

## Licence conditions C - pricing transparency

The Interment Industry Scheme (**Scheme**) introduces the Licence Conditions for Operators of Cemeteries and Crematoria (**Conditions**) including mandatory measures (Conditions C.1 to C.2) to improve pricing transparency in the market for burials, ash interments and cremations, by regulating how pricing and products are disclosed to customers.

These conditions implement recommendations from two recent reviews into the cemetery sector. A [statutory review of the Cemeteries and Crematoria Act 2013](#) recommended improvements to transparency using an itemised pricing template to enable customers to compare products and contribute to pricing affordability. Similarly, the [Independent Pricing and Regulatory Tribunal \(IPART\) Review of the costs and pricing of interment in NSW](#) recommended pricing transparency as a type of 'competition by comparison' that will help customers understand their choices.

The IPART report recommended that operators be required to publish itemised prices for each component of a basic interment service and provided an example template, which CCNSW is adopting with slight amendments after testing it with operators.

### Who is required to meet these requirements?

All operators who hold a Category 1 or 2 licence will be required to comply with Conditions C. See our fact sheet on licensing and categorisation [on our website](#) for more information on licence categories.

C. Pricing transparency	Licence condition	Category 1	Category 2 (including crematorium operators)	Category 3	Category 4 (caretaker)
	C.1	Yes	Yes	No	No
	C.2	Yes	Yes	No	No

### Licence conditions summary

Please note this is a summary of the proposed Scheme and licence Conditions. For more details read the Licence Conditions for Operators of Cemeteries and Crematoria [on our website](#).

#### C.1 Operators must publish standardised price breakdowns of their basic interment products

New pricing disclosure requirements will require operators to make publicly available the pricing breakdowns of the least expensive burial, ash interment and cremation only products offered at

each of their sites, in a way that is clear and easy to find. Operators are required to publish their existing least expensive products and are not required to create any new products.

These least expensive products will be called a Basic Adult Burial, a Basic Ash Interment (burial or on-site storing of ashes) and a Basic Cremation. Standalone crematoria and other operators who offer a Basic Cremation must publish a price breakdown for that service. Other operators may also offer a Basic Cremation, and if so must also publish a price breakdown for that product.

The Basic Adult Burial is defined as the least expensive available bodily interment package (including the interment right and the burial). The Basic Ash Interment is defined as the least expensive available ash interment package, including the interment right and the placement/burial of ashes). The Basic Cremation is defined as the least expensive cremation only package.

Operators must show the pricing of these products in each place of business, and online if they have a website.

Operators must use CCNSW's Operator Price Breakdown template, which is available to view [on our website](#), to set out a breakdown of the basic prices for the Basic Adult Burial and Basic Ash Interment. The template contains an itemised list of all the components of an interment service, by reference to specified definitions to ensure consistency of disclosure across operators. The template includes components such as administration, maintenance, excavation and burial. A similar Price Breakdown template will be developed for the Basic Cremation, in consultation with crematoria operators, and published on the CCNSW website.

Where an element of the pricing breakdown does not apply, for example, not offered by an operator, it can be marked as not applicable.

Operators may include additional information in the template. For example, operators who discount some parts of the product, must show the discount and the basis of the discount. This would include situations where council operators offer interments at a discount rate to local ratepayers. Operators are also able to add in any extra fees that they charge – again using the council example, some councils may charge an out of area fee to customers that do not live in the council area.

## **C.2 Basic price breakdowns need to be provided to customers before contracts are signed**

Operators must make customers aware of their least expensive (basic) products before customers sign a contract. This will allow customers to understand the price and components of the least expensive option offered at that cemetery, and how it differs from the package they have chosen to purchase (if different).

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## **How will CCNSW support operators?**

CCNSW has developed the Operator Price Breakdown Template for operators to use to break down their basic burial and ash interment prices, and will provide a guide for how to use this template along with other explanatory material to support operators to comply with Conditions C.

CCNSW will refine this template for use for the Basic Cremation product.

Conditions C will commence on 1 July 2024, in recognition that some operators have long timeframes required to approve any changes to their pricing (in particular councils). This timeframe for implementation of the pricing requirements takes into account the time for operators to understand and adjust their pricing structures as required.

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## Relevant FAQs

### What items need to be included in the price of a Basic Adult Burial and Basic Ash Interment?

Operators will be expected to provide a breakdown of their Basic Adult Burial and/or Basic Ash Interment using the Operator Price Breakdown Template. The template includes:

- total cost of package for pre-need and at-need purchase
- a breakdown of all service components
- specifications (e.g. number of interments)
- interment type and length
- religious, cultural or community specific requirements specified in a separate line (if included in the basic product)
- other components (e.g. funeral service, catering).

