

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON SOCIAL ISSUES

INQUIRY INTO THE FUNERAL INDUSTRY

At Port Macquarie on Tuesday 23 August 2005

The Committee met at 1.15 p.m.

PRESENT

The Hon. J. C. Burnswoods (Chair)

The Hon. Dr A. Chesterfield-Evans

The Hon. K. F. Griffin

The Hon. R. M. Parker

The Hon I.W. West

BERNARD SMITH, General Manager, Hastings Council, P.O. Box 84, Port Macquarie, and

MARK PILGRIM, Facilities Manager, Hastings Council, P.O. Box 84, Port Macquarie, sworn and examined:

CHAIR: Hastings Council is the only council to whom we have asked these questions so it might be slightly unfair but it is not because we think you have enormous expertise. We may be asking more of you than is fair but for a couple of reasons it was good to have an opportunity, given the role of local government, which varies obviously from area to area, to get a snapshot. If you think the committee is asking questions that go beyond your expertise do say so. Up to now the committee has received some quite confusing evidence about reserves, trusts and planning conditions in the structure of the funeral industry. What planning approvals or conditions does council require of a funeral director with or without a mortuary, for a crematorium and for a cemetery?

Mr PILGRIM: I will first give a brief snapshot of the organisation. We run a crematorium and cemetery operation at Port Macquarie/Hastings Council. We control 13 cemeteries, 11 outlying cemeteries with one crematorium and a lawn cemetery. We have seven employees, and a business manager in support, which is myself.

CHAIR: They are totally council run?

Mr PILGRIM: Totally council run. In regard to what planning approvals are required, generally the funeral director requires council approval from the Local Government Act. They require approvals, undertaker's approvals and approval to operate a mortuary under clause 5.1 of the Local Government Act. A crematorium is a little bit different and operates also under the Local Government Act but generally more under the Public Health Act and disposal of bodies regulations. The crematorium does require approvals whilst in a development stage under the Public Health Act and also under the Local Government Act so council requires us to put in a development application and that would be determined under the Local Government Act. The cemeteries come under the local government planning Act also.

CHAIR: Council is required to carry out inspections. What does an inspection involve and how often are they are conducted? The committee has heard conflicting evidence: some people who run a business say a local government inspector never turns up but others say they turn up once a year.

Mr PILGRIM: Advice obtained from our development and building area indicates that they do inspect private operations annually. They inspect under the Public Health Act conditions. They look at transporting bodies, handling bodies and use of vehicles to and from the crematorium. So annual inspections are carried out. We come under the Public Health Act as far as crematorium inspections go and there is no requirement for inspections for crematoriums but there is a requirement that the facility is open for inspection by public health.

CHAIR: Are council inspections of mortuaries, for example, random or unannounced?

Mr PILGRIM: I am not sure if they are random or unannounced but they are on an annual basis. I would have to get more information on that but information given to me was that it was annual.

The Hon. IAN WEST: What areas does the inspector cover? What are their qualifications to inspect them?

Mr PILGRIM: Generally they are building inspectors with health qualifications. I am not exactly sure of the type of inspections they do but generally they look at the facility to ensure that it is clean, there are no risks to public health, that they comply with the ability to transport bodies to the crematorium and any handling issues involved with the bodies.

The Hon. IAN WEST: Do the inspections have a format?

Mr PILGRIM: I am not sure, no.

CHAIR: Would you please take some of these questions on notice and supply the answers later?

Mr PILGRIM: Yes.

CHAIR: Is a file kept to record them?

Mr PILGRIM: Yes.

The Hon. KAYEE GRIFFIN: I assume a health and building surveyor would normally carry out the inspections on a yearly basis similar to a rotation basis of things like annual food checks in food shops and so on? You mentioned the number of cemeteries controlled by council within the local government area. Are there any other cemeteries apart from those local government ones?

Mr PILGRIM: In our area, no. We control all the cemeteries in the Port Macquarie/Hastings region.

The Hon. KAYEE GRIFFIN: None of them are attached to churches? They are all separate entities?

