,586	36,718
Total other income	10,867,181	14,035,210
Total revenue and other income	36,273,491	38,401,526
(C) COST OF SALES AND OTHER EXPENSES		
Cost of sales	(3,478,399)	(2,892,215)
Reduction of carrying value of inventory	60,000	(60,000)
Other expenses		
Contract labour expense	(196,522)	(36,720)
Motor vehicle expenses	(127,984)	(55,081)
Computer expenses	(193,972)	(325,895)
Bad debts expense	11,334	(18,000)
Insurance	(28,494)	(133,711)
Operating costs	(3,737,012)	(2,713,277)
Total other expenses	(4,272,650)	(3,282,684)
(D) EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	(7,185,579)	(6,896,993)
Superannuation expense	(599,519)	(585,840)
Workers Compensation Insurance	(281,969)	(263,010)
Movement in employee benefits provisions	505	(193,613)
Total employee benefits expense	(8,066,562)	(7,939,456)

5. CASH AND CASH EQUIVALENTS

	30 June 2018	30 June 2017
	\$	\$
Cash at bank	1,552,799	917,401
Cash on hand	175	312
Short-term deposits	855,526	251,304
Total cash and cash equivalents	2,408,500	1,169,017

6. TRADE AND OTHER RECEIVABLES

	30 June 2018	30 June 2017
(A) Current assets		
Sale of goods and services	394,654	434,866
Less Allowance for impairment*	(35,115)	(50,437)
Net trade debtors	359,539	384,429
Dividends receivable	255,447	346,255
Franking credits receivable	-	1,210,228
Interest receivable	-	148,226
Investment income receivable	255,447	1,704,709
Other Debtors	43,062	10,888
Prepayments	67,480	115,079
Trade and other receivables	725,528	2,215,105
(B) Non Current Assets		
Amounts receivable from Rookwood Necropolis Trust	1,699,676	1,326,502
Total trade and other receivables	2,425,204	3,541,607

*Movement in the allowance for impairment

Balance at 1 July	50,437	32,437
Amounts written off during the year	(3,988)	
Amounts recovered during the year	-	-
Increase/(Decrease) in allowance recognised in net result	(11,334)	18,000
Balance at 30 June	35,115	50,437

The Land Manager has provided an interest free loan to Rookwood Necropolis Trust. Trust provided payments of \$1,025,000 and \$400,000 in financial years 2015-16 and 2016-17, respectively. An additional amount of \$375,000 was loaned in financial year 2017-18. Land Manager has taken the decision to discount the loan to reflect the present value at the TCorp Government 5 year bond rate of 2.471%. The movement in the present value for financial year 2017-18 is reflected in other interest revenue and finance costs in the profit and loss, with a net expense of \$1,825.18.

7. INVENTORIES

	30 June 2018	30 June 2017
	\$	\$
Materials and goods for resale	56,084	78,278
Interment sites	6,695,556	5,651,761
Mausoleum & crypts	1,155,598	1,441,044
Total inventories	7,907,238	7,171,083

8. PROPERTY, PLANT AND EQUIPMENT

Crown land at fair value	26,363,200	26,363,200
Less: Accumulated depreciation	-	-
Total Crown land	26,363,200	26,363,200
Buildings at fair value	5,573,323	5,379,528
Less: Accumulated depreciation	(418,349)	-
Total Buildings	5,154,974	5,379,528
Civil works at fair value	2,258,032	2,147,597
Less: Accumulated depreciation	(277,687)	-
Total Civil works	1,980,345	2,147,597
Plant and equipment at fair value	2,685,737	1,774,798
Less: Accumulated depreciation	(766,281)	-
Total plant and equipment	1,919,456	1,774,798
Motor vehicles at fair value	1,054,592	865,571
Less: Accumulated depreciation	(273,659)	-
Total motor vehicles	780,933	865,571
Total property, plant and equipment	36,198,908	36,530,694

