



Southern Metropolitan  
Cemeteries NSW

# Annual Report 2022



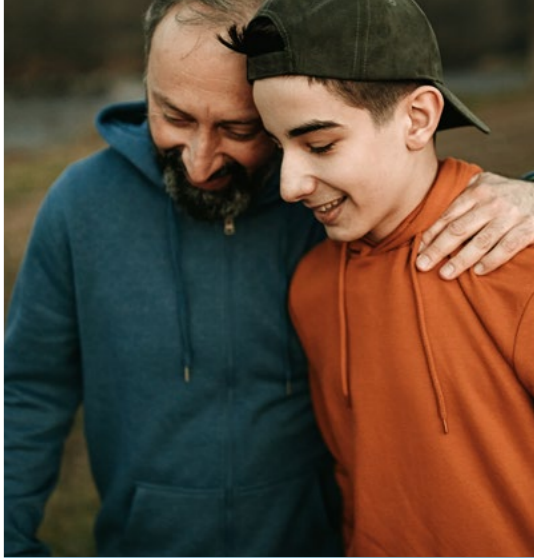
Southern Metropolitan  
Cemeteries NSW

Acknowledgement of Country

Southern Metropolitan Cemeteries Land Manager acknowledges the continuing connection to lands, waters and living cultures of the traditional custodians of the land on which our cemeteries are located.  
We pay our respects to elders past and present.

CONTENTS

<b>Highlights</b>	<b>04</b>
Year in Review	05
Message from the Administrator	06
<b>Our Organisation</b>	<b>08</b>
History of our Cemeteries	08
Operating Environment	10
Corporate Structure	14
Administrator	15
Executive Team	16
<b>Strategic Priorities</b>	<b>20</b>
<b>Priority 1 – Create a unified organisation</b>	<b>21</b>
Corporate Governance	22
Committees	22
Meetings	22
Control Framework	23
<b>Priority 2 – Business Sustainability</b>	<b>24</b>
Services	25
Service Delivery	26
Consumer Response	28
Operational Achievements	29
Financial Management	31
<b>Priority 3 – Valued Relationships</b>	<b>32</b>
Stakeholders	33
Events	34
Stakeholder Forums	34
<b>Priority 4 – Our People</b>	<b>35</b>
Workforce Diversity	36
Consultants	38
Developing Capabilities	39
Work, Health and Safety	39
<b>Priority 5 – Business Efficiencies</b>	<b>40</b>
Change Management	41
Pricing Strategy	41
Minimising Environmental Impacts	42
<b>Priority 6 – Delivery of Purpose</b>	<b>43</b>
Chapel Care	44
Renewable Tenure	44
<b>Financials</b>	<b>45</b>
<b>Glossary</b>	<b>85</b>





**Southern Metropolitan Cemeteries Land Manager (SMCNSW)** was established in 2012 operating as a Land Manager on behalf of the State Government. SMCNSW manages Eastern Suburbs Memorial Park and Woronora Memorial Park. The memorial parks cover an area of approximately 83 hectares of Crown Land in the City of Randwick and the Sutherland Shire.

As a community-focused organisation, SMCNSW is committed to serving the needs of our diverse communities. We are here to help guide families through the sensitive, long-term decisions regarding death and dying. Historic and iconic, the SMCNSW memorial parks are appealing, tranquil and distinctive destinations to honour families, friends, and loved ones.



**Southern Metropolitan  
Cemeteries NSW**

**Contact information**

[smcnsw.org.au](http://smcnsw.org.au)

Woronora Memorial Park: 02 9545 4677

Eastern Suburbs Memorial Park: 02 9661 5655

**Cemetery locations**

Woronora Memorial Park: 121 Linden St, Sutherland NSW 2232

Eastern Suburbs Memorial Park: 12 Military Rd, Matraville NSW 2036

**Cemeteries open**

Sunrise to sunset, every day

**Office hours**

Monday to Friday: 8.30am - 4.30pm

ABN 13 806 606 081

*This Annual Report provides operational and financial information concerning SMCNSW for the 2021-22 financial year.*

**PURPOSE**

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

**VALUES**



**Respect Diversity**

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



**Genuine Care**

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



**One Team**

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



**Deliver Excellence**

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



HIGHLIGHTS


Year in Review

Services



1,881

Chapel services



2,589

Cremations




1,453

Bodily interments



1,856


Ash interments



1,036


Monumental and inscription permits processed

Engagement Initiatives




65

Communities



235

New social media followers



210,415

Website visits

Governance



5

Administrator meetings held

4

Audit and Risk Committee meetings held

Our People



112

75 male, 37 female employees

Financial Totals



\$195.5

million in accumulated net assets

\$97.1

million in accumulated investments

# Message from the Administrator



**Lee Shearer**  
ADMINISTRATOR

## Welcome

Over the past two years, a significant reform agenda has been set for the New South Wales (NSW) cemeteries and crematoria sector. This was the result of several reviews, including an independent statutory review of the *Cemeteries and Crematoria Act 2013*, and the Independent Pricing and Regulatory Tribunal (IPART) review of costs and pricing.

These reviews particularly impacted SMCNSW, as they resulted in the organisation being overseen by myself in the role of Administrator.

As Administrator, I am charged with uniting SMCNSW with Northern Metropolitan Cemeteries Land Manager (NMC), Rookwood Necropolis Land Manager (RNLM) and Rookwood General Cemeteries Reserve Land Manager (RGC).

As a group these organisations manage eight cemeteries in Greater Sydney which constitutes approximately 410 hectares of burial space and represent over 80 per cent of all Crown cemetery sector services in NSW. These cemeteries support over 60 religious and cultural communities, performing more than 10,000 burial and cremation services each year. Furthermore, we employ more than 300 staff and deliver a combined turnover of approximately \$80M per annum.

During the 2021-22 financial year, my focus has been reshaping the NMC, RGC, and SMCNSW. This includes improving financial viability and sustainability, acting in public interest, overseeing the ongoing management of Crown cemeteries, and collaborating with State Government to acquire and develop new land.

Operationally, we have committed to meeting three fundamental needs, including the provision of available and affordable interments for all communities, equity for all religious and cultural beliefs, and long-term sustainability.

Key achievements include the creation of a unified culture with shared purpose and values, and the development of a strategic plan to guide the consolidation of NMC, RGC, and SMCNSW.

## Financial performance and governance

A Finance, Risk and Audit Committee (FRAC) with independent oversight was established across NMC, RGC, and SMCNSW.

All entities are now being managed as controlled entities of State Government including being audited by the NSW Auditor General. As a result, all investment funds have been transferred into TCorp as required by all State Government controlled entities. With NSW Treasury oversight of NSW TCorp, investment performance is closely monitored via the FRAC and Administrator meetings.

As a for purpose organisation, SMCNSW has made a commitment to the community that our cemeteries will be maintained in perpetuity. Previous assessments indicate that \$138.2 million and \$138.6 million is required to ensure the ongoing maintenance of Eastern Suburbs Memorial Park and Woronora Memorial Park, respectively. The value of SMCNSW's TCorp Investment as at 30 June 2022 was \$97.1 million.

During 2022-23 an actuarial review will be conducted, with the aim being to assess future maintenance costs. Strategies are also being implemented to enable these targets to be achieved. This includes rationalising and improving product offerings, establishing clear maintenance standards and delivery models, and most importantly, securing adequate land for cemetery development into the future.

## People and culture

On 1 March 2022 a new functional structure was implemented across NMC, RGC, and SMCNSW. This provided clear accountabilities for governance and risk, finance, ICT, people and culture, operations, built environment, marketing and stakeholder engagement, and customer care. Since this time the executives for each business unit have focused on consolidating the operations and forward plans in their respective areas.

Throughout this process, it was pleasing to see our people remain committed to helping families in their time of need. Overall, employees have demonstrated great resilience in the face of numerous challenges,

including COVID-19 interruptions, adverse weather conditions, and the need to unify and merge our operations.

## Provision of services to families and stakeholders

To underpin product development across NMC, RGC, and SMCNSW we have established a built environment division to manage capital works and maintain physical assets.

This includes the development of new burial areas, and the refurbishment of cemetery buildings and infrastructure. The Built Environment team are committed to achieving value for money in the use of public funds, while ensuring compliance with relevant planning regulations in an increasingly complex building and construction sector.

## Final thoughts

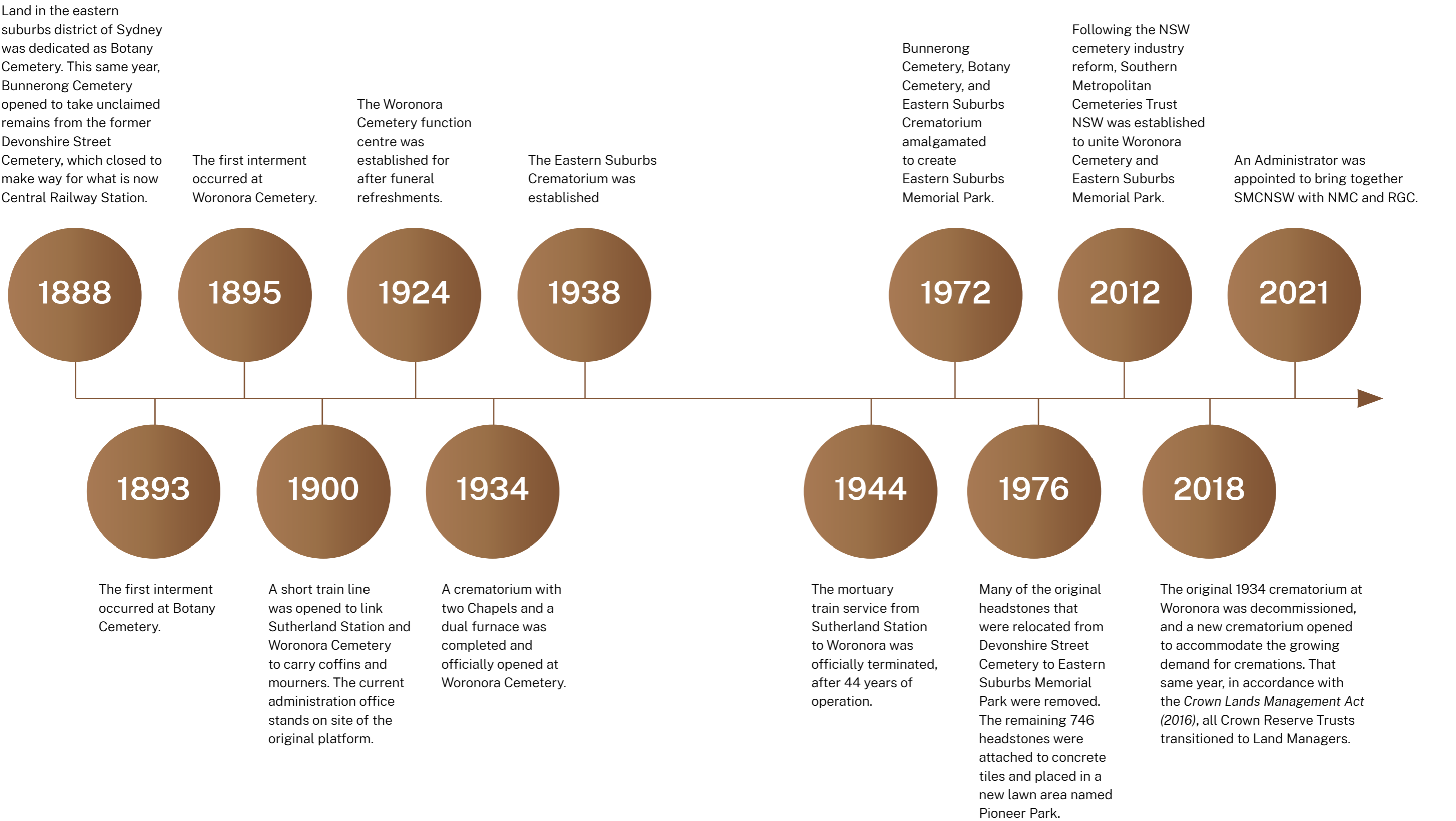
Since being appointed as Administrator, I have collaborated with NMC, RGC and SMCNSW to take a measured approach to the consolidation process. Together, we have strengthened governance arrangements, established a strong leadership team, implemented strategies to manage the long-term structure and undertaken some reform of our business operations. Each of these have been considerable milestones and I thank our dedicated workforce for their support in tackling what has been, and will continue to be, significant challenges with vigour and enthusiasm.

**Lee Shearer**  
Administrator

## Office of OneCrown Cemeteries

*Incorporating Northern Metropolitan Cemeteries Land Manager, Rookwood General Cemeteries Reserve Land Manager, Rookwood Necropolis Land Manager, and Southern Metropolitan Cemeteries Land Manager*

# History of our Cemeteries



## Operating Environment

### Political Factors

#### Cemetery reform in NSW

In 2012 the State Government commenced reforms to the Crown cemetery sector with significant consolidation of Crown Trusts. This was followed by the introduction of the *Cemeteries and Crematoria Act 2013 (the Act)*, and a statutory review of the Act in 2020.

As a result of the statutory review, an Administrator was appointed to consolidate the management of NMC, RGC, and SMCNSW.

This consolidation seeks to support the financial sustainability of the sector, address future cemetery space across Greater Sydney, and deliver culturally relevant services.

SMCNSW collaborates with the State Government to improve the Sydney's public cemeteries and crematoria. In accordance with a strong commitment to equity and access, we support reforms that deliver sustainable and affordable interment options to meet the evolving needs of Sydney's diverse communities and faiths.

#### Interment Industry Scheme

An equitable regulatory framework was a key recommendation of the statutory review.

Accordingly, the Industry regulator Cemeteries and Crematoria NSW (CCNSW) is implementing an Interment Industry Scheme (IIS) to set out how cemetery and crematorium operators must meet families' individual, religious, and cultural needs. SMCNSW has collaborated with CCNSW in the development and consultation on the scheme, and supports its objectives to:

- Improve the financial sustainability of the interment industry in NSW
- Ensure that cemeteries are well maintained, now and into the future
- Provide consumers with a better experience when engaging with cemetery and crematoria operators
- Assist cemeteries and crematoria to provide consistent, appropriate quality of services and facilities
- Guide cemeteries and crematoria operators in providing sustainable and transparent fees
- Support cemeteries and crematoria to engage with religious, ethnic, and cultural groups to meet their end-of-life needs

The phased approach to the IIS implementation provides the opportunity for SMCNSW to engage with industry and community stakeholders, and collaborate with the regulator to achieve a balanced regulatory environment that supports the industry's sustainability and its commitments to the Sydney community.