Mr PILGRIM: They are all controlled by us.

The Hon. KAYEE GRIFFIN: With seven staff including yourself?

Mr PILGRIM: Yes.

The Hon. KAYEE GRIFFIN: Are all the cemeteries on Crown land?

Mr PILGRIM: We have got seven or eight on Crown land, which was vested to us in 1989 for our control. We take control of those cemeteries as far as maintenance and operational procedures but they are still on Crown land.

The Hon. KAYEE GRIFFIN: How many funeral directors operate within the city council area?

Mr PILGRIM: Five.

The Hon. KAYEE GRIFFIN: Are they all locally based or do they come in from other areas?

Mr PILGRIM: They come from all points of the compass. We have two local in Port Macquarie, one at Wauchope and two in the Laurieton area.

The Hon. KAYEE GRIFFIN: Do all those funeral directors have mortuaries?

Mr PILGRIM: Some do, some do not. I think two have mortuaries.

The Hon. KAYEE GRIFFIN: Do the ones that do not have a mortuary use the two mortuaries that are based within the Hastings area?

Mr PILGRIM: I am not sure. They would have to use a certified mortuary to prepare the body.

The Hon. KAYEE GRIFFIN: Is the Innes Gardens Memorial Park on Crown reserve or a different land holding?

Mr PILGRIM: It is on council land or freehold land, yes.

The Hon. KAYEE GRIFFIN: In relation to the cemeteries on Crown reserve what sort of dealings does the council have with the Department of Lands?

Mr PILGRIM: Very limited dealings. We had an issue last year whereby we had a submission from a neighbour to one of our cemeteries requesting to purchase part of the cemetery so we had to liaise with the Department of Lands in that instance. To answer your question, very limited.

The Hon. KAYEE GRIFFIN: Do you have the number of burials and cremations conducted on a yearly basis not only at the memorial park but within the area?

Mr PILGRIM: I do. Over the past 15 years our annual cremations are 620. Last year it was 660. The average annual burials over 15 years is about 95. I think that was the number last year.

The Hon. KAYEE GRIFFIN: Are there any cemeteries in your local government area that are no longer used?

Mr PILGRIM: We have seven cemeteries that are closed but they are still used so there are clients with reservations for those particular cemeteries who may require to use that reservation. If they come to us and present that reservation then we are obliged to utilise that.

The Hon. KAYEE GRIFFIN: Those cemeteries have a possibility of future minimal burials?

Mr PILGRIM: Yes, that is right.

The Hon. KAYEE GRIFFIN: Do they have an historic nature attached to the cemeteries or is there no more land at those cemeteries?

Mr PILGRIM: They are not of a historic nature. It is Department of Lands land we are talking about so they have probably been there for more than 100 years I would expect and, as I said, the Department of Lands vested those cemeteries to us in 1989.

The Hon. KAYEE GRIFFIN: What is the cost of maintaining those seven closed cemeteries?

Mr PILGRIM: There is a cost to maintain them. I will speak in general terms. At the moment the cost to maintain those cemeteries is about 7 per cent of our income so we are dealing with money on those particular cemeteries to maintaining them.

The Hon. KAYEE GRIFFIN: Is that on just those seven or on all of them?

Mr PILGRIM: On all those seven.

CHAIR: What is the cost of maintaining them?

Mr PILGRIM: The cost of maintaining the closed cemeteries is 7 per cent of our income.

CHAIR: From all the cemeteries?

Mr PILGRIM: Yes, from all the crematoriums—the cemetery business unit.

CHAIR: That is obviously much higher than the percentage of burials or cremations that are taking place?

Mr PILGRIM: That is correct.

The Hon. KAYEE GRIFFIN: When it is run as a business unit is it a separate entity from council? Is the funding separate from council?

Mr PILGRIM: Our general business principle is to run it at no cost to council and to ratepayers. So there are some general business principles that we try to adhere to. We are self-funding so we do not require any input from the general fund from council. We run under our own reserve and our own funding. There is an expectation that we have to make a surplus at the end of year. Later I will go into what we do with that surplus.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What is the standard cost of burial and cremation? Do you have a standard cost?

