

Social Policy Scrutiny Committee

Burial and Cremation Bill 2019

Supplementary Information for the Committee

Question taken on notice: ‘Can you please clarify for the Committee, what face-to-face consultation was undertaken on the Bill with key stakeholders, in particular residents in remote communities, in the lead up to and following publication of the exposure draft of the Bill?’

1. Please refer to **Attachment A** for a general overview of the consultation statistics and a list of meetings with stakeholders (face-to-face information sessions and presentations) facilitated by the Department in relation to the Consultation Draft Bill.

Topic 1: The suggestion that ‘independent cemeteries’ could be deleted from the proposed legislation to address to concerns that Ministerial declaration of an independent cemetery may destabilise existing cemeteries in the Northern Territory.

2. Removing or otherwise not including ‘independent cemeteries’ as a class of cemetery would not be responsive to the principles contained in the *Intergovernmental Agreement on Competition and Productivity – Enhancing Reforms* (the Intergovernmental Agreement), to which the Northern Territory is a party.
3. Paragraphs 9.a. and b. of the Intergovernmental Agreement state the following (Part 3):
 - a. Competition policies, laws and institutions should promote the long-term interests of all Australians.
 - b. Regulatory frameworks and government policies binding the public or private sectors should not unnecessarily restrict competition.
4. Under clause 11(1) of the Bill, the Minister has wide discretion to declare an area of land to be a cemetery. Additionally, the Department notes that clause 11(2) allows the Minister to have regard to any matters prescribed by regulation relating to the declaration of a cemetery.
5. It would not be inconsistent with the Intergovernmental Agreement if the Minister refused to declare an independent cemetery because of a public interest issue that made such a declaration undesirable.
6. Paragraph 10. of the Intergovernmental Agreement qualifies that the application of competition principles are subject to a ‘public interest test’. In other words, regulation or government policy may restrict competition if the benefits outweigh the costs of the restriction to the community as a whole and if the objective can only be achieved by restricting competition to that extent. If a proposed independent cemetery could destabilise an existing public cemetery, it may be a situation where the benefits of competition would outweigh the costs to the community as a whole. The Minister would not be acting inconsistently with competition principles if the declaration was refused in such circumstances.
7. Removing independent cemeteries as an option to be declared under the legislation is likely to have unforeseen consequences to the operation of the legislation as a whole. For example, local cemeteries, which enable community-led cemetery management through local Aboriginal

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organisations, may be called into question as there may be overlap with what is considered to be a local cemetery and an independent cemetery in certain circumstances (for example, if the entity is an Aboriginal corporation). Additionally, allowing for the declaration of local cemeteries for Aboriginal organisations – but allowing for no equivalent for other cultural expressions through independent cemeteries – could be seen to be discriminatory.

8. Allowing for the declaring of independent cemeteries in the Bill ensures that other specialised cemeteries have the potential to be recognised. For example, if a religious body wished to establish a cemetery, the religious body would only be able to do so through seeking to establish an independent cemetery. Importantly, an independent cemetery may allow for the expression of different beliefs and practices if a public cemetery does not allow specialised burial practices.

Topic 2: Inquiry as to whether the Thorak Regional Cemetery (a declared public cemetery managed and administered by Litchfield Council) was operating in a surplus or a deficit.

9. Please refer to **Attachment B** for an extract from Litchfield Council's *Annual Report 2017-18*.
10. This extract provides an overview of Thorak Regional Cemetery's 2017-18 audited financial statement, which reports a net operating surplus of \$105 263 (including depreciation).
11. The 2017-18 audited financial statements also report Thorak Regional Cemetery has a positive cash balance of \$456 011.
12. City of Palmerston stated in their submission to the Social Policy Scrutiny Committee that, in relation to a business case prepared by KPMG, 'the establishment of a Ministerial Board with Northern Territory Government appropriation for capital and operational expenditure in the order of \$400,000 per annum would best support [Thorak Regional Cemetery] into the future.'¹
13. The KPMG business case suggests that an additional \$400 000 funding would best serve the needs of Thorak Regional Cemetery by providing remedy for overdue repairs, renewal and upgrade in the short to medium term. As such, expenditure estimated in the KPMG business case is based on estimated future requirements for capital and operational needs per the *Thorak Regional Cemetery – Master Plan Report* (the 2015 Master Plan).² The additional funds would only be required from 2020-21.
14. Full capital expenditure, based on the estimated costs of the 2015 Master Plan, plus a two percent inflation calculation, has been factored into this \$400 000 calculation. For example, there are capital expenditure items in the 2015 Master Plan that the Department considers as discretionary in nature, such as:
 - (a) the office extension planned to for 2022-23 (estimated to cost \$600 000); and
 - (b) the new chapel in 2027-28 (estimated to cost \$1 800 000) when an existing chapel upgrade is programmed to occur in 2025-26 (estimated to cost \$550 000).
15. These assumptions for expenditure do not provide an adequate indication of the standard operational expenditure of Thorak Regional Cemetery as a public cemetery, but include expenditure for projected capital works to bring the cemetery (and separate services provided in connection with the cemetery, such as chapel hire) up to a higher standard. However, it is the

