



AUSTRALIAN
FUNERAL
DIRECTORS
ASSOCIATION

PUBLIC



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*"Promoting
professional
funeral
standards"*

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Limited

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SUBMISSION TO –

Standing Committee on Public Administration and
Finance Inquiry into the Transfer of Management of the
Fremantle Cemetery to The Metropolitan Cemeteries
Board.

On Behalf of the

Australian Funeral Directors Association

Bernardine Brierty

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Division)**

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1.

The Australian Funeral Directors Association (W.A. Division) wishes to make a submission specifically to 1(c) ,1(d) and 1(e) in your terms of reference

1(c) “ the process of consultation and decision making that gave rise to the decision.”

The Australian Funeral Directors Association (AFDA) is the peak industry body in Western Australia with regard to funeral directing. Our association members conduct over 80% of the funerals held in Western Australia. The core of our policy is to provide quality funeral service. We see our involvement in the development of cemeteries as essential to our ability to provide the high standard of service expected by our clients.

In February 2002 we became aware that the State Government through the Department of Local Government was reviewing the structure of the Metropolitan Cemeteries Board and the Fremantle Cemetery Board. At our instigation a delegation of three met with a representative who collated information for the review committee to ascertain the direction of the review. Subsequently a written submission to the Department of Local Government was forwarded in March 2002.

Since that time there has been no formal approach to our association for further comment. It was with surprise that we learnt informally in May 2003 that the Fremantle Cemetery Board (FCB) would be subsumed into the Metropolitan Cemetery Board (MCB). It is difficult to imagine why such a

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significant decision was made without informing or consulting the parties most affected.

The AFDA did issue a press release reiterating its concerns. To this day a press release by The Minister for Local Government is the only recognition of our concern. The Metropolitan Cemetery Board did subsequently provide an information session.

As an association we regret the procedures used. We feel a general forum to discuss the government proposal would have been appropriate and beneficial and that our insight as users of these facilities would have assisted in the decision process.

The lack of consultation afforded us raises issues within our association, specifically, was the original submission tended by the AFDA given consideration. With observance to your terms of reference 1(c) it is clear from our perspective that there was no consultation process, therefore, one ponders how the decision making process can be substantiated.

1(d) “ testing the claims of improved efficiency and elimination of duplication asserted by the Minister for Local Government in support of the decision to transfer management of the Fremantle Cemetery to the Metropolitan Cemeteries Board, against counterclaims of reduced competition and increased costs.”

3.

While the Minister for Local Government may have asserted improved efficiency and elimination of duplication as reasons to support the amalgamation, as an association we question where duplication may have occurred as both boards worked independently and were financially self sufficient.

As users of the facilities we acknowledge both Boards have provided very adequate servicing and have planned for future needs. It is our concern that without the element of competition, which is an issue of importance to all industries:

- a) can we expect costs to be reasonable ?
- b) increases to be kept within CPI?
- c) future development to continue satisfying the needs of the community?
- d) a diversity of options for the memorialisation of the deceased be made available to the community?

Since the establishment of both boards, the MCB in October 1988 and the FCB in 1989, the people of Perth have benefited from the healthy competition generated. Previous to this, under the Karrakatta Cemetery Trust, it can be noted that average annual price increases for cremation fees between 1980 - 1989 were at 12.7%. With the introduction of both Boards the average annual price increase between 1990 – 1999 was reduced to 6.4%. Similar price comparisons are evident when analysing the Grants of Right of Burial. This is a reasonable indication that healthy competition between the newly formed boards was of advantage to the community.

4.

There is no criticism of the MCB or the FCB and their staff. On the contrary, both Cemetery Boards have in the past provided opportunities for dialogue which have inevitably meant that the families we care for have received the best service possible. We realise in a commercial world there are no guarantees. In a world without competition, there are no boundaries.

The amalgamation of both Boards reduces the choice for consumers and the opportunity for an array of alternative services may be eliminated. Consumers are both the funeral industry and the wider community.