Memorialisation may only be included as part of the Basic Adult Burial or Basic Ash Interment if it is included in the operator's basic interment offering. Where this is a third party arrangement or the customer is expected to purchase the memorial, this should be stated and the price will be marked as not applicable.

### What items need to be included in the price of a Basic Cremation?

If Operators offer a cremation only product, they will be expected to provide a breakdown of their Basic Cremation using the price breakdown template (which will be finalised for the Basic Cremation after further consultation with operators).

The Basic Cremation breakdown is likely to include:

- mortuary fee
- transportation fee
- cremation fee

### What if someone doesn't want the Basic Adult Burial?

They will still need to be provided the price breakdown for the Basic Adult Burial which will allow them to compare the cost of basic burials across multiple operators. If a customer doesn't want a basic burial, they must also be provided with a quote for the products and services they want to purchase.

### What if funeral directors add a percentage to operator costs when they invoice customers?

While funeral directors are able to set charges for their services, they should not add a percentage charge to cemetery or crematoria costs. If this occurs it should be reported to NSW Fair Trading.

### Can the price for a Basic Adult Burial, Basic Ash Interment or Basic Cremation be fixed by a cemetery/crematorium operator for a period?

CCNSW will not be fixing the prices set by most operators and will only require pricing to be in the approved format and provided to CCNSW as specified for transparency purposes.

The exception is Crown cemetery operators, whose prices are reviewed by CCNSW.

Operators can choose to set their prices periodically, there is no requirement or prohibition in the scheme.

If a contract is being entered into pre-need the contract specifically provides that prices may vary.

If a contract is being entered into at need – the prices included in the contract are the prices to be paid. An operator must honour those prices.

### Will pricing transparency rules apply to existing interment right agreements or will they only be prospective?

Pricing transparency requirements are not retrospective and do not apply to interment rights contracts already entered into between an operator and a customer, prior to the commencement of the Interment Industry Scheme.

### How does the pricing template work? What should an operator do if they do not provide certain components as part of the Basic Burial, Basic Ash interment service or Basic Cremation?

The Operator Price Breakdown template is intended to show the prices for the basic product in a consistent way, to drive transparency for customers. Recognising that every basic product may be slightly different, the template allows operators to include those components that make up part of their price, and identify those that are not applicable.

If an operator does not, for example, provide digging of the grave or memorialisation, this should be marked as not applicable or, if it is provided by a third party, that should be noted.

For each component, the template provides an explanation of the types of things that should be included, but there is also a column where an operator can specify which things are included in this component for them specifically.

### Why does the template reference 'maintenance in perpetuity' under the maintenance category when perpetual maintenance requirements are not being introduced at this stage?

This reflects the fact that by maintaining cemeteries now, while cemeteries are active, operators are also preparing for maintenance into perpetuity.

Some operators are voluntarily collecting funds specifically for perpetual maintenance and if so, this should be listed in the 'operator specific information' column of the table.

For best practice reasons, operators should be thinking about the maintenance costs of their cemeteries, and factoring it into their prices where possible, in preparation for the introduction of future licence conditions.

### Do religious requirements need to be included in the basic price breakdowns?

Religious requirements only need to be included in the basic product price breakdowns if those requirements are part of the basic product offered by that operator – e.g., the least expensive package offered by a cemetery or operator includes a specific religious requirement. This is not likely to be the case for most cemeteries.

The cost of meeting any religious, cultural or spiritual requirement does need to be broken down in the contract fees and charges (Condition A.2), in line with Principle 4 of the religious and cultural principles (E.1.4) and the Aboriginal cultural and spiritual principles (E.2.4), with an explanation of what the charges are for.

### How does an operator include the price of land for pre-existing cemeteries?

The requirement to include the price of land in the breakdown of the Basic Adult Burial or Basic Ash Interment will only apply to new cemetery developments.

### What if an operator only offers perpetual or only renewable services?

The Operator Price Breakdown template includes both options and it is up to the operator to complete either or both of these options as appropriate.

### If I do not have a website, do I need to create one to display pricing?

No. If you do not have a website you are not required to have one but must still display prices at each place of business. You must also provide your prices when meeting with potential customers offsite (such as at a person's home).

### How can pricing transparency and price comparisons work if some operators are offering 'hidden discounts' and others aren't?

The pricing template will require operators to add in a line to indicate any discount that is being offered, so that both actual and discounted prices can be compared.