¹ City of Palmerston, *City of Palmerston Submission on Draft Burial and Cremation Bill*, p. 1, https://parliament.nt.gov.au/data/assets/pdf_file/0005/730778/97-2019-Submission-4-City-of-Palmerston.pdf.

² Litchfield Council, *Thorak Regional Cemetery – Master Plan Report*, <https://www.litchfield.nt.gov.au/sites/default/files/consultations-files/TRC%20MASTERPLAN.pdf>.

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Department's view that Thorak Regional Cemetery is able to maintain its current standard of service within existing revenue generated by the cemetery.

Topic 3: Concerns that clause 147 does not allow for practical transport of human remains.

16. Clause 147 states the following (emphasis added):

- (1) A person must not transport human remains in a vehicle unless the human remains:
- (a) are **contained in a coffin, receptacle, container or wrapping that does not allow any bodily discharge, contaminants or infectious substances to escape; or**
 - (b) are **covered and placed in a part of the vehicle that:**
 - (i) **is physically separate from the part of the vehicle designed for the carriage of the driver and passengers; and**
 - (ii) **is capable of being easily cleaned and disinfected.**

Maximum penalty: 20 penalty units.

17. This provision has been framed to allow two different methods (options) for the transportation of human remains. From a policy perspective, this provision aims to strike a balance between respect for human remains, minimising the potential health risks to individuals in close proximity to human remains that are being transported, and recognising the practicalities of transporting human remains in the Northern Territory in different circumstances.
18. As the first option, the human remains can be contained in a coffin, receptacle, container or wrapping that does not allow any bodily discharge, contaminants or infectious substances to escape. For example, a body bag may be used to encase the human remains, and the human remains may be placed in a sedan or other type of vehicle (e.g. troopcarrier).
19. As the second option, the human remains are to be covered and placed in a part of the vehicle that is physically separate from the driver and passengers and that is capable of being easily cleaned and disinfected. This option does not require the use of a coffin or other type of container or wrapping. However, it does require the human remains to be covered. Examples of this option include a funeral hearse, a van, or vehicles with a separate cab.
20. In summary, the rule that the legislation seeks to establish is that if the human remains are in the same compartment as passengers, then it must be in a container such as a coffin. If it is in a separate compartment, such as on the back of a ute, the body must be covered.
21. The Department notes that the meaning of vehicle is not limited to motor vehicles and includes boats and aeroplanes.

Topic 4: Concerns raised regarding a perception that seeking a burial approval for a burial outside a cemetery may interfere with the expression of Aboriginal customs and tradition.

22. Burials outside of a cemetery are currently subject to an approval process, which has been in operation since the commencement of the *Cemeteries Act 1952* (see section 21). The approval process has been used to approve burials outside of cemeteries on a regular basis. The new process differs only in that it is now to be approved by the CEO of the Agency, rather than the Minister, to reduce red tape.