### Legal Factors

#### The primary documents directing our organisation include:

- Burra Charter (nationally accepted standards for heritage conservation practice in Australia)
- *Biodiversity Conservation Act 2016*
- *Cemeteries and Crematoria Act 2013*
- *Cemeteries and Crematoria Regulation 2014*
- *Crown Land Management Act 2016*
- *Crown Land Management Regulation 2018*
- *Environment Operations Act 1997*
- *Disability Inclusion Act 1982*
- *Government Information (Public Access) Act 2009*
- *Government Sector Finance Act 2018 (GSF Act)*
- *Government Sector Finance Regulation 2018 and the Treasurer's Directions issued under the GSF Act*
- *Health Records and Information Privacy Act 2002*
- *Heritage Act 1977*
- *Heritage Regulation 2012*
- *Independent Pricing and Regulatory Tribunal Act 1992*
- *Local Environment Plans*
- *Privacy and Personal Information Protection Act 1998*
- *Public Interest Disclosure Act 1994*
- *Southern Conservation Management Plans*
- *State Records Act 1998*
- *Threatened Species Conservation Act 1995*
- *Threatened Species Conservation Regulation 2010*
- *Work Health and Safety Act 2011*
- *Work Health and Safety Regulation 2017*



### Economic Factors

#### Affordability

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

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

#### Impact of COVID-19

Like all other industries, cemeteries and crematoria have been affected by COVID-19. Restrictions on the number of mourners attending a funeral led families to change the way they farewelled their loved ones. Smaller gatherings and live streaming of funeral services were some of the ways families responded to the COVID-19 restrictions.

# Our Operating Environment

## Technological Factors

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

### Current and upcoming ICT projects include the implementation of:

- A customer relationship management system to safely manage the existing client relationships while also keeping accurate records of past records of each cemetery
- A content management system to consolidate cemetery websites
- Shared file storage and synchronisation across different sites
- A financial system and workflow that captures and reports accounting data from a single general ledger
- A payroll system and workflow that handles the payments to all employees
- A human resources management system that administers the employment of all staff

## Environmental Factors

SMCNSW manages our cemeteries in accordance with Conservation Management Plans, which provide a framework for appropriate care and management of our cemeteries.

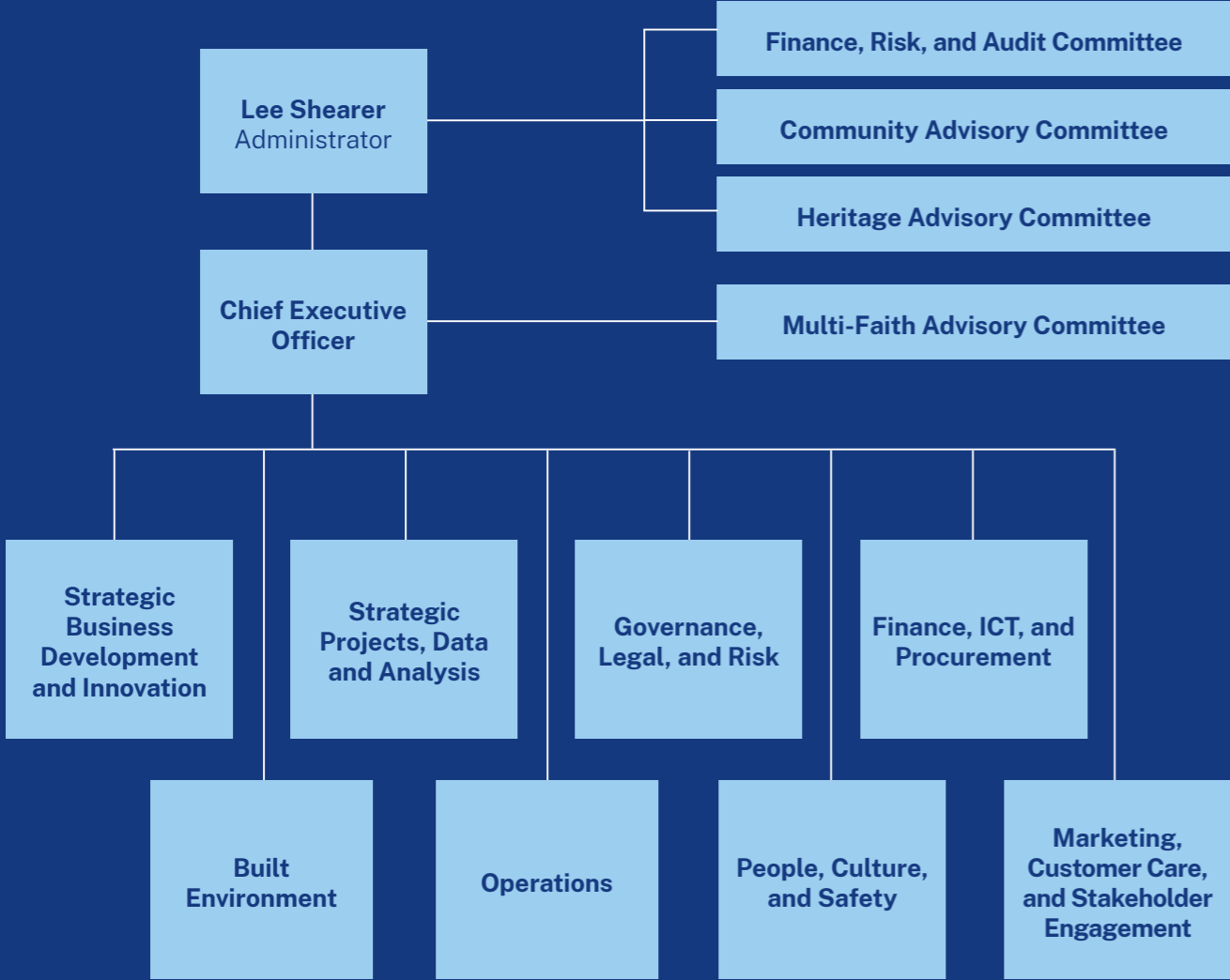
Further to this, in accordance with the State Government's commitment to help NSW business and government to improve sustainability practices and reduce emissions to net zero by 2050, we continue to implement business practices designed to minimise waste, conserve resources, and protect the environment.

An Environmental Sustainability Working Party was established to determine our environmental priorities.



# Corporate Structure

On 1 March 2022 a functional structure was implemented to drive the consolidation of the back of house functions across NMC, RGC, and SMCNSW. Through this consolidation, we are striving to create downward pressure on pricing and optimise the delivery of our services.



# Administrator



**Lee Shearer**  
**Administrator**

Lee Shearer has an extensive career across public, private, and not-for-profit sectors, with a focus on leading substantial reforms, and implementing strategy and governance frameworks.

Her previous roles include Deputy Secretary and Resources Regulator for the NSW Department of Planning and Environment, Chief Compliance Officer at the NSW Department of Industry, Executive Director for the Compliance and Enforcement Branch Division of Resources and Energy, and Assistant Commissioner for the NSW Police.

Currently the Chair of the Juvenile Justice Reform, Lee has held Board positions in government, education, business, law and emergency management.

Lee has qualifications in government, legal, business and leadership, including Strategic Management of Regulatory and Enforcement Agencies intensive program at Harvard University, Diploma of Government Investigations, Post Graduate Diploma of Legal Practice and Diploma of Company Directors.

Lee has received significant awards, including Outstanding Alumni Achiever for the category of 'Exceptional Community Service' from University of Newcastle, NSW Telstra Businesswoman of the Year, Newcastle Australia Day Ambassador and the Australian Police Medal for Distinguished Service.

Lee was appointed Administrator of SMCNSW in May 2021, to ensure the delivery of sustainable and affordable interment options for Sydney's diverse communities and faith groups.

## Executive Team



**Chris Reynolds**

**Executive Director Strategic Business Development and Innovation**

Chris Reynolds has formal qualifications as a registered property surveyor and town planner. His career commenced in offshore oil exploration, and then ventured into planning property development for government land agencies such as Landcom and the Land Development Agency in the ACT.

Chris' experience in leading large teams and delivering large-scale property and infrastructure projects took him down a career path of developing policy for complex problems, reforming, and providing programs for government. For the past 20 years, he has held executive positions within many government departments, including the Head of the Asbestos Response Taskforce ACT, the Chief Operating Officer Planning Department ACT, and Head of Crown Lands Department. Chris has developed a strong commitment to good leadership and building high-performing teams based on clarity of purpose, respect, trust, integrity, and collaboration.

Chris' current role in the cemetery industry began in 2021; he is leading the development of business strategy and driving the organisation to deliver on its core purpose both now and in the future.



**David Ham**

**Executive Director Built Environment**

David Ham joined the cemetery industry in 2019, overseeing roles of Chief Operations Officer and later Deputy Chief Executive Officer. Currently, as Executive Director Built Environment, David leads all major developments works and the teams established to execute these essential projects.

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

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



**Haylee Smee**

**Director People, Culture, and Safety**

Haylee Smee is an innovative and agile People and Culture leader with close to 20 years' experience across complex, organisational structures. With a particular focus on leadership, talent management, training and development, employee experience and company culture, Haylee is a strategic leader who utilises her strong stakeholder management expertise to engage with individuals throughout all levels of the workforce.

Haylee's objective is to ensure leaders and employees work to a shared set of values, while building teams that deliver quality, customer-focused outcomes by aligning programming and action with organisational strategy. She has developed and delivered robust employee engagement initiatives suitable for diverse and dispersed workforces and is passionate about further developing the capabilities of all workers.

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



**Jeff Brazel**

**Interim Chief Financial Officer**

Jeffrey (Jeff) Brazel began his career in the cemetery industry in 2003 as a Client Services Advisor. Within two years Jeff had been promoted to senior management as a direct result of his experience in administration and analysis, which later led him to establish and lead the Research and Development business unit for Rookwood General Cemetery.

Throughout his years working in the cemetery industry, Jeff has gained substantial experience in monumental design and installation, operational systems, and activity analysis, as well as resource and development planning. He also established a world-first decomposition research project, with a patent pending on an innovative new above-ground structure that has potential to extend the life of cemeteries for years to come.

During 2021 Jeff undertook the role of Deputy Chief Executive Officer, followed by Interim Chief Financial Officer in 2022. He is also a graduate of the Australian Institute of Company Directors.

## Executive Team



**Kelly Lofberg**

**Executive Director Marketing, Customer Care, and Stakeholder Engagement**

Kelly Lofberg has more than 20 years' experience working in stakeholder engagement, media and communication, social impact, government relations and public affairs. Previously, Kelly was managing director of an award-winning consultation and urban design firm.

She understands all levels of government and has a strong background in advocating for policy change in the public and private sectors. Career highlights include working with the UN funded Secretariat of the Pacific Regional Environment Programme, delivering training to 21 Pacific Island nations, consultation with victims and survivors of childhood sexual abuse in the Catholic Diocese of Maitland-Newcastle, and leading the media campaign for the ACTU's Your Rights at Work campaign.

Kelly has held several Board positions, including the Association of Mining and Exploration Companies, University of Newcastle Services, Hunter Anzac Memorial Limited, and the Newcastle Agricultural, Horticultural, and Industrial Association. She holds qualifications in marketing, public relations and finance.

Kelly is a member of the International Association of Public Participation and Australian Institute of Company Directors and has been an active member of several charities and community organisations.



**Michael Ryan**

**Executive Director Governance, Legal, and Risk**

Michael Ryan has worked as a legal practitioner in private practice, public sector and in-house roles for more than 20 years, having started his working life at a major national law firm before joining the Commonwealth Attorney-General's Department.

For the past ten years, Michael's practice has focused on administrative law, and specifically the regulation and management of Crown land, including cemeteries. Throughout this period, he has fulfilled the role of General Counsel at the NSW Department of Industry and Special Counsel at the NSW Crown Solicitor's Office.

During 2020, Michael oversaw the five-year statutory review of the *Cemeteries and Crematoria Act 2013*, which culminated in a report entitled *The 11th Hour-Solving Sydney's Cemetery Crisis*. That report is regarded as the most thorough study ever undertaken of the Crown cemetery sector in NSW and received a warm reception from most industry stakeholders. The report shone particular light on the immediate needs of the sector to acquire land for future cemeteries and better provision for the perpetual maintenance of Crown cemeteries.

In 2021, Michael commenced working as General Counsel for RGC, NMC and SMCNSW on secondment from the Department of Planning and Environment.



**Rob Smart**

**Executive Director Operations**

Rob Smart has been in the cemetery industry for over eight years as an Executive leader across numerous large Crown cemeteries in the Sydney region. His previous roles include Director of Operations, Chief Operations Officer and Deputy Chief Executive Officer.

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

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

He has experience working within public recreational facilities, residential and commercial landscape and the not-for-profit and charity sectors. His expertise also encompasses budget forecasting, project and program management.



**Yalta Dabbene**

**Director Office of Strategic Projects, Data and Analytics**

Yalta Dabbene is an experienced transformational leader in strategy, business improvement, compliance, project management, performance frameworks and data analytics, within complex, regulated environments.

Yalta has over 30 years' experience in the public service, health and education sectors. Previous roles include Director Strategic Planning and Performance at the Health Education and Training Institute, where she delivered strategic initiatives and established the PMO function; and Specialist Advisor Strategic Projects for the Bureau of Health Information where she established their stakeholder engagement framework and data analytics capability uplift program. She also supported the COVID-19 Public Health Response branch to scope and implement a unified telecommunications solution.

Yalta humbly started her career at TAFE NSW as a laboratory glassware cleaner. Her last role there was as Director Strategic Planning and Performance, where she led Sydney TAFE through its first ever audit against the Vocational Education standards by the National regulator ASQA, which led to her being awarded the institute's highest honour as "Individual Award Winner for Outstanding Contribution to TAFE NSW".

With qualifications and achievements in project management, public health, auditing, education, Aboriginal cultural education, biomedical science and management, Yalta has joined the organisation to oversee large-scale strategic projects.

STRATEGIC PRIORITIES



Create a unified organisation

Establish strong governance frameworks and implement sound organisational process.



Business Sustainability

Explore and create growth opportunities to help secure our future.



Valued Relationships

Engage with our stakeholders to understand communities’ needs.



Our People

Engage and equip our people, and our leaders.



