



**SECOND SESSION OF THE THIRTY-SIXTH PARLIAMENT**

**REPORT OF THE  
STANDING COMMITTEE ON PUBLIC  
ADMINISTRATION AND FINANCE  
IN RELATION TO THE  
TRANSFER OF MANAGEMENT  
OF THE FREMANTLE CEMETERY  
TO THE METROPOLITAN CEMETERIES BOARD**

Presented by Hon Barry House MLC (Chairman)

Report 4  
December 2003

## STANDING COMMITTEE ON PUBLIC ADMINISTRATION AND FINANCE

### **Date first appointed:**

May 24 2001

### **Terms of Reference:**

The following is an extract from Schedule 1 of the Legislative Council Standing Orders:

#### **“2. Public Administration and Finance Committee**

- 2.1 A *Public Administration and Finance Committee* is established.
- 2.2 The Committee consists of 7 members.
- 2.3 The functions of the Committee are -
  - (a) to inquire into and report on the structure, efficiency, effectiveness, and economic management of the system of public administration;
  - (b) to consider and report on any bill or other matter referred by the House;
  - (c) to inquire into and report on practice or procedure applicable or relating to administrative acts or decisions (either generally or in a particular case without inquiring into or reporting on the merits of the case);
  - (d) to inquire into and report on the existence, adequacy, or availability, of merit and judicial review of administrative acts or decisions;
  - (e) to consult regularly with the Parliamentary Commissioner for Administrative Investigations, the Auditor General, the Public Sector Standards Commissioner, the Information Commissioner, and any person holding an office of a like character.
- 2.4 Subject to subclause 2.3 (b), the following are excluded from inquiry by the Committee -
  - (a) the Governor’s establishment;
  - (b) the constitution and administration of Parliament;
  - (c) the operations of the Executive Council;
  - (d) a decision made by a person acting judicially;
  - (e) a decision made by a person to exercise, or not exercise, a power of arrest or detention.”

### **Members as at the time of this inquiry:**

Hon Barry House MLC (Chairman)	Hon Dee Margetts MLC
Hon Ed Dermer MLC (Deputy Chairman)	Hon Ken Travers MLC
Hon Murray Criddle MLC	Hon Sue Ellery MLC
Hon Simon O’Brien MLC (as substitute member for Hon John Fischer MLC)	

### **Staff as at the time of this inquiry:**

Lisa Hanna, Advisory Officer (General)	Sarah Kearney, Committee Clerk
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**EXECUTIVE SUMMARY AND RECOMMENDATIONS FOR THE**  
**REPORT OF THE STANDING COMMITTEE ON PUBLIC ADMINISTRATION AND FINANCE**  
**IN RELATION TO THE**  
**TRANSFER OF MANAGEMENT OF THE FREMANTLE CEMETERY TO THE METROPOLITAN**  
**CEMETERIES BOARD**

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**EXECUTIVE SUMMARY**

- 1 On May 13 2003, the Government announced that the management of the Fremantle Cemetery would be transferred to the Metropolitan Cemeteries Board from July 1 2003. All metropolitan cemeteries are now managed by one single entity.
- 2 On September 17 2003, the Legislative Council directed the Standing Committee on Public Administration and Finance (Committee) to inquire into and report on the transfer, from July 1 2003, of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board.
- 3 In addressing each of the terms of reference established by the Legislative Council for the inquiry, the Committee observes the following:
  - a) When the Metropolitan Cemeteries Board was established to manage cemeteries in the metropolitan area the Fremantle Cemetery was not included in its responsibilities. The Fremantle Cemetery Board was established to manage the Fremantle Cemetery.
  - b) Both the Fremantle Cemetery Board and the Metropolitan Cemeteries Board were in a sound financial position at the time of the decision to transfer management of the Fremantle Cemetery.
  - c) Whilst the views of key parties on the issue of the management of metropolitan cemeteries had been canvassed previously, in light of the fact that Government had made a decision in July 2002 to retain the Fremantle Cemetery Board, further consultation with the industry, the Fremantle Cemetery Board and the Metropolitan Cemeteries Board on the issue should have been undertaken by the Government.
  - d) The Committee cannot make a definitive finding in relation to the claims of improved efficiency and elimination of duplication asserted by the Minister for Local Government and Regional Development 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. Sections 7.1 to 7.5 of the report detail evidence of savings. In the Committee's view, it is extremely difficult, if not impossible, to measure or predict future rises in costs and fees of cemetery services in the current situation, let alone if the transfer of management of the Fremantle Cemetery had not taken place. Based upon the available information, the Committee was unable to make a direct comparison between the range of operations of the former Fremantle Cemetery Board and those of the Metropolitan Cemeteries Board. Each board has differing responsibilities.