2018	Crown land	Buildings	Civil works	Plant & equipment	Computer equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2017							
Gross book value	26,363,200	5,379,528	2,147,597	1,351,527	423,270	865,571	36,530,693
Accumulated depreciation	-	-	-	-	-	-	-
Net book value	26,363,200	5,379,528	2,147,597	1,351,527	423,270	865,571	36,530,693
Opening net book value	26,363,200	5,379,528	2,147,597	1,351,527	423,270	865,571	36,530,693
Reclassification							-
Additions	-	193,795	110,435	285,918	659,100	341,994	1,591,242
Revaluation	-	-					-
Depreciation expense		(418,349)	(277,687)	(405,986)	(366,576)	(291,215)	(1,759,813)
Written down value of disposals				(27,797)	-	(135,417)	(163,214)
Closing net book value	26,363,200	5,154,974	1,980,345	1,203,662	715,794	780,933	36,198,908
As at 30 June 2018							
Gross book value	26,363,200	5,573,323	2,258,032	1,603,367	1,082,370	1,054,592	37,934,884
Accumulated depreciation	-	(418,349)	(277,687)	(399,705)	(366,576)	(273,659)	(1,735,976)
Net book value	26,363,200	5,154,974	1,980,345	1,203,662	715,794	780,933	36,198,908

2017	Crown land	Buildings	Civil works	Plant & equipment	Computer equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2016							
Gross book value	25,774,640	7,263,324	1,959,056	1,371,676	1,246,722	1,042,815	38,658,233
Accumulated depreciation	-	(261,907)	(190,809)	(190,356)	(445,168)	(75,921)	(1,164,161)
Net book value	25,774,640	7,001,417	1,768,247	1,181,320	801,554	966,894	37,494,072
Opening net book value	25,774,640	7,001,417	1,768,247	1,181,320	801,554	966,894	37,494,072
Reclassification							-
Additions	-	819,558	631,756	579,662	34,459	268,268	2,333,703
Revaluation	588,560	(2,024,294)					(1,435,734)
Depreciation expense		(417,153)	(252,406)	(380,492)	(412,324)	(244,417)	(1,706,792)
Written down value of disposals				(28,963)	(419)	(125,174)	(154,556)
Closing net book value	26,363,200	5,379,528	2,147,597	1,351,527	423,270	865,571	36,530,693
As at 30 June 2017							
Gross book value	26,363,200	5,379,528	2,147,597	1,351,527	423,270	865,571	36,530,693
Accumulated depreciation	-	-	-	-	-	-	-
Net book value	26,363,200	5,379,528	2,147,597	1,351,527	423,270	865,571	36,530,693



9. FINANCIAL ASSETS

	30 June 2018	30 June 2017
	\$	\$
(A) FINANCIAL ASSETS AT FAIR VALUE		
Interest income securities	24,977,958	42,770,140
Shares	18,669,852	37,036,269
Investment trusts	10,642,644	10,518,428
Tcorp Long-term Growth Fund	78,297,045	12,315,527
Tcorp Strategic Cash Fund	2,608,126	18,297,346
Listed investments at fair value	135,195,625	120,937,710

Shares have no fixed maturity date or coupon rate, are at fair value and are quoted on the Australian Stock Exchange

Interest income securities include unsecured bonds, hybrids and convertible notes which have coupon rates varying from 4.00 per cent to 7.15 per cent and maturity dates ranging from July 2018 to November 2036. The market value of these securities fluctuates from time to time. These are at fair value and are quoted on Australian Stock Exchange with the exception of Unsecured Bonds. The market value of Unsecured bonds are published by the issuer of Bonds.

Investment trusts are managed by third parties on behalf of the Land Manager and other investors. The Land Manager holds a variety of investments which generate a return based on income from those investments and changes in the market value of the investments. The Land Manager's investments in trusts can be redeemed on an at-call basis at the market value of the investment at the date of redemption less certain fees and charges. These are at Fair value.