Mr PILGRIM: We have standard costs, yes. The standard costs for a burial at our Innes Gardens facilities are \$1,650. The site cost is \$682, the digging fee is \$572 and the plaque cost is \$396. I might say that all these costs are freely available in the public domain. We advertise our fees and charges yearly. The burial cost for outlying cemeteries is \$1,254. Again, the site costs \$682, the digging fee \$572 and our plaque costs will be the same, that is, \$396.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: And cremation?

Mr PILGRIM: Cremation fees are \$715. That includes a chapel fee of \$55.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: That is for the hire of the room at the time.

Mr PILGRIM: For the hire of the chapel, yes.

CHAIR: So cremation is less than half the cost of burial?

Mr PILGRIM: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Over the last decade or more what has been your level of costs? How have they changed over time? We have had conflicting and rather confusing evidence about whether or not the cost of funerals and burials has gone up.

CHAIR: And if so, what are the components?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: If so, by how much and what components are changing? It would be helpful to us if you had longitudinal data over time.

Mr PILGRIM: I have that data here. I can either present that now or I can present it later.

CHAIR: Go through it in outline and then give us a copy.

Mr PILGRIM: Costs have gone up. In 1995 burial costs were \$750. That included land, digging and the plaque fee. In 2005 it is \$1,585.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So it has more than doubled in 10 years?

Mr PILGRIM: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you making any more money on that? Is your profit margin higher than it was?

Mr PILGRIM: I can tell you what our profit margin goes to. I indicated before that we lose money at our cemeteries. There is a requirement for us to fund capital works too. We have a capital works program of \$2 million over the next 10 years, which is a requirement of \$200,000 a year. We need to be putting at least a minimum of \$200,000 a year into reserve to keep the facility operational.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You mean land. Effectively, that is land for future burials?

Mr PILGRIM: No. That is capital works on the cremator and any road works and building works, so any operational costs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Improving your facilities?

Mr PILGRIM: Yes. There is another cost too. We charge \$781 for our memorials. The memorials are in perpetuity. Basically, after 10 years the maintenance obligations refer back to council. We have to maintain that site after 10 years at our cost.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you have enough money built into that and you hope that the return on capital will fund the maintenance indefinitely?

Mr PILGRIM: Correct, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So the memorial fee is not your basic fee?

Mr PILGRIM: That is the basic fee, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: When you referred to the memorial fee is that included in the \$1,650?

Mr PILGRIM: No, it is not. It is over and above that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is that amount of \$1,650 only for a decade and then it gets turned over?

Mr PILGRIM: That is for a burial. If we perform a cremation then we can inter those ashes into a memorial, say, a rose garden. If you were cremated it would cost you \$715. Then you have the opportunity to go and be interred into a rose garden for \$600.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: That assumes that the rose garden will be maintained forever?

Mr PILGRIM: Correct, yes. But our fee structure goes for about 10 years. After that we take over the maintenance obligations.

The Hon. IAN WEST: So the memorial is for cremation is it?

Mr PILGRIM: Yes. A memorial is typically a rose garden, a wall, or under a tree.

The Hon. IAN WEST: And a plaque?

Mr PILGRIM: You can get a plaque at a memorial.

CHAIR: In the cemetery or burial example you broke it down into plot, digging and plaque.

Mr PILGRIM: Yes.

CHAIR: But in a cremation you gave a \$1,715 global figure.

Mr PILGRIM: That includes a plaque. The \$715 is the cremation component. The \$781 is the memorial component, which includes the plaque.

CHAIR: What we are not clear on is the memorial part for a burial so that we can compare the two.

The Hon. KAYEE GRIFFIN: In relation to the fee for burial you referred to perpetual care.

Mr PILGRIM: You would probably get double that.

The Hon. KAYEE GRIFFIN: Into which part of the burial fee would that cost come?

Mr PILGRIM: I am not quite sure of the question.