- e) There is no evidence, at this stage, to conclude that the community served by the Fremantle Cemetery has been either positively or negatively impacted upon as a result of the transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board.

**REPORT OF THE STANDING COMMITTEE ON PUBLIC ADMINISTRATION AND FINANCE**

**IN RELATION TO THE**

**TRANSFER OF MANAGEMENT OF THE FREMANTLE CEMETERY TO THE METROPOLITAN CEMETERIES BOARD**

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**1 REFERENCE**

1.1 On September 17 2003, on motion by Hon Simon O'Brien MLC, the Legislative Council ordered that the Standing Committee on Public Administration and Finance (Committee) do inquire into and report on the transfer, from July 1 2003, of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board.<sup>1</sup>

1.2 The terms of reference established by the Legislative Council for the inquiry are:

(1) *That the Standing Committee on Public Administration and Finance be directed to inquire into and report on the transfer from 1 July 2003 of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board, with particular reference to -*

(a) *the history of the Fremantle Cemetery Board;*

(b) *the respective financial positions of each authority at the time of the decision to transfer management of the Fremantle Cemetery;*

(c) *the processes of consultation and decision-making that gave rise to the decision;*

(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; and*

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<sup>1</sup> Western Australia, Legislative Council, *Parliamentary Debates (Hansard)*, September 17 2003, pp11338-11344.

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

(2) *That the committee do report not later than 30 November 2003.*

## **2 INQUIRY PROCESS**

- 2.1 The Committee advertised for written submissions in *The West Australian* newspaper on September 27 2003. The Committee also wrote to key stakeholders inviting them to make a submission addressing the terms of reference for the inquiry. A list of the people to whom the Committee wrote is attached as Appendix 1.
- 2.2 The Committee received 8 submissions. A list of the written submissions accepted by the Committee is attached as Appendix 2.
- 2.3 The Committee appointed a subcommittee comprising Hon Sue Ellery MLC (Convenor) and Hon Simon O'Brien MLC to conduct the inquiry.
- 2.4 The subcommittee held public hearings on November 3 2003. A list of witnesses who gave evidence to the subcommittee is attached as Appendix 3.
- 2.5 The Committee thanks the individuals and organisations that provided evidence and information for the inquiry.
- 2.6 The Committee sought and was granted an extension of time to report until December 12 2003.

## **3 BACKGROUND TO THE INQUIRY**

- 3.1 On May 13 2003, Hon Tom Stephens MLC, Minister for Local Government and Regional Development (Minister) announced that the management of the Fremantle Cemetery would be transferred to the Metropolitan Cemeteries Board from July 1 2003.<sup>2</sup>

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<sup>2</sup> Media Release, Hon Tom Stephens MLC, Minister for Local Government and Regional Development, *Single Board to Manage All Metropolitan Cemeteries*, May 13 2003, <http://www.mediastatements.wa.gov.au/media/media.nsf/d3ea7ba6c70aeaae48256a7300318397/a0ca22faa779df9348256d2500288afc?OpenDocument>, (current at September 25 2003).



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## The Cemeteries Boards

### *Metropolitan Cemeteries Board*

- 3.2 The Metropolitan Cemeteries Board was created on October 1 1988 under section 7 of the *Cemeteries Act 1986* to manage cemeteries in the metropolitan area, excluding the Fremantle Cemetery. The Metropolitan Cemeteries Board manages Karrakatta Cemetery, Pinnaroo Valley Memorial Park, Guildford Cemetery, Midland Cemetery and Rockingham Regional Memorial Park, which is currently under development.<sup>3</sup>
- 3.3 The Metropolitan Cemeteries Board is a self-funding state government statutory authority. It is governed by the *Cemeteries Act 1986*, the *Cremation Act 1929*, and by-laws that were gazetted in 1992.<sup>4</sup>

