



Jennifer Vincent

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Dear Ms Vincent,

IPART – Draft report – Review of the Costs and Pricing of Interment in NSW

The NSW Jewish Board of Deputies and the Lebanese Muslim Association are pleased to make a further submission to assist IPART with its review of interment costs and pricing.

The Jewish and Muslim communities are supportive of the detailed analysis presented in the draft report and in the Deloitte's report entitled: "Efficient costs of interment services".

We submit that the IPART report will need some amendment to address the issues we set out below.

Both the Jewish and Muslim communities very much appreciate the focus on improving the affordability of burials that is well apparent from the draft report. As IPART is already aware from our previous submission affordability, as well as availability, have been front line issues for our communities for many years. That which we set out below should be considered in addition to our earlier submissions.

Incremental cost of religious requirements

We are pleased in particular that IPART at pages 4 and 18 (¶1.1. and ¶3.1) has recognised that "*religious and cultural requirements are unlikely to have a material impact on the efficient costs of an interment right*".

We note the findings at page 19 (¶3.2.1) that:

Back filling graves by hand, and by mourners, as undertaken by many Jewish people. Deloitte estimated this could increase the cost by up to \$206 (an additional 23% based on a \$901 service).

Additional shoring to provide stability and structural integrity of the grave for Islamic burials which involve family members standing within the grave and placing the body directly onto the earth. Deloitte estimated this could increase the cost by between \$206 and \$271 depending on whether it involved only extra materials or extra labour hours as well (an additional 23% to 30% based on a \$901 service). The shoring which has been considered is only used in Kemps Creek and not in any other location for Islamic burials.

Only at Rookwood is there however a price differential affecting our religious needs compared to equivalent burial prices. At Macquarie Park, for example, there is no difference.

In any event, the incremental cost is immaterial.

Price capping for not just a "basic" lawn burial/internment.

We are pleased to see in Part 6 at page 38 a recognition that:

- "Crown cemetery prices for the interment right component of a basic adult lawn burial are materially higher than our estimates of efficient cost-reflective prices."
- "Crown cemetery prices for the burial component of a basic adult lawn burial vary widely between cemetery operators, from below our estimated efficient cost reflective price for that operator to well above."

Under the Cemeteries and Crematoria Act 2013 (the "Act"), cemetery operators are obliged to permit members of the Jewish faith to be interred (buried) in accordance with the Jewish and Muslim community's religious practices.

Section 46 of the Act protects our community's religious practices in relation to internment, while Section 54 of the Act prevents renewable internment rights to be granted in respect of lands consecrated for Jewish and Muslim religious burial.

Cemetery managers already comply with our respective religious requirements which do not contain multiple standards. In this regard we invite amendment to draft recommendations 3, 5, 7 and 12.

For our communities, there is no such thing as "basic" internment; nor is there some minimum lawn burial product. For our communities to benefit from the clear and positive thrust of the draft report, with which we agree, more specific and immediate action should be recommended as set out below.

Recommendation 12 in particular should provide for the Jewish and Muslim burial products to be price-capped at well below today's prices, without reference to any "minimum" or "basic" product as for our communities there is no variation between a minimum and a premium product.

Prices can and should fall

The table at page 44 – figure 6.1 and figure 6.3 at page 46 are particularly instructive. It reinforces our long-held view that as captive customers for a public good, we are paying too much to bury our dead.

If the pricing for an efficient cost-reflective basic adult lawn burial is in the range \$4,500 to \$7,200, it follows that current prices can and should fall, indeed as the draft report states at page 45 (¶6.4.2) "substantially".

We are troubled however by the proposal at page 6 (¶1.1.6) that "price regulation apply in the first instance to a basic adult lawn burial at the Crown cemeteries." Our concern is that this proposal is crafted too narrowly to benefit our communities. We fear that without a mandated

price fall, our communities will not benefit. This fear is based on our interactions with cemetery managers around pricing since 2013.

Only a minority of Jewish community burials and no Muslim burials are lawn burials, and crown cemetery operators should not be permitted to continue their present discriminatory (Rookwood General – recognised in the draft report at page 38 - ¶6.1) and high pricing practices (all Crown cemeteries) for monumental internments.

A price fall should be mandated for already standardised products, such as Jewish and Muslim burial products. This relief should not be limited to a “basic” lawn burial product.

Absent price regulation for monumental burials, we anticipate that our communities will not experience a fall in prices for monumental burials, and we urge IPART to require cemeteries to publish their incremental cost for monumental versus lawn, and to be required to deliver a proportionate mandated decrease in monumental prices when decreasing lawn prices.

The differential between lawn and monumental, say, for Jewish burials, is marginal. There is thus a strong case for a significant fall in the price of monumental burials, as is further reflected at page 47 of the draft report (¶6.5).

At Rookwood a Jewish lawn burial costs more than Monumental. At Botany and Woronora a Jewish lawn burial costs less than Monumental. The largest difference is 13%. This is summarised in the following table:

Cemetery	Lawn	Monumental	Difference	% difference
Rookwood General	\$12,673.00	\$11,957.00	-\$716.00	-6%
Botany	\$17,570.00	\$19,160.00	\$1,590.00	8%
Woronora	\$14,170.00	\$16,330.00	\$2,160.00	13%

(Single lawn burial is no longer offered at Macquarie Park.)

In these regards, we ask that draft Recommendations 6, 18 and 23 be expanded to require equivalent price falls for monumental burials, and that prices be required to fall for the already standardised Jewish and Muslim burial products.

We observe that the draft report does not include the comparable prices for Jewish burial in Melbourne, for example, at pages 49-50 (¶6.6).

