



# Victoria Government Gazette

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## **Cemeteries and Crematoria Act 2003**

### **FEES AND CHARGES GUIDELINES**

(Section 42A)

I, Kym Peake, Secretary to the Department of Health and Human Services for the purposes of section 42A of the **Cemeteries and Crematoria Act 2003**, make the following guidelines for or with respect to fees and charges fixed by cemetery trusts for services. The guidelines provide an analytical and consultation process for Class A cemetery trusts that, in the opinion of the Minister for Health, is equivalent to a process for a regulatory impact statement.

#### **Guidelines for Class A cemetery trust fee setting**

##### **1. Background**

All public cemetery trusts in Victoria are self-funding statutory bodies that are required to set fees to fund their operating activities and to meet their perpetual maintenance obligations under the **Cemeteries and Crematoria Act 2003** (the Act). Section 39 of the Act provides cemetery trusts with the power to fix fees and charges for cemetery services.

These fees and charges must be submitted to the Secretary of the Department of Health and Human Services (the department), who may approve or disapprove a fee under section 40(2).

##### **2. Application**

These guidelines are made in accordance with section 42A(1) of the Act.

They apply to Class A cemetery trusts (trusts) and set out the steps trusts need to follow when seeking approval from the Secretary of a fee or charge, or a scale of fees and charges, for the introduction of new products or services<sup>1</sup> or for increases in existing fees above the Consumer Price Index (CPI).

These guidelines do not apply where a trust wishes to reduce or remove a fee or charge, or to increase the fee or charge in accordance with CPI.

##### **3. Developing fees and charges**

Trusts must undertake a public consultation process and provide the department with costing work sheets when seeking to increase fees above CPI or introduce new products and services. These requirements ensure that the basis for the determination of fees and charges is transparent and allows consumers an opportunity to provide trusts with feedback on proposed products, services and fees.

#### **Consultation requirements**

A number of factors influence trusts' decisions to vary existing fees or create new fees. Therefore, the type of consultation process necessary will vary depending on the type of fee being proposed.

Class A fee applications can be grouped into the following three categories:<sup>2</sup>

- Development of new products and services (specific).
- Development of new products and services (generic).
- Fee increases above the CPI due to higher input costs.

Each of these categories requires a different approach to stakeholder consultation, although each process will include a formal consultation period allowing for formal submissions. The consultation process for each category is set out below, as well as specific requirements for the formal consultation period.

<sup>1</sup> These could include memorial permit fees and other administrative fees.

<sup>2</sup> If a trust is unsure of the correct category for their proposed fee (for example, whether a new service is specific or generic), the trust should contact the Cemeteries and Crematoria Regulation Unit for advice on (free call) 1800 034 280.

**SPECIAL**

**Development of new products and services (specific)**

This category relates to the development of products and services specifically designed to meet the needs of particular cultural or religious groups. It focuses on targeted consultation with an identified group, for which the product or service is being specifically provided, rather than the community as a whole. However, trusts would normally consult with their community advisory committee.<sup>3</sup>

Trusts will need to undertake consultation during three phases of the product or service development project:

- Project initiation phase: Consultation with stakeholders might involve the identification and initial estimation of project costs as they relate to the design and material aspects of the proposed product or service. An initial pricing framework might be identified and discussed with key stakeholders to identify likely demand for the proposed products or service.
- Project design phase: Costing and pricing are refined and adjusted where necessary, in consultation with key stakeholders where appropriate.
- Formal consultation period: This should occur prior to the final construction/development of the product or service, at the point when the true cost of construction/development can be determined. Trusts should invite stakeholders to provide feedback on the proposed fees by whatever method the trust considers appropriate (for example, mail, email or social media).

**Development of new products and services (generic)**

This category relates to the development of new products and services available to the general public, including the development of new interment sites within a cemetery.

As these products and services are available to the public as a whole, trusts will not be in a position to identify or consult with any particular sector of the community during the early stages of planning for these types of development. However, the trust's community advisory committee should be consulted during the planning of such developments.

The formal consultation period will occur once the planning of the product or service is complete but before construction or development commences. At this point, the trust should seek feedback on the proposed pricing through advertising in local newspapers in accordance with the requirements set out below, setting a closing date for submissions no less than four weeks from the date of the advertisement.

**Fee increase above CPI due to higher input costs**

This category relates to increases in generic cemetery fees above the CPI as a result of increased external and internal input costs. These increases could include changes to suppliers' costs, adjustment of perpetual maintenance contributions and other cost drivers that impact on price.

This type of fee increase will require a single stage of formal public consultation across the community. Trusts should seek feedback on their proposed fee increases by advertising in local newspapers, setting a closing date for submissions no less than four weeks from the date of the advertisement.

**Formal consultation requirements that apply to all fee categories**

The process for each fee type involves a formal consultation period, once the proposed fees have been determined. During this formal consultation period, trusts are to:

- Provide sufficient information for stakeholders to be able to comment on the proposed fees, including the justification for each proposed fee.<sup>4</sup>

<sup>3</sup> Section 18D of the Act requires all Class A cemetery trusts to have a community advisory committee.

<sup>4</sup> If appropriate, this may be contained in the notice or invitation seeking submissions. Alternatively, the notice/invitation may advise how further information may be obtained.

- Ensure that the request for submissions and any further information is accessible to stakeholders without internet access.
- Give genuine consideration to the issues raised in a submission.
- Provide a response to all submissions with an explanation why the issues raised have or have not been addressed in the final fee pricing.

#### **Costing process**

Trusts are required to provide the department with detailed costing worksheets identifying the key cost drivers underpinning the proposed fee. These cost drivers are drawn from the Common Chart of Accounts used by each Class A trust.<sup>5</sup>

Instructions for the use of the Common Chart of Accounts and the preparation of costing worksheets are detailed in the Common Chart of Accounts.<sup>6</sup> This information will assist trusts to develop their fees using a uniform approach that can be easily assessed and compared between trusts.

Once fees are approved, trusts are expected to periodically reconcile the costs upon which their fees are based with their actual costs, using the costing worksheets, to ensure that the approved fees reflect the requirements of the Department of Treasury and Finance's cost recovery guidelines.<sup>7</sup>

#### **4. Seeking approval for fees and charges**

When applying to the Secretary for approval of fees and charges, trusts will need to provide the detailed costing work sheets (as described above) and evidence of the consultation undertaken.

The evidence of the formal consultation period will need to include:

- A copy of the notice or invitation, with details of how and when it was made available; and
- A copy of the submissions received and the responses provided.

Where consultation is required in the earlier stages of the proposal (in addition to the formal consultation period), trusts are to include a letter documenting the steps taken, the issues discussed and the outcomes of this consultation.

The department may from time to time seek additional information from trusts to support their fee applications.

Dated 16 February 2016

KYM PEAKE  
Secretary of the Department of Health and Human Services

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<sup>5</sup> The Common Chart of Accounts is used by Class A cemetery trust to provide a range of data to government, including financial reports and mid and full year financial disclosure reports.

<sup>6</sup> <http://docs.health.vic.gov.au/docs/doc/Cemeteries-Common-Chart-of-Accounts-user-manual>

<sup>7</sup> <http://www.dtf.vic.gov.au/Publications/Victoria-Economy-publications/Cost-recovery-guidelines>

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