### *Fremantle Cemetery Board*

- 3.4 The Fremantle Cemetery Board was created on January 1 1989 under section 7 of the *Cemeteries Act 1986*. It was created as a regulatory authority with the primary function of administrating and regulating the Fremantle Cemetery.
- 3.5 The Fremantle Cemetery Board was a self-funded state government statutory authority. It was governed by the *Cemeteries Act 1986*, the *Cremation Act 1929* and the Fremantle Cemeteries Board by-laws that were gazetted in 2001.<sup>5</sup>

## Government policy

- 3.6 The transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board is part of the Gallop Government's policy of improving efficiencies and eliminating duplication in the public service (refer to paragraphs 3.9 to 3.12).<sup>6</sup> All major metropolitan cemeteries are to be managed by one single entity. The specific reasons provided by the Government for the merger are noted at paragraph 3.13 and 3.14 below.
- 3.7 The Minister stated that the potential for considerable savings and efficiencies, and reduction in duplication of services under a single cemetery structure, was identified by the Functional Review Taskforce in its report to the Government on December 2

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<sup>3</sup> Metropolitan Cemeteries Board Annual Report, 2002/2003.

<sup>4</sup> Id.

<sup>5</sup> [http://www.fcb.wa.gov.au/two/c\\_record.html](http://www.fcb.wa.gov.au/two/c_record.html), (current at October 8 2003).

<sup>6</sup> Media Release, Hon Tom Stephens MLC, Minister for Local Government and Regional Development, *Single Board to Manage All Metropolitan Cemeteries*, May 13 2003, <http://www.mediastatements.wa.gov.au/media/media.nsf/d3ea7ba6c70aeaae48256a7300318397/a0ca22faa779df9348256d2500288afc?OpenDocument>, (current at September 25 2003).

2002.<sup>7</sup> The Functional Review Taskforce followed the Machinery of Government Review.

- 3.8 The Committee was informed that the Functional Review Taskforce Report is a Cabinet in Confidence document and has not been publicly released. Each Minister has the responsibility to oversee the Report's recommendations relating to their portfolio.<sup>8</sup>

*Machinery of Government Report*

- 3.9 The Machinery of Government Taskforce (MOG Taskforce) was established in March 2001 to assess the current state of government activities and to recommend proposals which would enhance the operation of the machinery of government.

- 3.10 The MOG Taskforce concluded that the number of overlapping statutory authorities in the state is excessive, and that the diverse and fragmented nature of the State's public sector compromises its ability to deliver services effectively and efficiently.<sup>9</sup> With the aim of improving the quality of service, flexibility and accountability of the public sector, the MOG Taskforce recommended structural reform, provided a set of principles to help guide reform and its implementation, and made proposals for the structural rearrangement of the proposed portfolio areas of Western Australian government.

- 3.11 Included in these proposals, the MOG Taskforce recommended that the independent status of the Fremantle and Metropolitan Cemeteries Boards should be considered in early 2002, as part of a comprehensive review of the structure, functions and relationships of the Department of Local Government and Regional Development.<sup>10</sup>

- 3.12 In line with the MOG Taskforce recommendation, a review of the Statutory Authority status of the Fremantle Cemetery Board and the Metropolitan Cemeteries Board was undertaken in December 2001 to mid 2002.

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<sup>7</sup> Id.

<sup>8</sup> Email from Karen Caple, Functional Review Implementation Team, Department of Premier and Cabinet, October 14 2003.

<sup>9</sup> The Machinery of Government Taskforce, *Government Structures for Better Results*, June 2001, p.ii.

<sup>10</sup> Ibid, pp161-162.

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### Reasons provided by Government for the transfer of management

3.13 The decision to transfer management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board was based on the following reasons:<sup>11</sup>

- to consolidate all cemeteries within the metropolitan region under one board to enable better coordination and planning for future growth;
- the rationalization resulting from the transfer of management of the Fremantle Cemetery should deliver savings and efficiencies and ensure that cemetery fees are fairly distributed throughout the metropolitan area; and
- there will be an increase in the level of service provided at the Fremantle Cemetery by the incorporation of additional services provided by the Metropolitan Cemeteries Board.