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23. All Northern Territory legislation must be consistent with the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth). Accordingly, this Bill does not interfere with established rights to use land according to Aboriginal custom and tradition. The right for Aboriginal people to bury in accordance with Aboriginal customs and tradition on Aboriginal land is preserved.
24. Significantly, this Bill protects the authority of traditional owners of Aboriginal land. Please refer to the operation of clause 39(4)(a) in relation to a burial outside a cemetery. For example, a stranger (who is not a traditional owner) would not be able to gain approval to bury human remains on Aboriginal land without the consent of the traditional owners.
25. Additionally, the operation of the 'senior next of kin' hierarchy recognises that an appropriate decision maker for a deceased Aboriginal person with strong cultural and traditional ties is the person who, according to Aboriginal customs and tradition, is the most appropriate to perform that role (see clause 8). For example, if a grandparent is the decision maker according to Aboriginal customs and tradition, the status and decision-making authority of that grandparent is specifically recognised and respected by this legislation.
26. The land councils and other key stakeholders have expressed support for the fact that this Bill respects the rights of traditional owners and that the 'senior next of kin' hierarchy allows recognition of decision making in accordance with Aboriginal custom and tradition. It is noted that this Bill is unique in this recognition. This Bill is also accommodating in its allowance for burials to occur outside a cemetery as a standard, rather than exceptional, practice.
27. The Department is not aware of any specific examples of how the current approval process – whereby land councils advise of traditional owner consent – might interfere with traditional burial practices, or how the continuation of the current process in this Bill may interfere with the expression of Aboriginal customs and tradition. The Department notes that applications are processed expeditiously. If the community does not wish to seek approval for burial outside of a cemetery from the CEO of the Agency, there are options to declare an area as a cemetery administered by a local Aboriginal organisation.
28. The Department's position is that a burial approval is a standard administrative process that does not seek to interfere with Aboriginal custom and tradition around ceremonies or the burial of a deceased person. It is noted that not all individuals die in a hospital or clinic. It is important that a doctor ensures that a person is deceased and that the death is not otherwise reportable.
29. It is important that the legislation affords Aboriginal people with the same protections as any other person. A burial approval is a mechanism that ensures that a death is confirmed by a medical practitioner or coroner, that there are no issues relating to the spread of contagious diseases, that there is no foul play in relation to a deceased person and that role and decision-making authority of the senior next of kin is respected. Clause 40 is framed broadly to capture different types of behaviour or actions that conflict with society's moral standards, including disrespect that may occur if the wishes of the traditional owners are ignored or if the appropriate senior next of kin (according to Aboriginal customs and tradition) is not respected in the decision-making process for the burial of human remains.
30. Concerns raised by the land councils and other key stakeholders in relation to the burial approval process can be appropriately addressed through the planned consultation on the Burial and Cremation Regulations.

Attachment A: Overview of stakeholder engagement in relation to the Consultation Draft Bill

Background on consultation stages

- **Stage one part one:** Release of *Cemeteries Act Review Discussion Paper* (discussion paper)
 - Consultation period from 7 December 2012 – 13 March 2013
 - Consultation meetings held
 - 18 written submissions received
- **Stage one part two** A Discussion Paper specifically in relation to cemeteries on Aboriginal land provided to Land Councils and interested stakeholders.
 - Consultation period from 19 December 2013 – 30 April 2014
 - Consultation meetings held with Land Councils
 - 3 written submissions received
- **Stage two:** Release of *Outline of the Proposed Cemeteries Act* (policy paper) and *Policy Behind the Proposed Cemeteries Act* (rationale paper)
 - Consultation period from 7 December 2014 – 31 March 2015
 - Consultation meetings held with Land Councils and Local Government Councils
 - 12 written submissions received
- **Stage three:** Release of the Consultation Draft Burial and Cremation Bill 2018
 - Consultation period from 3 December 2018 – 31 March 2019
 - 14 written submissions received.

Statistics on the release of the Consultation Draft Bill

- Emails and information sent to 220 stakeholders
- Eight (8) summary information sheets on the proposed legislative changes
- 15 targeted 'Frequently Asked Questions' (FAQ) information sheets for local government
- Information recordings on the Bill in 18 Aboriginal languages
- 180 radio advertisements in 18 Aboriginal languages played across the Top End Aboriginal Bush Broadcasting Association, Central Australian Aboriginal Media Association and Radio Larrakia networks
- Approximately 130 face-to-face meetings, including:
 - 40 meetings with local government councils, council staff and corporations that provide local government services;
 - 50 presentations to local authorities for regional councils;
 - 20 meetings with land councils, Aboriginal peak bodies and Aboriginal corporations; and
 - 20 meetings with other key stakeholders.