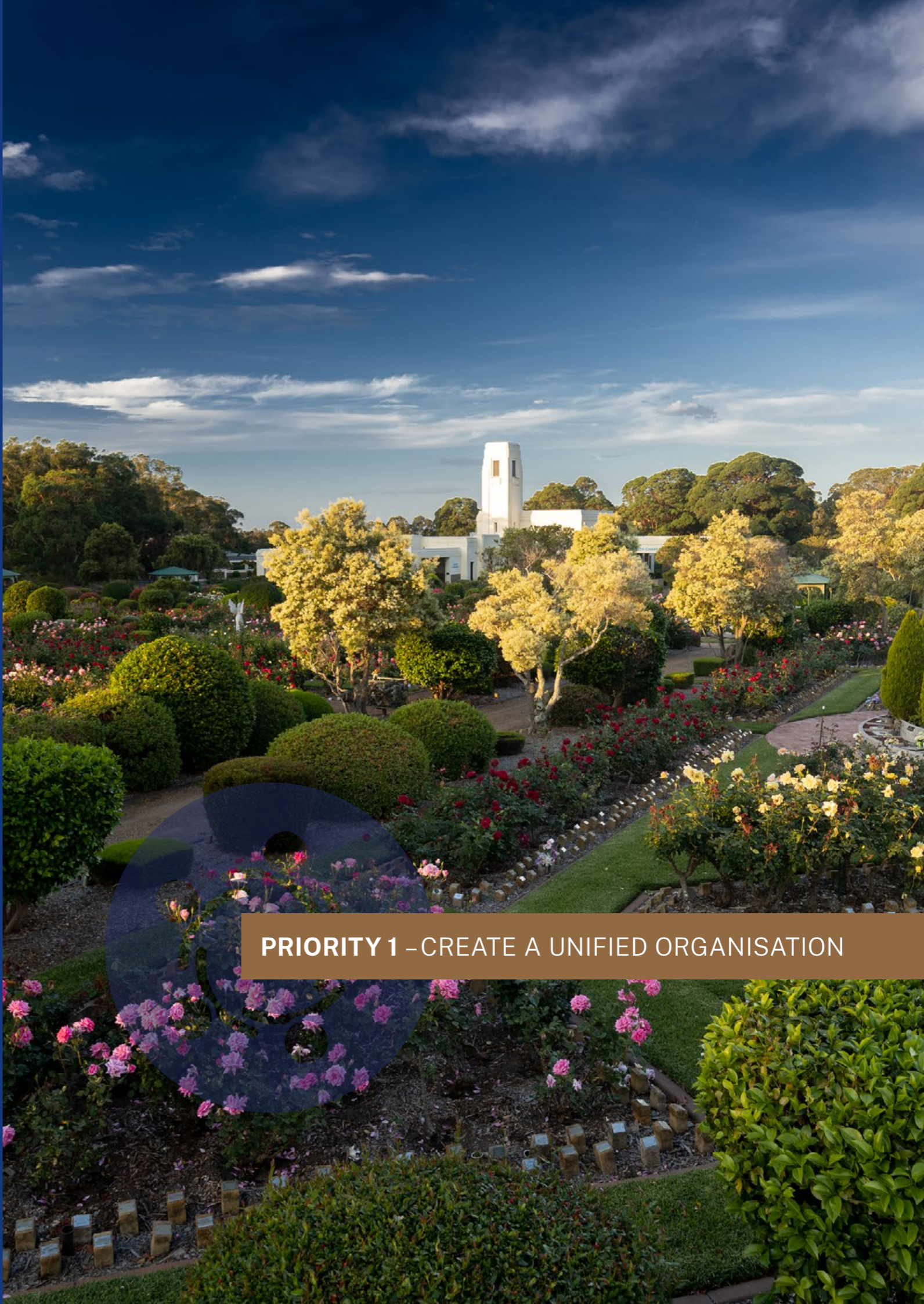
Business Efficiency

Bring operational excellence to the management of, and reporting on, the organisation.



Delivery of Purpose

Innovate and implement best practice procedures to support the provision of genuine care.



PRIORITY 1 –CREATE A UNIFIED ORGANISATION

1.1 Corporate Governance

On 28 May 2021, Lee Shearer was appointed by the Hon Melinda Pavey, MP, Minister for Lands and Water, as Administrator of SMCNSW, ending 27 May 2022. This appointment was extended by the Hon Kevin Anderson for a further 12 months, up until 27 May 2023.

The Administrator is appointed under the *Crown Land Management Act 2016* to act as a ‘one person Board’.

1.3 Meetings

Administrator Meetings

	26/08/21	11/11/21	20/12/21	4/3/22	2/6/22
Lee Shearer	✓	✓	✓	✓	✓

Finance, Risk and Audit Meetings

	13/07/21	22/10/21	4/3/22	26/5/22
Katherine O'Regan - Chair	✓	✓	✓	✓
Melinda Snowden	✓	✓	✓	✓
Robyn Scott	✓	✓	✓	✓

1.4 Control Framework

Code of Conduct

SMCNSW has a Code of Conduct that sets out the professional standards and performance expectations that are required by our employees in all interactions they undertake with customers, other employees, and the community.

**Policy Framework**

To ensure strong governance processes, a framework has been established to organise business policies into distinct business units, define charters, and confirm areas of responsibility.

Risk Management

As mandated by Crown Lands NSW, SMCNSW's risk management follows the guidelines defined by the International Organization for Standardisation (ISO 31000:2018). These guidelines provide a common approach to managing risk throughout the life of an organisation.

Procurement

SMCNSW has adopted a procurement process aligned with the requirements of the NSW Procurement Board, which seeks to achieve best value, compliance with delegations, and innovation. This process ensures the purchase of works, goods, or services is carried out in accordance with State Government legislation and regulation. It also focuses on probity principles and responsible procurement that aims to help our community and environment.

Conflicts of Interest

The Administrator governs the organisation in accordance with practices expected of a State Government appointed Board. Accordingly, policy dictates that any conflicts of interest (including pecuniary interests) are declared and documented in an appropriate register. The declaration of any Conflicts of Interest is a standing agenda item on all business meetings.



PRIORITY 2 – BUSINESS SUSTAINABILITY

PRIORITY 2 – BUSINESS SUSTAINABILITY

2.1 Services

Client Services

Our customer care team provides empathetic care throughout the entire customer journey with our organisation. Whether families are looking to plan ahead with pre-purchase or for immediate needs, the team is committed to delivering high-quality services and clients are encouraged to provide feedback to promote continuous improvement.

Interment Services

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

Cremation Services

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

Ceremonial Venues

We have several unique ceremonial venues to suit the needs of our families. Due to COVID-19, attendance numbers for funerals services have been restricted and we have offered live streaming of funerals to enable guests to participate remotely.

Condolence Venues

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

Exhumation Service

Our exhumation service allows families to organise for remains to be removed or transferred to another site. This service requires the written approval of NSW Health.

Genealogy Services

As custodians of significant historic data, we are committed to providing information on the services that have taken place within our grounds. This information is available via our website and, for more complex queries, through the assistance of our customer care team onsite.

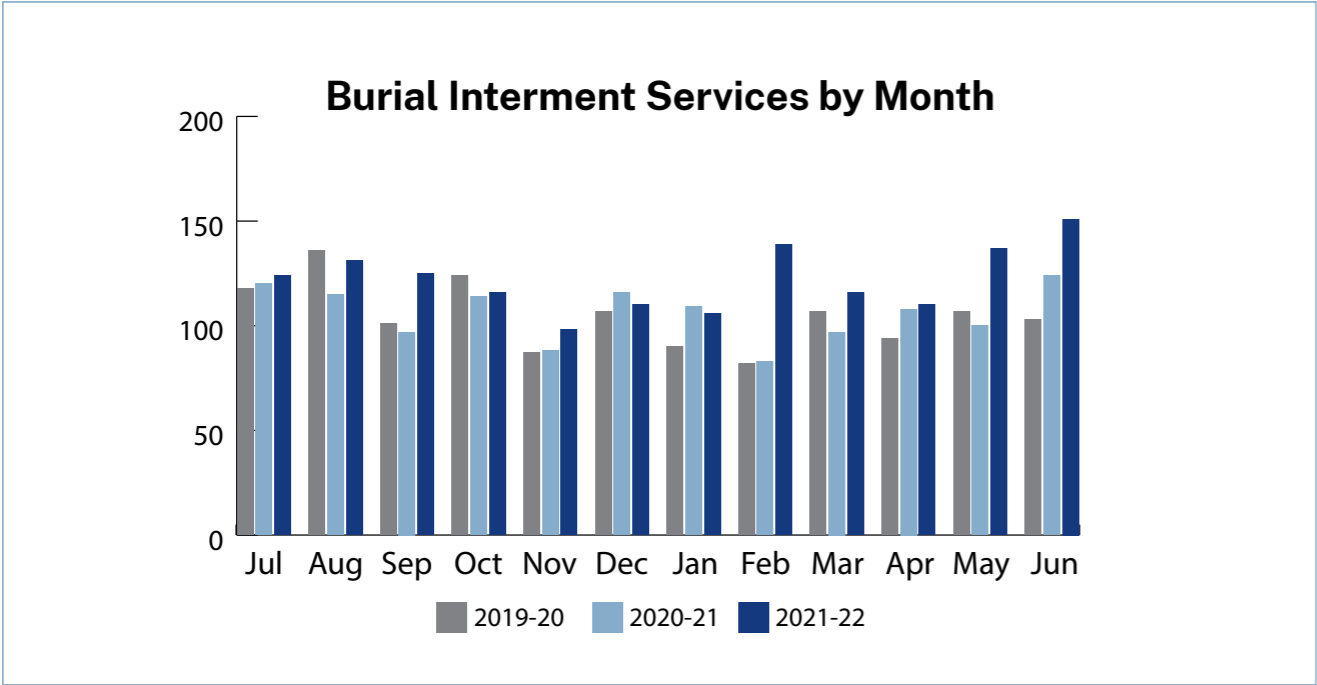
Monumental Services

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

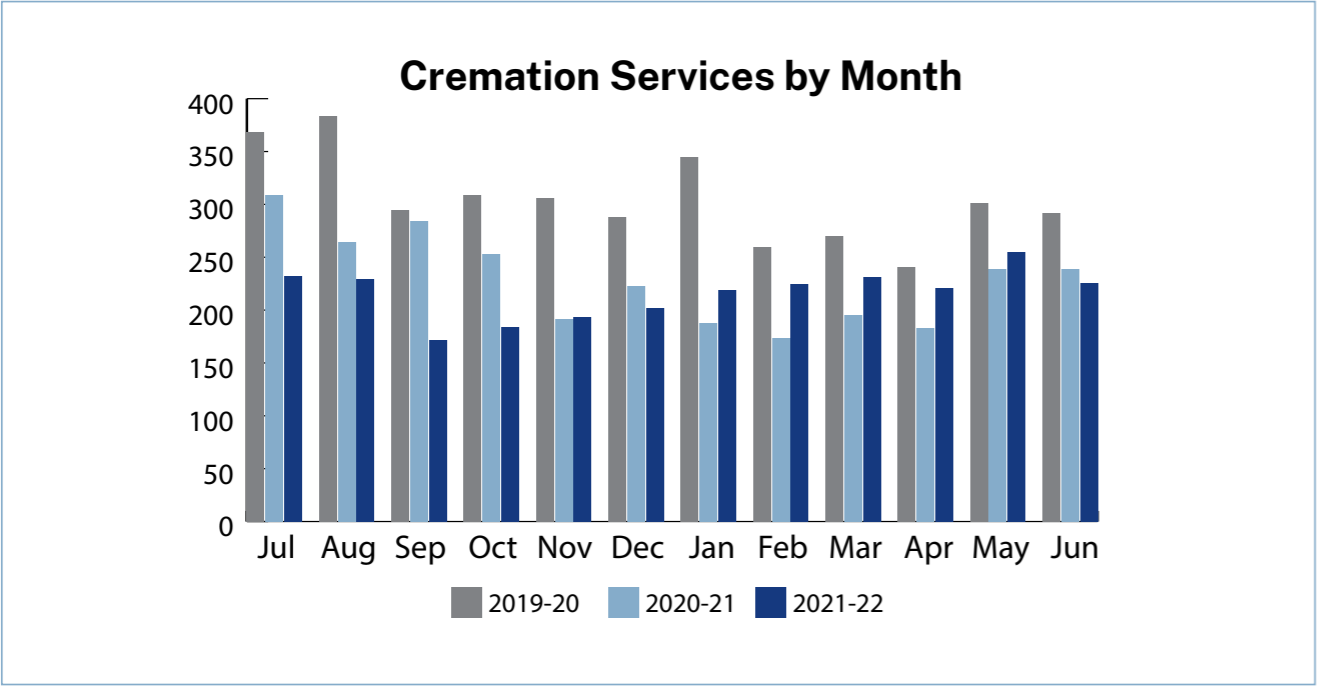
2.2 Service Delivery

At SMCNSW, our products and services are designed to meet the needs of the religious and cultural groups that use our cemeteries to farewell and remember their loved ones.

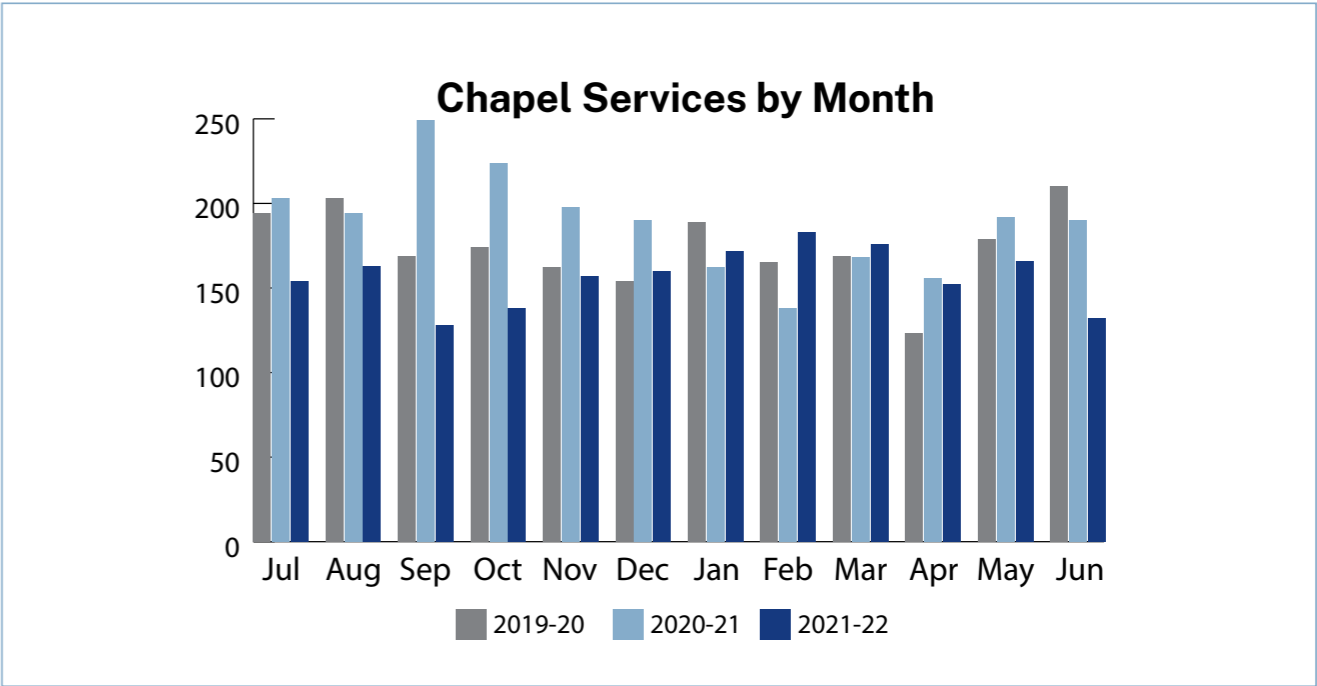
Our service figures for this financial year, in comparison to the previous two years are illustrated below.