3.14 The Minister has stated that it is expected that the efficiencies gained by transferring management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board will create savings of \$600,000 in operating and administration costs a year.<sup>12</sup>

## 4 HISTORY OF THE FREMANTLE CEMETERY BOARD

4.1 As stated at paragraph 3.4, the Fremantle Cemetery Board was created in 1989 to administrate and regulate the Fremantle Cemetery. Prior to this, the management of the Fremantle Cemetery, which was opened in 1899, was the responsibility of the:

- i) Board of Management for the Cemetery at Fremantle from 1898 to 1964;<sup>13</sup> and
- ii) Fremantle City Council from 1964 to 1989. The Fremantle City Council was assisted by an Advisory Committee made up of members of other local authorities in the greater Fremantle district.<sup>14</sup>

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<sup>11</sup> As stated by in a letter from Hon Tom Stephens MLC, Minister for Local Government and Regional Development to Mr Ralph Fardon, July 31 2003, provided to the Committee by Mr Ralph Fardon at the hearing on November 3 2003.

<sup>12</sup> Media Release, Hon Tom Stephens MLC, Minister for Local Government and Regional Development, *Single Board to Manage All Metropolitan Cemeteries*, May 13 2003, <http://www.mediastatements.wa.gov.au/media/media.nsf/d3ea7ba6c70aeaae48256a7300318397/a0ca22faa779df9348256d2500288afc?OpenDocument>, (current at September 25 2003).

<sup>13</sup> Fremantle Cemetery Board Annual Report, 1990, p2.

<sup>14</sup> Id.

- 4.2 The Committee was informed by Mr Ralph Fardon, former member and chairman of the Fremantle Cemetery Board, that each of the governing bodies was responsible for conducting the self-funding facility in the total interests of the community, with emphasis on Fremantle and later the South West Region of the Metropolitan Area of Greater Perth.<sup>15</sup>
- 4.3 In 1986 a new Cemeteries Act was passed to replace the legislation of 1897. The *Cemeteries Act 1986* provides, among other things, that the Governor may establish a cemetery board to manage a cemetery or more than one cemetery.<sup>16</sup> This was not provided for in the old Act.<sup>17</sup> Following the passing of the new Act, in 1987, a Cemeteries Working Party was appointed by the Government of the day to consider the need, location, administration, coordination and funding of present and future cemetery and crematorium facilities in the Perth metropolitan area.<sup>18</sup>
- 4.4 A key recommendation of the Working Party was “*that a metropolitan cemeteries board be commissioned to administer all cemetery and cremation facilities and to take responsibility for planning and coordinating the development of new cemetery facilities in the metropolitan region*”.<sup>19</sup>
- 4.5 This recommendation was adopted and the Metropolitan Cemeteries Board was formed in 1988.<sup>20</sup> However, a number of local authorities considered that the Fremantle community and heritage interests would be best served by excluding the Fremantle Cemetery from the new Board. The Committee was informed that following representations from the Cities of Melville and Fremantle, the Town of East Fremantle and others in the Fremantle region, it was decided that the Fremantle Cemetery would be left under separate management. Thus, the Fremantle Cemetery Board was appointed.<sup>21</sup>
- 4.6 The Committee notes the view expressed by the Minister and the Metropolitan Cemeteries Board that there was no geographical justification for the existence of a separate board for the Fremantle Cemetery.<sup>22</sup>

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<sup>15</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p3.

<sup>16</sup> Section 7(1), *Cemeteries Act 1986*.

<sup>17</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p4.

<sup>18</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p2.

<sup>19</sup> Id.

<sup>20</sup> Id.

<sup>21</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p3.

<sup>22</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p3, and Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p5.

4.7 On July 1 2003, the Fremantle Cemetery Board was disbanded and the responsibility for the management of the Fremantle Cemetery transferred to the Metropolitan Cemeteries Board.

## 5 THE RESPECTIVE FINANCIAL POSITION OF EACH AUTHORITY AT THE TIME OF THE DECISION TO TRANSFER MANAGEMENT OF THE FREMANTLE CEMETERY BOARD

5.1 The major macro financial measures of the respective boards as at June 30 2002 and June 30 2003 are contained in the following table:<sup>23</sup>

Measure	Fremantle Cemetery Board		Metropolitan Cemeteries Board	
	2001/2002	2002/2003*	2001/2002	2002/2003
Total Income	2,853,673	3,042,734	8,518,024	9,165,431
Total Expenses	2,380,761	2,697,841	7,820,073	8,247,046
Net Profit	472,912	344,893	697,951	918,385
Total Current Assets	2,004,756	2,774,957	9,175,247	9,925,194
Total Non-current Assets	14,835,787	15,008,393	21,466,302	22,358,672
Total Current Liabilities	466,569	465,279	1,335,116	1,513,553
Total Non-current Liabilities	3,375,646	3,449,850	3,142,650	3,617,017
Other Reserves	864,392	855,766	6,395,556	6,466,683
Unappropriated Profits	6,908,175	7,261,694	19,768,228	20,686,613
Loan Borrowings WATC	2,229,933	2,050,724	0	0