List of meetings with stakeholders

Local government councils (elected members)

- Alice Springs Town Council
- Barkly Regional Council
- Belyuen Community Government Council
- Central Desert Regional Council
- City of Darwin Council
- City of Palmerston Council

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- Coomalie Community Government Council
- East Arnhem Regional Council
- Katherine Town Council
- Litchfield Council
- MacDonnell Regional Council
- Roper Gulf Regional Council
- Tiwi Islands Regional Council
- Victoria Daly Regional Council
- Wagait Shire Council
- West Arnhem Regional Council
- West Daly Regional Council

Council administrative / operational staff

- Alice Springs Town Council (council staff)
- Barkly Regional Council (Chief Executive Officer and council staff)
- Central Desert Regional Council (council staff)
- City of Darwin Council (council staff)
- East Arnhem Regional Council (Acting President)
- East Arnhem Regional Council (Andrew Walsh re. mobile app for cemeteries)
- East Arnhem Regional Council (council staff)
- Katherine Town Council (council staff)
- Litchfield Council (cemetery management staff)
- Litchfield Council (Thorak Regional Cemetery)
- MacDonnell Regional Council (council staff)
- Roper Gulf Regional Council (council staff)
- Victoria Daly Regional Council (council staff)
- West Arnhem Regional Council (community manager)

Local authorities for regional councils

Local Authority members are nominated by their community and appointed by Councils. Their role is to hear the voices of their community, almost all of which are Aboriginal communities. LA meetings are open meetings which community members can attend.

- | | |
|---------------|-----------------|
| • Ali Curung | • Manyallaluk |
| • Alpururulam | • Mataranka |
| • Angurugu | • Milingimbi |
| • Anmatjere | • Milyakburra |
| • Areyonga | • Minyerri |
| • Barunga | • Mt Liebig |
| • Beswick | • Ngukurr |
| • Borroloola | • Ntaria |
| • Bulla | • Numbulwar |
| • Bulman | • Papunya |
| • Daly River | • Peppimenarti |
| • Elliott | • Pine Creek |
| • Engawala | • Pirlangimpi |
| • Galiwin'ku | • Ramingining |
| • Gapuwiyak | • Tennant Creek |
| • Gunbalanya | • Timber Creek |

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- Gunyangara
- Imanpa
- Jilkminggan
- Kalkarindji
- Kaltukatjara
- Kintore
- Lajamanu
- Ltyentye Apurte
- Maningrida
- Titjikala
- Umbakumba
- Urapunga
- Wadeye
- Willowra
- Wurrumiyanga
- Wutunugurra
- Yarralin
- Yirrkala

Local government subsidiaries and other corporations

- CouncilBIZ
- Nhulunbuy Corporation

Land councils, Aboriginal peak bodies and Aboriginal organisations

- Alawa Aboriginal Corporation
- Anindilyakwa Land Council
- Aboriginal Peak Organisations Northern Territory
- Adjumarllarl Aboriginal Corporation (Gunbalanya)
- Arnhem Land Progress Aboriginal Corporation
- Bawinanga Aboriginal Corporation
- Central Land Council
- Green River Aboriginal Corporation
- Gurindji Aboriginal Corporation
- Gwalwa Dariniki Association
- Jawoyn Association Aboriginal Corporation
- Jilkminggan Community Aboriginal Corporation
- Mungoorbada Aboriginal Corporation (Robinson River)
- Mutitjulu Community Aboriginal Corporation
- Ngaliwurru-Wuli Aboriginal Corporation
- Ngarrariyal Aboriginal Corporation (Gunyangara)
- Northern Land Council
- Pine Creek Aboriginal Advancement Association
- Yalu Marnggithinyaraw Indigenous Corporation

Funeral service providers and other industry bodies

- Australasian Cemeteries and Crematoria Association
- Centre Funeral Services
- Darwin Funeral Services
- Happier Endings Funerals
- Territory Funerals

Legal services

- North Australian Aboriginal Justice Agency

Other land owners for proposed cemeteries

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- Roman Catholic Diocese of Darwin
- Lessees of Wooliana (Special Purpose Lease)

Members of the Legislative Assembly

- Mr Yingiya (Mark) Guyula, Member for Nhulunbuy

Australian Government

- Department of Prime Minister and Cabinet (Central Australia)
- Department of Prime Minister and Cabinet (Top End and Tiwi Islands; Arnhem Land and Groote Eylandt)
- Office of Township Leasing

Other state / territory governments

- Transport Canberra and City Services Directorate (Australian Capital Territory Government)

Northern Territory Government

- Administration and Legislation Advisory Committee
- Birth, Deaths and Marriages
- Land Titles Office
- Crown Lands
- Department of Health (Strategic Health – Regional Clinics)
- Environmental Health
- Forensic Pathology (Royal Darwin Hospital Mortuary)
- Licensing NT (Northern Territory Consumer Affairs)
- Coroner's Office
- Pastoral Land Board administration

Other meetings / discussions

- Barunga Community Safety Action Plan meeting
- Exclusive rights of burial workshop
- Chung Wah Society
- Consultation with the Bulla community.

