



28 June 2019

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Interment costs and pricing in NSW  
Independent Pricing and Regulatory Tribunal  
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### **Submission in relation to IPART Issues Paper: Interment costs and pricing in NSW**

The NSW Jewish Board of Deputies and the Lebanese Muslim Association (LMA) are representative bodies and voices for the Jewish community and Muslim communities in New South Wales and Australia respectively.

Our communities welcome this opportunity to respond to the Issues Paper released by the Independent Pricing and Regulatory Tribunal (**IPART**) in relation to the review of interment costs and pricing in NSW (**Issues Paper**).

The matters raised in the Issues Paper represent significant issues for our communities. Key issues are:

- the availability of burial space;
- restoring affordability of burials; and
- the ongoing care and maintenance of graves.

Addressing these issues may involve IPART making recommendations relating to the pricing of interment services.

Addressing both price and non-price issues is critical to ensuring interment services are equitable for all, with prices being simple, affordable and effective in supporting the financial sustainability of cemeteries into the future.

#### ***Key messages***

1. **Statutory renewable burial and cremation are not options for the Jewish and Muslim communities.** The Jewish faith requires perpetual burial, while the Muslim faith permits burial sites to be reused only if the body is fully decomposed and no human remains are removed. Given that the soil composition at existing cemeteries does not enable verification of such decomposition, perpetual burial remains the only paradigm at Metropolitan Sydney cemeteries for both our communities. Also, for both our

communities, graves and memorials are not to be disturbed or moved, and must be maintained.

2. **Burial is becoming unaffordable in NSW.** Jewish burials cost between \$11,608 - \$18,680 in Sydney, while Muslim burials cost between \$6,700 - \$8,800. These prices in NSW are much higher than in other states and have risen significantly and well above inflation rates over the last decade. Restoration of affordability is now urgent as well as important. For example, Jewish burials cost between \$8,556 - \$8,695 in Melbourne; there is no similar gap between house prices in Sydney and Melbourne. We are finding that more and more families are finding burial to be unaffordable.
3. **Efficient, financially sustainable pricing is only part of the solution.** Artificial supply constraints prevent the price mechanism from operating efficiently. Cemetery managers have long been able to afford to buy new land. For example, with Rookwood General Cemeteries Reserve Trust we understand the accumulated funds have increased from about \$70 million in 2012 to \$153 million currently, but its most recent efforts to acquire and develop new burial lands were rebuffed by Cabinet for reasons unrelated to the merit of the proposal. Current proposals for new burial grounds (Varroville, Wallacia and Narellan) still await approval.
4. We only partially agree with the proposed pricing principles because they do not subordinate financial sustainability to affordability, and they should do so.
5. If IPART were to determine that the efficient cost of interment required current NSW burial prices to rise *based on current supply of burial lands*, the patent need ***to increase supply to achieve a lower price equilibrium*** would become starker than it is today.
6. We acknowledge that the pricing of public goods is a difficult proposition for Governments everywhere. Unlike some public goods, demand for graves is guaranteed. It can be determined based on population size. Consumption depends on the quantity available, the supply of land, along with its allocation for use by faith communities needing to bury, and secondly, the duration of the use of that which is available, and the need to provide for perpetual care of cemeteries and the graves within them.
7. **Government support for new burial land acquisitions is a necessary key requirement for affordable burials.** Efficient, financially sustainable pricing for perpetual burial is unlikely to also meet IPART's proposed pricing principle of affordability and equity, given the critically low supply of land currently available for burials. We estimate that by 2026 Sydney Metropolitan area Crown Cemeteries will be unlikely to have burial sites available for sale to Jewish people, and within a decade thereafter, no burial sites will be available for Jewish burial. The corresponding time period for the Muslim communities is shorter. The Government's ability to provide affordable dignified burials to our communities depends now on the urgent:
  - approval for the Varroville and Wallacia proposed cemeteries under the auspices of Catholic Cemeteries;

- approval by Camden Council of the development application for the LMA’s Narellan cemetery; and
  - acquisition and allocation of one or more new multi-faith cemeteries, for example, by Rookwood General Cemeteries Reserve Trust, in the wider Sydney Metropolitan area.
8. Short of a direct government subsidy to manage a historical mispricing, the maintenance of existing burial sites and graves has and must continue to be cross-subsidised by prices for new burial sites. Existing burial sites must be maintained, and while the cost of perpetual maintenance may not have been included in the price at which they were sold, this shortfall must be funded. This must be funded directly and transparently by the Government. Inclusion in prices for new burial sites will reduce efficiency and affordability of these services.