\* note: the Fremantle Cemetery Board figures for 2002/03 are unaudited

### *Fremantle Cemetery Board*

5.2 For the year ended June 30 2002, the Fremantle Cemetery Board reported a net operating surplus of \$472,912. This is mainly attributable to the 14 percent increase in the number of funerals conducted during the 2001/2002 financial year.<sup>24</sup>

<sup>23</sup> Id.

- 5.3 For the year ended June 30 2003, the Fremantle Cemetery Board reported a net operating surplus of \$344,893.
- 5.4 The Committee notes that at the time the transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board was announced, the Fremantle Cemetery Board was in a sound financial position.
- 5.5 The Fremantle Cemetery Board had taken out a loan from State Treasury for construction of a crematorium. The loan was being reduced over the agreed term. Approval had also been granted for a loan to enable the construction of a mausoleum at the Fremantle Cemetery.<sup>25</sup>
- 5.6 The Fremantle Cemetery Board had a debt/equity ratio of 31.64 percent in 2000/2001.<sup>26</sup> The Committee has been advised that this high figure was due to a long repayment term and a small equity base.<sup>27</sup>

*Metropolitan Cemeteries Board*

- 5.7 For the year ended June 30 2002, the Metropolitan Cemeteries Board reported a net operating surplus of \$697,951.<sup>28</sup>
- 5.8 For the year ended June 30 2003, the Metropolitan Cemeteries Board reported a net operating surplus of \$918,385.
- 5.9 The Committee notes that at the time the transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board was announced, the Metropolitan Cemeteries Board was in a sound financial position.
- 5.10 The Metropolitan Cemeteries Board had a debt/equity ratio of 0.3 percent in 2000/2001.<sup>29</sup>

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<sup>24</sup> Fremantle Cemetery Board Annual Report, 2001/2002, p5.

<sup>25</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p3.

<sup>26</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p3. The debt equity ratio was based on 2000/2001 figures and was based on interest bearing liabilities divided by total equity.

<sup>27</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p3.

<sup>28</sup> Metropolitan Cemeteries Board Annual Report, 2002/2003.

<sup>29</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p3. The debt equity ratio was based on 2000/2001 figures and was based on interest bearing liabilities divided by total equity.

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**Committee Comment**

- 5.11 The Committee notes the view of the Minister that borrowings made by statutory authorities impact on the Government's borrowing ability.<sup>30</sup> As submitted by the Minister:

*It is very important to recognise that borrowings made by statutory authorities impact on the Government's ability to borrow for other pressing needs, like new police stations, schools and hospitals. The Fremantle Cemetery Board was intending to borrow a significant amount (approximately \$5 million) for the construction of the new mausoleum at Fremantle. Due to the amalgamation of the Fremantle Cemetery Board and the Metropolitan Cemeteries Board it is now likely that no or limited borrowings will be required to complete this important project.*

- 5.12 The Committee notes the view of Mr Fardon that:<sup>31</sup>

*... in this instance, and certainly in the case of local governments, there is no impact on the State's capacity to repay those loans, because the loans are being repaid with interest by the respective agencies and local governments. I cannot think that the amount of borrowing that the Fremantle Cemetery Board carried out to construct the new crematorium complex ... which was in the order of \$6 million, will impact on the State's ability to raise money, or, for that matter, affect the State's credit rating.*

## **6 THE PROCESSES OF CONSULTATION AND DECISION-MAKING THAT GAVE RISE TO THE DECISION**

### **Consultation**

- 6.1 Consultation on the issue of the management of metropolitan cemeteries occurred through the Machinery of Government Review and the subsequent review of the Statutory Authority status of the Fremantle Cemetery Board and the Metropolitan Cemeteries Board (refer to chronology attached as Appendix 4). The Committee was advised that submissions were received from the Metropolitan Cemeteries Board, the Fremantle Cemetery Board and the Australian Funeral Directors' Association (WA Division) (AFDA).<sup>32</sup>

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<sup>30</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003.