Number of interment services conducted by month during the 2021-22 financial year, in comparison to the 2020-21 and 2019-20 financial years.



Number of cremation services conducted by month during the 2021-22 financial year, in comparison to the 2020-21 and 2019-20 financial years.



Number of chapel services conducted by month during the 2021-22 financial year, in comparison to the 2020-21 and 2019-20 financial years.



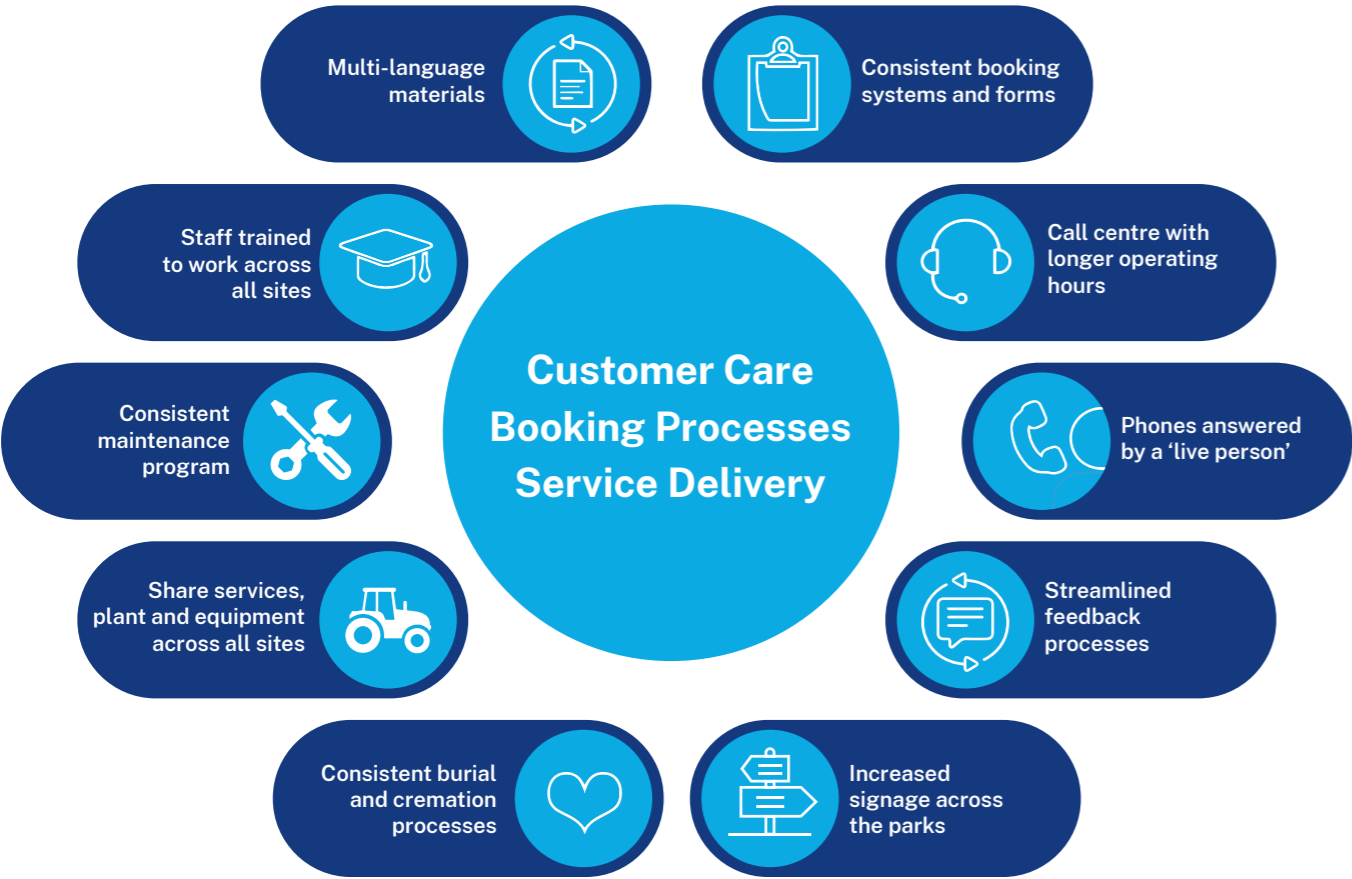
2.2 Consumer Response

During 2021-22 complaints received by SMCNSW have centred around extreme factors such as the weather and COVID-19. This includes such aspects as the condition of the cemetery grounds, restrictions to funeral attendee numbers due to NSW health guidelines, and limits to the number of services available due to our staffing levels.

The heavy and persistent rainfall has caused delays in burials at some sites, and made accessing some cemetery areas difficult or impossible. This has led to complaints from families and funeral directors throughout the year.

In the face of these challenges, we have focused on improving client experience, with a view to streamlining customer care, booking processes and service delivery to create consistency across NMC, RGC, and SMCNSW.

The diagram below illustrates the improvements we are working to implement.



2.3 Operational Achievements

Land Strategies

As identified in the independent statutory review of *the Act*, which occurred in 2020, the NSW Crown cemeteries sector requires the acquisition of new land to continue meeting the interment needs of Greater Sydney’s communities.

To address the critical need for cemetery land to service the community into the future, SMCNSW is developing a Land Strategy. This strategy includes exploring opportunities within our existing cemeteries, working in partnership with NSW Crown Lands and CCNSW, and seeking to identify new land opportunities at suitable locations across Sydney.

Cemetery Improvements

During 2021-22, with a view to enhancing our cemeteries, SMCNSW continued our capital works program. These works focused on developing burial areas to meet community needs, improving infrastructure to address ageing assets, and building upgrades to improve the amenity of our facilities

Labour challenges and supply chain issues caused by COVID-19 along with the persistent wet weather resulted in project delays and cost escalation. Where necessary, projects were rescope, and timelines and budgets adjusted to address these challenges.

Environmental sustainability is increasingly being factored into our capital works projects, with new developments and cemetery master planning now considering sustainability measures.

The table below illustrates the improvement projects undertaken this financial year, with a cost of greater than \$50,000.

Cemetery	Development Type	Project	Cost (\$)	Status of Works at 30/06/2022
Eastern Suburbs Memorial Park	Section Development	Bunnerong project	82,351	Ongoing
		ML68 extension	68,854	Completed
		Morrison Way	138,829	Completed
	Infrastructure	Pioneer Park	51,845	Ongoing
		The Rock	119,807	Ongoing
		Bin enclosures	58,738	Completed
		Concrete pathway replacement	282,440	Ongoing
		Replace retaining wall and path	65,875	Completed
Woronora Memorial Park	Section Development	Centenary Court upgrade	224,039	Completed
	Buildings	Rebrick two cremators	162,300	Completed
Eastern Suburbs and Woronora Memorial Parks	Buildings	Chapel refurbishment (DA213/2021, DA21/0381)	2,505,222	Ongoing



## Cemetery Maintenance

Burials and grounds working groups have been established to address common themes across Crown cemeteries, including WHS, procedures and maintenance standards. Further to this, SMCNSW is currently exploring online platforms to improve the way information is transferred between teams, while new machinery such as stand-up mowers have improved ergonomics and manual handling processes.

Tree survey works continue across our cemeteries to reassess the state of trees on site, with arborists engaged to address any trees defined as medium to high-risk.

Following the peak of COVID-19, SMCNSW have been able to re-engage with CIVIC Disability Services who attend our cemeteries on a weekly basis to undertake lawn mowing, garden clean outs and cleaning of vehicles.



## Heritage Initiatives

As custodians of some of Australia’s oldest cemeteries, SMCNSW is committed to conserving these cemeteries for future generations. Conservation of the heritage fabric of each cemetery site is done in accordance with Conservation Management Plans or Plans of Management. These key planning tools are also used to guide any development works such as the refurbishment of buildings and infrastructure.

To ensure conservation of monuments within the cemeteries, a five-year Monumental Safety and Conservation Program has been established at SMCNSW cemeteries, provided by the expert Monumental-Heritage stonemasons from RGC. This program includes the assessment and documentation of monuments, for the purpose of repairing deteriorating monuments, conserving heritage monuments, and ensuring a safe cemetery environment.

## 2.5 Financial Management

### Funding

Funding Approved During Term	
Project	Market Research
Funding Type	Connecting the Community to the Past and Future
Funding Purpose	Market Research Program to survey and evaluate the interment practices of culturally diverse communities in Sydney
Funding Body	NSW State Government
Amount requested	\$341,000 with \$64,545 carried over from financial year 2021 to allow expenditure of previously unspent funds
Total Cost of Purpose	\$341,000
Amount approved	\$341,000
Term of Funding	To 30 June 2022 (originally 2021)

### Leases, Licences, and Permits

Leases and Licences in Effect During Term		
Facility	Tenant Name	Purpose
ESMP Café, Florist and Condolence Centre	Celeste Catering Pty Ltd	Café, Florist and Condolence Centre
Woronora Tea Rooms, Florist and Condolence Centre	Celeste Catering Pty Ltd	Tea Rooms, Florist and Condolence Centre
ESMP Funeral Home	Joseph Medcalf Funeral Service	Funeral Home

### Insurance

On an annual basis we obtain independent advice through an insurance broker. Our property assets are protected under an Industrial Special Risk Policy, and we have additional insurance cover for other liability including public and products liability, cyber, motor fleet, management liability, voluntary workers, and business travel.



PRIORITY 3 – VALUED RELATIONSHIPS

PRIORITY 3 – VALUED RELATIONSHIPS

3.1 Stakeholders

As a consolidated group, NMC, RGC, and SMCNSW are Sydney’s leading provider of burial and cremation services. We help over 60 religions and cultures to farewell and remember their loved ones and collaborate with industry, community and government stakeholders across these various groups.

Religious and cultural groups

Aboriginal	Druze	Italian	Portuguese
Albanian	Dutch	Japanese	Romanian
Armenian	Egyptian (Orthodox)	Jewish	Russian (Orthodox)
Assyrian	English	Korean	Salvation Army
Bangladeshies	Estonian	Latvian	Samoa
Baptist	Fijian	Lebanese	Scottish
Bosnian	French	Lutheran	Serbian (Orthodox)
Brazilian	German	Macedonian (Orthodox)	Slovakian
Buddhist	Greek (Orthodox)	Malaysian	South African
Bulgarian	Hillsong Church	Maltese	Spanish
Burmese	Hindu	Muslim	Sri Lankan
Cambodian	Hong Kong Chinese	Nepalese	Syrian (Orthodox)
Chilean	Hungarian	New Zealander	Tongan
Chinese	Indian	Pentecostal	Ukrainian (Orthodox)
Croatian	Indonesian	Philippino	Vietnamese
Cuban	Irish	Polish	Welsh
Czech			

Community stakeholders

- Aboriginal and Torres Strait Islanders
- Aboriginal Land Councils
- Cemetery visitors
- Cultural organisations
- Educational institutions
- Environmental groups
- Faith based organisations
- Historical and genealogical groups
- Horticultural groups
- Interment right holders, applicants and relatives
- Media
- Not-for-profits and advocacy groups
- Residents
- Service providers

Industry stakeholders

- Associations
- Consultants
- Funeral Directors
- Local Health Districts
- Monumental Masons
- NSW Coroners Court
- Other Cemetery Operators
- Police Force
- Tenants (Café and florist)

Government and regulatory stakeholders

- Cemeteries and Crematoria NSW
- Crown Lands NSW
- Department of Fair Trading
- Department of Planning and Environment
- Department of Primary Industries
- Department of Veteran Affairs
- Heritage NSW
- Local councils
- Local Members of Parliament
- Multicultural NSW
- NSW Health
- NSW Trustee and Guardian
- Office of Australian War Graves
- Research institutions

PRIORITY 3 – VALUED RELATIONSHIPS



3.2 Events

During the first half of 2021-22 the State Government enforced COVID-19 lockdowns and capacity restrictions impacted events and onsite activities, resulting in SMCNSW cancelling all public events. In early 2022 we were pleased to invite the public once again into our cemeteries to enjoy these parkland heritage assets.

Anzac Memorial Services

In collaboration with Sutherland Shire Military History Club, we hosted an Anzac Day Memorial Service.

Seniors Festival

As a part of Seniors Festival, a free event presented by the State Government in partnership with City of Sydney, SMCNSW implemented a range of activities to enable seniors to explore our cemeteries, including self-guided walking tours.

3.3 Stakeholder Forums

At SMCNSW we value our relationships with our diverse stakeholders and following the COVID-19 lockdowns and restrictions, we were eager to reconnect with industry partners, including community groups and Funeral Directors.

In April and May 2022, we hosted a series of stakeholder engagement forums to understand how we can better meet stakeholder needs, and provide the opportunity for stakeholders to participate in our organisation.

In addition to this, as part of Crown cemetery stimulus funding received from CCNSW, Aboriginal consumer research was conducted to explore the interment practices, needs and preferences of Aboriginal peoples residing in catchment areas surrounding our cemeteries. The findings focused on land use, investment into culturally appropriate products and services, employee cultural awareness training, the need for a Reconciliation Action Plan and further partnerships with local Aboriginal Land Councils.



PRIORITY 4 –OUR PEOPLE





# 4.1 Workforce Diversity

During the 2021-22 financial year, with the implementation of a new functional structure across NMC, RGC, and SMCNSW, employees commenced the process of transitioning into new roles.

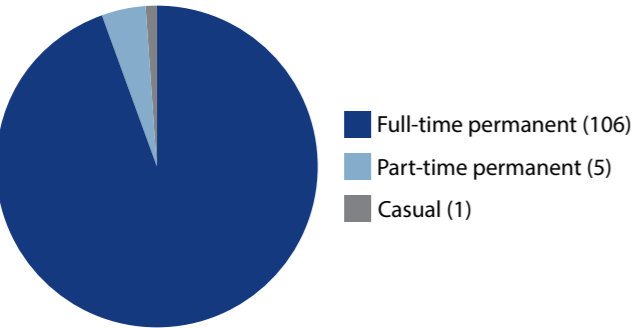
Several senior leaders and employees moved on from the organisation, while others were appointed to work across multiple Land Managers.

The below statistics represent SMCNSW's diverse workforce as at 30 June 2022.