1(e) “the impacts upon the community served by the Fremantle Cemetery if the transfer of management proceeds”.

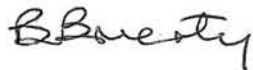
This association has a concern that the amalgamation of the two boards may give rise to a streamlining of any considerations on reclamation or resumption of existing vested land at the Fremantle cemetery, thus reducing future burial site availability to the community served by this facility. A distinct lack of foresight from previous governments over many years has left the community with very few options for earth burials in close proximity to existing metropolitan residential areas. The decision to include undeveloped land at metropolitan cemeteries in the governments “Bush Plan” strategy a couple of years ago, has reduced burial site availability at Midland, Guildford and Pinnaroo cemeteries. The community, especially the elderly, needs to have easy access to cemeteries and memorial sites on an ongoing basis. Any excising of land from the Fremantle cemetery would further exasperate this worsening situation.

5.

As the major consumers of these facilities, the lack of consultation is not only disappointing, it is frustrating to an association which prides itself on representing members. When consultation does not exist it prevents us performing a key role as the industry representative. Unfortunately the AFDA's concerns toward possible unsubstantiated increases and the negative aspects of a monopoly have not been alleviated.

The AFDA welcomes your questions and looks forward to the findings of the Standing Committee.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'B Brierty'.

Bernardine Brierty

President

Australian Funeral Directors Association (WA)

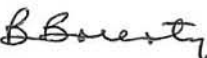
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Attachment

Included is a copy of the original submission presented in March 2002. The following note applies to the section headed "Price to Consumers pg2".

PLEASE NOTE that the Metropolitan Cemetery Board was formed 1 October 1988. Prior responsibility for the Karrakatta Cemetery was with the Karrakatta Cemetery Trust.

Therefore the only figures in the table attached with true relevance are 1990-1999.


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COPY

March 2002

SUBMISSION TO THE DEPARTMENT OF LOCAL GOVERNMENT RE CHANGES TO THE STRUCTURE OF CEMETERIES IN THE PERTH METROPOLITAN AREA

The Australian Funeral Directors Association Western Australian Division (AFDA) wishes to submit this report on the State Government's Machinery of Government investigation as it relates to the structure of cemeteries in the Perth metropolitan area.

The AFDA is the peak industry body in Western Australia with regard to funeral directing. Its members conduct some 80% of the funerals that are held in Perth. The AFDA sets the standard for funeral directing in terms of the quality of funeral services provided to the people of Western Australia. It also has a critical role in the operation and development of cemeteries. The funeral director is the client of each of Perth's cemetery boards, and our Association represents the vast majority of these individual firms.

The AFDA understands that the State Government, through the Department of Local Government, is reviewing the current structure with regard to the Metropolitan Cemeteries Board (MCB) and the Fremantle Cemetery Board (FCB). It is also understood that three possibilities are being considered:

- The amalgamation of the MCB and FCB into one statutory authority
- The absorbing of both statutory authorities into the Department of Local Government
- Leave the structure as it is now

The AFDA is strongly opposed to an amalgamation of the two authorities and to absorbing them into the Department of Local Government. Of the three possibilities being considered, the only possibility that this Association supports is that of leaving the structure as it is now, with the MCB and the FCB operating as it currently does. Our arguments for this opinion follow.

The key to having two competing boards is that of the public benefit that derives from having this competition. This public benefit can be assessed in terms of a number of criteria.

Quality of Service

Having competing cemeteries is beneficial to the Perth Community in terms of ensuring that the quality of service is maintained and enhanced. Since there have been two competing boards in Perth, the level of service provided to funeral directors and to the public has increased enormously. These improvements have been in the areas of expanded services, lower cost and more customer focus.

Price to Consumers

The FCB was established in 1989. Since it was established, the effect of having competition in terms of prices has been substantial. A listing of prices charged by the MCB for major items at Karrakatta since 1970 is attached.