We welcome consideration of this joint submission and the attached documents provide:

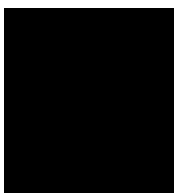
- Further information on the NSW Jewish Board of Deputies and the Lebanese Muslim Association (**Appendix A**),
- Our response to the Issues Paper questions (**Appendix B**),
- Evidence to support our key messages as well as further information on issues of specific relevance to the Jewish community and Muslim communities in NSW (**Appendix C**).

We address many but not all of the questions raised in the issues appear. Some questions raise matters about which we do not have sufficient evidence with which to make meaningful contribution.

We look forward to participating in the next phase of IPART’s review ahead of IPART’s completion of a Final Report in December 2019.

Please contact Vic Alhadeff, CEO, NSW Jewish Board of Deputies on [redacted] or [vic.alhadeff@nswjbd.com](mailto:vic.alhadeff@nswjbd.com) , Samier Dandan, President, Lebanese Muslim Association on [sdandan@managenet.com.au](mailto:sdandan@managenet.com.au) , for clarification on any aspects of this submission.

Yours faithfully,



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Lesli Berger

President, NSW Jewish Board of Deputies



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Samier Dandan

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## **Appendix A: Background to the NSW Jewish Board of Deputies and the Lebanese Muslim Association**

The NSW Jewish Board of Deputies is the officially elected representative roof-body and voice of the Jewish community of New South Wales. It is recognised by the NSW Government, its agencies, the media and other ethnic and religious groups as the representative body of the Jewish community. The Board leads, speaks and advocates on behalf of the NSW Jewish community, with 61 major communal organisations as its constituents.

The Lebanese Muslim Association (LMA) has been in operation since 1962 and has grown to be a nationally recognised representative service provider with over 5,000 members, over 400 initiatives and events and with a staff of over 40. Among its broad objects it works to assist the growth of strong, sustainable, articulate, and effective Muslim communities within Australia, promote community independence through the enhancement of the infrastructure and network of the Australian Muslim community, to advance the Australian Muslim communities contribution to the economical, intellectual and social fabric of the Australian community, and to Provide structures to support and help disadvantaged members of the Australian Muslim community who face ongoing problems.

## Appendix B: Summary of Responses to Issues Paper questions

1 and 2	We only partially agree with the proposed pricing principles because they do not subordinate financial sustainability to affordability, and they should do so.
3	Land to be made available for burial needs to be clear of any water table, and readily accessible from within the metropolitan area.
4	No comment
5	Existing crown cemetery managers should be <i>responsible</i> for developing new cemeteries. They should be allowed to joint venture, and Government should work to reduce and where possible remove regulatory cost impositions.
6, 7 and 8	There is a need for a direct government subsidy to manage a historical mispricing, after which existing cemetery managers should be <i>supported</i> in acquiring new land so that they can cross-subsidise the cost of maintaining old land and the graves located in both the old and new land. This would reduce the ongoing burden on Government to bear perpetual maintenance costs.
9 and 10	Burial costs have risen well above inflation since 2011. Sydney Metropolitan burial costs are palpably higher than elsewhere in Australia. Even within Rookwood, a comparable burial in the amalgamated area costs between 25-30% more than the equivalent burial in the Catholic area. Contrary to the objective of the amalgamation in 2011, which was supposed to lower the cost by sharing services and administrations, generate more investment revenue by merging accumulated funds, and finance the purchasing and development of a new site, prices have risen as have the accumulated funds post amalgamation. This poses the question, are the Crown Cemetery Trusts driven by profits?
11	No comment.
12	Competition in and of itself is not a means by which better pricing of a public good can be achieved in the case of burials where demand is guaranteed.
13	In relation to the issue of tax treatment of cemetery managers, it is our view that there needs to be a level playing field. Because cemetery managers provide a public good, both state and federal governments must step in to minimise their tax burdens. Although landholders and cemetery managers are not charities, they should have the same tax benefits as charities.