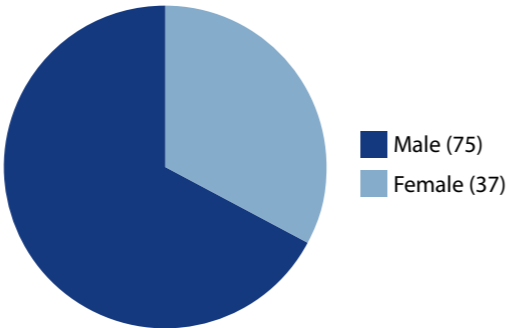
## Employees by Department

Built Environment	6
Finance, ICT, and Procurement	4
Governance, Legal, and Risk	1
Marketing, Customer Care, and Stakeholder Engagement	31
Operations	65
People, Culture, and Safety	4
Performance and Improvement	-
Strategic Business Development and Innovation	-
Consolidation Team	1
Total	112

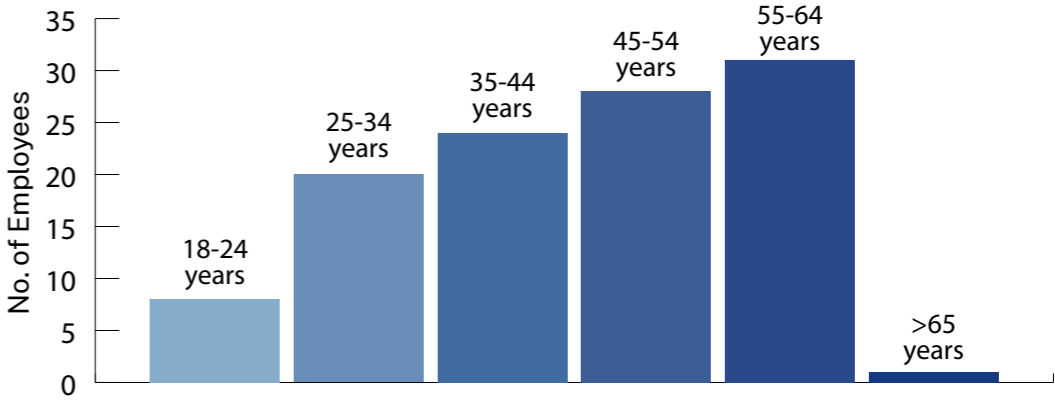
Employees by Employment Type



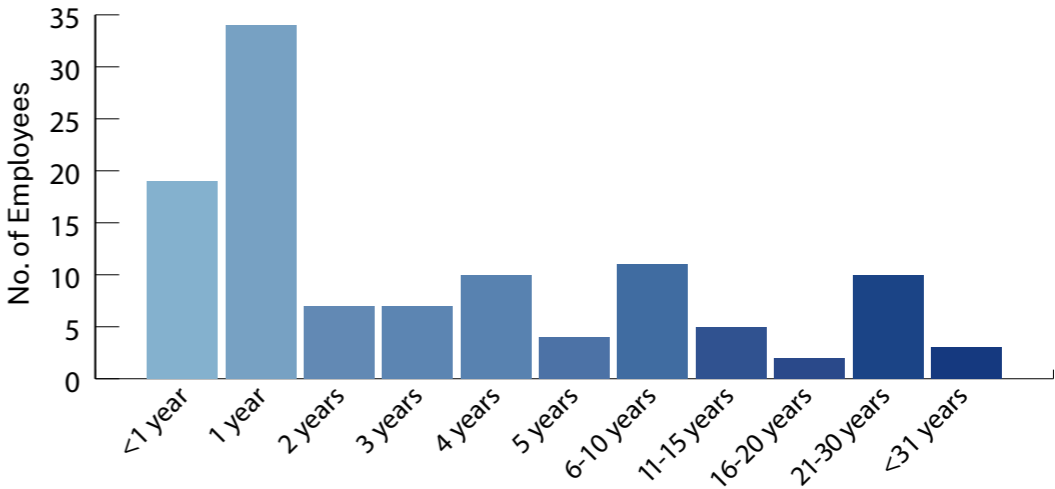
Gender



Employees by Age



Employees by length of Service



## Senior Executive Salaries by Band and Gender

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

\*Determinations made by Statutory and Other Offices Remuneration Tribunal (SOORT)

4.2 Consultants

Use of Consultants

Consultant	Purpose	Amount (\$)
BDO Administration (SA) Pty Ltd	Cost of services and perpetual maintenance obligation review	905
BDO Services	Cost of Services review	80,940
BDO Services	Perpetual maintenance obligations estimate	33,133
Capital Pty Ltd	Strategic land acquisition modelling	4,000*
Deloitte	Amalgamation advice	117,288*
Delta Performance Coaching	WHS review	14,180*
Endeavour Property Advisory	Site acquisition advisory retainer	4,433*
Gordon Property Advisory Services Pty Ltd	Site acquisition advisory	6,680*
Gracosway Pty Ltd	Public affairs strategy	5,788*
GriffinBrooks Consulting	Amalgamation advice	59,518
Group GSA	Plan of Management advice	52,011
Learning Ventures Pty Ltd	Strategic workshop and executive engagement	13,333*
Mayo, Richard Neil	Amalgamation advice	1,067*
MBM Legal and Conveyancing	Proposed head quarter lease advice	1,546*
Mercer Consulting Australia Pty Ltd	Classification framework and remuneration structure	26,733*
Sabhanlil Pty Ltd	Amalgamation advice	111,783*
SJB Planning (NSW) Pty Ltd	Cemetery planning advice	3,843
Thinksmart Consulting Pty Ltd	Organisational transformation	45,380*
Winterbottom Advisory	Amalgamation advice	17,766*

Use of Contractors

Supplier	Purpose	Amount (\$)
Astar Recruitment	Recruitment agency -temporary staff	109,742
CBR Property Consultants Pty Ltd	Professional services	68,351*
Department of Planning Industry and Environment	Professional services	48,292*
Hays Specialist Recruitment (Australia) Pty Ltd	Recruitment agency -temporary staff	188,134
Moir Recruitment Pty Ltd	Recruitment agency -temporary staff	78,571*
Recovery Partners	Work health safety consultants	88,350
Roberts, Nicholas John	Professional services	45,494*
Talent International (NSW) Pty Ltd	Recruitment agency -temporary staff	473,618

*\*As a part of uniting NMC, RGC, SMCNSW, these costs for contractors and consultants have been shared equally across the three Land Managers.*



4.3 Developing Capabilities

SMCNSW has focused on strong partnership with leaders across the organisation to develop change readiness capability.

Additionally, an employee engagement program saw over 80 employees across NMC, RGC and SMCNSW participate in workshops to develop and define organisational values.

Ensuring the health and safety of our employees continues to remain a priority with significant resources, time and financial investment being allocated. Learning and development in this area has been deployed through toolbox talks, formal qualifications, coaching and on the job learning.



4.4 Work, Health and Safety

Safety Initiatives

To ensure the safety of cemetery visitors and employees, we have commenced a review of the Emergency Planning Committee and Emergency Control Organisations. We also have introduced emergency wardens and the systematic review of fire prevention systems and extinguishers.

In the coming financial year, a dedicated Work, Health and Safety (WHS) team will be recruited to assist with the implementation of an amalgamated WHS Management System across NMC, RGC, and SMCNSW.

Injury Statistics

Injury Category	Injury Numbers
Total lost time injuries (1 or more days off work)	7
Total medical treatment injuries (treatment but no time off work)	5
Total new worker's compensation cases opened	18
Total workers compensation open with iCare as at 30 June 2022	16



## PRIORITY 5 – BUSINESS EFFICIENCIES



## PRIORITY 5 – BUSINESS EFFICIENCIES



### 5.1 Change Management

To support consolidation of NMC, RGC, and SMCNSW, an enterprise-wide change management program is required to assist the workforce in adopting company wide change. Change needs to be systematically managed to ensure there are minimal impacts to employee satisfaction, productivity, and wellbeing.

SMCNSW adopted a structured and integrated change management approach, founded on the principle of leader led change, delivered through collaboration, consultation, and consistent communication.

### 5.2 Pricing Strategy

In accordance with IPART, SMCNSW offers products and services that range from affordable to premium. Overall, we are committed to ensuring our prices:

- are affordable and equitable
- are simple and transparent
- allow for the perpetual maintenance of our cemeteries into the future

Pricing is developed in consultation with our community and CCNSW, with a focus on ensuring families and loved ones can have access to an end-of-life service they can afford.

During the 2021-22 financial year, our annual fee increase did not occur. This decision was taken in direct response to the impacts of COVID-19 and the periods of uncertainty caused by the pandemic.

## PRIORITY 5 – BUSINESS EFFICIENCIES

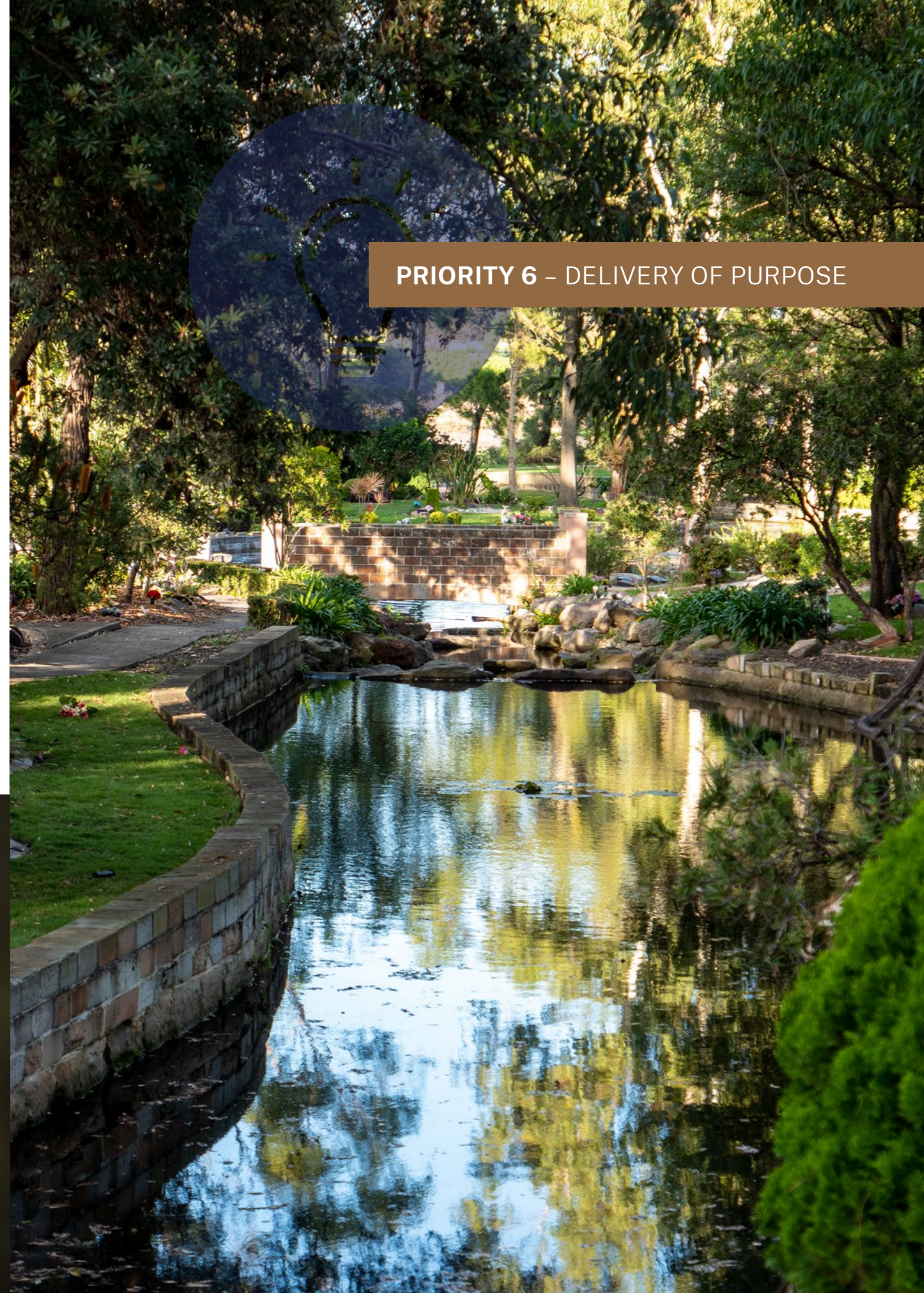
### 5.3 Minimising Environmental Impacts

At SMCNSW we are committed to reducing the impact of our operations on the environment and improving the sustainability of our products and services. This year we continued to implement business practices designed to minimise waste, conserve resources, and protect the environment.

Key initiatives to improve environmental sustainability in 2021-22 included:

- Continuing to rationalise waste services, with increased uptake of recycling and separation of green waste, and recycling and reuse of brick and rock rubble
- Joining the State Government pre-approved waste scheme to reduce waste removal costs and enable the introduction of waste recycling bins for paper, cardboard, and co-mingled containers
- Increasing usage of solar array systems, PIR sensor lights, daylight PE cells and other energy saving devices in key buildings
- Replaced light fittings with LEDs and reviewed air conditioning systems for age and efficiency
- Continuing usage of water catchment and storage to support irrigation systems and installed rainbird sensors; identified and monitored for water leaks to reduce water wastage
- Installing chemical wash down and capture bays to avoid stormwater contamination
- Monitoring water, gas, and electricity consumption to identify most efficient use of energy
- Increasing uptake of electric utility vehicles and handheld equipment
- Continuing with the tree management and replacement plans, with three trees planted for each one removed
- Including new plantings in new section developments, preferencing native species and hardy exotics
- Ensuring all new developments and master planning include environmental sustainability measures
- Ensuring our events include sustainable initiatives such as water stations to reduce single use plastics, biodegradable supplies, recycling bins, and online marketing to reducing paper printing

An environmental sustainability working party was also established to determine environmental priorities for the next 5-10 years.



## PRIORITY 6 – DELIVERY OF PURPOSE



### 6.1 Chapel Care

During 2021-22 renovations commenced to restore the beautiful heritage-listed chapels that star at the heart of Eastern Suburbs and Woronora Memorial Parks.

Opened in 1934 the Woronora Chapels were designed by architect Louis Leighton Robertson and constructed in rendered masonry by builder Norman R. Smith. Their fluted columns and molded panels are consistent with classic inter-war Art Deco architecture. Four years later a similar two-chapel structure, also designed by Robertson, opened at the Eastern Suburbs Memorial Park.

While the Art Deco chapels at both cemeteries have been maintained and upgraded over the decades, the highly anticipated restoration will see these chapels restored to their former glory.

This project will see a significant investment committed to help maintain and enhance the cemeteries’ important heritage assets, while also delivering contemporary requirements for modern-day funerals. These include improved seating, leading-edge equipment for high-quality live streaming, along with upgrades to accessibility.



### 6.2 Renewable Tenure

Currently all interment licences across our cemeteries are sold in perpetuity, which means the licence holder retains the right to the allotment forever. It is our commitment to the community that perpetual licences will always be available for families.

