

Response to IPART

Review of interment costs and pricing

1. *Do you agree with our proposed pricing principles? Are there additional principles we should consider?*
 - a. Yes we do agree with the principles proposed
 - b. An additional principle that could be considered is “Affordable options are available for all”. This will ensure that a low cost option is always available
2. *Are any principles more important than others? How can we manage trade-offs between conflicting principles?*
 - a. The principle of transparency and ensuring sustainability long term and therefore the ability of the cemetery to continue to provide a service needs to be of most importance.
 - b. Affordability will always be an issue as mentioned due to preference, location, religious beliefs etc as to meet these needs for the customer costs can be higher in infrastructure development, maintenance etc. Therefore an affordable option is available would align so at least a person has a choice.
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?*
 - a. If costs are to be factored in then semi industrial/rural would be logical. Despite this then meaning travelling distances are more longer, affordability can be maintained.
4. *Are there other costs involved in developing land for use as a cemetery?*
 - a. As part of the development application process studies such as Aboriginal Heritage Impacts and Environmental Impact Statements which are all costly.
 - b. Security of sites
 - c. Staff amenities
 - d. Parking
 - e. Access Roadways to the cemetery if remote
5. *Who should be responsible for developing new cemeteries?*
 - a. The State Government
6. *Who should have responsibility for maintaining closed cemeteries in perpetuity?*
 - a. The State Government, however this may be through Local Councils however only if financial provisions are provided to pay for the works long term. Long term a private operator may not be in existence and then the families of the interred will be left with no means to ensure their loved ones are looked after.
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?*
 - a. In private operations/reserves yes as they may have limited resources in the future and/or close operations once the money has been made
 - b. Council’s will always have an obligation to their communities to continue maintaining cemeteries and therefore should be exempt.
 - c. If these provisions were completed annually into a reserve then it ensures that the long term maintenance requirements can be met into the future. The reserve is then handed over to the provider of the long term maintenance as it occurs.
8. *Should more guidance or oversight be given to cemetery operators regarding investing and managing funds for perpetual maintenance? If so, by whom?*
 - a. Oversight of these funds should be with the government in a central reserve to ensure they are managed appropriately and provide long term for perpetual maintenance
9. *What are the costs of interment, and what factors cause these costs to vary?*
 - a. Our costs are split into burial licence (plot – variable depending on size, site works – variable depending on section, cemetery works – roads etc and perpetual maintenance – variable depending on section i.e. Lawn to headstone), interment fee (cost of burial component – labour, machinery, time of day) and memorialisation (variable - plaque, headstone, monument etc).

10. *Can the variation in interment prices be explained by cost differences (such as higher labour costs for weekend interments)?*
 - a. Yes – mostly dependant on choice of where burial is to occur and what memorial is being chosen. We have fixed price for the actual burial, with the exception of after-hours or weekend burials which cover the cost of penalty rates for staffing as well.
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?*
 - a. Yes – As a larger cemetery provider we have economies of scale with staffing and plant however also have a very lucrative enterprise agreement, paying staff well above minimum wages.
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?*
 - a. No I don't think so. As a Council operation we have fixed pricing for at least a year in advance and therefore are unable to reduce costs on an ad-hoc basis. Competition may help with lowering the minimum price for a basic funeral but otherwise we find people choose based on location and cultural arrangements that may be on offer at each cemetery.
13. *Does the tax treatment of private operators increase their operational costs relative to crown trusts and not-for-profit operators?*
 - a. Possibly however as a Council operator we have additional processes and overheads that would not be incurred in a private operation ie: Procurement processes – not allowing purchase without a competitive process, Enterprise Agreements – which pay above award salaries and conditions etc.
14. *Should private and local government cemetery operators also pay the Crown Cemetery Levy to fund the operations of CCNSW?*
 - a. Only if there is benefit and the funds were utilised across all services with CCNSW taking responsibility over such things as new cemetery provision and perpetual maintenance
15. *What form should the recommendations from this review take? How prescriptive should they be?*
 - a. Guidelines only should be provided. Too many variables need to be factored in that vary between sites if maximum pricing was used. As a Council our prices are already published and available and therefore the consumer can see where we sit in contrast to the guidelines provided.
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?*
 - a. Yes – Every area in NSW is different. The differences between metropolitan Sydney to Regional area and then even within each regional area can be significant. In our council we have a rural like lawn cemetery however also have cemeteries on the ocean edge where pricing structures can be very different.
17. *To which services and product offerings should the recommendations from this review apply?*
 - a. Focus should be on perpetual maintenance costs. This is especially important if a perpetual fund is set up through the government to cover these costs.
 - b. In all other products and services there are too many variables to be able to provide pricing recommendations on
18. *What should the form of recommendations of this review be with respect to perpetual maintenance reserves?*
 - a. A reserve funding policy
19. *Are there cross-subsidies or inefficiencies in pricing for interment services?*
 - a. Possibly however as a cemetery operator who only provides burial and cremated remain interments we do not have the opportunity to do this.
20. *If there are cross-subsidies, are there compelling reasons why they should continue?*
 - a. If you are able to make money from another source to keep the cost of basic services down then this could be considered a good thing.

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?*
- a. Significantly – as mentioned we have a cemetery on a headland and one in a more rural/semi industrial area. The price difference of the land alone is significant. Within the rural cemetery, the infrastructure required/wanted by certain cultures (ie: Macedonians) and then the associated maintenance of those areas (broad acre mowing, vs hand mowing vs whipper snipping) is significantly more than that of a lawn burial or an ash placement in a niche wall.
22. *Are there other areas of concern in current cemetery interment pricing approaches?*
- a. No
23. *Should fees for interment rights vary with available cemetery capacity?*
- a. No. Current customers should not have to pay more for the last right in a cemetery as opposed to the first right sold as the operator should have planned for the costs associated with future planning from the start and this should not have to be borne by the person buying the last available rights within the cemetery.
24. *Which community impacts should we consider as part of this review?*
- a. Varying cultural beliefs definitely needs consideration. Unfortunately even if low cost options are available some community members feel they 'have' to pay more to continue to be accepted within their communities. This can place a large financial burden on these families.