Thorak Regional Cemetery

Directorate – Community & Corporate Services

Responsible Officer	Thorak Manager
Number of FTEs	5.8
Strategic Priority	2 – A Great Place to Live An Efficient & Sustainable Council
Outcome	2.3 – Community 2.4 – Recreation Modern Service Delivery
Council Roles	Service Delivery, Community Engagement

Program Description

Operate the Thorak Regional Cemetery in an efficient and effective manner in accordance with approved plans and the *Northern Territory of Australia Cemeteries Act*, Cemeteries regulations and Council policy.

Achievements

A new Jewish Section and Children's Memorial Beam developed, making available an additional 20 graves and 76 ash plots.

Improvements made to customer information on fees and charges.

Policies and procedures reviewed, resulting in two new policies approved by the Thorak Regional Cemetery Board.

Cremation service extended to include pick up from the morgue.

A Draft Asset Management Plan developed.

Above ground burials now available.

Operational efficiencies trialled throughout the year.

Through TOPROC (Top End Regional Councils) and in partnership with the City of Darwin and City of Palmerston, Council continues to undertake advocacy work with the Northern Territory Government to change the governance and management structure of Thorak Regional Cemetery to ensure long term financial sustainability.

Services	2015-16	2016-17	2017-18	Variance
Burials	142	95	94	↓
Cremations	104	140	181	↑
Chapel Hire	83	55	67	↑
TOTAL	329(11%*)	290 (11%*)	342 (12.3%*)	↑

* These figures represent Litchfield service users for burials and cremation.

2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$725,125	\$945,639
Operational Expenditure	\$791,655	\$760,654
Net Operating Surplus (costs)	(\$66,530)	\$184,985
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$25,396
Net Capital Surplus (costs)	\$0	(\$25,396)

Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Compliance with cemetery regulations	100%	100%	
Achievement of operational budget	100%	100%	



Thorak Regional Cemetery

Special Purpose Financial Reports for the year ended 30 June 2018

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Special Purpose Financial Report for the year ended 30 June 2018

Board of Trustee's Statement

I, Kaylene Conrick, the Chief Executive Officer of the Litchfield Council on behalf of the Thorak Regional Cemetery Board of Trustees, hereby certify that the Special Purpose Financial Reports:

- (a) the attached financial statements and notes thereto are in accordance with *Cemeteries Act* and *Cemeteries Regulations*, including compliance with accounting policies in Note 1 and giving a true and fair view of the financial position and performance of Thorak Regional Cemetery; and
- (b) are in accordance with the accounting and other records of the Thorak Regional Cemetery



Kaylene Conrick
Chief Executive Officer

17/10/2018

Date

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2018

		2018	2017
	Notes	\$	Restated* \$
INCOME			
Internments		525,840	462,010
Cremations		195,052	148,571
Exclusive rights fees		10,000	10,828
Ground maintenance		45,620	56,035
Chapel and Marquee hire		26,509	20,276
Plaque/Headstone installation and permits		35,676	32,138
Funeral director fees		4,688	4,468
Sundry income		8,215	10,115
Administration Fee (Non-residents)		66,381	-
Grant income		-	11,200
Rent received		16,163	18,816
Investment income		11,496	11,633
Proceeds from sale of assets		-	37,891
Total Income		945,640	823,981
EXPENSES			
Salaries		395,665	405,022
Superannuation		38,100	38,478
Staff Training & amenities		3,375	4,170
Insurance		26,363	28,033
Legal Fees		3,520	-
Accounting Services		6,974	8,758
Consultants		16,200	15,127
Admin Exp		71,799	76,085
Advertising		2,894	1,527
Computer Support		-	1,360
Motor Vehicle Expenses		26,286	24,341
Utilities		66,006	52,669
Telephone		3,485	3,069
Security		3,900	4,233
Grounds Maintenance & Landscaping		17,897	14,031
Repairs and Maintenance		19,649	29,305
Equipment Hire		571	1,102
Plant & Equipment		4,412	7,643
Grave Digging		40,960	35,927
Memorial Expenses		9,965	11,213
Sundry Expense		2,635	11,671
Capital works expenditure not capitalised		-	30,201
Depreciation Expenses		79,721	79,721
Total Expenses		840,377	883,686
NET SURPLUS / (Deficit)		105,263	(59,705)
transferred to Equity Statement			
TOTAL COMPREHENSIVE GAIN / (LOSS)		105,263	(59,705)

This Statement is to be read in conjunction with the attached Notes.