CHAIR: Perhaps it is the categories. If you want a tombstone, or whatever it is called, you would go to a monumental mason. That has nothing to do with you?

Mr PILGRIM: That is correct.

CHAIR: We might have become a bit confused because of your reference to a plaque. Later, you talked about memorials. The council cost for a burial is \$1,650, which includes a plaque on something; I am not sure what.

Mr PILGRIM: Yes.

CHAIR: If you then want a stone and so on you would go privately to a monumental mason?

Mr PILGRIM: A plaque is on a lawn grave.

CHAIR: With a cremation the \$715 gives you just the cremation and the ashes are placed in a shoebox, or whatever?

Mr PILGRIM: Correct. If you decide to inter into a rose garden then that \$781 gives you that rose garden, plus the plaque.

The Hon. IAN WEST: On top of the \$715?

Mr PILGRIM: Yes, correct.

The Hon. KAYEE GRIFFIN: If the cost of burial includes the plot, the digging fee and a plaque for a lawn cemetery, do you have other sections in your cemeteries where someone could put up a different monument?

Mr PILGRIM: You can do that at our outlying cemeteries. Our lawn cemeteries are specifically meant for lawn graves, without monuments. We do have cemeteries at which you can place monuments.

The Hon. KAYEE GRIFFIN: You have specific lawn cemeteries where there are no burials other than those that you mentioned which has a \$396 cost for the plaque and that is it?

Mr PILGRIM: That is correct.

The Hon. KAYEE GRIFFIN: But there are other cemeteries where people choose to be buried or to bury someone, where the cost could be substantially different. However, council would not charge for the monument?

Mr PILGRIM: There would still be costs to the client, but not as much as the lawn cemetery costs.

The Hon. KAYEE GRIFFIN: It would then be up to the person to choose the monument or whatever work is to be done on a grave?

Mr PILGRIM: That is right.

The Hon. KAYEE GRIFFIN: And there would be no perpetual care attached to it at all?

Mr PILGRIM: There would be, yes. We would still maintain that cemetery.

The Hon. KAYEE GRIFFIN: But that would be a separate cost to you?

Mr PILGRIM: That becomes part of our operating costs.

The Hon. IAN WEST: Perpetuity applies to burial and cremations, plaques and memorials?

Mr PILGRIM: Yes.

CHAIR: You established that the costs had more or less doubled in 10 years. You then started to talk about your costs and about the fact that you set aside \$200,000 a year and so on. Would it be right to state that that kind of business planning that you are doing now was not previously done? A component of the increase in costs would be the fact that council is setting aside more, being more businesslike or making sure that it does not run at a loss?

Mr PILGRIM: That would be a fair statement.

The Hon. KAYEE GRIFFIN: When costs increased presumably that occurred when council made a decision about its fees and facilities policy?

Mr PILGRIM: Correct.

The Hon. KAYEE GRIFFIN: Any increases in costs, either for promotions or burials, would be included as part of the fees and facilities policy that council adopts?

Mr PILGRIM: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you have funeral director's costs and added costs to that basic fee of hearses, flowers and other things? What does the basic fee encompass? Does it include the funeral director's fee, the speaker's fee, flowers, the coffin and all the other things?

Mr PILGRIM: A very basic funeral costs between \$3,800 and \$5,000 in the Hastings. Our costs contribute about 17 per cent towards that in a cremation. If you included your \$715 as part of the \$4,000 for a funeral that would be 17 per cent.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: All the other costs are in addition to your basic service?

Mr PILGRIM: Correct.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Which is disposing of the body. All the ceremonial aspects and the transport are the business of the funeral director?

Mr PILGRIM: That is correct.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Have those costs gone up more than your costs, or are you unaware of what the costs are to consumers?

Mr PILGRIM: I am not aware. The cost of funerals goes up and down. We do not make it our business to find out what funeral directors are charging. Their fees and charges are not in the public domain. It is difficult for us as our fees and charges are in the public domain and we have to justify our costs. As I said, we are between 17 and 20 per cent of the funeral cost. It depends on the cost of the funeral.