We are also committed to developing new interment areas where we can offer families the choice of renewable licences. The option for renewable tenure is popular in other states of Australia and at an international level the reuse of graves is common in other countries and cultures. Often family traditions encourage reuse of graves to allow families to bury their loved ones in the same area as their relatives.

To meet the needs of all religions and cultures, consideration is being given to providing perpetual and renewable options in the future. Before the re-use of an allotment can occur, heritage evaluation will be conducted, sites recorded, and licence holders will be given an offer of two years to renew. Cemetery records for interment sites are required to be retained permanently in accordance with the *State Records Act 1998*.





## Financial Report 2022

Independent Auditor's Report	47
Statement by Accountable Authority	49
Statement of Comprehensive Income	50
Statement of Financial Position	51
Statement of Changes in Equity	52
Statement of Cash Flows	53
Notes to the Financial Statements	54

## Independent Auditor's Report



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

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Southern Metropolitan Cemeteries Land Manager (the Land Manager), which comprise the Statement by the Accountable Authority, the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

#### Basis for Opinion

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

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

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

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.

### Administrator's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Administrator is responsible for assessing the Land Manager's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Karen Taylor  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 October 2022  
SYDNEY

### Statement by Accountable Authority

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

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



Lee Shearer APM  
Administrator  
OneCrown Cemeteries

20<sup>th</sup> October 2022

## Statement of Comprehensive Income

for the financial year ended 30 June 2022

	Notes	2022 \$'000	2021 Restated \$'000
<b>Expenses excluding losses</b>			
Employee-related expenses	2(a)	10,915	11,829
Operating expenses	2(b)	9,721	10,251
Depreciation and amortisation	2(c)	3,943	2,045
Finance costs	2(d)	-	1
<b>Total expenses excluding losses</b>		<b>24,579</b>	<b>24,126</b>
<b>Revenue</b>			
Sale of goods and services from contracts with customers	3(a)	26,967	21,622
Investment revenue (loss)	3(b)	(8,237)	22,740
Grants and other contributions	3(c)	90	1,597
<b>Total revenue</b>		<b>18,820</b>	<b>45,959</b>
<b>Net income/(loss)</b>		<b>(5,759)</b>	<b>21,833</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus of property, plant and equipment		4,918	19,590
<b>Total other comprehensive income</b>		<b>4,918</b>	<b>19,590</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>(841)</b>	<b>41,423</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

for the financial year ended 30 June 2022

	Notes	30 June 2022 \$'000	30 June 2021 Restated \$'000	1 July 2020 Restated \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5	21,136	5,764	3,961
Receivables	6	2,128	5,494	2,834
Contract assets	7	1,987	2,058	2,140
Inventories	8	16,184	16,569	16,876
Financial assets at fair value	9	-	8,100	22,340
<b>Total Current Assets</b>		<b>41,435</b>	<b>37,985</b>	<b>48,151</b>
<b>Non-Current Assets</b>				
Financial assets at fair value through profit or loss	9	97,101	106,357	73,132
Property, plant and equipment	10			
- Land and buildings		35,455	31,251	31,825
- Plant and equipment		6,250	6,432	5,506
- Infrastructure systems		20,370	21,608	3,379
- Capital work in progress		4,804	1,760	768
<b>Total property, plant and equipment</b>		<b>66,879</b>	<b>61,051</b>	<b>41,478</b>
Right-of-use assets	12	23	42	39
Intangibles asset	13	1	1	271
<b>Total Non-Current Assets</b>		<b>164,004</b>	<b>167,451</b>	<b>114,920</b>
<b>Total Assets</b>		<b>205,439</b>	<b>205,436</b>	<b>163,071</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	14	2,575	1,510	1,373
Lease liabilities	15	15	19	15
Provisions	16	1,344	1,437	1,225
Contract liabilities	7	5,699	5,789	5,268
<b>Total Current Liabilities</b>		<b>9,633</b>	<b>8,755</b>	<b>7,881</b>
<b>Non-Current Liabilities</b>				
Lease liabilities	15	9	24	26
Provisions	16	271	289	218
<b>Total Non-Current Liabilities</b>		<b>280</b>	<b>313</b>	<b>244</b>
<b>Total Liabilities</b>		<b>9,913</b>	<b>9,068</b>	<b>8,125</b>
<b>Net Assets</b>		<b>195,526</b>	<b>196,368</b>	<b>154,946</b>
<b>EQUITY</b>				
Accumulated funds	17	145,165	150,924	129,092
Reserves		50,361	45,444	25,854
<b>Total Equity</b>		<b>195,526</b>	<b>196,368</b>	<b>154,946</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the financial year ended 30 June 2022

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
<b>Balance at 1 July 2021</b>		<b>150,924</b>	<b>45,444</b>	<b>196,368</b>
<b>Net result for the year</b>		(5,759)	-	(5,759)
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment		-	4,918	4,918
<b>Total comprehensive income for the year</b>		(5,759)	4,918	(841)
<b>Balance at 30 June 2022</b>		<b>145,165</b>	<b>50,362</b>	<b>195,526</b>
<b>Balance at 1 July 2020 (Original)</b>		126,078	25,854	151,932
Correction of prior period error	4	3,014	-	3,014
<b>Balance at 1 July 2020 (Restated)</b>		<b>129,092</b>	<b>25,854</b>	<b>154,946</b>
<b>Net result for the year (Restated)</b>		21,833	-	21,833
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment		-	19,590	19,590
<b>Total comprehensive income for the year</b>		21,833	19,590	41,423
<b>Balance at 30 June 2021</b>		<b>150,924</b>	<b>45,444</b>	<b>196,368</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

for the financial year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(11,027)	(11,440)
Suppliers for goods and services		(11,813)	(11,949)
Finance costs		-	(1)
<b>Total Payments</b>		<b>(22,910)</b>	<b>(23,390)</b>
<b>Receipts</b>			
Sale of goods and services		29,124	24,865
Interest received		14	252
Grants		90	1,909
Dividends received		7,861	2,993
<b>Total Receipts</b>		<b>37,089</b>	<b>30,019</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	20	<b>14,179</b>	<b>6,629</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale property, plant and equipment		160	558
Proceeds from sale of financial assets		117,875	75,111
Purchase of property plant and equipment		(3,954)	(2,471)
Purchase of financial assets		(112,869)	(78,002)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>1,212</b>	<b>(4,804)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		(19)	(22)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(19)</b>	<b>(22)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>15,372</b>	<b>1,803</b>
Opening cash and cash equivalents		5,764	3,961
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>21,136</b>	<b>5,764</b>

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Southern Metropolitan Cemeteries Land Manager (SMCNSW) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. This status was clarified on 28 May 2021 with the appointment of an Administrator by the State of New South Wales.

SMCNSW is incorporated under the *Crown Lands Management Act 2016* and operates under the *Cemeteries and Crematoria Act 2013* (NSW).

SMCNSW is primarily involved in the provision of burial, cremation and memorialisation services for the public.

SMCNSW is a not-for-profit entity (as profit is not its principal objective) and is exempt from income tax.

These financial statements for the year ended 30 June 2022 have been authorised for issue by the Administrator on 20th October 2022.

(b) Basis of preparation

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

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

Property, plant and equipment and certain financial assets and liabilities are measured on a fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is SMCNSW's presentation and functional currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

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

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

(e) Comparative information

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

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

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

1. Statement of significant accounting policies (cont'd)

i. Effective for the first time in FY2021-22

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

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

(g) Impact of COVID-19 on Financial Reporting for 2021-22

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and while the impact has been recognised for the entity up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. EXPENSES EXCLUDING LOSSES

(a) Employee related expenses:

	2022 \$'000	2021 \$'000
Salaries and wages (including annual leave)	9,472	10,252
Superannuation - defined contribution plans	866	927
Long service leave	(4)	145
Fringe benefits tax	108	28
Workers' compensation insurance	473	477
	10,915	11,829

The amount of employee related costs that have been capitalised, in particular property, plant and equipment or intangible assets accounts, and therefore excluded from the above is (\$10k) in 2022 (2021: \$101k).

## Notes to the financial statements

for the financial year ended 30 June 2022

### 2. Expenses excluding losses (cont'd)

#### (b) Other operating expenses include the following

	2022 \$'000	2021 \$'000
Auditor's remuneration – audit of financial statements	115	65
Cost of sales	2,595	2,532
Maintenance	305	740
Insurance	291	228
Consultants	166	311
Marketing	74	84
Temporary staff	853	1,025
Motor vehicles	105	80
Utilities	188	204
Cleaning	317	328
Information technology	971	2,141
Communications	204	199
Legal fees	70	136
Investment and bank fees	214	251
Security	133	133
Training	52	91
Recruitment	27	166
Waste and rubbish	152	160
Grounds operations	190	175
OneCrown costs*	1,632	-
Other operating expenses	1,067	1,202
	<b>9,721</b>	<b>10,251</b>

\*Expenses paid by Rookwood General Cemeteries Reserve Land Manager (RGCRLM) for the project One Crown Initiatives, being one third share, are invoiced to SMCNSW and are equally proportionate among the three land managers (RGCRLM, SMCNSW and Northern Metropolitan Cemeteries Land Manager).

Total maintenance expenditure is further explained as follows:

	2022 \$'000	2021 \$'000
Maintenance expense- contracted labour and other non-employee related, as above	305	740
Employee related maintenance expense included in Note 2(a)	2,566	2,749
	<b>2,871</b>	<b>3,489</b>

## Notes to the financial statements

for the financial year ended 30 June 2022

### 2. Expenses excluding losses (cont'd)

#### Recognition and Measurement

##### Maintenance expense

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

##### Insurance

SMCNSW's insurance activities are conducted through an independent Insurance Broker. Property assets are protected under an Industrial Special Risks Policy and additional insurance cover is held for public and product liability, cyber, motor fleet, management liability, voluntary workers and business travel insurance.

##### Consultants

SMCNSW regards a consultant as a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision making by management. The advisory nature of this work differentiates these consultants from other contractors. Consultant's expenses are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

#### (c) Depreciation and amortisation expense

	2022 \$'000	2021 \$'000
<b>Depreciation</b>		
Buildings	573	574
Infrastructure systems	2,169	390
Plant and equipment	1,182	1,122
Right-of-use asset	19	22
<b>Amortisation</b>		
Intangibles	-	(63)
	<b>3,943</b>	<b>2,045</b>

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

#### (d) Finance costs

	2022 \$'000	2021 Restated \$'000	2021 Original \$'000
Interest expense from lease liabilities	-	1	1
Interest expense from contract liabilities	-	-	446
	<b>-</b>	<b>1</b>	<b>447</b>

#### Recognition and measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred.

3. REVENUES

Recognition and measurement

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

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

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

	2022 \$'000	2021 Restated \$'000	2021 Original \$'000
<b>Sale of goods</b>			
Sales of goods -Cemetery	15,463	12,108	11,888
Sales of goods -Crematorium	4,740	3,474	3,474
<b>Sub-total Sale of goods</b>	<b>20,203</b>	<b>15,582</b>	<b>15,362</b>
<b>Rendering of services</b>			
Rendering of services -Cemetery	4,701	4,011	4,144
Rendering of services -Crematorium	2,063	2,029	2,029
<b>Sub-total Rendering of services</b>	<b>6,764</b>	<b>6,040</b>	<b>6,173</b>
	<b>26,967</b>	<b>21,622</b>	<b>21,535</b>

Recognition and Measurement

Sale of goods

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

Type of Good	Nature of timing of satisfaction of performance obligation	Revenue recognition policies
Interment Rights	The performance obligation of transferring the interment right is typically satisfied at the point in time that full payment and all necessary documents have been received from the customer.  Payments from customers are typically received in advance of the grant of the interment right (or in certain cases upon the completion of an instalment payment plan).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Plaque and related memorialisation products	The performance obligation of delivering and installing a plaque is typically satisfied when the customer confirms the product is acceptable.  Payments from customers are typically received in advance of the delivery of the product.	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.

3. Revenues (cont'd)

Rendering of services

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

Type of Good	Nature of timing of satisfaction of performance obligation	Revenue recognition policies
Interment Services	The performance obligation in relation to interment services is typically satisfied when the interment event occurs.  Payments from customers are typically received in advance of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Cremation Services	The performance obligation in relation to cremation services is typically satisfied when the cremation service is delivered.  Payments from customers are typically received in advance of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Chapel Services	The performance obligation in relation to chapel services is typically satisfied when the chapel service is delivered.  Payments from customers are typically received in advance of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Exhumations	The performance obligation in relation to exhumation services is typically satisfied when the service is delivered.  Payments from customers are typically received in advance of service provision.	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.
Administration Services	The performance obligation in relation to services of an administrative nature is typically satisfied when the service activity is completed.  Payments from customers are typically received at the time of service provision (with the exception of some customers that have 30 day payment terms).	Revenue is recognised based on the price determined in the contract and at the point that the performance obligation is satisfied.

For each contract with a customer, SMCNSW identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 3. Revenues (cont'd)

Refund liabilities are recognised where SMCNSW receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which SMCNSW does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

The recognition of revenue in accordance with AASB15 requires each distinct performance obligation within a contract to be identified and revenue allocated to each performance obligation based on a reasonable estimate of their “stand alone prices”. Where possible, a direct “stand alone” price for a performance obligation has been applied. However, often these contracts will have been entered into many years ago and information as to “stand alone” prices may not be available. SMCNSW has therefore applied reasonable methods of estimation of “stand alone” prices including reference to price indices and third-party price information.

Refer to Note 7 for additional information in relation to SMCNSW contract liabilities providing revenue from the rendering of services including disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when SMCNSW expects to recognise the unsatisfied portion as revenue.

#### (b) Investment revenue

	2022 \$'000	2021 \$'000
Interest income from financial assets at amortised cost	14	200
Rental income	402	409
Dividend income	3,474	5,907
Net gains/(losses) from financial assets at fair value through profit or loss	(12,127)	16,186
Imputation credits	-	38
	<b>(8,237)</b>	<b>22,740</b>

#### Recognition and Measurement

##### Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

##### Rental income

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

##### Dividend income

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

#### (c) Grants

	2022 \$'000	2021 \$'000
Other grants with sufficiently specific performance obligations	90	1,597
	<b>90</b>	<b>1,597</b>

## Notes to the financial statements

for the financial year ended 30 June 2022

### 3. Revenues (cont'd)

#### Recognition and Measurement

SMCNSW has been provided with a NSW Government Grant with specific performance obligations – to complete a research project and a Funeral Director portal for its website. This grant was provided as part of the NSW Government Serving Communities Program. Income from these grants will be recognised when these performance obligations involving project completion are satisfied.

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

SMCNSW received government contributions in relation to COVID-19. SMCNSW typically satisfies its performance obligations when wages are paid to employees. Revenue from these contributions is recognised based on the wages amount specified in the COVID-19 measures introduced by the federal government, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The funding payments are usually received shortly after the relevant obligation is satisfied.