(B) HELD-TO-MATURITY INVESTMENTS

Term deposits	-	3,500,000
Total financial assets	135,195,625	124,437,710

10. TRADE CREDITORS AND OTHER PAYABLES

Trade creditors	-	366,033
Other creditors and accruals	924,968	770,346
Totals	924,968	1,136,379

11. EMPLOYEE BENEFITS

	30 June 2018	30 June 2017
	\$	\$
(A) CURRENT		
Annual leave	642,126	689,164
Long service leave	277,404	231,998
Other employee provision	-	3,257
Total short-term provisions	919,530	924,419
(B) NON-CURRENT		
Long service leave	317,564	313,181
Total long-term provisions	317,564	313,181

12. OTHER LIABILITIES

(A) CURRENT

Deposits held in advance	1,121,278	1,086,767
Annual and abiding care	11,315	11,117
Total	1,132,593	1,097,884

(B) NON-CURRENT

Annual and abiding care	143,891	155,206
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13. CASH FLOW INFORMATION

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

	30 June 2018	30 June 2017
	\$	\$
Surplus for the year	11,473,888	19,385,850
Depreciation and amortisation expense	1,759,813	1,706,792
Gain on disposal of assets	(190,513)	(107,885)
Unrealised (gain)/loss on investments	4,620,244	(5,584,929)
Other Interest Revenue	(34,568)	(36,718)
Finance Cost	36,411	135,217
Dividend Reinvestments	(6,693,650)	(2,198,872)
Net loss/(gain) on disposal of investments	(1,826,910)	(2,032,381)
Increase/(decrease) in assets		
Movement in current receivables	1,442,176	273,181
Movement in current inventories	(736,155)	120,032
Movement in other current assets	47,599	(83,067)
Increase/(decrease) in liabilities		
Movement in Suppliers	(219,148)	(760,787)
Movement in current provisions	37,323	200,663
Movement in non-current provisions	(6,932)	(4,192)
Net cash from operating activities	9,709,560	11,012,904

14. ACCUMULATED FUNDS

Accumulated funds	153,777,641	142,303,753
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Accumulated funds are funds that have been set aside for the furtherance of any or all of the Land Manager's purposes. These include the provision of perpetual care, development of the facilities and the establishment of additional sources of revenue.

Accumulated funds include amounts which were settled at the time of dissolution of the previous reserve trusts and the creation of Rookwood General Cemeteries Reserve Trust Land Manager.

15. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

(A) ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

30 June 2018	Carrying Value				Fair Value	
	Held to maturity	Loans and receivables	Fair Value through profit and loss	Other Liabilities	Total	Level
	\$	\$	\$	\$	\$	
Financial assets measured at fair value						
Shares in listed companies	-	-	18,669,852	-	18,669,852	Level1
Hybrid investment	-	-	16,853,420	-	16,853,420	Level1
Subordinated Debt	-	-	8,124,538	-	8,124,538	Level1
Tcorp Long-term Growth Fund	-	-	78,297,045	-	78,297,045	Level1
Tcorp Strategic Cash Fund	-	-	2,608,126	-	2,608,126	Level1
Investment funds	-	-	10,642,644	-	10,642,644	Level1
	-	-	135,195,625	-	135,195,625	
Financial assets not measured at fair value						
Term deposits with a maturity greater than 3 months	-	-	-	-	-	
Trade and other receivables	-	725,528	-	-	725,528	
Cash and cash equivalents	-	2,408,500	-	-	2,408,500	
	-	3,134,028	-	-	3,134,028	
Financial Liabilities not measured at fair value						
Trade payables	-	-	-	924,968	924,968	
	-	-	-	924,968	924,968	