*Refer to Note 8

BALANCE SHEET

for the year ended 30 June 2018

		2018	2017
	Notes	\$	Restated*
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	2	456,011	187,193
Trade & other receivables	2	37,057	30,895
Other financial assets	2	343,918	418,032
Total Current Assets		836,986	636,120
Non-current Assets			
Infrastructure, Property, Plant & Equipment	3	2,041,556	2,095,881
Total Non-current Assets		2,041,556	2,095,881
TOTAL ASSETS		2,878,542	2,732,001
LIABILITIES			
Current Liabilities			
Trade & Other Payables	4	368,082	340,341
Provisions	4	59,065	58,726
Total Current Liabilities		427,147	399,067
Non-current Liabilities			
Provisions	4	38,206	25,008
Total Non-current Liabilities		38,206	25,008
Total Liabilities		465,353	424,075
NET ASSETS		2,413,189	2,307,926
EQUITY			
Accumulated Surplus		2,230,171	2,230,171
Other Reserves	5	183,018	77,755
TOTAL EQUITY		2,413,189	2,307,926

This Statement is to be read in conjunction with the attached Notes.

*Refer to Note 3

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Notes	Accumulated Surplus \$	Other Reserves \$	TOTAL EQUITY \$
2018				
Balance at end of previous year		2,230,171	77,755	2,307,926
Opening balance		2,230,171	77,755	2,307,926
Net Surplus for Year		105,263		105,263
<i>Amounts which will not be reclassified subsequently to operating result</i>				
Total Comprehensive Gain		105,263	-	105,263
Transfers between reserves		(105,263)	105,263	-
Balance at end of period		2,230,171	183,018	2,413,189
2017				
Restated*				
Balance at end of previous year		54,569	137,460	192,029
Adjustment made to prior period year		2,175,602	-	2,175,602
Restated opening balance		2,230,171	137,460	2,367,631
Net Surplus/(Deficit) for Year		(59,705)	-	(59,705)
Total Comprehensive Gain/(Loss)		(59,705)	-	(59,705)
Transfers between reserves		59,705	(59,705)	-
Balance at end of period		2,230,171	77,755	2,307,926

This Statement is to be read in conjunction with the attached Notes.

* Refer to Note 3

CASH FLOW STATEMENT

for the year ended 30 June 2018

		2018	2017
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		973,655	866,897
Payments			
Payments to suppliers and employees		(765,088)	(780,249)
Net Cash provided by Operating Activities	6	208,567	86,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Receipts for investments		11,533	-
Net disposal of investment securities		74,114	
Payments			
Expenditure on renewal/replacement of assets		(25,396)	-
Net Cash used in Investing Activities		60,251	-
Net Increase in cash held		268,818	86,648
Cash & cash equivalents at beginning of the year		187,193	100,545
Cash & cash equivalents at end of the year		456,011	187,193

This Statement is to be read in conjunction with the attached Notes.

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Financial Reporting Framework

Thorak Regional Cemetery ("the Cemetery") is not a reporting entity because in the opinion of the Board of Trustees "the Board" there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Boards' reporting requirements under the *Cemeteries Act* and *Cemeteries Regulations*.

1.2 Compliance with Australian Accounting Standards

This special purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, and relevant Northern Territory legislation.

1.3 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.4 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Cemetery's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.5 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Cemetery obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Revenue from burials, cremation and internments is recognised when the services have been rendered to the public and can be measured reliably.

Grants, and other contributions are recognised as revenues when the Cemetery obtains control over, or the right to receive, the assets, it is probable that future economic benefits comprising the asset will flow to the Cemetery, and the amount can be reliably measured. Where grants, contributions and donations recognised as incomes during the

reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Cemetery's operations for the current reporting period. Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to Cemetery and it can be measured reliably.