14	All cemetery operators should pay the cemetery levy. That said, the role and function of CCNSW is a matter that requires further review and consideration.
15	Cemeteries managers first and foremost should never lose sight of being a service provider and ought not be driven by profits.
16	No. See 14.
17	Lawn and renewable graves are af cheaper interment alternative, and the regulatory structure needs to allow for them.
18 - 23	No comment.
24	Our communities have no other alternative than in-ground traditional interment.

## **Appendix C: Further evidence and information**

### ***Context for the review (Issues Paper May 2019 pages 5-10)***

9. In **section 2.2** IPART addresses ownership of cemeteries.
10. The NSW Government controls the supply of land available for burial. It does this in two ways. It owns Crown Lands, and is capable of acquiring or disposing of Crown lands. Secondly, it regulates proposals to develop land for use as a cemetery.
11. Various strategic plans have been developed over time, and the most recent of which is the Metropolitan Strategy Review: Sydney Towards 2036. It focussed on the need to ensure housing and land release, job opportunities and transport networks, but was silent on the need to establish new cemeteries to meet the future needs of the growing population and address depletion of existing burial lands.
12. In term of policy making, it is important to proceed on the basis that such a strategy is not fixed in stone. However, the Government has indicated more than one to each of our communities that it intends to ensure affordability of burial, and acknowledges that the right to bury (or cremate) one's deceased loved one is a public good which everyone ought to be able to afford.
13. In **section 2.1**, there is an assertion that there is an increasing trend toward cremation over burial since 1925. More recently, the rate of cremation has gone up and down, but is not on an overall increasing trend, however the increase in demand for cremation reflects in part high cost of in-ground traditional burials.
14. In the case of the Jewish and Muslim communities, cremation is simply not an option. Consequently, unlike for other segments of the community, cremation and burial are not substitutable products.
15. Further, because each of our faiths requires perpetual burial, burial in land that can be subject to resumption is not acceptable. In NSW, Jewish burial, entirely, and Muslim Burial mostly is conducted on Crown lands.
16. And for the Muslim faith renewable tenure would only become acceptable on condition that the body is fully decomposed and no human remains to be removed from the tomb. Given that the soil composition at existing cemeteries does not enable verification of such decomposition, perpetual burial remains the only paradigm at Metropolitan Sydney cemeteries for both our communities.

17. The Jewish and Muslim communities supported the Government's cemetery reform process in 2012 on the basis that by amalgamating the various sub-trusts at Rookwood cemetery, a single common fund would be made available to acquire a new multi-faith cemetery which would provide adequate burial space for the Jewish and Muslim as well as other communities through to the end of the present century. As a result of the reforms, supported by both the Jewish and Muslim community, the amalgamated Rookwood General Cemetery Trust had sufficient funds to proceed with an appropriate acquisition to provide adequate burial space for the balance of the century. The promise has not been kept.
18. In **section 2.3** IPART has recognised that: "cemeteries are often divided into areas associated with religious or cultural groups."
19. Our faiths require that sections of cemeteries be consecrated for use solely by Jewish or Muslim communities, respectively. Demand from each community is, therefore, only for graves in those consecrated areas.
20. Demand to consecrate areas is a negotiation between our respective faith communities and cemetery managers. It is appropriate to note that both communities have experienced outstanding cooperation from the various Crown Cemeteries managers in the Sydney metropolitan area. It is not, however, the Crown Cemetery managers that control supply, and lack of supply is the critical issue.
21. Under the *Cemeteries and Crematoria Act 2013 (the "Act")*, cemetery operators are obliged to permit members of the Jewish and Muslim faiths to be interred (buried) in accordance with the Jewish and Muslim community's religious practices.
22. In the case of Muslim communities, prior to amalgamation (managed by the Muslim Cemetery Trust), introduced a unified and double burials system to minimise land consumption and to limit price increases. However, the statutory renewable tenure regime is not an option which can be taken up under current soil composition.
23. In the case of the Jewish community, most burials are single burials, and double burials (husband and wife) are permitted, and are being taken up, albeit only gradually. Again, the statutory renewable tenure regime is not an option which can be taken up.
24. Section 46 of the Act protects our communities' respective religious practices in relation to internment, while Section 54 of the Act prevents statutory renewable internment rights to be granted in respect of lands consecrated for Jewish and Muslim religious burial.
25. The provision relating to re-use of internment sites and removal of memorials, which appears in subsection 55(5) of the Act, requires the remains of a Jewish and Muslim person to be dealt with in accordance with Jewish and Muslim religious practice. Compliance with subsection 55(5) is very important to our communities.
26. Section 66 of the Act provides a similar protection in the case of exhumation.
27. Section 106 of the Act requires cemetery operators to permit Jewish and Muslim religious ceremonies to be conducted at cemeteries.



