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| Cemetery levy guidelines |
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# Background

In Victoria, cemetery trusts are divided into Class A and Class B cemetery trusts. Class A cemetery trusts govern large public cemeteries and have significant financial responsibilities with corresponding reporting and accountability requirements.

Amendments to the *Cemeteries and Crematoria Act 2003* (the Act) made in 2009 introduced the annual cemetery levy payable by Class A cemetery trusts. Section 18Q of the Act sets the levy at three per cent, or a rate determined by the Minister for Health up to a maximum of five per cent, of each Class A cemetery trust’s gross earnings from the previous financial year.

# Purpose

The Act states that the payment of the levy is for the purposes of assisting in:

* defraying the costs of administering the Act
* making improvements in cemetery trust governance and administration
* the provision of services to the community.

# Objectives

In addition to meeting the requirements of the Act, the levy supports the following objectives:

* To enhance the delivery of cemetery services across Victoria
* To support and strengthen local governance in public cemetery trusts
* To develop and maintain local community infrastructure
* To support and sustain the cemetery trusts volunteer workforce
* To invest in local communities

# Gross earnings

Gross earnings refers to total earnings in a specified time period before deductions. Under the *Financial Management Act 1994*, Class A cemetery trusts are required to submit an annual financial report to Parliament. The levy is calculated based on the gross earnings as reported in the annual financial report. Below is an overview of the items to be included and excluded as gross earnings. This definition is current as at June 2022.

Gross earnings include gross income from:

* ordinary activities (for example, sale of goods and services)
* financial instruments (for example, interest and dividend income from shares, term deposits, cash)
* property (for example, rental income).

Gross earnings exclude:

* donations
* sale or proceeds from the sale of assets other than trading stocks (for example, realised or unrealised gain (loss) from disposal or valuation of financial instruments and properties, plant and equipment)
* taxes collected
* unearned income
* grants from government departments (for example, maintenance or heritage grants)
* discounts received or refunds and recoveries on expenses (for example, WorkCover/insurance claims)
* income from structural changes as a result of Governor in Council orders (including mergers, gifted assets or resources received free of charge).

# Payment

The levy due is calculated based on the annual report and audited financial statements submitted by each Class A cemetery trust. The department then writes to each Class A trust and provides an invoice for payment. While payment is invoiced to the department, all levy monies are paid into the Consolidated Fund. The Consolidated Fund is the Government’s primary financial account and receives all consolidated revenue from which payments appropriated by Parliament are made.

# Expenditure

Funds are allocated by the department to the following three key areas of expenditure.

## Cemetery trust grants

The cemetery grants program was established to provide funding as a contribution to the cost of cemetery infrastructure, amenities, maintenance, equipment and training. Grants are available to both Class A and Class B cemetery trusts, however it is acknowledged that Class B cemetery trusts, which are operated by more than 3,200 appointed volunteer members, are often unable to generate sufficient funds to maintain or improve their facilities. Cemetery trusts may apply to the department for grants relating to specific issues at their cemeteries in circumstances where they do not have funds available for the required expenditure.

Grants are prioritised based on need. Items relating to the maintenance of significant structures, such as fences, or issues which pose a threat to personal safety, such as dangerous trees, are generally considered priority issues. Standard items include equipment required for the operation of a cemetery. Items that may enhance the quality or amenity of the cemetery, but are not necessary to its function, are considered a low priority.

## Administration of the Act

The department manages the administration and implementation of the Act, as well as developing supporting policies and guidelines and issuing statutory documents. Key functions of the department include:

* reviewing and implementing legislation, setting policy and strategic planning
* providing governance support and advice to the sector
* coordinating with other agencies and peak bodies on cemetery issues
* managing key projects that impact the sector
* providing advice to cemetery trusts and the public about the operation of the Act
* evaluating and approving trust fee applications
* investigating complaints relating to trust governance and fraud
* developing tools and systems to assist trusts to meet their obligations under the Act
* distributing newsletters
* processing and issuing statutory documents.

## Projects

The introduction of the levy has increased opportunities for the department to fund projects with a strategic focus aimed at addressing emerging sector issues and delivering long-term benefits. These projects incorporate a range of activities to support the development of the sector including:

* research and analysis to better understand sector issues and pressures
* identification of policy gaps and priority areas
* making recommendations leading to improvements in administration and management of cemetery trusts
* initiatives to enhance the public’s experiences with the sector
* tools to increase sector capacity for good governance and service provision.

Examples of projects:

* Governance training for Victorian cemetery trusts
* Cemeteries essentials training for Class B cemetery trusts
* Performance support program for Class B cemetery trusts
* Cemeteries common chart of accounts
* Financial guidelines for Class B cemetery trusts

# Reporting

Each year the department’s annual report details:

* the total amount paid as levy
* the total amount appropriated from the Consolidated Fund
* a summary of the activities on which the appropriated money was expended.

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