

Cessnock City Council submission on Interment costs and pricing in NSW.  
6 June 2019.

1. Do you agree with our proposed pricing principles? Are there additional principles we should consider?
  - a. Agree
2. Are any principles more important than others? How can we manage trade-offs between conflicting principles?
  - a. Affordability and equity are the most important, followed by simple and transparent pricing and allowing for financial sustainability.
3. What type of land is the most likely source of increased cemetery capacity in Sydney? The Hunter/Central Coast/Illawarra region? Other regional areas?
  - a. There are no issues with capacity in the Cessnock LGA. Development in industrial areas could be complex. Cemeteries should be parklike and unless the design is sound this will be difficult to achieve.
4. Are there other costs involved in developing land for use as a cemetery?
  - a. N/A
5. Who should be responsible for developing new cemeteries?
  - a. This might depend on provision rates. For example if a private operator can provide what local government could, it would be highly unlikely that small to medium sized local government entity would duplicate the service being offered. This is why fees and charges need to be consistent across the industry and that we are comparing apples with apples.
6. Who should have responsibility for maintaining closed cemeteries in perpetuity?
  - a. The NSW Government should provide assistance.
7. Should there be a legal obligation on all cemetery operators to make financial provision for the perpetual maintenance of their cemeteries? What form should this financial provision take?
  - a. Yes, possibly a reserve.
8. Should more guidance or oversight be given to cemetery operators regarding investing and managing funds for perpetual maintenance? If so, by whom?
  - a. This would be useful. Local Government already has strict financial controls in place. An industry expert that does it well now (or has in the past) would be well placed to inform on this.
9. What are the costs of interment, and what factors cause these costs to vary?
  - a. Site conditions are a key influencer in variations to costs. For example excavating into a rock shelf or in a wet area. Local Government would struggle to pass additional costs on to the consumer as the interment fees are publicly exhibited and adopted by elected representatives set on an annual basis. It is possible, though difficult to charge outside of the adopted fees. If Council were to pass the costs on it would be seen by the community as poor planning. Eg the rock should have been mapped and the area not used.


10. Can the variation in interment prices be explained by cost differences (such as higher labour costs for weekend interments)?
  - a. Yes. There are also different Awards and Enterprise Agreements that need to be considered.
11. After considering factors outside of the control of a cemetery, are some cemetery operators more efficient than others? If so, what are the main factors behind these greater efficiencies?
  - a. The size and scope of the operation and/or workforce. Cemeteries managed by Cessnock City Council are not all equipped with on site depots, storage areas for machinery and equipment for interments, maintenance and the like is transported to the 12 cemeteries spread across the LGA which is approx. 1,400km<sup>2</sup>.
12. Is competition between cemeteries likely to lower costs? If so, are there ways to address barriers to the ability of cemetery operators to compete with one another?
  - a. N/A
13. Does the tax treatment of private operators increase their operational costs relative to crown trusts and not-for-profit operators?
  - a. N/A
14. Should private and local government cemetery operators also pay the Crown Cemetery?
  - a. This would depend on what local government got in return. The cost would be passed on to the consumer making it even more unaffordable for some families to inter their loved ones.
15. What form should the recommendations from this review take? How prescriptive should they be?
  - a. Guidelines developed by local government representatives along with all other stakeholders would be the beneficial.
16. Should the forms of recommendation from this review vary depending on the ownership/management of the cemetery to which they apply? If so, how?
  - a. N/A
17. To which services and product offerings should the recommendations from this review apply?
  - a. Applicable to Cessnock City Council are perpetual rights only:-
    - Lawn graves
    - Monumental graves
    - Burials and other interments
    - Memorialisation
18. What should the form of recommendations of this review be with respect to perpetual maintenance reserves?
  - a. A Reserve Funding Policy
19. Are there cross-subsidies or inefficiencies in pricing for interment services?
  - a. N/A

20. If there are cross-subsidies, are there compelling reasons why they should continue?
- a. Based on the commentary in the paper they may well be required as a means to keep burial prices down.
21. To what extent does the range of prices for interment rights within and between cemeteries reflect different efficient costs, product differentiation, or price discrimination?
- a. N/A
22. Are there other areas of concern in current cemetery interment pricing approaches?
- a. No
23. Should fees for interment rights vary with available cemetery capacity?
- a. What if a cemetery has limited capacity but only one interment a year? It would be unfair to impose the
24. Which community impacts should we consider as part of this review?
- a. A recent community engagement exercise on Council's Cemetery Strategy and Masterplans for improvements etc. found that people do not want to talk about end of life planning. It was very difficult to engage with the community despite using a range of methodologies. As stated in the paper people are usually selecting an interment location when they are under stress and unsure.

A review of SIEFA indexes would assist to try and ascertain affordability, particularly for regional areas.

Please contact

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