28. At present land is consecrated for:

- exclusively Jewish burial at Rookwood, Macquarie Park, Botany and Woronora cemeteries in the Metropolitan area, and Moss Vale and Kempsey in regional NSW; and
- exclusively Muslim burial at Rookwood, Riverstone, Kemps Creek, and going forward, Narellan.

29. We note that **in section 2.4** of the paper, observations are made as to the wide variety of current prices across NSW and across Australia. From the table below, you will see that in the case of Jewish burials, the lower end of prices has not been experienced in NSW, even after the amalgamations.

30. In the case of Muslim burials, the experience is as follows:

Further consideration to the objects of the act when considering pricing principles, is that the Muslim community or consecrated section of the Muslim burials, are not to be compared with other burials site due to constrains and disadvantages,

Such as and not limited to:

Type of burials, highly intensified, less land consumption compared to other denominations as per square meter area.

Less desirable location.

Services facilities, such as chapels, no destitute burials available, concierge ect.

Marketing and sales personal, pre-purchased is not available and all Muslim burials are on demand only

31. We observe that in **section 2.4.3**, there is acknowledgment that Crown Cemeteries display their fees online. However, the fees and charges are not easily comparable.

32. For example, a burial licence (grave) can be pre-purchased, and the pre-purchase option assists families to be able to invest in having a grave set aside at a time in their economic lifecycle when they are best able to afford it. However, the cost of internment is not included. If the total cost of the grave and internment could be included, planning would be easier. In our communities, we experience a number of families who were able to afford to pre-purchase a grave when they were earning an income, but in their declining were unable to afford to pay internment charges. This is a simple problem to overcome by including the cost of internment with the cost of a burial licence when prepaid. A relatively straightforward, present-value pricing model could be applied by every cemetery manager.

33. Unfortunately for the Muslim community pre-purchase of a grave is not available, and all grave plots are offered on demand.

34. Next, cemetery operators do not publish their prices in an easily comprehensible way. One has to telephone the cemetery to work out which of the prices that are published are applicable to a particular case.
35. All cemetery operators should be required to publish on their webpages in an easily accessible way all fees and charges which they currently require consumers to pay. Helpful explanatory notes should be included. For example, consumers could be advised about the choices they have when purchasing a grave, or indeed when purchasing a burial licence for a grave. Examples showing total cost should be provided by each cemetery manager so as to enable comparison of prices as between cemeteries.
36. Finally, for a whole host of reasons, not immediately applicable to this review, were the Government to require that the person who holds a burial licence be the only person who can be buried in a particular grave, it would become relatively straightforward to prevent licence holders aggregating graves for their family and/or for transfer. Also, once a person has died, a check on the Births, Deaths and Marriages Register would establish when they died, and any cemetery manager with a licence held by that person could check if the person is buried in the grave for which they held the licence. If they are buried elsewhere, the grave can be released. At present the system does not allow this, and that this creates a further constraint on supply.
37. In **section 2.4.4**, it is noted that cemeteries are not funded by Government. This is not quite accurate. Most cemeteries in metropolitan Sydney, are Crown land cemeteries. The supply of land is controlled by the Government. The investment of capital funds is also controlled by Government. And as we state below, Government must fund cemeteries to the extent necessary to restore affordability of burial.
38. In **section 2.5.1** at footnote 14, reference is made to the Price Waterhouse Coopers report issued February 2018. We strongly recommend that IPART make no reference to that report. It was heavily criticised by our communities, and by various cemetery managers. It was fundamentally flawed, both as to process and as to substance. Our response to the Price Waterhouse Coopers report contained a detailed critique of its defects, and stated:
- The Report reflects a failure to understand critical facts, a failure to understand the underlying purpose of Rookwood Cemetery, analytical deficiencies and inadequately considered recommendations. These failures are reinforced by the complete failure to engage in a proper consultative process to develop the Report.*
39. We next refer to **section 2.6** of the paper, which identifies projected shortages of cemetery capacity in Sydney. The CCNS capacity report, which is referred to at footnote 15, understates the problems for our respective communities. As noted above, we run out of burial space well before the rest of the community.