3 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Board's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 7.

4 Infrastructure, Property, Plant & Equipment

4.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

4.2 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Additions acquired subsequent to a revaluation are recognised at cost until next revaluation of that asset class. Further detail of existing valuations, methods and valuers are provided at Note 7.

4.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Cemetery, best reflects the consumption of the service potential embodied in those assets.

5 Payables

5.1 Trade and Other Payables

Trade and other payables are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

5.2 Payments Received in Advance

Amounts (other than grants) received from external parties in advance of service delivery are recognised as liabilities until the service is delivered, or the amount is refunded as the case may be.

6 Employee Benefits

6.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled

within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as the Cemetery experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Cemetery does not make payment for untaken sick leave.

6.2 Superannuation

The Cemetery makes employer superannuation contributions in respect of its employees to Statewide Super and a number of other Superannuation Funds selected by employees under the 'choice of fund' legislation.

The schemes have two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods.

7 GST Implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

8 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

9 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities
- Standards containing consequential amendments to other Standards and Interpretations arising from the above:
 - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

Other than AASB 16 and AASB 1058 the Cemetery is of the view that none of the above new standards or interpretations will materially affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not the Cemetery's intention to adopt this Standard early.

Accounting Standard AASB 1058 Income for Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in relation to revenue from Grant & Subsidies, but does not commence until the 2019/20 financial period, and it is not the Cemetery's intention to adopt this Standard early.

Note 2 - CURRENT ASSETS

		2018	2017
	Notes	\$	\$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		456,011	187,198
		456,011	187,198
TRADE & OTHER RECEIVABLES			
Accrued Revenues		26	63
Debtors - general		35,729	30,832
Prepayments		1,302	-
		37,057	30,895
OTHER FINANCIAL ASSETS			
Term Deposits over 90 Days		343,918	418,032
		343,918	418,032

Note 3 - NON-CURRENT ASSETS

		2018	2017
	Notes	\$	Restated*
Infrastructure, Property, Plant & Equipment			
Buildings & Contents		2,428,996	2,403,600
(Accumulated Depreciation)		(535,440)	(485,552)
Fair Value of Buildings & Contents		1,893,556	1,918,048
Motor Vehicles, Plant & Equipment		293,000	293,000
(Accumulated Depreciation)		(145,000)	(115,167)
Fair Value of Motor Vehicles, Plant & Equipment		148,000	177,833
Total Infrastructure, Property, Plant & Equipment		2,041,556	2,095,881

*Refer to Note 8

Note 4 - LIABILITIES

		2018		2017	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		14,787	-	33,157	-
Payments received in advance		340,312	-	295,904	-
Accrued expenses - employee entitlements		12,983	-	11,280	-
		368,082	-	340,341	-
PROVISIONS					
Employee entitlements (including oncosts)					
Annual Leave		57,465	-	58,726	-
Long Service Leave		1,600	38,206	-	25,008
		59,065	38,206	58,726	25,008

Note 5 - RESERVES

	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
	\$	\$	\$	\$
RESERVES				
Cemetery	77,755	105,263	-	183,018
TOTAL RESERVES	77,755	105,263	-	183,018
Comparatives	137,460	(59,705)		77,755

PURPOSES OF RESERVES

These are cash backed reserves to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability. This reserve is internally restricted.

Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2018	2017
		\$	\$
(a) Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash & equivalent assets	2	456,011	187,198
Balances per Cash Flow Statement		456,011	187,198
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus		105,263	(59,705)
Non-cash items in Statement of Comprehensive Income			
Depreciation		79,721	-
Investment Income		(11,533)	(11,635)
		173,451	(71,340)
Add (Less): Changes in Net Current Assets			
Net (increase) / decrease in receivables		(6,162)	54,551
Net increase / (decrease) in trade & other payables		27,741	51,688
Net increase / (decrease) in other provisions		13,537	(27,972)
Net Cash provided by (or used in) operations		208,567	6,927

Note 7 - FINANCIAL INSTRUMENTS

Accounting Policies

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Short term deposits have an average maturity of 365 days and an average interest rates of 2.75% (2017: 365 days, 2.86%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Fees & other charges

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & conditions: Unsecured, and do not bear interest. Although the Cemetery is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Cemetery's boundaries.

Carrying amount: approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting Policy: Carried at nominal value.

Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.