30 June 2017

	Carrying Value				Fair Value	
	Held to maturity	Loans and receivables	Fair Value through profit and loss	Other Liabilities	Total	Level
	\$	\$	\$	\$	\$	
Financial assets measured at fair value						
Shares in listed companies	-	-	37,036,269	-	37,036,269	Level1
Hybrid investment	-	-	34,611,456	-	34,611,456	Level1
Subordinated Debt	-	-	8,158,684	-	8,158,684	Level1
Tcorp Long-term Growth Fund	-	-	12,315,527	-	12,315,527	Level1
Tcorp Strategic Cash Fund	-	-	18,297,346	-	18,297,346	Level1
Investment funds	-	-	10,518,428	-	10,518,428	Level1
	-	-	120,937,710	-	120,937,710	
Financial assets not measured at fair value						
Term deposits with a maturity greater than 3 months	3,500,000	-	-	-	3,500,000	
Trade and other receivables	-	2,215,105	-	-	2,215,105	
Cash and cash equivalents	-	1,169,017	-	-	1,169,017	
	3,500,000	3,384,122	-	-	6,884,122	
Financial Liabilities not measured at fair value						
Trade payables	-	-	-	1,136,379	1,136,379	
	-	-	-	1,136,379	1,136,379	

(b) Financial risk management

The Land Manager has exposure to the following risks arising from financial instruments:

- credit risk (see (b)(ii))
- liquidity risk (see (b)(iii))
- market risk (see (b)(iv))
- interest rate risk (see (b)(v))
- equity price risk (see (b)(vi))

(i) Risk Management framework

The administrator has overall responsibility for the establishment and oversight of the Land Manager's risk management framework. The Board Members have established the Audit and Risk Committee, which is responsible for developing and monitoring the Land Manager's risk management policies. The committee reports regularly to the Board Members on its activities.

The Land Manager's risk management policies are established to identify and analyse the risks faced by the Land Manager, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Land Manager's activities. The Land Manager, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Land Manager's Audit and Risk Committee oversees how management monitors compliance with the Land Manager's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Land Manager.

(ii) Credit risk

Credit risk is the risk of financial loss to the Land Manager if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Land Manager's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and historic trading relationship with the customer.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Land Manager's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed regularly.

At the reporting date, the Land Manager has a provision for doubtful debts totalling of \$35,115.31

	2018	2017
	\$	\$
Gross amount	394,654	434,866
Not more than 30 days	233,290	328,586
More than 30 days but not more than 60 days	72,694	32,572
More than 60 days but not more than 90 days	26,470	1,378
More than 90 days	62,200	72,329
Total	394,654	434,866

Cash and cash equivalents

The Land Manager held cash and cash equivalents of \$2,408,500 at 30 June 2018. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+ . Therefore, credit risk is considered negligible.

(iii) Liquidity risk

Liquidity risk is the risk that the Land Manager will encounter difficulty in meeting the obligations associated with its financial liabilities. The Land Manager's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions , without incurring unacceptable losses or risking damage to the Land Manager's reputation.

Payables

As at 30 June 2018, the Land Managers financial liabilities have contractual maturities (including interest payments, where applicable) as summarised below:

30 June 2018	Current		Non-Current	
	Within 6 months	6-12 months	1-5 Years	Later than 5 years
	\$	\$	\$	\$
Trade & Other Payables	738,527	-	186,441	-
Total	738,527	-	186,441	-

30 June 2017	Current		Non-Current	
	Within 6 months	6-12 months	1-5 Years	Later than 5 years
	\$	\$	\$	\$
Trade & Other Payables	949,974	-	186,405	-
Total	949,974	-	186,405	-

Receivables

As at 30 June 2018, the Land Manager's financial assets have contractual maturities (including interest payments, where applicable) as summarised below:

30 June 2018	Current		Non-Current	
	Within 6 months	6-12 months	1-5 Years	Later than 5 years
	\$	\$	\$	\$
Trade & Other Receivables	725,528	-	1,699,676	-
Total	725,528	-	1,699,676	-

30 June 2017	Current		Non-Current	
	Within 6 months	6-12 months	1-5 Years	Later than 5 years
	\$	\$	\$	\$
Trade & Other Receivables	2,215,105	-	1,326,502	-
Total	2,215,105	-	1,326,502	-

(iv) Market risk

Market risk is the risk that changes in market prices - interest rates and equity prices - will affect the Land Manager's income or the value of its holdings of financial instruments.