40. On present demographic projections, by 2026 there is unlikely to be graves available at Sydney Metropolitan area Crown Cemeteries for sale to Jewish and Muslim people, and within a decade thereafter, no graves longer available for Jewish and Muslim burial. The Jewish community has a significantly higher proportion of individuals in older age groups than the general population. The equivalent time period for the Muslim communities is shorter. Because the Muslim population is growing, especially in the western and outer western suburbs of Sydney, and currently represents 20 – 25% of Rookwood in ground burials, the numbers of Muslim deceased have doubled in the last 10 years from an approximately 270 in 2009 to 450 in 2018, and expected to continue increasing by 100% in ten years. The number of Jewish burials per annum will not grow as fast but is also likely to increase.
41. The Government's ability to provide affordable and dignified burials to our communities depends now on the urgent:
- approval for the Varroville and Wallacia proposed cemeteries under the auspices of Catholic Cemeteries;
  - approval by Camden Council of the development application for the LMA's Narellan cemetery; and
  - acquisition and allocation of one or more new multi-faith cemeteries in the wider Sydney Metropolitan area.
42. It also depends on putting in place a system that will lower prices from their current levels, and benchmarking them against the costs of equivalent products to consumers interstate.

***Approach to the review (Issues Paper May 2019 pages 11-13)***

43. Underpinning the approach set out there appears to be an assumption of homogeneity of demand, and of supply. If that is correct, the assumption is erroneous.
44. The demand for burial in different consecrated sections of cemeteries, and the demand to consecrate new sections, is far from homogeneous. Not only the Jewish and Muslim communities but also the Chinese and various orthodox Christian communities each have different drivers relating to burial and the different drives effect pricing differently.
45. Given the heterogeneity of the stakeholders, there is a need to recognise that there can be no a single compromise solution on interment plot pricing that will satisfy each of the many stakeholders – in the context of an urgent need to find new cemetery sites and to assure long-term funding for upkeep of existing sites – while not exactly meeting the requirements of any of them.
46. We recommend that issues be handled in a disaggregated fashion (using more-homogeneous stakeholder groupings), rather than according to a "one size fits all" approach.

47. We acknowledge that in **section 4.1** the heterogeneity of demand is recognised. Similarly, objects of the Act are recognised. More about that below.
48. One of the foundation stones of the 2011-2012 reforms was that when a Crown Cemetery manager acquires new land, the pricing of new land will cross-subsidise maintenance of the old land. Rookwood being the largest Necropolis in the Southern Hemisphere, it was funded, through the amalgamation process, to undertake this task. It came close, with the Fernhill proposal, but that was blocked, unable to proceed for reasons unrelated to the merits of the proposal.
49. Because perpetual care and sustainability models are only recently being attended to by cemetery managers, it is not possible for those models to fully price the maintenance of cemeteries and graves long after cemeteries have closed for new burial. That is why it is crucial that cemetery managers be allowed to acquire new land where they can sell new graves, and cross-subsidise the maintenance of the old ones.
50. And contrary to a comment that appears in **section 3.2**, it is unacceptable for cemetery managers to assume that they are only maintaining their grounds. They must also maintain their graves and memorials.
51. The Jewish Cemetery Trust used to price on the basis that it collected a perpetual care contribution from every family who buried a loved one. The Jewish faith requires perpetual care of gravesites. We are only now beginning the catch-up process at Rookwood, which following the amalgamation, had stopped honouring the obligations of the Jewish Cemetery Trust. As more people are buried, the nature and size of the obligation increases.
52. We applaud the principles set out in **section 3.4** of the issues paper and the focus on affordability and equity. In our view, these are the key drivers. The extent to which financial sustainability is a competing factor raises more properly the question of the extent to which the Government, through consolidated revenue, will need to contribute to the cost of the necessary public good – burials - so as to not undermine achieving affordability and equity.
53. Further, as noted herein, significant improvements to the way in which cemetery managers provide prices and disclose them is needed to ensure that burial pricing is comprehensible as well as transparent.

