



7 June 2019

Interment Costs and Pricing Review
Independent Pricing and Regulatory Tribunal
P O Box K35
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam

REVIEW OF INTERMENT COSTS AND PRICING

- 1 Do you agree with our proposed pricing principles? Are there additional principles we should consider?

The pricing principles contained within the Issues Paper seem appropriate. I also agree that these principles do have the capacity to be in conflict with each other when trying to maintain the financial sustainability of a cemetery against keeping burial costs affordable for all.

- 2 Are any principles more important than others? How can we manage trade-offs between conflicting principles?

Our Council has always taken the view that the provision of cemeteries and the costs of interment are a community service obligation. Our cemeteries do not make a profit; expenditure and projects are somewhat subsidised by income and the General Fund. In my opinion Principle 1 may carry more weight, to ensure burial costs do not become an overwhelming burden for families.

- 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?

To keep costs down, I would suggest that areas on the outskirts of Sydney would be the most appropriate areas to consider.

- 4 Are there other costs involved in developing land for use as a cemetery?

Landscaping or layout plans, building plans, concrete beams, columbarium walls, consultation costs.

5 Who should be responsible for developing new cemeteries?

This may depend on the location. Our Council had purchased land some years ago to provide for a cemetery extension and is zoned accordingly. Responsibility for developing new cemeteries in other areas may differ between regional and metropolitan area. Assistance may be required from State Government in a metropolitan area, which demand for land is high and hard to source.

6 Who should have responsibility for maintaining closed cemeteries in perpetuity?

In the case of Moree Cemetery, I believe that the existing cemetery would still be used a long time into the future for second interments. The new cemetery will be adjacent, so ongoing maintenance could be undertaken more seamlessly than if the extension was kilometres away. In the future, it may become necessary to employ an additional worker or burial costs may need to increase slightly to cover costs or a perpetual maintenance fee may become necessary, as the community expectation for the cemetery is at a high standard. Any future decision would have to be fully researched, considered and consulted on before it was introduced.

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?

I don't support that there should be a legal obligation, but it should be a financial decision that cemetery operators should consider individually dependent on their circumstances.

8 Should more guidance or oversight be given to cemetery operators regarding investing and managing funds for perpetual maintenance? If so, by whom?

Council currently has a number of reserves utilised for specific projects. If support by the Council and the community, any additional funds charged could be maintained in a reserve for future development, but these funds are not usually used for recurrent expenditure such as maintenance works. Guidance or oversight may be beneficial to Crown Lands or private owners, but I don't believe it would be necessary for local government.

9 What are the costs of interment, and what factors cause these costs to vary?

The figures below are from Council's 2019-20 Operational Plan and Budget which is currently on display for public comment prior to being adopted:

Interment – Burial

Name	Year 18/19 Prev. Year (incl. GST)	Year 19/20 GST	Fee (incl. GST)
1st Interment	\$2,573.00	\$238.55	\$2,624.00
2nd Interment	\$1,326.00	\$122.91	\$1,352.00
3rd Interment	\$1,326.00	\$122.91	\$1,352.00

Interment – Ashes

Name	Year 18/19 Prev. Year (incl. GST)	Year 19/20 GST	Fee (incl. GST)
1st Interment into Allotment (New Site)	\$1,915.00	\$177.55	\$1,953.00
2nd Interment into Allotment (Pre-existing Site)	\$736.00	\$68.18	\$750.00
3rd or 4th Interment into Allotment (Pre-existing Site)	\$736.00	\$68.18	\$750.00
Reception of Ashes for Wall/Rose Garden	\$931.00	\$86.27	\$949.00

- 10 Can the variation in interment prices be explained by cost differences (such as higher labour costs for weekend interments)?

The information below is taken from Council's 2019-20 Operational Plan and Budget which is currently on display for public comment prior to being adopted:

Interment Fees are set to recover at a minimum 100% of burial costs and a partial recovery of ongoing maintenance costs.

Children in the children's section (<10 years) will be charged at 50% of 1st interment.

A 25% surcharge applies to all burials on Saturdays, as well as any funeral that extends past the core working hours of cemetery staff.

No burials/funerals are performed on Sundays and Public Holidays.

Interment fees include administration fee, basic plaque and maintenance.

- 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?

I am not aware of how other cemetery operators run their cemeteries, but I would agree that larger cemeteries have the ability to spread their costs further when they have more demand for use. Cemetery location would be a major factor on demand. They would also have the necessity to employ more staff, meaning workloads would be spread, whereas usually in local government, the cemetery work is just one function of a multi functioning organisation.

- 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?

This would be dependent on proximity, options provided, standard of customer service, the attractiveness of one cemetery compared to another and of course, I'm certain that the cost of burial service and any perpetual maintenance fees would be weighed against these types of factors. People should have the right to personal choice.

- 13 Does the tax treatment of private operators increase their operational costs relative to crown trusts and not-for-profit operators?

No comment.

- 14 Should private and local government cemetery operators also pay the Crown Cemetery Levy to fund the operations of CCNSW?

I cannot answer for private operators, aside from the comment that they are possibly in a better financial position to afford a levy. With regard to local government, I would say absolutely not. Many councils already have heavy responsibilities for providing and maintaining services to their communities. Cemeteries are not a money making enterprise for local government. This would be just one more levy that would end up burdening community members. CCNSW should be supported by State Government.

- 15 What form should the recommendations from this review take? How prescriptive should they be?

Guidelines or a benchmark methodology for setting prices. Not prescriptive.

- 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?**

I believe the recommendations should be individually tailored to the three (3) different groups of cemetery operators to take into consideration their exclusive needs.

- 17 **To which services and product offerings should the recommendations from this review apply?**

All services included in the Issues Paper should be included in the recommendations. Not all cemetery operators offer all of these services.

- 18 **What should the form of recommendations of this review be with respect to perpetual maintenance reserves?**

The suggestion that IPART could publish a best-practice methodology or benchmark, which would likely involve each cemetery operator developing a reserve funding policy supported by a periodic actuarial assessment would be the preference.

- 19 **Are there cross-subsidies or inefficiencies in pricing for interment services?**

Perpetual maintenance is not fully factored into interment prices. This is probably the most significant inefficiency.

- 20 **If there are cross-subsidies, are there compelling reasons why they should continue?**

Please refer to Question 2.

- 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?**

Interment costs are the same for all cemeteries.

- 22 **Are there other areas of concern in current cemetery interment pricing approaches?**

Not aware of any other areas of concern.

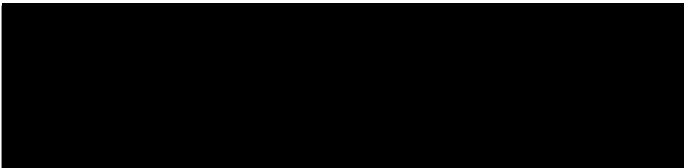
- 23 **Should fees for interment rights vary with available cemetery capacity?**

No comment with regard to Moree Cemetery.

- 24 **Which community impacts should we consider as part of this review?**

Financial impacts will be the most relevant, as well as emotional.

I trust this information is of assistance to you in your process.



Fiona McClymont
CEMETERY MANAGER