<sup>31</sup> Mr Ralph Fardon, *Transcript of Evidence*, November 3 2003, p6.

<sup>32</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p3.

6.2 The Metropolitan Cemeteries Board advised the Committee that:<sup>33</sup>

*The Machinery of Government Taskforce, followed by the Functional Review Taskforce, provided ample opportunity for Government and the community to submit their views on the structure of Government. MCB and FCB both made submissions through the Machinery of Government review process and both organisations were consulted by independent business consultants during that process. These submissions were taken into account during the Functional Review Taskforce process.*

6.3 The Metropolitan Cemeteries Board also advised the Committee of the consultation process undertaken by the Cemetery Working Party formed in 1987. This consultation led to a recommendation, amongst others, that a single cemetery board would best address the management and development of cemeteries and crematoria across the metropolitan region.<sup>34</sup> This recommendation was not adopted by the then Government, following political representations, which established the Metropolitan Cemeteries Board and the Fremantle Cemetery Board in 1988 and 1989 respectively (refer to paragraph 4.5).

6.4 It has been submitted to the Committee that the process of consultation that lead to the decision to transfer the management of the Fremantle Cemetery to the Metropolitan Cemeteries Board was 'poorly handled'. Reasons provided include:<sup>35</sup>

- a) Whilst the Fremantle Cemetery Board made a submission to the review of the Statutory Authority status of the Fremantle Cemetery Board and the Metropolitan Cemeteries Board, they were not provided an opportunity to consider or comment on the report.
- b) No formal response was provided to the Fremantle Cemetery Board submission.
- c) No attempt was made at securing community input to the assessment by the Functional Review Taskforce.
- d) There was no attendance for inspection of the Fremantle facility or meeting with the personnel.
- e) No direct Government request for local government's viewpoint was made.

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<sup>33</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p6.

<sup>34</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p6.

<sup>35</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p6, and Submission No 8 from Service Corporation International Australia Pty Limited, October 21 2003.



f) The Government overruled its initial decision made in July 2002 (refer to paragraph 6.6) for the Fremantle Cemetery Board to remain, without any further consultation with the funeral industry.

6.5 The AFDA submitted that from their perspective there was no consultation process and that they regret, as an association, the procedures used.<sup>36</sup>

*We [The AFDA] 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.*

### **Decision-making**

6.6 The Committee understands that 2 separate decisions were made in relation to whether the management of the Fremantle Cemetery should be retained by the Fremantle Cemetery Board or transferred to the Metropolitan Cemeteries Board:

a) The first decision was made on July 22 2002, prior to the Functional Review Taskforce reporting. The Government decided that the management of the Fremantle Cemetery would be retained by the Fremantle Cemetery Board.<sup>37</sup>

b) The second decision was made on March 31 2003, following the Functional Review Taskforce. The Government decided that management of the Fremantle Cemetery would be transferred to the Metropolitan Cemeteries Board.<sup>38</sup>

6.7 The Minister explained 2 two separate decisions were made, during debate on the referral of the inquiry to the Committee.<sup>39</sup>

*We as a Government had agreed to the argument that savings were to be made as part of the amalgamation. The first study that was done indicated some equivocation about which way to proceed and, on balance, Cabinet decided not to amalgamate the two boards. The second time around, a stronger argument by the functional review committee led to the cabinet decision to proceed with the*

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<sup>36</sup> Submission No 7 from Australian Funeral Directors Association (WA Division), undated, received October 24 2003, p2.

<sup>37</sup> Letter from Hon Tom Stephens MLC, Minister for Local Government and Regional Development, November 20 2003.

<sup>38</sup> Id.

<sup>39</sup> Hon Tom Stephens MLC, Minister for Local Government and Regional Development, Western Australia, Legislative Council, *Parliamentary Debates (Hansard)*, September 17 2003, p11339.

