

02 October 2020

Ms Jennifer Vincent
Director, Pricing
Level 15
2-24 Rawson Place
Sydney NSW 2000

Dear Jennifer,

We would like to thank the Independent Pricing and Regulatory Tribunal (IPART) for the opportunity to provide feedback on the 2020 draft report 'Efficient costs of interment services' by Deloitte Access Economics.

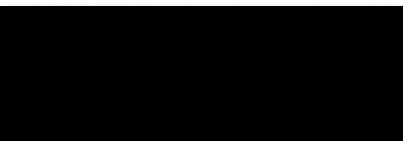
The report reviews and discusses efficiencies across a number of Land Managers comparing their respective operations to what is defined as a **Basic Adult Lawn Burial** or BALB.

Data to support BALB levels or costs is based on information supplied by four Sydney Crown Land Managers but also includes detail sourced from Council managed cemeteries outside of both the Sydney Metropolitan area and NSW borders.

Rookwood General Cemetery Reserve Land Manager agrees with the majority of the recommendations that have been put forward. We would like to provide our feedback on nine (9) of the items for consideration.

Should you wish to discuss any of the matters outlined above please do not hesitate to contact me on [REDACTED].

Kind regards,



Lee Shearer Interim CEO

NO.	IPART RECOMMENDATION	IPART pg no.	RGC Final comments
1	That CCNSW develop an interment industry scheme under the Cemeteries and Crematoria Act 2013.	57	Rookwood General Cemetery (RGC) recommends close consultation with key stakeholders and Cemetery Land Managers during the development of an interment industry scheme. Ideally, the scheme would include, Code of Conduct definitions, terminology definitions, guidelines relating to acceptable sales incentives, guidelines relating to maintenance etc.
3	That CCNSW modify its Code of Practice for Cemetery Maintenance to include specification of minimum standards of maintenance for cemeteries. This specification should be made mandatory by the Industry Scheme.	59	<p>As maintenance level impact Perpetuals Reserves, if mandatory standards of maintenance are implemented this could increase the level of perpetual reserves required.</p> <p>RGC recommends an actuarial report be produced on all Perpetual Funds, to ensure sufficient funds are available to sustain the mandatory levels of maintenance. In the case that there are not sufficient funds available to maintain mandatory levels of maintenance, the Government may be faced with funding this maintenance from general reserves.</p> <p>It should be noted that during the Public Hearing, CCNSW stated that the maintenance guide should not replace the Cemetery Management Plan (CMP).</p>
17	That the NSW Government amend the Cemeteries and Crematoria Act 2013 to provide for CCNSW to refer a cemetery operator to IPART for a maximum price determination of a specified body interment service.	78	<p>This would ultimately result in all pricing within the cemetery industry being regulated. It should be kept in mind that if IPART determine both the maximum price of a specified body interment and the price for a basic adult lawn burial, it will effectively remove any latitude for cemetery operators to use price as a lever to manage market demand.</p> <p>RGC recommends that CCNSW would need to have specific triggers as to when they refer a cemetery operator to IPART.</p>
20	That CCNSW develop a code of practice on pricing, to provide guidance to cemeteries on pricing matters. Code of practice to include:		RGC recommends close consultation with cemetery operators during the development of a pricing specific code of practice, this will ensure that CCNSW and/or IPART have a complete understanding of relevant pricing influencers.
	The principle that prices should be cost-reflective	80	
	Guidance on including land as an input to the price of an interment right	80	
	Simple price modelling tools.	80	
23	For the standard interment services outlined in Draft Recommendation 22, cemetery operators be required to publish the following:	81	Initially standard industry definitions/terminology would need to be developed to ensure consistency between all cemetery operators. Secondly, pricing breakdowns would need to be kept simple, as breaking down prices into too many sub-elements would possibly give rise to inconsistent terminology and therefore confusion for families.
	Itemised prices for each service component of the interment service, using the terminology described in Table 10.1, and including any additional costs due to cultural or religious requirements as specified in the code	81	
25	That CCNSW use consumer-facing language that reflects the terminology in Table 10.1	86	It is crucial that industry definitions/terminology is established to describe the wide range of products and services offered by different cemetery operators throughout NSW.
28	That the industry scheme require all licensed cemetery operators to:	93	
	"Ring fence" assets set aside for meeting perpetual maintenance costs in future so that they are used solely for that purpose.	94	<p>It should be considered that Ring Fencing" may encourage some cemetery operators to be slow in moving money to the perpetual reserve, knowing they will not be able to access it later.</p> <p>To address this, if this model is implemented, cemetery operators would need to have the ability to submit an application to a higher authority for an exemption to the rule for specific reasons."</p>
31	That CCNSW engage with the Australian Accounting Standards Board to ascertain the appropriate accounting treatment of perpetual maintenance expenses by cemetery operators given the provisions of AASB Standard 137	98	Any cemetery operating as a Controlled Entity, such as RGC, needs to consider the accounting standards defined by NSW Treasury.
32	That all licensed cemetery operators should be required by a condition on their operating licence to develop renewable tenure products.	101	<p>Any new cemetery developed should offer a range of products and services, including renewable tenure. Existing cemeteries, particularly older sites, would have to offer conditional renewable tenure options.</p> <p>Overall, the go-to-market cost for renewable tenure products would need to reflect the remediation necessary for the cemetery to reuse the allotment. This would include giving consideration to decomposition periods.</p>