The Hon. IAN WEST: I would be right in assuming that the mechanics of the funeral cost roughly 20 per cent and the ceremonial aspects cost about 80 per cent?

Mr PILGRIM: That would be a fair assumption. That is our crematorium-type operation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The cost of getting the body to you is a fixed cost. It has to be done.

Mr PILGRIM: Those are the funeral director's costs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: How much burial space do you have? Are you buying more land for those who want to be buried?

Mr PILGRIM: We have possibly 60 to 70 years left at Innes Gardens. We probably have 100 years or more left at our outlying cemeteries. At one of our cemeteries we have only 30 to 40 years, so we are looking at purchasing State Forest land to try to expand that cemetery.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: That is very farsighted. Do you have a view on addressing the overall shortage of burial sites?

Mr PILGRIM: I do. I know that there has been a bit of debate about vertical burials. I am not a big fan of vertical burials because there are some engineering issues involved with them. I do not believe that there is any great benefit in burying people vertically and getting more burial space per square metre. I believe that there are some issues in relation to the type of arrangement involving vertical burials.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You would have to have a mechanical device, would you not?

Mr PILGRIM: Yes.

CHAIR: Is soil type an issue?

Mr PILGRIM: Soil type would be an issue, yes. If you were in an area with rocky type soil there would be difficulties in boring a hole. If you are in a sandy environment you will have situations where the hole could cave in. If you were in a clay area that probably would be the best type of area to be in. The only way I can see that happening is to have double-depth burials, that is, one on top of another. Then there are issues with exhumations.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: How many funeral directors do you have in your local area providing the ceremonial aspects?

Mr PILGRIM: Five.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you have a range of services, if people do not wish to use a funeral director?

Mr PILGRIM: No, we do not.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You say, "No, pick one of those five"?

Mr PILGRIM: That is right.

CHAIR: In Hastings you cannot do a do-it-yourself funeral?

Mr PILGRIM: At this stage, no.

CHAIR: Is that a policy decision of the council?

Mr PILGRIM: It is not really a policy decision, but the business unit is there to bury the deceased and to cremate the deceased. We do not think we have expertise in that particular area.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But if I turned up with a coffin with dad in it and all the paperwork would you be happy to go ahead? What is your position?

Mr PILGRIM: We would have to consider it, but that is a difficult one.

CHAIR: Your first answer was, "No, we would not."

Mr PILGRIM: That is right.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You do not want to do it yourself?

Mr PILGRIM: No, we do not want to, no. We would give them the information about the five funeral directors and ask them to contact them.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You have a non-denominational chapel. Is there much call for different cultural and religious ceremonies, or do you not have to do those?

Mr PILGRIM: There is not a big call. Last year we had a service that was an islander funeral and they requested to see the body going into the cremator. That is about the only situation we have been involved in.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Was that a problem?

Mr PILGRIM: Not a problem. We do not generally allow it, and that is why public viewing areas normally are engineered into cremator rooms. It is something generally we do not do, but in this particular case we did under supervision.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think it would be beneficial to the public and the industry if one government agency took the lead role in the funeral industry and, if so, which agency?

Mr PILGRIM: I think it would be a good thing. There has been discussion about the involvement of the Funeral Industry Council with the funeral industry. I possibly could see a funeral industry ombudsman being set up with representatives from our industry, the Funeral Directors Industry, Fair Trading and WorkCover—four or five different representatives—who would represent the funeral industry.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think the current lack of regulation is the problem?

Mr PILGRIM: From our perspective, no. Our operation works fine.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It works fine at the moment?

Mr PILGRIM: Yes. That is a regional perspective.

CHAIR: We have heard evidence from five different government agencies that can be involved. Your inspections are carried out under the Public Health Act and you are fairly confident that his going recently straightforward. Do you have any experience of complaints that may go to Fair Trading? Earlier you said you had no real issues with the Department of Lands. I suppose you do not really need to deal with the Department of Local Government unless there are changes to legislation and regulation. Complaints are the area in which people have said to us that there can be real problems with the different government agencies that are involved.