The objective of the Audit and Risk Committee is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Instrument	Fixed return Financial Investment	Variable Return Financial Instruments	Carrying Value as at 30 June 2018
	\$	\$	\$
Cash	-	2,408,500	2,408,500
Term deposits (more than 3 months)	-	-	-
Tcorp Long-term Growth Fund	-	78,297,045	78,297,045
Tcorp Strategic Cash Fund	-	2,608,126	2,608,126
Investment funds	-	10,642,644	10,642,644
Subordinated Debt	-	8,124,538	8,124,538
Hybrids	-	16,853,420	16,853,420
Equities	-	18,669,852	18,669,852
Investment Total	-	137,604,125	137,604,125

Instrument	Fixed return Financial Investment	Variable Return Financial Instruments	Carrying Value as at 30 June 2017
	\$	\$	\$
Cash	-	1,169,017	1,169,017
Term deposits (more than 3 months)	3,500,000	-	3,500,000
Tcorp Long-term Growth Fund	-	12,315,527	12,315,527
Tcorp Strategic Cash Fund	-	18,297,346	18,297,346
Investment funds	-	10,518,428	10,518,428
Subordinated Debt	-	8,158,684	8,158,684
Hybrids	-	34,611,456	34,611,456
Equities	-	37,036,269	37,036,269
Investment Total	3,500,000	122,106,727	125,606,727

(v) Interest rate risk

At 30 June 2018, the Land Manager is exposed to changes in market interest rates through bank borrowings at variable interest rates. The investments in short and long term deposits all pay fixed interest rates. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.50% (2017: +/- 0.50%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates.

	0.5%	-0.5%	0.5%	-0.5%
	Surplus	Surplus	Equity	Equity
	\$	\$	\$	\$
30 June 2018	594,671	(594,671)	594,671	(594,671)
30 June 2017	442,852	(442,852)	442,852	(442,852)

(vi) Equity price risk

The Land Manager's listed equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The Land Manager manages the equity price risk through industry and institution diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Land Manager's senior management on a regular basis. The Land Manager's Board reviews and approves all equity investment decisions. At the reporting date, the exposure to listed equity securities at fair value is listed above. An increase or decrease of 10% on the ASX 200 market index could have an impact of approximately \$ 2 million on the income attributable to the Land Manager, depending on whether or not the decline is significant or prolonged.

16. NON-FINANCIAL ASSETS - MEASUREMENT

Non-financial assets measured at fair value

30 June 2018	Level 1	Level 2	Level 3	Total
Property, Plant and Equipment (Note 8)				
Crown land			26,363,200	26,363,200
Buildings			5,154,974	5,154,974
Civil Works			1,980,345	1,980,345
Plant & equipment			1,203,662	1,203,662
Computer equipment			715,794	715,794
Motor vehicles			780,933	780,933
Total	-	-	36,198,908	36,198,908

Non-financial assets measured at fair value

30 June 2017	Level 1	Level 2	Level 3	Total
Property, Plant and Equipment (Note 8)				
Crown land			26,363,200	26,363,200
Buildings			5,379,528	5,379,528
Civil Works			2,147,597	2,147,597
Plant & equipment			1,351,527	1,351,527
Computer equipment			423,270	423,270
Motor vehicles			865,571	865,571
Total	-	-	36,530,693	36,530,693

Fair value of the Trust'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 the Administrator and Audit and Risk Committee at each reporting date.

Further information about the valuation of the land and buildings is set out below.

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. In 2017, a positive adjustment of 2.3% was incorporated for these factors. The land was revalued on 30 June 2017. The land was previously revalued on 30 June 2015.

The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

The appraisal for buildings was carried out using 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. In 2017, a negative adjustment of 27.3% was incorporated for these factors. The buildings were revalued on 30 June 2017. The buildings were previously revalued on 30 June 2015.