### ***Pricing Principles (Issues Paper May 2019 pages 14-17)***

54. Any review of cemetery and interment pricing must be driven by the statutory objects in the *Cemeteries and Crematoria Act 2013*.
55. Section 3 of the *Cemeteries and Crematoria Act 2013* No 105 contains the following statutory objects:

*The objects of this Act are as follows:*

- (a) to recognise the right of all individuals to a dignified interment and treatment of their remains with dignity and respect,*
- (b) to ensure that the interment practices and beliefs of all religious and cultural groups are respected so that none is disadvantaged and adequate and proper provision is made for all,*
- (c) to ensure that sufficient land is acquired and allocated so that current and future generations have equitable access to interment services,*
- (d) to provide for the operation of a consistent and coherent regime for the governance and regulation of cemeteries and crematoria,*
- (e) to ensure that the operators of cemeteries and crematoria demonstrate satisfactory levels of accountability, transparency and integrity,*
- (f) to ensure that cemeteries and crematoria on Crown land are managed in accordance with the principles of Crown land management specified in section 11 of the Crown Lands Act 1989,*
- (g) to promote environmental sustainability of the interment industry, including provision for natural and private burials,*
- (h) to promote that cost structures for burials and cremations are transparent across all sectors of the interment industry,*
- (i) to promote affordable and accessible interment practices, particularly for those of limited means.*

56. At the heart of (a), (c) and (i) lies affordability. For example, that which costs between Jewish \$11,608 - \$18,680 in Sydney costs between \$8,556 - \$8,695 in Melbourne. There is no similar gap between house prices as between Sydney and Melbourne.

57. And, it is important to note that burial statistics for the general population are not representative of Jewish burials in NSW. Although Jews are approx. 0.5% of the population, Jewish deaths since at least the mid-1990s have been approx. 0.8% of all NSW deaths. Many child Holocaust survivors are now passing away, and so demand for consecrated Jewish burial space has increased over recent years. The Jewish faith forbids cremation and so the proportion of Jewish burials has become approx. 1.5% of total NSW burials.

58. The following table highlights the extent to which burial for Jewish people in NSW is more expensive than elsewhere in Australia.

**Sampling of Jewish burial prices across Australia (monumental sections).**  
**This table does not include the various add-on costs charged differently by different cemetery managers.**

As at 31.5.2019

State	Cemetery	Grave (Burial licence)	Interment (Single)	Aggregate
NSW	<b>Botany</b>	\$ 16,250.00	\$ 2,430.00	\$ 18,680.00
NSW	<b>Woronora</b>	\$ 13,500.00	\$ 2,515.00	\$ 16,015.00
NSW	<b>Macquarie Park</b>	\$ 13,505.00	included	\$ 13,505.00
NSW	<b>Rookwood</b>	\$ 8,686.00	\$ 2,922.00	\$ 11,608.00
ACT	Woden	\$ 10,578.00	included	\$ 10,578.00
VIC	<b>Lyndhurst</b>	\$ 7,385.00	\$ 1,310.00	\$ 8,695.00
ACT	<b>Gunghalin</b>	\$ 8,556.00	included	\$ 8,556.00
SA	<b>Centennial</b>	\$ 4,200.00	\$ 2,190.00	\$ 6,390.00
QLD	<b>Gold Coast</b>	\$ 5,100.00	included	\$ 5,100.00
WA	<b>Karrakatta</b>	\$ 2,592.00	\$ 1,393.00	\$ 3,985.00
QLD	Mt Gravatt	\$ 3,925.00	included	\$ 3,925.00

59. Sampling of Muslim burial prices across NSW.

This table does not include the various add-on costs charged differently by different cemetery managers.