## 4. PRIOR PERIOD ERRORS

	Previously Stated \$'000	Adjustments \$'000	Restated \$'000
<b>Statement of Changes in Equity</b>			
Accumulated funds as at 1 July, 2020	126,078	3,014	129,092
Accumulated funds as at 30 June, 2021	147,377	3,547	150,924

#### Statement of Profit and Loss

Sale of goods and services from customer contracts	21,536	87	21,622
Finance costs	(447)	446	(1)
Net income from continuing operations	21,300	533	21,833
Total Comprehensive Income	40,890	533	41,423

#### Statement of Financial Position as at 30 June 2021

##### Current Assets

Inventories	1,296	15,273	16,569
-------------	-------	--------	--------

##### Non-Current Assets

Inventories	15,273	(15,273)	-
-------------	--------	----------	---

##### Current Liabilities

Contract liabilities	9,336	(3,547)	5,789
----------------------	-------	---------	-------

##### Equity

Accumulated Funds	147,377	3,547	150,924
-------------------	---------	-------	---------

## Notes to the financial statements

for the financial year ended 30 June 2022

### 4. Prior period errors (cont'd)

	Previously Stated \$'000	Adjustments \$'000	Restated \$'000
<b>Statement of Financial Position as at 1 July 2020</b>			
<b>Current Assets</b>			
Inventories	1,205	15,671	16,876
<b>Non-Current Assets</b>			
Inventories	15,671	(15,671)	-
<b>Current Liabilities</b>			
Contract liabilities	8,282	(3,014)	5,268
<b>Equity</b>			
Accumulated funds	126,078	3,014	129,092

During the year ended 30 June 2022 SMCNSW reviewed and revised judgements made in the recognition of the following areas:

#### **Inventory – Allocation between current and non-current assets**

On review of the allocation of inventory assets between current and non-current components it was considered appropriate to recognise as current inventory the inventory items available for sale held primarily for the purpose of trading.

#### **Contract Liabilities – removal of financing component**

On review of the method of calculation of contract liabilities in accordance with AASB15 *Revenue from Contracts with Customers* it was now no longer considered appropriate to include a financing component in determination of the values of these Contract Liabilities. Upon the introduction of AASB15 to these Financial Statements in July 2019 a financing component had been recognised. This financing component had been included as a finance cost in the expenses of SMCNSW when added to the value of the contract liability. No finance cost is now recognised as an expense or as a component of the value of a contract liability as SMCNSW considers the customer may possess some discretion as to the timing of the transfer of the relevant goods and services. Appropriate adjustments have been made to prior year balances to implement these changes.

The aggregate effect of the prior period restatements on the annual financial statements for the year ended 30 June 2021 is set out above.

## 5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2022 \$'000	2021 \$'000
Cash at bank and on hand	21,136	5,764
	<b>21,136</b>	<b>5,764</b>

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

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

## Notes to the financial statements

for the financial year ended 30 June 2022

## 6. CURRENT ASSETS - RECEIVABLES

	2022 \$'000	2021 \$'000
<b>CURRENT</b>		
Trade receivables from contracts with customers	1,666	696
Other Receivables	144	4,495
	<b>1,810</b>	<b>5,191</b>
Prepayments	318	283
Interest accrued	-	20
	<b>2,128</b>	<b>5,494</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 21.

#### **Recognition and Measurement**

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

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

#### **Subsequent measurement**

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

For trade receivables, SMCNSW applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. Given the terms of many contractual arrangements, the ECL is not material.

## 7. CONTRACT ASSETS AND LIABILITIES

	2022 \$'000	2021 Restated \$'000
Contract assets – current	1,987	2,058
	<b>1,987</b>	<b>2,058</b>
Contract liabilities – current	5,699	5,789
	<b>5,699</b>	<b>5,789</b>

#### **Recognition and Measurement**

##### **Contract Assets**

Contract assets relate to the SMCNSW's right to receive consideration in exchange for goods transferred or services provided to customers, or to works completed, but not billed at the reporting date in respect of:

- The entitlement held by SMCNSW to receive the redemption value of funds held by funeral plan management companies which are payable to SMCNSW on the performance of the plans contracted events.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 7. Contract assets and liabilities (cont'd)

- The right held by SMCNSW to recover an interment right when SMCNSW acts in relation to its current business policy of processing valid requests for refund and surrender of interment rights.

The balance of contract assets recognised by SMCNSW was impacted by normal business factors in 2022 and fell by \$71,000 in the course of the year as a result of the occurrence of normal business levels of the redemption of funeral plan management contracts (as services covered by those agreements occur) and the surrender of interment rights.

#### Contract Liabilities

Contract liabilities relate to consideration received in advance from customers in respect of:

- Services which are agreed to be performed under prepaid funeral management contracts. SMCNSW will defer recognition of revenue until the time the performance obligations are satisfied (whether, most commonly, they be interment services, cremation services or the placement of ashes with plaque).
- SMCNSW deliverables including:
  - o Interment rights – An interment right is the right to be committed in a designated space in a cemetery in perpetuity. The specific site is allocated at the time of signing the contract. Upon receipt of full payment, a certificate of exclusive right of interment is issued to the customer. Revenue is recognised at this time of grant of right of interment to the customer.
  - o Crematorium services - Revenue is recognised at the time the service is performed.
  - o Memorialisation services – Revenue is recognised at the time the memorialisation is installed.
- Contracts with customers in which deliverables are “bundled” together, often with an interment right. These additional deliverables may include a headstone, candilli, granite tablet, plaque and placement and/or lettering. Each distinct performance obligation within these “bundled” contracts has been identified and revenue allocated to each performance obligation based on a reasonable estimate of their standalone alone prices. Revenue is then recognised when each of the performance obligations is satisfied.
- The surrender of interment rights where SMCNSW has a current business policy of processing valid requests for refunds of interment rights. Consideration that is expected to be returned as a refund is recorded as a contract liability, and not as revenue.

The balance of contract liabilities recognised by SMCNSW was impacted by normal business factors in 2022 and fell by \$0.90m in the course of the year as a result of the performance of services which were the subject of the contract liabilities.

#### Contract Liabilities – Other features

	2022 \$'000	2021 Restated \$'000
Revenue recognised included in the contract liability balance at year beginning	1,455	1,211
Revenue recognised from performance obligations satisfied in prior periods	-	-
Transaction price allocated to remaining performance obligations from contracts with customers	5,699	5,789

The transaction price allocated to the remaining performance obligations relates to funeral plan contracts, payment plan contracts and cemetery and crematorium contracts with customers. Of these amounts 38% is expected to be recognised as revenue in the 2022-23 financial year and 6% in the 2023-24 financial year, with the remainder recognised in succeeding years as performance obligations are delivered in the remainder of contracts.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 7. Contract assets and liabilities (cont'd)

#### Perpetual Care of Monuments

SMCNSW is a party to a series of customer contracts (287 in number) entered before 2008 which require a place of burial to be maintained in perpetuity in accordance with Regulation 50 for The Management of Woronora General Cemetery (1935). SMCNSW must expend on each of these places of burial an amount equal to 5% of the original sum paid by the customer. SMCNSW has recognised a contract liability in respect of these perpetual obligations at an amount equivalent to the net present value of the amount required in perpetuity to meet these perpetual care obligations.

## 8. INVENTORIES

	2022 \$'000	2021 Restated \$'000
Held for resale		
Crypts and mausoleums (at cost)	3,904	5,088
Grave foundations and beams(at cost)	5,794	5,169
Garden memorialisations (at cost)	491	620
Inventory work in progress (at cost)	2,139	1,836
Future developed areas(at cost)	3,856	3,856
	<b>16,184</b>	<b>16,569</b>

#### Recognition and Measurement

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Inventory which is surrendered to SMCNSW as part of its surrender and revocation policy is recognised at the replacement cost SMCNSW incurs to acquire the asset.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The current inventory balance is based on the inventory items available for sale held primarily for the purpose of trading.

## 9. CURRENT/NON-CURRENT - FINANCIAL ASSETS AT FAIR VALUE

	2022 \$'000	2021 \$'000
Investment in term deposits	-	8,100
Investment in equity shares –listed shares	-	30,582
Investment in equity shares –unlisted shares	-	2
Investment in managed funds	-	75,773
TCorpIM Long Term Fund	97,101	-
	<b>97,101</b>	<b>114,457</b>

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

## Notes to the financial statements

for the financial year ended 30 June 2022

### 9. Current/non-current - financial assets at fair value (cont'd)

#### Recognition and Measurement

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

#### Classification and Measurement

The entity's financial assets at fair value are classified, at initial recognition, as subsequently measured at fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

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

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

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

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

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

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

## Notes to the financial statements

for the financial year ended 30 June 2022

### 10. PROPERTY, PLANT AND EQUIPMENT

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	WIP \$'000	Total \$'000
<b>At 1 July 2020 – fair value</b>					
Gross carrying amount	32,315	9,969	4,851	768	47,903
Accumulated depreciation and impairment	(490)	(4,463)	(1,472)	-	(6,425)
Net carrying amount	31,825	5,506	3,379	768	41,478
<b>Year ended 30 June 2021</b>					
Net carrying amount at beginning of year	31,825	5,506	3,379	768	41,478
Purchases of assets	-	122	39	2,828	2,989
Disposals	-	(315)	-	(505)	(820)
Net revaluation increments less decrements	-	1,524	18,066	-	19,590
Depreciation expense	(574)	(1,205)	(390)	-	(2,169)
Transfers in/(out)	-	800	514	(1,331)	(17)
Net carrying amount at end of year	31,251	6,432	21,608	1,760	61,051
<b>At 1 July 2021 – fair value</b>					
Gross carrying amount	32,315	6,432	21,608	1,760	62,115
Accumulated depreciation and impairment	(1,064)	-	-	-	(1,064)
Net carrying amount	31,251	6,432	21,608	1,760	61,051
<b>Year ended 30 June 2022</b>					
Net carrying amount at beginning of year	31,251	6,432	21,608	1,760	61,051
Purchases of assets	-	596	-	3,232	5,301
Disposals	-	(373)	-	-	(373)
Net revaluation increments less decrements	4,777	141	-	-	4,918
Depreciation expense	(573)	(1,182)	(2,169)	-	(3,924)
Transfers in/(out)	-	636	931	(1,661)	(94)
Net carrying amount at end of year	35,455	6,250	20,370	4,804	66,879
<b>At 1 July 2022 – fair value</b>					
Gross carrying amount	35,455	7,432	22,539	4,804	70,230
Accumulated depreciation and impairment	-	(1,182)	(2,169)	-	(3,351)
Net carrying amount	35,455	6,250	20,370	4,804	66,879

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

Recognition and Measurement

Acquisition of property, plant and equipment

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

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$500 and above individually (or forming part of a network costing more than \$500) are capitalised.

Major inspection costs

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

Restoration costs

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

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the SMCNSW. All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

Class of fixed asset	Useful life	Depreciation rate
Buildings	10 to 40 years	2.5% to 10%
Office furniture and equipment	3 to 10 years	10% to 33%
Motor vehicles	5 years	20%
Roadwork and grounds	5 to 20 years	5% to 20%

Right-of-Use Assets acquired by lessees

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. SMCNSW has elected to present right-of-use assets separately in the Statement of Financial Position. Further information on leases is contained at Note 12.

Revaluation of property, plant and equipment

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

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

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

Fair value of property, plant and equipment is based on a market participants’ perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

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

Class of fixed asset	Independent Valuer	Date of Valuation
Land	Preston Rowe Paterson Sydney Pty Ltd	30 June 2022
Buildings	Preston Rowe Paterson Sydney Pty Ltd	30 June 2022
Infrastructure systems	Preston Rowe Paterson Sydney Pty Ltd	30 June 2021
Plant and equipment	Preston Rowe Paterson Sydney Pty Ltd	30 June 2021

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

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

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

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

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

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

When revaluing non-current assets accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

## Notes to the financial statements

for the financial year ended 30 June 2022

### 10. Property, plant and equipment (cont'd)

#### Impairment of property, plant and equipment

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

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

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

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

## 11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

### a) Fair Value Measurement and Hierarchy

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

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

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

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

## Notes to the financial statements

for the financial year ended 30 June 2022

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

#### Fair Value Hierarchy

	2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment (Note 10)				
Land and Buildings	-	-	35,455	35,455
Plant and equipment	-	-	6,250	6,250
Infrastructure Systems	-	-	20,370	20,370
WIP	-	-	4,804	4,804
	-	-	66,879	66,879
	2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment (Note 10)				
Land and Buildings	-	-	31,251	31,251
Plant and equipment	-	-	6,432	6,432
Infrastructure Systems	-	-	21,608	21,608
WIP	-	-	1,760	1,760
	-	-	61,051	61,051

### b) Valuation Techniques, inputs and processes

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

SMCNSW engages external, independent and qualified valuers to determine the fair value of its land and building assets on a regular basis. The last comprehensive valuation was completed on 30 June 2022 by Preston Rowe Paterson Sydney Pty Limited (Preston Rowe).

This valuation of Crown Land was carried out using a market approach that reflects observed prices for recent market transactions for appropriate reference properties and incorporates adjustments for factors specific to the land in question (including current use). The adjustments include those for interred land compared to similar land that has not been utilised for this purpose and reflect the significant reduction in utility possessed by this interred land in comparison to unconstrained land.

## Notes to the financial statements

for the financial year ended 30 June 2022

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

The valuation of buildings was derived from the current replacement cost of those buildings reflecting that would be required to replace the service capacity of an asset. 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.

SMCNSW also engages external, independent and qualified valuers to determine the fair value of its property, plant and equipment assets. In 2021 SMCNSW engaged Preston Rowe to provide a comprehensive review of these property, plant and equipment assets. In considering the fair value of these assets the valuer had regard, where available, to market transactions of similar assets and also to depreciated replacement cost analysis. Where possible, the valuer endeavoured to identify comparable assets and use the direct comparison method as the primary valuation method, with the depreciated replacement cost approach as a secondary method. These recent asset valuations have been retained and applied in 2022. The bulk of these assets are infrastructure assets. Preston Rowe expressed the opinion that there was unlikely to be a material change in the values of infrastructure assets as at June 2022 from the values included in their valuations provided in June 2021 (referred to above).