(i) Reconciliation of the carrying amounts of non-financial assets

	\$
Balance at 1 July 2017	36,530,693
Additions	1,591,242
Disposals	(163,214)
Depreciation movement	(1,759,813)
Gains/losses recognised in other comprehensive income:	-
Revaluation of Crown land	-
Revaluation of building	-
Balance at 30 June 2018	36,198,908

17. CAPITAL COMMITMENTS

The Land Manager has entered into an agreement with Rookwood Necropolis Trust ("RNT") to provide them with an interest free loan to the extent of \$990,000 in the 2019 financial year. These terms of the agreement for these loans includes a repayment plan from 2020 financial year.

The value of the loans given to RNT as at the balance sheet date have been discounted using the 5 year Tcorp bond rate, being 2.471%.

18. RELATED PARTY TRANSACTIONS

(A) TRANSACTIONS WITH RELATED ENTITIES

During the year, Land Manager entered into transactions on arm's length terms and conditions with other entities controlled by the NSW government, These transactions include:

- Payments to Cemeteries and Crematoria NSW for levy
- Payments to Rookwood Necropolis Trust for levy
- Payment to the Audit office for the audit of our financial statement.

(B) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Compensations of the Land Manager's key management personnel (Executives and Land Manager's administrator) includes salaries, non-cash benefits and contributions to superannuation .

	30 June 2018	30 June 2017
Short-term employee benefit	1,067,858	1,368,956
Post-employment benefits	61,928	119,571
Long-term employee benefit	-	4,051
Termination benefits	-	72,917
	1,129,786	1,565,495

19. SUBSEQUENT EVENTS

Following are the significant non-adjusting events that occurred between the reporting date and the date of authorisation.

1. On 23rd July 2018 the Land Manager's board acknowledged the controlled entity status.
2. Jason Masters' appointment as the Land Manager's Administrator has been extended for up to six months from 1 July 2018.
3. *Crown Lands Management Act (2016)* commenced on 1 July 2018. As a result, the entity's legal name was changed to be Rookwood General Cemeteries Reserve Land Manager.

20. CONTINGENT LIABILITY

No contingent liability exists for 30th June 2018.

21. AUDITOR'S REMUNERATION

Audit Office of New South Wales were engaged by the administrator of the Rookwood General Cemeteries Reserve Land Manager to carry out an audit on the financial statements of the Land Manager for the period ended 30 June 2018. Audit Office has appointed Nexia Court & Company to carry out 2017-2018 audit.

	30 June 2018	30 June 2017
Audit and review of financial statement		
Audit fees - Nexia Sydney Partnership	65,200	72,435
Audit Fess - Audit office of NSW	9,800	-
Other services		
Audit Fees - Audit office of NSW	-	9,300
	75,000	81,735

End of of Audited Financial Statements.

11. DISCLOSURE INDEX

The RGCRT 2017 Annual Report complies with the following legislative guidelines:

- Crown Trust Reporting Requirements, Cemeteries and Crematoria NSW (CCNSW)
- Annual Report Compliance Checklist, NSW Treasury

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12. GLOSSARY

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ACWA	Australian Chinese Workers Association
AICD	Australian Institute of Company Directors
ARC	Audit and Risk Committee
CAC	Community Advisory Committee
CCNSW	Cemeteries and Crematoria NSW
CEO	Chief Executive Officer
DA	Development Application
FBT	Fringe Benefit Tax
HAC	Heritage Advisory Committee
ICOMOS - Australia	International Committee of Monuments and Sites Australia
ICT	Information Communication Technology
KPI	Key Performance Indicators
MSC	Monumental Safety and Conservation
NSW	New South Wales
RGCRT	Rookwood General Cemeteries Reserve Trust
RNT	Rookwood Necropolis Trust
Tcorp	Transitioning Investments to Treasury Corporation of NSW
R&D	Research & Development
RSL	Returned Services League
WHS	Work Health and Safety



Mausoleum of Eternal Rest, Rookwood Cemetery