Mr PILGRIM: We receive more praise than complaints. We do get complaints, but normally they are dealt with within our policy. Generally they are about putting inappropriate objects on graves. Generally things like that. We can deal with them with our own policy.

CHAIR: Who puts inappropriate things on graves?

Mr PILGRIM: The parents of the deceased. Typically it is a child. They want to put more items on the grave and under our policy we do not allow that.

CHAIR: Is it because it is a lawn cemetery and, typically, you are more restrictive?

Mr PILGRIM: Typically it is a lawn cemetery we send through our maintenance crews with mowers. Typically they put rocks or shrines around the areas and it becomes an OH&S issue.

CHAIR: It would be less of an issue in the more traditional tombstone-type of cemetery?

Mr PILGRIM: Yes.

CHAIR: Do you think it is appropriate that local government play the major role that Hastings Council does? Is local government the most efficient, the most sensible, the cheapest, the best? Is it something that you have inherited so you do it? Would there be other ways of doing it?

Mr PILGRIM: We have just completed a benchmarking exercise and we benchmarked with six other regional operations. The results were quite good. We found ourselves being one of the cheapest operating cemeteries and crematoria out of those seven regions. Our costs were one of the cheapest. We gave fairly good value for money.

CHAIR: The price of a burial space in Sydney is a massive problem and the shortage of burial space is a problem. Were you comparing yourself with similar land prices and similar labour prices?

Mr PILGRIM: Regional areas. We steered away from Sydney because of that particular problem. As you would be aware, you can be charged \$15,000 for a monument in Sydney. There is no comparison.

CHAIR: When you say "regional", you mean regional as distinct from metropolitan?

Mr PILGRIM: Correct.

Mr SMITH: Your comment that we inherited so we do it is probably where we are. However, in saying that, given our context, given our size and some of the earlier comments about competition and openness I think probably there is a case under the right circumstance for some sections of local government to be involved. Certainly the metropolitan areas, notwithstanding the price of land, one would imagine there would be a fairly active market, which could keep the situation under control. But in our circumstances, sure, we could go out tomorrow and sell the lawn cemetery and earn a few dollars, but then we find ourselves in a fairly unsatisfactory situation as far as what the consumer would need to pay. Probably in a regional and rural context, given local government is extremely open and accountable and we have to exhibit our price increases every year as distinct from funeral directors there is a strong case under those circumstances for local government, or some form of government, to be involved.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Did you compare them to private or were they all council operations?

Mr SMITH: The majority were council operations.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is that documentation public?

Mr SMITH: I would have to talk to the cemeteries involved.

CHAIR: Because you have data from other areas as well as your own?

Mr PILGRIM: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I gather that five of the seven crematoria in Sydney are owned by the one company. The question has been asked as to whether the profits taken by those companies are greater or lesser than they are in areas that are not monopolistic. They say they have not risen more than regional ones, although the regional funds have risen by higher percentages because they are expecting to either make a profit or break even, which they were

not doing before. Hence they may have higher percentage rises because they were coming from an unrealistically low base, so the same percentage rise from a higher base would be supernormal profit if you put it that way. But you do not have data comparing your price rises and your costs with the private sector?

Mr PILGRIM: Not with the private sector, no.

Mr SMITH: I suspect if you looked at how they calculated our charges 10 or 15 years ago they would have been fairly simplistic from a financial point of view, which could account for that increase in prices in regional areas. It is now more a true cost as distinct from part of the mire of the council operations 15 or 20 years ago.

Mr PILGRIM: Four out of the seven regionals lose money in their operations, so there are still some regional operations out there that lose money on the business.

The Hon. KAYEE GRIFFIN: They operate as a business unit within the council in local government areas?

Mr PILGRIM: Probably not. Two out of the four did not have a crematorium.

The Hon. KAYEE GRIFFIN: How long as Hastings been operating as a business unit?

Mr PILGRIM: I was put in this position four or five years ago, so you probably could say four or five years ago the business planning approach was put into these units.