Carrying amount: approximates fair value.

Note: Certain of the above receivables do not meet the definition of *financial instruments*, being statutory charges rather than arising from a contract. Accounting policies are reported here for purposes of completeness but they are excluded from the remainder of the Note.

Liabilities - Creditors and Accruals

Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Cemetery.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Note 7 - FINANCIAL INSTRUMENTS

Liquidity Analysis

	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
2018					
Financial Assets					
Cash & equivalents	456,011	-	-	456,011	456,011
Receivables	35,755	-	-	35,755	35,755
Other financial assets	355,414	-	-	355,414	343,918
Total	847,180	-	-	847,180	835,684
Financial Liabilities					
Payables	27,770	-	-	27,770	27,770
Total	27,770	-	-	27,770	27,770
2017					
Financial Assets					
Cash & equivalents	187,198	-	-	187,198	187,198
Receivables	30,895	-	-	30,895	30,895
Other financial assets	429,528	-	-	429,528	418,032
Total	647,621	-	-	647,621	636,125
Financial Liabilities					
Payables	44,437	-	-	44,437	44,437
Total	44,437	-	-	44,437	44,437

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Cemetery is the carrying amount, net of any provision for doubtful debts. In accordance with regulations, all Cemetery investments are made with authorised deposit taking institutions. Except as detailed in Notes 2 in relation to individual classes of receivables, exposure is concentrated within the Cemetery's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Cemetery's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that the Cemetery will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates based on cash inflows.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Cemetery's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Cemetery incomes or expenditures.

Note 8 - CORRECTION OF PRIOR PERIOD ERROR

The treatment of assets at the Cemetery has been determined and has resulted in the commencement of recognising all Infrastructure, Property, Plant and Equipment in accordance with both AASB 116 Property, Plant & Equipment and Section 184 (Public Cemeteries) of the Act. Previously, the Infrastructure assets at Thorak Regional Cemetery were not recognised and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, a restatement of the financial statements has been undertaken.

As a result, non-current assets of \$2,095,881 was recognised and accumulated surplus is increased for the position as at 1 July 2017. The effect of the adjustment is disclosed below.

The effect of the above	As previously reported	Restatement	Restated Balance
	\$	\$	\$
2016			
Statement of Financial Position as at 1 July 2016			
Infrastructure, Property, Plant & Equipment	0	2,016,160	2,016,160
Total Non-current Assets	0	2,016,160	2,016,160
Total Assets	636,120	2,016,160	2,652,280
Net Assets	212,045	2,016,160	2,228,205
Accumulated Surplus	54,569	2,016,160	2,070,729
Total Equity	212,045	2,016,160	2,228,205
2017			
Statement of Comprehensive Income for the year ended 30 June 2017			
Depreciation Expense	0	(79,721)	(79,721)
Total Expenses	(803,965)	(79,721)	(883,686)
Net Surplus / (Deficit)	20,016	(79,721)	(59,705)
Total Comprehensive Gain / (Loss)	20,016	(79,721)	(59,705)
Statement of Financial Position as at 30 June 2017			
Infrastructure, Property, Plant & Equipment	0	2,095,881	2,095,881
Total Non-current Assets	0	2,095,881	2,095,881
Total Assets	636,120	2,095,881	2,732,001
Net Assets	212,045	2,095,881	2,307,926
Accumulated Surplus	54,569	2,095,881	2,150,450
Total Equity	212,045	2,095,881	2,307,926



Independent auditor's report to the members of Thorak Regional Cemetery

Auditor's Opinion

We have audited the accompanying special purpose financial report of Thorak Regional Cemetery ("the Cemetery"), which comprises the Balance Sheet as at 30 June 2018, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Board of Trustee's Statement.

In our opinion, the accompanying financial report of the Cemetery presents fairly, in all material respects, the financial position of Thorak Regional Cemetery as at 30 June 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Cemetery in accordance with the independence requirements of the Australian professional accounting bodies. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Cemetery to meet the requirements of the *Cemeteries Act (NT) 2016*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Responsibilities of the Board of Trustees for the Financial Report

The Board of Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the *Cemeteries Act (NT) 2016* and for such internal control as the Board of Trustees determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Trustees are responsible for assessing the Cemetery's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Trustees either intend to liquidate the Cemetery or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cemetery's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Matthew Kennon
Director
Darwin

Date: 18 October 2018