Riverstone A1, A2, A3 its 3 different packages the cost in the table are for residents of Blacktown area. Those that are not residents pay an extra of \$1380.

State	Cemetery	Grave	Interment	Total
NSW	Kemps creek (single)	\$4500	\$2200	\$6700
NSW	Kemps Creek (double)	\$5241	\$2200	\$7441
NSW	Narellan	\$3700	\$1800	\$5500
NSW	Riverstone A1	\$7150	Included	\$7150
NSW	Riverstone A2	\$7500	Included	\$7500
NSW	Riverstone A3	\$7600	Included	\$7600
NSW	Rookwood	\$8800	Included	\$8800

60. Neither the Jewish nor Muslim communities require cemetery managers to have marketing departments, and we wish we were not required to contribute to the costs thereof.

61. As between our communities the way in which we sue graves also differs, as well as being different to other faith communities. Demand for burial places plainly is

61. heterogeneous. For example, Muslim burials:

- involve highly intensified land use and relatively less land consumption compared to other denominations as per square metre area; and
- do not require on-site chapels.

62. Both our communities do not rely on publicly funded destitute burials.

63. We recognise that the pricing of public goods is a difficult proposition for Governments everywhere. Unlike some public goods demand for graves is guaranteed. It can be determined based on population size. Consumption depends on the quantity available, in this case, the supply of land, and secondly, the duration of the use of that which is available, and the need to provide for perpetual care of cemeteries and the graves within them. We now comment on particular aspects of the issues paper issued in May 2019.

64. The extent to which Government contributes towards the costs of maintaining cemeteries now and in the future so as to ensure affordability is a cost Government can and must bear. This issue is far bigger than subsidising funeral costs.
65. The potential conflict for pricing internments at a level that ensures financial sustainability of cemeteries and the possible conflict with the objective of affordability is recognised. However, what is not recognised is that it lies within Government's hands to ensure affordability whilst also ensuring financial sustainability. Remove the artificial constraint, that Government has no role to fund the provision of the public good – burials - and that particular conflict disappears.
66. In **section 4.2**, discussions of a "*basic internment right*" and product differentiation across cemeteries raise entirely appropriate issues. For our communities there can be no such thing as a "*basic internment right*". Within our faith communities, every Jew or every Muslim is entitled to the equivalent burial. Whether you are the richest person or the poorest, the community provides you the same burial. One's gravestone might be simple, but one is entitled to have one. Consequently, for our communities, the proposition of a basic internment right and differential products does not apply.
67. We applaud the proposition in **section 4.4** that internment prices should be simple and transparent. As noted above, there are significant improvements required in this area.
68. At page 16 two questions are posed. We only partially agree with the proposed pricing principles because they do not subordinate financial sustainability to affordability, and they should do so.

***The efficient costs of providing internment services (Issues Paper May 2019 pages 18-28)***

69. We firmly agree with the proposition in **section 5.1** that IPART needs to value the land required to expand cemetery capacity.
70. The experience of Catholic Cemeteries in relation to Varroville well demonstrates that government can choose to lower the costs of acquisition, or to impose unnecessary regularity costs. Catholic Cemeteries have spent many millions of dollars fighting regulatory cost impositions over many years. Once Government accepts that it has a responsibility to provide the public good that is burial space, it needs to lower the cost of acquisition and development rather than increase it.
71. At page 19, a question is raised as to what type of land is the most likely source of increased cemetery capacity in Sydney. This is not an appropriate question because Urbis have recently completed a comprehensive study in this regard. From a Jewish and Muslim community perspective, land only needs to be clear of any water table, and most cemetery land meets this criterion.
72. , the Varroville, Wallacia and Narellan proposals need to be approved and the Government needs to support the Crown Cemetery managers in acquiring additional lands as well. Those acquisitions need to be readily accessible from with the



metropolitan area. In due course, public transport options will be needed. When the Rookwood Necropolis was created, a train line provided access from "far away" metropolitan Sydney.