*amalgamation; hence the discrepancy between what the board was first told and what it was subsequently told. There were in fact two separate decisions.*

### **Committee Comment**

- 6.8 The Committee notes that the Government made a decision to retain the Fremantle Cemetery Board in July 2002, prior to the Functional Review Taskforce reporting.
- 6.9 The Committee notes that the Functional Review Taskforce, established in June 2002, did not undertake a consultation process. However, the views of the key parties had been previously canvassed by:
- a) the Cemetery Working Party in 1987; and
  - b) the Machinery of Government Taskforce and the subsequent review of the Statutory Authority status of the Fremantle Cemetery Board and the Metropolitan Cemeteries Board, conducted as part of the review of the structure, functions and relations of the Department for Local Government and Regional Development in 2001-2002.
- 6.10 The Committee received submissions from all key parties (see Appendix 2). The Committee is of the view that the evidence received by the Committee during its inquiry does not appear to provide additional or extra information that would indicate that the conclusions reached by the Government would have altered, had a further consultation been undertaken.
- 6.11 However, the Committee is of the view that a further consultation process should have been undertaken, given that the Government had made a decision in July 2002 that the Fremantle Cemetery Board would remain.

## **7 TESTING THE CLAIMS AND COUNTERCLAIMS**

### **Claims of improved efficiency and elimination of duplication**

- 7.1 The Minister stated that the transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board is expected to create efficiencies resulting in a \$600,000 saving in operating and administration costs

each year.<sup>40</sup> The prospective saving was identified by the Functional Review Taskforce and is based on the following:<sup>41</sup>

- i) Potential to reduce debt levels of the Fremantle Cemetery Board and annual interest incurred. Fremantle has a debt/equity ratio of 31.64 percent compared with the Metropolitan Cemeteries Board debt/equity ratio of 0.03 percent.
- ii) Reduced operating costs from greater economies of scale, aggregated purchasing power and rationalization of office technology.
- iii) Savings through a reduction in the total number of board members and reduced reporting costs.
- iv) More efficient use of assets and a coordinated approach to planning and project management across all of the metropolitan cemeteries.

7.2 The Committee has been advised that, since July 1 2003, savings in excess of \$400,000 have been realized.<sup>42</sup> \$195,091 of the savings is a result of the rationalization of staff at the Fremantle Cemetery, achieved through natural attrition and voluntary severance.<sup>43</sup>

7.3 An estimated \$47,000 per annum saving on board expenses has been achieved by dissolving one board.<sup>44</sup> This is based on the expenses incurred by the Fremantle Cemetery Board in the 2003/2004 budget.<sup>45</sup> \$40,000 has been saved in Fremantle Marketing Consultant fees.<sup>46</sup>

7.4 In respect to the claimed savings resulting from the potential to reduce debt levels, the Metropolitan Cemeteries Board has indicated to the Committee that they will most likely pay out the outstanding debt on the Fremantle Crematorium, and not draw down

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<sup>40</sup> Media Release, Hon Tom Stephens MLC, Minister for Local Government and Regional Development, *Single Board to Manage All Metropolitan Cemeteries*, May 13 2003, <http://www.mediastatements.wa.gov.au/media/media.nsf/d3ea7ba6c70aeaae48256a7300318397/a0ca22faa779df9348256d2500288afc?OpenDocument>, (current at September 25 2003).

<sup>41</sup> Hon Tom Stephens MLC, Minister for Local Government and Regional Development, Western Australia, Legislative Council, *Parliamentary Debates (Hansard)*, June 10 2003, pp8366-8367.

<sup>42</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p4, and Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p7.

<sup>43</sup> Letter from Hon Tom Stephens MLC, Minister for Local Government and Regional Development, November 20 2003.

<sup>44</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p4, and Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p7.

<sup>45</sup> Letter from Mr Peter MacLean, Chief Executive Officer, Metropolitan Cemeteries Board, November 7 2003, p1.

<sup>46</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p2.

on the \$4 million proposed borrowings for the Fremantle Mausoleum.<sup>47</sup> The Committee was advised that future savings of \$200,000 per annum of interest would be realized by not borrowing for the proposed mausoleum at the Fremantle Cemetery.<sup>48</sup>

7.5 The Committee has been advised of the following improvements in efficiency and elimination of duplication since July 1 2003. No monetary value, however, has been provided as to the savings that these improvements have realized. These include:<sup>49</sup>

- Metropolitan Cemeteries Board has revised the plan of the Fremantle mausoleum project. This is expected to create savings and a greater number of crypt spaces.
- Transition to a single website is near completion. This will result in reduced hosting fees and development costs.
- Engagement of a single information technology consultant.
- Engagement of a single marketing and communications consultant.
- There will be reduced security costs through a common contract and the more sophisticated risk management processes of the Metropolitan Cemeteries Board.
- Provision for more cost-effective café and catering operations. The café and catering operations, which have been operating at a loss at the Fremantle Cemetery, will be taken over by professional catering contractors. A share of the turnover will be paid to the Metropolitan Cemeteries Board.
- There will be a reduction in motor vehicles and fleet management costs.
- Greater efficiencies will be gained through improved management accounting reports and integration of the Fremantle accounts in the Metropolitan Cemeteries Board accounting system; annual audit fees will be reduced.
- Significant improvement in the response time for the submission of whole of government financial data.

