

INQUIRY INTO FUNERAL INDUSTRY

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Theme:

Summary

SOCIAL ISSUES COMMITTEE

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**Submission By The Cemeteries & Crematoria Association of NSW
Authorised by: Executive Committee**

To The

**Legislative Council
Standing Committee on Social Issues
Inquiry into The Funeral Industry
27th May 2005**

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Submission By The Cemeteries & Crematoria Association of NSW

The Cemeteries and Crematoria Association was established in 1965, as a trade association working on behalf of, and speaking for, those industries in New South Wales, and continues to represent the interests of Cemeteries and Crematoria in New South Wales.

The Association is recognised as the peak body for Cemeteries and Crematoria in NSW with strong ties to the Australian Funeral Directors Association, Funeral Directors Association of NSW and the Australasian Cemeteries and Crematoria Association.

We have in excess of 70 member organisations

Types of Cemeteries and Crematoria

State Government Trusts

Trust cemeteries are incorporated under the Crown Lands Act 1989 and are governed by Boards of Management (appointed by the Minister for Lands). The Boards of Management carry out their duties in an honorary capacity. Trust cemeteries generally occupy Crown Land with most situated within the Sydney metropolitan area. Sandgate in the Hunter Region also falls into this category. Three of these Woronora, Eastern Suburbs and Macquarie Park also operate crematoria. Trust operators provide cemetery and crematoria memorialisation. There is a possibility that Sandgate will also construct and operate a crematorium. There is no involvement in funeral directing ownership.

Local Government

Local Government operates cemeteries within the metropolitan area and other major centres such as Wollongong and Newcastle; most other country councils also operate cemeteries with the larger councils usually having several cemeteries under their control. Several councils also operate crematoria. Local Government operators provide cemetery and crematoria memorialisation. There is no involvement with funeral directing ownership.

Churches

Very few churches still operate cemeteries. They have an insignificant impact on the industry. No involvement with funeral directing ownership.

Private Sector

The private sector operates cemetery and crematoria in the Sydney metropolitan area, Wollongong and Newcastle as well as other country areas.

Nearly all privately operated cemeteries and crematoria have a direct connection with funeral directing establishments.

InvoCare, the largest operator, provides cemetery and crematoria memorialisation as do most other private concerns.

Other crematoria owned by funeral directors offer cremation but no memorialisation, the ashes are handed directly to the family.

Terms of Reference

a. Changes in the Funeral Industry over the Past Decade

Cost of Funerals

There is no doubt that funeral costs have risen over the past decade. General price levels may not be the correct basis for comparison; they should be compared with other services such as health costs and land prices.

We would submit that from the Cemeteries and Crematoria Associations point of view there are a number of factors that would have contributed to this cost increase

- Higher expectations regarding the level, type and standard of service and facilities provided by cemeteries and crematoria.
- The needs of our increasing multicultural society.
- Greater recognition of the amount of funds required to be set aside for long-term maintenance particularly when a cemetery is closed and income from operations ceases.
- Increases in cost for labour/staff for Occupational Health and Safety Compliance.
- Increases in cost of labour and supplies to perform cemetery and crematorium operations.

Degree of Competition

Across the state there appears to be a fair degree of competition with regards to cemeteries and crematoria.

Vertical Integration and Ownership

Vertical integration occurs only in the private sector. InvoCare hold a large proportion of cemeteries, crematoria as well as funeral directing establishments.

Other funeral directors with cemeteries and crematoria operate mainly in the regional and country areas.

While most funeral director owned crematoria offer memorialisation there are some that offer cremation only.

b. Availability of Burial Space

It is generally accepted that there is approximately 40 to 50 years of new burial space remaining in the Sydney Metropolitan area. Regional and country areas because of land availability will be able to provide new burial space beyond this time. Notwithstanding this fact the Government should investigate what might happen beyond this time.

Affordability of Burial Space

The cost of the right of burial for a grave should reflect a fair price taking into account such things as the cost of land, preparation for burial, development of infrastructure, provision of services and maintenance current and future.

Options for Increasing the Supply of Spaces

- **Create new cemeteries:** New cemeteries could be created by the private or public sectors. Acquisition and cost of land in the desired areas would impact greatly on the price of rights of burials for graves.
- **Renewable Tenure:** Renewable tenure allows the right to burial space to be sold on a renewable time basis. Families may pay a new fee at the end of each set time to retain the right of burial for a grave for further periods. The grave may be re-used by the family after a prescribed time has passed since the last interment in the grave. If the family do not wish to continue the tenure the rights to the grave then reverts to the cemetery authority. Legislative changes required.
- **Re-Use of Graves after Prescribed Time:** Allows graves to be re-used by the cemetery authority after a prescribed time from the last interment. This is a usual practice in various countries as well as some states in Australia. The retention or

disposal of the remains from the grave to be re-used are dealt with in a variety of ways. Legislative changes required.

c. The Adequacy of Existing Regulation of the Funeral Industry to protect Consumers, Public Health and Employees

The funeral industry is regulated by a multiplicity of legislation dealing with consumers, health and employees.

It would be easier to police participants and protect consumers, public health and employees if the industry was regulated by a single piece of legislation covering all aspects public and private.

d. The Role and Structure of the Funeral Industry Council

The Cemeteries and Crematoria Association supports the Funeral Industry Council in a role that would police the legislation regulating the industry as well as the participants. The Funeral Industry Council must have adequate powers to protect consumers, public health and employees.

The Funeral industry Council should consist of members of the industry, relevant government departments and community organisations representing groups such as consumers etc.

e. The Adequacy of Legislation in Meeting Community Needs

The industry operates under a multiplicity of legislation. Community needs would far better addressed under single legislation.

f. Any Other Relative Matters