

NSW cemetery costs and prices under review

The Independent Pricing and Regulatory Tribunal (IPART) is seeking feedback on the costs of and pricing for interment services in NSW cemeteries.

Interment services (burial of a body or cremated remains) are provided by cemeteries operated by a combination of Crown land managers, local councils, private operators, church and community groups.

IPART's review is aimed at providing guidance to consumers and NSW cemetery operators about prices for interment services, including the difference in costs and prices between perpetual and renewable interment rights.

IPART's Acting Chair Deborah Cope said, "Everyone has a right to a dignified interment, so interment prices must be affordable and equitable. But it's equally as important that cemeteries operate in a way that is financially sustainable, including making provision for maintaining the cemetery now and into the future."

An Interim Report released today recommends ways to make it easier to compare prices to increase choice and affordability for consumers.

"We have found that there is a wide variation in prices and it can be difficult for consumers to compare prices. We are recommending that all cemetery operators be required to publish itemised prices for all interment services using consistent terminology to help people make informed decisions at a difficult time," Ms Cope said.

One of the challenges facing cemeteries, particularly in Sydney, is a lack of burial space especially as current cemeteries approach capacity. IPART has made an interim recommendation to clarify roles and responsibilities for identifying and acquiring land in Sydney for new cemeteries.

"The cost of locating, purchasing and developing land for cemeteries is becoming prohibitive," Ms Cope said. "We are recommending that the cemeteries regulator, Cemeteries and Crematoria NSW, become responsible for acquiring land for new cemeteries in Sydney."

Another issue facing cemeteries is ensuring there are adequate funds to maintain them into the future. IPART has made interim recommendations to make sure cemeteries continue to be maintained once they are full, and has developed a pricing tool for new cemeteries to help operators work out these costs into the future.

Cemetery operators will also be able to use this interim pricing tool to compare the costs and prices of perpetual and renewable interments.

Since 2018, all cemeteries in NSW may offer the option of renewable interment. This does not affect existing interment rights, which will continue to be maintained in perpetuity. However, in future people can choose whether to buy a perpetual right or a right to an initial term of between 25 and 99 years that can be renewed.

Ms Cope said, “While renewable interment is common elsewhere, including in South Australia and Western Australia, it has not been widely offered in NSW in the past, so IPART wants to help cemetery operators and consumers understand the relativities of costs and pricing for the different lengths of tenure.”

The next stage of the review will include looking at the costs for the Crown cemeteries in Sydney and making sure they are efficient, as well as developing a pricing tool for existing cemeteries.

IPART will also look at competition, cost and pricing factors in the funeral industry more broadly, starting in early 2020.

A full copy of the Interim Report is available at www.ipart.nsw.gov.au. Submissions can be made until 14 February 2020, and a draft report will be released for further comment in June 2020. Final recommendations will be made in October 2020.