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	WIP \$'000	Total Recurring Level 3 Fair Value \$'000
Fair Value as at 1 July, 2021	31,251	6,432	21,608	1,760	61,051
Additions	-	596	-	4,705	5,301
Revaluation increments recognised in Comprehensive Income	4,777	141	-	-	4,918
Disposals	-	(373)	-	-	(373)
Depreciation expense	(573)	(1,182)	(2,169)	-	(3,924)
Transfers in/(out)	-	636	931	(1,661)	(94)
<b>Fair Value as at 30 June, 2022</b>	<b>35,455</b>	<b>6,250</b>	<b>20,370</b>	<b>4,804</b>	<b>66,879</b>

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	WIP \$'000	Total Recurring Level 3 Fair Value \$'000
Fair Value as at 1 July, 2020	31,825	5,506	3,379	768	41,478
Additions	-	122	39	2,828	2,989
Revaluation increments recognised in Comprehensive Income	-	1,524	18,066	-	19,590
Disposals	-	(315)	-	(505)	(820)
Depreciation expense	(574)	(1,205)	(390)	-	(2,169)
Transfers in/(out)	-	800	514	(1,331)	(17)
<b>Fair Value as at 30 June, 2021</b>	<b>31,251</b>	<b>6,432</b>	<b>21,608</b>	<b>1,760</b>	<b>61,051</b>

## Notes to the financial statements

for the financial year ended 30 June 2022

### 12. LEASES

#### a) Entity as lessee

SMCNSW has leases for office equipment. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The lease of office equipment is limited to 3 to 5 years. Lease payments are generally fixed and are not dependent on any index or rate.

Lease contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. SMCNSW does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the SMCNSW and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No future cash outflows have been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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

#### Right of use assets under leases

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

	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2021	42	42
Additions	-	-
Depreciation expense	(19)	(19)
<b>Balance at 30 June 2022</b>	<b>23</b>	<b>23</b>
Balance at 1 July 2020	39	39
Additions	25	25
Depreciation expense	(22)	(22)
<b>Balance at 30 June 2021</b>	<b>42</b>	<b>42</b>

#### Lease liabilities

The following table presents liabilities under leases.

	2022 \$'000	2021 \$'000
Balance at 1 July	43	41
Additions	-	24
Interest expenses	-	1
Payments	(19)	(23)
<b>Balance at 30 June</b>	<b>24</b>	<b>43</b>

## Notes to the financial statements

for the financial year ended 30 June 2022

### 12. Leases (cont'd)

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

	2022 \$'000	2021 \$'000
Depreciation expense of right of use assets	19	22
Interest expense on lease liabilities	-	1
<b>Total amount recognised in the statement of comprehensive income</b>	<b>19</b>	<b>23</b>

SMCNSW had total cash outflows for leases of \$19,764 in FY2021-22 (FY2020-21: \$22,273).

#### Recognition and measurement

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

SMCNSW recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

##### i. Right-of-use assets

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

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

- Plant and machinery 3 to 5 years

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

The right-of-use assets are also subject to impairment. SMCNSW assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

##### ii. Lease liabilities

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

#### Lease payments include:

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

## Notes to the financial statements

for the financial year ended 30 June 2022

### 12. Leases (cont'd)

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

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

SMCNSW's lease liabilities are included in borrowings.

#### b) Entity as a lessor

SMCNSW's properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for the contracts include CPI increases. For one of the arrangements, fees are payable if certain thresholds are achieved or sales completed; a marketing and promotional contribution in the form of catering credits is available; an allowance has been agreed for capital contributions and a discount for staff and functions has been agreed. For another arrangement, a capital contribution has been agreed and a discount for staff has been agreed. Although the entity is exposed to changes in the residual value at the end of current leases, the entity typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

#### Lessor for operating leases

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are, as follows:

	2022 \$'000	2021 \$'000
Within one year	452	446
<b>Later than one year and not later than 5 years</b>		
One to two years	408	457
Two to three years	264	468
Three to four years	71	391
Four to five years	0	181
<b>Total (excluding GST)</b>	<b>1,195</b>	<b>1,943</b>

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

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 13. INTANGIBLE ASSETS

	Software \$'000	Other Categories \$'000	Total \$'000
<b>At 1 July 2020</b>			
Cost (gross carrying amount)	332	1	333
Accumulated amortisation and impairment	(63)	-	(63)
<b>Net carrying amount</b>	<b>270</b>	<b>1</b>	<b>271</b>
<b>Year ended 30 June 2021</b>			
Net carrying amount at beginning of year	270	1	271
Other movements (transfer to expense)	(270)	-	(270)
<b>Net carrying amount at end of year</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>At 30 June 2021</b>			
Cost (gross carrying amount)	-	1	1
<b>Net carrying amount</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Year ended 30 June 2022</b>			
Net carrying amount at beginning of year	-	1	1
Other movements (transfer to expense)	-	-	-
<b>Net carrying amount at end of year</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>At 30 June 2022</b>			
Cost (gross carrying amount)	-	1	1
<b>Net carrying amount</b>	<b>-</b>	<b>1</b>	<b>1</b>

#### Recognition and Measurement

SMCNSW recognises intangible assets only if it is probable that future economic benefits will flow to SMCNSW and the cost of the asset can be measured reliably.

Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for SMCNSW's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be finite.

SMCNSW's intangible assets are amortised using the straight-line method over a period of 2 to 5 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 14. CURRENT LIABILITIES – PAYABLES

	2022 \$'000	2021 \$'000
Accrued salaries, wages and on costs	143	126
Creditors	1,634	701
Accruals	798	683
	<b>2,575</b>	<b>1,510</b>

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

#### Recognition and measurement

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

### 15. CURRENT/NON-CURRENT LIABILITIES – LEASE LIABILITIES

	2022 \$'000	2021 \$'000
Lease liabilities	24	43
Current	15	19
Non-Current	9	24
	<b>24</b>	<b>43</b>

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

#### Recognition and measurement

Details relating to the accounting policies applied to leases of which SMCNSW is lessee are set out in Note 12.

#### Changes in liabilities arising from financing activities

	Leases \$'000	Total \$'000
At 1 July 2020	41	41
Cash flows	(23)	(23)
New leases	25	25
<b>30 June 2021</b>	<b>43</b>	<b>43</b>
At 1 July 2021	43	43
Cash flows	(19)	(19)
New leases	-	-
<b>30 June 2022</b>	<b>24</b>	<b>24</b>

## Notes to the financial statements

for the financial year ended 30 June 2022

### 16. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS

	2022 \$'000	2021 \$'000
<b>Employee benefits and related on costs</b>		
Annual leave	778	892
Long service leave	793	797
RDO leave	44	37
	<b>1,615</b>	<b>1,726</b>
Current annual leave obligations expected to be settled after 12 months	275	516
Current long service leave obligations expected to be settled after 12 months	511	765
	<b>786</b>	<b>1,281</b>
<b>Aggregate employee benefits and related on costs</b>		
Provisions – current	1,344	1,437
Provisions – non-current	271	289
Accrued salaries, wages and on costs (Note 14)	142	126
	<b>1,757</b>	<b>1,852</b>

#### Recognition and Measurement

##### Employee benefits and related on-costs

##### Salaries and wages, annual leave and sick leave

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

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

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

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

##### Long service leave and superannuation

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth Government bond rate at the reporting date.

##### Consequential on-costs

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

## Notes to the financial statements

for the financial year ended 30 June 2022

### 17. EQUITY

#### Revaluation surplus

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

#### Accumulated Funds

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

### 18. COMMITMENTS

	2022 \$'000	2021 \$'000
Capital Commitments		
Aggregate capital expenditure for activities of inventory development and asset enhancement (contracted at balance date and not provided for):		
Within one year	7,932	11,978
Later than one year and not later than five years	-	-
Later than 5 years	-	-
<b>Total (including GST)</b>	<b>7,932</b>	<b>11,978</b>

### 19. CONTINGENT LIABILITIES

On 15 December 2016, the business entered into a Deed of Agreement with La Perouse Local Aboriginal Land Council and the New South Wales Aboriginal Land Council, the principal obligations being to grant Security Burial Rights, establish an Aboriginal Cemetery and grant Promised Burial Rights. It was envisaged that the obligations would be fulfilled within a three-year period. Delays have been experienced with regards to the rezoning of the area. A variation to the Deed with an extended timeframe has been negotiated and executed on 18 May 2020.

The Variation amended the Promised Burial Rights all parties agreeing that it means 125 burial licences, less any Security Burial Rights that have been used by La Perouse LALC in relation to burial places in the Aboriginal Cemetery, to be granted under the Deed. To date, 13 interments have occurred. 125 Burial Licences have been reserved in the inventory of Eastern Suburbs Memorial Park. This is an interim measure awaiting the fulfillment of the delivery of the intended Aboriginal Cemetery at Bumborah Point. The estimated financial effect of this measure if the remaining 112 burial positions are delivered is foregone revenue of \$1.2 million.

SMCNSW is also in receipt of notice of a possible legal claim from a family relating to quality of service issues. The notice of possible claim was received in September 2022 but relates, in part, to issues occurring prior to the financial year end. It is SMCNSW's intention to defend this claim. It is not practicable to disclose an estimate of the probable financial effect of this claim.

## 20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2022 \$'000	2021 \$'000
<b>Net cash from operating activities</b>	<b>14,179</b>	<b>6,629</b>
Depreciation and amortisation expense	(3,943)	(2,045)
Decrease/(increase) in provisions	111	(284)
Increase/(decrease) in prepayments and other assets	613	2,082
Increase/(decrease) in contract assets	(71)	(81)
Decrease/(increase) in payables	(88)	(89)
Decrease/(increase) in contract liabilities	90	(566)
Net gain/(loss) on sale of property, plant and equipment and financial assets	(16,650)	16,187
<b>Net result</b>	<b>(5,759)</b>	<b>21,833</b>

## 21. FINANCIAL INSTRUMENTS

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

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

The Administrator has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by SMCNSW to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the entity on a continuous basis.

### (a) Financial instrument categories

Financial Assets Class:	Note	Category	Carrying Amount 2022 \$'000	Carrying Amount 2021 \$'000
Cash and cash equivalents	5	Amortised cost	21,136	5,764
Receivables	6	Amortised cost	1,810	5,211
Financial assets at fair value through profit or loss	9	Fair value through profit or loss	97,101	114,457
Financial Liabilities Class:	Note	Category	Carrying Amount 2022 \$'000	Carrying Amount 2021 \$'000
Payables	14	Financial liabilities measured at amortised cost	2,575	1,510
Lease liabilities	15	Financial liabilities measured at amortised cost	24	43

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

## 21. Financial instruments (cont'd)

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

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

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

When SMCNSW has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

Where SMCNSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of SMCNSW's continuing involvement in the asset.

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

### (c) Financial risks

#### (i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to SMCNSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

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

Credit risk associated with SMCNSW financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

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

#### Cash and cash equivalents

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

#### Accounting policy for impairment of trade debtors and other financial assets

Collectability of trade debtors is reviewed on an ongoing basis.

SMCNSW applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

Trade debtors are written off when there is no reasonable expectation of recovery.

There was no allowance for expected credit losses for the trade debtors as at 30 June 2022.

#### (ii) Liquidity risk

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

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

## Notes to the financial statements

for the financial year ended 30 June 2022

### 21. Financial instruments (cont'd)

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

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

#### Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate \$'000	Nominal Amount <sup>1</sup> \$'000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non-interest Bearing \$'000	< 1 yr	1 - 5 yrs	> 5 yrs
<b>2022</b>								
Payables	0.0%	2,575	-	-	2,575	2,575	-	-
Lease liabilities	1.32%	24	24	-	-	-	24	-
<b>2021</b>								
Payables	0.0%	1,510	-	-	1,510	1,510	-	-
Lease liabilities	1.32%	43	43	-	-	-	43	-

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which SMCNSW can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

#### (iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. SMCNSW exposure to market risk arises primarily through fluctuations in the equity prices of investments (comprising listed shares and managed funds). Further exposure to market risk arises in relation to interest rate risk on SMCNSW bank balances and cash held on deposit for which interest is earned at floating rates and for term deposits.

The effect on profit and equity due to a reasonably possible change in this risk variable is outlined in the information below - for equity price risk and interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position reporting date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 21. Financial instruments (cont'd)

#### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through SMCNSW's cash balances.

A reasonably possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

	2022 -1% \$'000	2022 +1% \$'000	2021 -1% \$'000	2021 +1% \$'000
Net result	(13)	179	(80)	80
Equity	(13)	179	(80)	80

#### (v) Other price risk – TCorpIM funds

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

Facility	Investment Horizon	Investment Sector	2022 \$'000	2021 \$'000
TCorpIM Long Term	7 years and over	Cash and Fixed Income, credit, equities	97,101	-

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

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

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

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

		Impact on net result/equity	
Facility	Change in Unit Price	2022 \$'000	2021 \$'000
TCorpIM Long Term	+/-10%	9,710	-

## Notes to the financial statements

for the financial year ended 30 June 2022

### 21. Financial instruments (cont'd)

#### (d) Fair Value measurement

(i) Fair value compared to carrying amount

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

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments. Investments in equities and managed funds are carried at the fair value provided by quoted market prices.

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

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

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

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

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

#### Financial assets at fair value 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investments in TCorp IM Funds	-	97,101	-	97,101
	-	97,101	-	97,101

#### Financial assets at fair value 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investments in equity	30,582	-	-	30,582
Investments in managed funds	75,773	-	-	75,773
Other	8,100	2	-	8,102
	114,455	2	-	114,457

Of total gains (or losses) included in the net result, a loss of (\$10.502m) (gain of \$11.012m in FY2020-21) relates to unrealised gains (losses) relating to assets held at the end of the reporting period.

## Notes to the financial statements

for the financial year ended 30 June 2022

### 22. RELATED PARTY DISCLOSURE

The compensation provided to the key management personnel of SMCNSW is as follows:

	2022 \$'000	2021 \$'000
Short term employee benefits	1,375	1,381
Other long term employee benefits	177	156
Post-employment benefits	164	-
Termination benefits	288	-
	<b>2,004</b>	<b>1,537</b>

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

SMCNSW did enter into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the entities rendering and receiving of services and involve:

- Payments to Cemeteries and Crematoria NSW for levy.
- Payments to and from Rookwood General Cemeteries Reserve Land Manager.
- Payments to and from Northern Metropolitan Cemeteries Land Manager.

### 23. EVENTS AFTER REPORTING DATE

There are no events subsequent to the balance that affect the financial information disclosed in these financial statements.

### GLOSSARY

APES	Accounting Professional and Ethical Standards
ATO	Australian Taxation Office
CCNSW	Cemeteries and Crematoria NSW
ECLs	Expected Credit Losses
FRAC	Finance, Risk and Audit Committee
GSA	Government Sector Finance Act
GST	Goods and Services Tax
IIS	Interment Industry Scheme
IPART	Independent Pricing and Regulatory Tribunal
NSW	New South Wales
NMC	Northern Metropolitan Cemeteries Land Manager
RGC	Rookwood General Cemeteries Reserve Land Manager
RNLM	Rookwood Necropolis Land Manager
SMCNSW	Southern Metropolitan Cemeteries Land Manager
The Act	<i>Cemeteries and Crematoria Act</i>
The Entity	Southern Metropolitan Cemeteries Land Manager
The Land Manager	Southern Metropolitan Cemeteries Land Manager
WHS	Work, Health and Safety



Southern Metropolitan  
Cemeteries NSW