73. In **section 5.1.4** IPART asks who should be responsible to develop new cemeteries. In our view, crown cemetery managers have built up expertise. They should be responsible for developing new cemeteries. They should be allowed to joint venture, and Government should work to reduce and where possible remove regulatory cost impositions.
74. It is not acceptable to contemplate provision of burial space so far away that it will be difficult, if not impossible, for families to visit the graves of their loved ones.
75. For the Muslim and Jewish communities, where the body is required to be buried as soon as the death occurs, same day if possible, in most cases the families will need to congregate for funeral service at very short notice, the proposition of a faraway cemetery will not be practical.
76. In **section 5.2** there is an accurate statement of the need for a price of burial site to include a component to fund maintenance of the site forever. This is quite separate to the long-term cost of maintaining the cemetery generally. As already noted, the Jewish Cemetery Trust sought to do this, albeit at a simplistic level, many years ago.
77. We note that the paper, at page 22, acknowledges that religious requirements in relation to maintenance of burial sites is acknowledged.
78. In **section 5.3.1**, in relation to the management and the cost of management of closed cemeteries, we urge IPART to give consideration to an alternative proposition. Existing cemetery managers should be supported in acquiring new land so that they can cross-subsidise the cost of maintaining old land. This would reduce the burden on Government to bear perpetual maintenance costs. Hitherto, Government has been less than supportive in this regard.
79. In considering the possibility that some cemetery operators might simply abandon the responsibility of ongoing maintenance once there is a closed cemetery, one need only visit some of the older sections of the existing Crown cemeteries, where the Crown Cemetery managers do not maintain gravesites. The problem is not a future problem. It is a present one.
80. It is our view that Crown Cemeteries must have a perpetual maintenance obligation. Insofar as their income from existing or new lands is insufficient to meet those costs, it is a Government responsibility to meet those costs. The best way for Government to reduce its financial responsibility is to cover the perpetual maintenance of existing graves and cemeteries, and to support the cemetery operators to expand into new lands and to be able to cross-subsidise further perpetual maintenance costs.
81. In relation to the issue of tax treatment of cemetery managers, it is our view that there needs to be a level playing field. Because cemetery managers provide a public good,

both state and federal governments must step in to minimise their tax burdens. Although landholders and cemetery managers are not charities, they should have the same tax benefits as charities. And as they are in effect purpose trustees, their investment powers should be regulated the same way as applies to other trustees of public funds.

82. Comment is sought in relation to the Crown Cemetery levy in **section 5.5.3**. At present only Crown Cemetery managers pay the levy. That is entirely inappropriate. The levy should be spread across all cemetery operators.
83. That said, the role and function of CCNSW is a matter that requires further review and consideration. At present, the Lands Department and CCNSW, in effect, compete with each other to advise the Minister. CCNSW has not worked as cooperatively as it could have with the various Crown Cemetery managers or key communities such as ours. It has worked very little with non-Crown Cemetery managers. The need for coordination and maintenance of a level regulatory playing field is important, but as presently structured, CCNSW has not been as successful as originally had been hoped.
84. In **section 5.4** the opaque and variable evidence as to internment costs is raised. We do not know how internment costs are calculated, but we do know that:
- Burial costs have risen well above inflation since 2011; and
  - Sydney Metropolitan burial costs are palpably higher than elsewhere in Australia;
85. Even within Rookwood, a comparable burial in the amalgamated area costs between 25-30% more than the equivalent burial in the Catholic area. We do not know why this is so.
86. In section 5.5.1, the issue of competitive forces is raised. But with both demand and supply being heterogeneous, Competition in and of itself is not a means by which better pricing of a public good can be achieved in the case of burials, where demand is guaranteed.
87. In **section 5.6**, the issue of comparing the efficient costs of renewable and perpetual internment is raised. The Jewish and Muslim communities appreciate that renewable rights may well cost less than perpetual rights. However, in the Jewish community, there is no demand for renewable rights. As for the Muslim communities, renewable tenure is the preferred methods of burials, but, unfortunately, as stated above, the state of soil composition precludes statutory renewable tenure being utilised within the Muslim faith. It is important that faith communities not be discriminated against by reason of their not being able to take up renewable rights and we ask IPART to take this important factor into account.

***Recommendations for this review (Issues Paper May 2019 pages 29 and following)***

88. We are more than willing to engage with IPART as it develops its recommendations. We ask that the considerations set out above be explicitly taken into account.

