

## **Review of the Costs and Pricing of Interment in NSW**

### **Northern Metropolitan Cemeteries Land Manager**

#### **Response to Ipart Recommendations dated December 2019**

##### **Introduction**

Cemeteries are not one size fits all and cannot just be seen as a liability on a balance sheet since this approach falls short on community expectations and customer service as evidenced through in-depth community engagement studies. We are a specialist service and hold a prominent position in our multi ethnic, multi religious communities.

This review cuts across the review currently being conducted by the Ministers Office and we believe both reviews should be co-ordinated.

##### **Background**

Northern Cemeteries is the land manager of four (4) cemeteries in the Sydney Metropolitan Area and one (1) in Newcastle. Our goal is to provide affordable, dignified, sustainable, innovative and culturally appropriate interment services to all those who choose our reserves.

We commit to providing a living, tranquil environment where current and future generations can share cherished memories, pay their respects and celebrate the lives of those who have gone before them.

Our cemeteries are all unique and diverse as our research has demonstrated. They each cater to changing demographics, different economic environments and different religious and cultural beliefs. Northern Cemeteries has a heightened understanding of local community needs as we proactively consult and communicate with our “Friends” associations, religious leaders, diverse community leaders and our many stakeholders including funeral directors, contractors/service providers, and the general public.

Northern Cemeteries owes its outstanding operating and financial performance because it has close and enduring engagement via stakeholder relationships formed over many years, and we understand our customer needs now and into the future. One example is of the growing demand for eco-interments and the research and development that we invest in, to develop safe, affordable and appropriate eco-friendly interments.

All our sites are fully integrated both financially and operationally.

We market ourselves as first and foremost a Crown cemetery, trusted and recognised with perceived Crown credentials.

We position all our cemeteries as the preferred option for funerals directors and the diverse cultures that they service. We offer:

1. An exceptional and professional customer service experiences with a rigorous Complaints Register to address customer concerns and how this process feeds into our continuous improvement and quality policies, processes and innovation.

2. Facilities and Services that provide diversity for now and changing demographics and buyer behaviour in the future
3. Highly skilled and trained staff that ensure that customs, religious protocols and practices are met. One example is our continued investment in cultural awareness for all staff around First Australians, and the employment of a First Australian Culture Keeper to assist with bringing to life our local Indigenous Australian Strategy, and not just tokenism.
4. A WH & S culture where safety of our families, staff and the public remain our number one priority resulting in considerable serious WHS mitigation whilst operating in a high-risk operating environment. Reporting near misses are an important part of our WHS framework and it is this proactive approach that has resulted in reduced numbers of incidents, particularly serious ones.
5. Products and services that embrace the many religious, cultural beliefs and customs that require continuing research and development, and market testing for acceptability, in keeping with community expectations a growing number of regulations.
6. A community advisory committee who recognise the responsibility of serving the needs of our community and continue to actively lead stewardship of strong community engagements and partnerships as evidenced through our “Friends Groups’ who offer their time voluntarily and form a key link with community, schools, veteran organisations and such like as part of our community events such as commemorations and remembrances.
7. We respond to ever changing demands for our community such as our Suicide Memorialisation reflection pool whereby a specific consultation was held with groups such as the Black Dog Institute and others, including those with a lived experience to give their insights into a meaningful and appropriate place for those who have no body to recover, or memorialise or who have remaining family and friends who have no place to reflect. This, and many other examples show how Northern Cemeteries seek to genuinely engage and respond to community need.
8. It is critical to remember that increasingly a dissatisfied customer, service or action brings nowadays in the almost ‘real time’ social media environment potential for highly damaging outcomes in terms of reputation and litigation. Interments in our experience, are a highly emotive business that require high levels of sensitivity, human involvement and at times conflict resolution that can’t be done in spread sheets, a quick call, or worse still, fobbing off family or carers. One such recent example occurred regarding a Jewish interment by a mother of her child, which, had it not had the close attention and professional involvement of our staff liaise across various stakeholders, it could well have captured media attention during a time of profound grief for the family.

Every second of every day is serving our community. Sadness and grief surround every aspect of our cemetery operations and it a highly skilled team that deliver a service that is so important to the bereaved. This aspect is often forgotten in the pursuit of “policy and procedure”.

### **Question 1**

CCNSW to be made responsible for acquiring land for new Cemeteries in Sydney as part of the statutory review of the C & C Act 2013.

Land acquisition requires a co-ordinated approach amongst different state departments and in consultation with vested parties such as cemetery operators and cultural community groups. Land is a scarce commodity in metropolitan areas and negotiating an acceptable intent to purchase an appropriate property for future cemetery use can often be constrained by purchase timelines between the competing interests or various departmental regulations and the procurement process.

While competition to purchase similar sites can be arbitrarily resolved with the state regulator and not drive up land prices, the duration for a mutually agreed plot of land to buy could take a very long period of time in which land prices may have already substantially increased and opportunities to acquire the appropriate piece of property has lapsed. Balancing the social, economic and environmental aspects of any new cemetery site purchases is not an easy feat. Cemetery operators with its industrial, geographical and operational expertise would be best placed to embark on the procurement process with state regulatory agencies support. Giving a regulatory agency the responsibility to acquire properties may not necessarily result in the best outcome for the cemetery operators.