The Melbourne benchmark pricing for Jewish burials sets a standard which should at least be approached in Sydney.

In Sydney, in metropolitan cemeteries, the range of prices (not including government levies) for a single Jewish burial is from \$11,180 to \$19,160 per person and for a double its \$7,669 to \$8,717 per person. In Melbourne for a single grave the equivalent is range of \$3,465 to \$4,050. This falls below the lower end of that which the draft report describes as the efficient cost. That may be because costs are less in Melbourne. However, the gap between the highest price there of \$4,050 and the lowest equivalent price here of \$11,180, cannot be justified.

In Melbourne double size Muslim internment charges are higher than for the Jewish community in Melbourne as the following table provided by the LMA discloses.

	Close to CBD	Further from CBD
First burial	\$11,800.00	\$6,000.00
Second burial	\$ 3,800.00	\$4,200.00
Average internment cost per person	\$ 7,800.00	\$5,100.00

Again, the burial cost per Muslim person in Melbourne is much less than in Sydney, and the large price gap cannot be justified.

The following table breaks down the cost component of a Muslim burial.

The average cost for the burial as estimated in Riverstone and Narellan Cemeteries both operated by community organisations is \$2,400-\$2,500. This covers all items of services required except the cost of land and maintenance.

We also are concerned about pricing for the foetus and children. We believe that the current does not properly recognise the difference in size and depth of the grave along with the time it takes to dig an Angel baby or child plot which is less than digging an adult plot.

This evidence reinforces our point that draft recommendation 6 needs to be expanded to cover monumental burials, and if possible child and foetus burials.

Indirect costs discriminate against captive consumer groups

There are no sales and marketing costs associated with providing internment for the Jewish and Muslim communities, and as captive consumers we remain of the view that our communities should not have to bear these costs.

One of the downsides of the amalgamation of Rookwood General was that prices for our communities increased in part to cover indirect costs which were and are irrelevant to our communities.

We ask that IPART recommend that communities who are captive consumers not be required to bear marketing costs directed at selling burial services to other communities.

Legacy costs and efficient maintenance costs

In estimating efficient maintenance costs at pages 24-26 (¶3.3.4) we note that it is unclear whether the costs analysed include perpetual maintenance of graves and monuments. For example, mowing is mentioned and one might presume that this include mowing a lawn grave. Our communities' graves are mostly closed by slabs, which require no mowing but do require conservation. We ask for clarification that these costs are captured by the overhead costs to maintain existing plots addressed at page 26 (¶3.3.5).

Jewish graves under the Jewish Cemetery Trust (pre-amalgamation) were sold with perpetual care of the grave as an inclusion. Honouring that obligation has however proved challenging since the amalgamation took place.

The issue is raised at pages 60-61 (¶8.2.4) but IPART is recommending standard terms and conditions. It is important that those conditions cover perpetual care of graves and monuments, even if perpetual care is an option with an incremental cost that is fully disclosed to give

consumers choice. This can be achieved by adopting a mandatory code of practice on minimum requirements for particular services as set out at draft in recommendation 5 at page 62. However, this can only work if it is reflected in licence conditions.

The analysis of legacy costs at pages 32-35 (¶4.3) whilst providing an overview of the reality that only the major crown cemetery managers have addressed the issue at all, does not address two deeper problems, which we have previously drawn to IPART's attention.

Problem 1

Until the 2012 reforms, cemeteries assumed that when they closed, maintenance costs would shift back to consolidated revenue. For younger cemeteries, such as Macquarie Park, the accumulated cost is necessarily less than for much older cemeteries, such as Rookwood with many more graves and a longer history of not provisioning for post-closure costs. Requiring cemetery managers to recover these pre-2012 costs from today's consumers is both unfair and likely to operate harshly on older cemeteries.

The current high-level guidance from CCNSW extracted at page 90 (¶11.2) also misses the foregoing legacy costs issue.

Problem 2

Using Rookwood General as an example, in 2013 the amalgamated trust held \$75m as a provision for perpetual care costs. Some of that comprises funds taken from the Jewish and Muslim cemetery trusts. By 2020 the size of that fund had increased to \$150m.

There has been no transparency about whether that which has been charged relates to perpetual care costs relating to post 2013 burials or both pre and post 2013 burials. For the reasons set out above, it is inherently unfair to saddle today's consumers with pre-2013 perpetual maintenance charges.

Both Problems 1 and 2

We submit that Recommendation 27 in the draft report will need further consideration to address the above issues.

These issues are of some importance in setting the licensing conditions and terms for the funding perpetual maintenance. We suggest that all operators be licensed, but smaller operators can have fewer conditions to comply with.

Land supply for new cemeteries

Commencing at page 64 (¶8.3) is analysis which supports a coordinated land acquisition program. The need, however, is sufficiently urgent that awaiting an amassing of operator rents to make any acquisition will leave Government worse off than if the acquisition of say a 122ha necropolis were made now, and the cost recovered when the new necropolis begin to bury. It is cold reality that land prices in the Sydney Metropolitan basis tend to rise faster than inflation.

Also, there needs to be mechanism for the new necropolis to cross-subsidise the pre-2012 legacy costs noted above.

We note also that for political rather than economic reasons, no crown cemetery operator other than Catholic Cemeteries has been able to effect an acquisition through to Development Approval stage.

Draft recommendations 9-12 should be reconsidered with the foregoing in mind.

We thank you in anticipation of your further considerations.

Yours faithfully,



Lesli Berger, President
NSW Jewish Board of Deputies



Samier Dandan, President,
Lebanese Muslim Association