From these figures it can be noted that, since the advent of the FCB in 1989, the average annual price increase has been substantially reduced. The following table shows the average annual increase in prices of the major expenditure items at Karrakatta Cemetery in decades.

ITEM	AVE ANNUAL PRICE INCREASE 1970 -1979	AVE ANNUAL PRICE INCREASE 1980 - 1989	AVE ANNUAL PRICE INCREASE 1990 – 1999
Cremation fee	12.7%	12.7%	6.4%
New lawn grave	57.6%	10.0%	6.4%
Re-opened grave	26.9%	11.3%	4.0%

Competition, particularly in terms of cremation fees, has been most beneficial to the Perth community, the annual increase in the cost of cremation nearly halving since the two independent boards have been in place.

Choice of Services

Competition has improved the range of cemetery services available to the Perth community. Over the past 12 years, the variety of services provided by both cemetery boards has expanded substantially. Some specific examples include:

- Modern cremation facilities at both Karrakatta and Fremantle cemeteries
- The Butterfly Garden at Karrakatta
- The recent launch of Memories E-ternal
- Mausoleum at Karrakatta, and one in the planning for Fremantle
- Central committal facilities at both cemeteries
- Garden chapel at Karrakatta
- Enhanced car parking facilities
- Tasteful and useful brochures and other information available to families
- Improved catering facilities
- Lakes memorialisation areas at Fremantle
- The abolishment of collection fees for ashes at Fremantle (a huge “bug bear” for both bereaved families and funeral directors)
- Expanded and more attractive memorialisation at both cemeteries

Having competing cemetery boards, particularly for cremation and memorialisation, has been a prime driver in both cemeteries making substantial improvements to their cemeteries and in the services that they provide. Competition has driven innovation, a situation that we wish to maintain.

Stakeholder Input

Both Cemeteries Boards have been, in recent times, very amenable to seeking the input of stakeholders, including the funeral industry, in terms of their operations and enhancements. The result has been an enhanced level of service to the Perth Community and to the funeral directors. We have been able to discuss issues pertaining to the administration of funerals and the provision of services in a progressive and positive manner with both Boards and with other stakeholders, including clergy and celebrants.

Over the past three years, both Boards have conducted training sessions for funeral directing staff on the by-laws and other regulations for the benefit of funeral directors and cemetery clients.

The need for each of the Cemeteries Boards to keep in touch with their stakeholders and work with them is important in the provision and enhancement of quality cemetery services. Competition is a key driver of this need.

Over a period of many years, this Association has developed a strong and harmonious relationship with both cemetery boards, and this is a relationship that we wish to maintain and further develop.

National Competition Policy

As an Association of competing funeral directing businesses, we believe that competition benefits the consumer. As consumers of funeral and cemetery services, the Perth community has over the past 12 years benefited from having competition for cemetery services. The public benefit of competition has been substantial for the reasons described above. We concur with the Federal Government's National Competition Policy and would like to see that competition in the provision of cemetery services be maintained.

Conclusion

Competition in the provision of cemetery services in the Perth community has ensured that the level of service provided is of a very high standard. Both Cemeteries Boards are professionally run, have a keen focus on providing excellent customer service, and do so at minimum cost to the public. Both Boards are self-funding, and there is no major financial drain on the public purse to the best of our understanding.

The removal of the element of competition would be detrimental to the Perth Community. Our fears are that:

- The lack of drive to enhance customer service will result in a stagnation of services
- That the cost of cemetery services will increase due to the lack of competition
- That the increasing array of services and the ever growing needs of the Perth community will not be as well looked after without competition driving innovation

We feel very strongly that the public benefit derived from competition between the two boards far outweighs any minimal cost saving derived, if any, from having just one board. ***The current structure for the provision of cemetery services works very well. It is not broken – it does not need fixing.***

Mark Purslowe
President WA Division
AFDA Ltd