### **Question 2**

New Cemeteries in Sydney have their operations competitively tendered out to either an existing Crown Land Manager or appropriately qualified private operator.

Existing operators are best equipped to handle this process. The basis of the tender to be even across all sectors, currently councils and private cemetery operators do not have perpetual liabilities to consider.

### **Question 3**

The NSW Government work in partnership with Councils in a co-ordinated strategic manner to identify land for interment outside Sydney.

This statement emphasises the regrettable and risky oversight of Government to the current cemetery environment by taking a macro view of the business. Councils are currently lobbying cemeteries to take over management and maintenance of their existing cemeteries e.g. Northern have been in discussions with Newcastle Council for over 24 months. Running a cemetery is a specialist activity, Councils do not have the expertise or the revenue to support on-going maintenance. Northern Cemeteries has, over the past 4.5 years, demonstrated a strong and proactive strategic approach to identifying potential land for interment outside Sydney. Important to this process has been to have the knowledge, skills and attributes of the Board and Management team, working with other experts in field who understand the specifics around our business in the interment industry.

### **Question 4**

An interment service levy not be applied to additional cemetery operators until the statutory review of the C & C Act 2013 is completed and it can be demonstrated that the functions of CCNSW are of benefit to the wider cemetery and crematoria industry.

All parties should pay a levy however it would require a complex formula to encompass the different levies that would be applied to the sectors of Crown, Council and private.

### **Question 5**

Office of Local Government's performance statistics be required to include transparent and comparable cost information about Council cemetery operations

Imperative but will be difficult to implement

### **Question 6**

There be a legal obligation on all cemetery operators to make adequate financial provision for perpetual maintenance of interment sites and the cemetery

Agree

### **Question 7**

Cemetery operators that conduct more than 50 bodily interments in new perpetual interment sites per year at a cemetery must contribute to an independently managed perpetual maintenance reserve fund to provide for long term cemetery maintenance.

Only cemetery operators who conduct less than 25 bodily interments operate on a voluntary basis. Additional resources are sourced when operators conduct more than 25 interments, therefore the number should be reduced to greater than 25.

### **Question 8**

The perpetual maintenance reserve fund for a cemetery must be independently managed by Treasury Corporation or an independent body approved by CCNSW

Factors for any management of perpetual maintenance reserves are not limited by the risk appetite, maturity of the cemetery or strategic cost alone. The expectation of the interment right holders that the funds accumulated for the purpose of perpetual maintenance should be encumbered for that purpose alone and the pooling of these reserves to be managed by Treasury Corp may be construed that its main purposes are diluted by the NSW investment family.

While the size of the reserve fund may be relatively insignificant when compared, they matter to the families who may have relatives interred on the cemetery grounds. The investment fund choices in Treasury Corp is not a one size fits all model for the cemeteries and other governmental agencies needs are different. The overarching Treasury investment strategies may not be suitable for entities such as cemeteries who may not have debt management. An effective board with the right skill sets and appropriate investment framework in place should be provided an opportunity to manage these funds with interment right holders' interests in highest regard.

### **Question 9**

CCNSW to develop Guidelines on when and how a cemetery operator can use perpetual maintenance funds for a cemetery.

The guidelines need to consider the maturity of the cemetery, the effectiveness of its investment strategy, acquisition of land and funding source.

### **Question 10**

Cemetery Operators provide a Plain English Statement of terms and conditions for interment rights at a cemetery that customers can easily access. This includes a clear statement on the obligations of each of the interment right holders and the cemetery operator for the nature and level of maintenance of the interment site and the cemetery.

Agree

### **Question 11**

To make it easier for consumers to compare and understand prices for bodily interment services, cemetery operators be required by regulation to publish price for all bodily interment services on a consistent basis. To do so, cemetery operators be required to publish the following:

- Total price for a bodily interment service (e.g. the sum of all necessary service components) for both at need and pre need purchases
- Itemized prices for each service component of the bodily interment service, using the terminology described in Table 7.2 and including any additional costs due to cultural or religious requirements
- Product specification for the interment right, such as size and depth
- Length of tenure (renewable or perpetual) and the future maintenance pricing components for all relevant lengths of tenure

Agree

### **Question 12**

Within 12 months CCNSW to develop a central website to enable consumers to compare prices for interment services in one place.

Agree

### **Question 13**

In settling interment fees and charges, all cemetery operators should include future maintenance costs of their cemeteries.

Agree

### **Question 14**

Our pricing tool be made available to cemetery operators for use on a voluntary basis to inform decisions on pricing for bodily interment rights

Agree

### **Question 15**

Users of the pricing tool should include land value at its initial purchase, but for cemeteries that are located on gifted land, the land value should be zero. Land value for an established cemetery should not be adjusted over time to reflect changes in surrounding land values.

Agree