The Hon. KAYEE GRIFFIN: If it were four or five years ago then perhaps the costings, as the General Manager said, might not have been quite so accurate in the previous five years. When you started operating as a business unit did you review those issues?

Mr PILGRIM: That is correct, and we look at our capital works' liabilities. It was a very broad review of the business.

The Hon. KAYEE GRIFFIN: Are there big issues with staff who work in the crematoria and the mortuary, or are their specific issues that you might like to speak about?

Mr PILGRIM: There are specific issues, but under the OH&S Act they comply with a lot of those specific areas. We also have a safety officer who works at Port Macquarie-Hastings Council. Policies and safe working method statements have been produced for particular activities at the cemeteries.

The Hon. KAYEE GRIFFIN: Once a deceased person enters either the cemetery or the crematorium does council staff have complete control or are funeral directors and their staff also involved?

Mr PILGRIM: It is a bit of a dual effort. We lift the coffin into the chapel area first. The funeral director is involved with organising the funeral side of it. Once that is complete we remove the body and put it into the cremator.

The Hon. KAYEE GRIFFIN: Does the same sort of thing happen with burials? Is there a mix?

Mr PILGRIM: Similar. We will organise the digging component and the funeral director will control the actual activity. Then we will backfill.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: We have heard evidence about problems up Cessnock way about the smell of the crematorium and the number of bodies being cremated, which is a council issue. Have you had any similar problems and, if so, what do you do about them?

Mr PILGRIM: We have had not had any issues with emissions. We are reasonably lucky in our location. Our closest residents would be 500 or 600 metres away. We control the way we perform our cremations.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: There was some evidence about the odour and that what comes out depends on the temperature of the incinerator. Do you have it higher to change the composition of what goes up the stack?

Mr PILGRIM: It is a different routine cremating a larger person to a smaller person. It is not remote control, but they need to be vigilant throughout the whole cremation operation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is the different temperature of the cremation a different cost?

Mr PILGRIM: It would be, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It costs more to make it hotter?

Mr PILGRIM: Correct, more gas.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is that a significant cost in the process?

Mr PILGRIM: It is. Again, I have figures to represent about 3 per cent of the cremation is the gas cost.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Quite a lot.

Mr PILGRIM: Yes.

CHAIR: That completes our questions. We have asked a lot more than you might have expected. You have offered to give us some more detail. Probably the best way to do that is for the staff to contact you when we have the transcript available, which makes it clear to us and we can then talk to you about what you might provide. If there are confidentiality issues you can make that clear. We are very grateful for your contribution. As I said earlier, you are the only local government representatives we have spoken to. We may speak to more later. You have been able to give us a very useful snapshot.

(The witnesses withdrew)

SUSAN ELIZABETH HARRIS, Dental Therapist-Dental Manager, Durri Aboriginal Corporation Medical Service, 1 York Lane, Kempsey, affirmed and examined:

CHAIR: Ms Harris, as we have you here we thought we would ask you whether you had any comments on funeral services for Aboriginal people.

Ms HARRIS: I was only really aware of the inquiry two weeks ago when I was invited to address the Committee. I have been to one staff meeting with Aboriginal staff. I raised the issue at a staff meeting. I did not get a lot of comments. I just asked people whether they would mind putting a comment in writing so I could take it to the Committee. I did not get any written comments. But just from talking to staff and to Aboriginal people, I think they have the same concerns as the general population, in that they are very expensive. I think a lot of people have to go into debt to pay for those services up front. But again, I am sorry, as I cannot really comment on it.

CHAIR: It was a bit cheeky of us to add this issue. Because we have mixed the two inquiries here and elsewhere, we thought that if there were any comment it would be worthwhile getting it. If anyone does get back to you in writing we would love you to send it on.

Ms HARRIS: I certainly will.

CHAIR: We did get a lot of information earlier on from the people from Hastings council. We probably have more knowledge of funeral services in this area than in any other part of Australia. We have your statement. Thank you very much for coming along and for participating today.

Ms HARRIS: Thank you.

(The witness withdrew)

(The Committee adjourned at 4.01 p.m.)