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<sup>47</sup> Ibid, p7.

<sup>48</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p4, and Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p7.

<sup>49</sup> Id.

- Integration of Fremantle human resources records into the Concept HR information management system.
- Migration of Fremantle sales data to the Metropolitan Cemeteries Board electronic records system, saving \$140,000 previously budgeted by the Fremantle Cemetery Board for a new Cemetery Records System.
- Increased range of memorials for bereaved families, including online memorials under the Metropolitan Cemeteries Board Memories e-ternal initiative.
- Upgrading of the telephone system at the Fremantle Cemetery.
- Additional savings will accrue over time as a result of economies of scale.

7.6 The Minister advised the Committee that the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board has provided reduced costs to the WA community:

*The amalgamation of these two Boards has reduced the cost of the machinery of government to the WA community. This is but one in a myriad of machinery of government changes which the government has endorsed in order to ensure that duplication is eliminated and resources are spent where the public wants them spent.*<sup>50</sup>

### **Committee Comment**

7.7 The Committee notes that although the rationalization of staff at the Fremantle Cemetery has resulted in \$195,091<sup>51</sup> of savings (refer paragraph 7.2), the total cost to the Metropolitan Cemeteries Board of the severances packages associated with the voluntary severances was \$129,443.32.<sup>52</sup>

7.8 The Committee notes that the Metropolitan Cemeteries Board will forego interest that it would have earned on its cash reserves, if they were used to pay out the outstanding debt of the Fremantle Cemetery Board and to fund the mausoleum (refer to paragraph 7.4).

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<sup>50</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003.

<sup>51</sup> The Committee has been advised that with on-costs at 30 percent, the savings are \$253,618.30 plus an annual motor vehicle allowance of \$16,000 supporting a gross saving of approximately \$270,000 to date: Letter from Hon Tom Stephens MLC, Minister for Local Government and Regional Development, November 20 2003.

<sup>52</sup> Letter from Hon Tom Stephens MLC, Minister for Local Government and Regional Development, November 20 2003.

7.9 The Committee notes that the estimated cost to the Metropolitan Cemeteries Board of abolishing the collection of ashes fees (refer to paragraph 7.19) is \$160,000 in 2003/2004.<sup>53</sup>

### **Counterclaims to improved efficiency and elimination of duplication**

7.10 Some submissions received by the Committee question where duplication may have occurred as both Boards worked independently and were financially self-sufficient.<sup>54</sup> For example, since it began operating autonomously from the Fremantle Council in 1989, the Fremantle Cemetery has never received government funding but is totally self-funded. The Committee was informed that it has always made a profit of between approximately \$180,000 to \$250,000 per annum. Profits were used for improving and developing the facilities.<sup>55</sup>

7.11 Some submissions received by the Committee expressed the view that the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board will result in higher funeral costs and fewer services and amenities.<sup>56</sup>

*With all the efficiency and good management of Fremantle Cemetery, how can the Minister possibly claim that the amalgamation will save money?*<sup>57</sup>

And

*The supposed saving of six hundred thousand dollars (\$600,000) per annum is questionable and requires scrutiny. The cost of the salary for the Chief Executive Officer and the Executive Secretary, and the Board Members' fees, barely add up to two hundred thousand dollars (\$200,000). The cost of restructuring and a new board with increased membership must be taken into the equation.*<sup>58</sup>

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<sup>53</sup> Hon Tom Stephens MLC, Minister for Local Government and Regional Development, Western Australia, Legislative Council, *Parliamentary Debates (Hansard)*, June 10 2003, pp8366-8367.

<sup>54</sup> Submission No 1 from City of Melville, October 13 2003 and Submission No 7 from Australian Funeral Directors Association (WA Division), undated, received October 24 2003, p3.

<sup>55</sup> Submission No 1 from City of Melville, October 13 2003.

<sup>56</sup> Submission No 1 from City of Melville, October 13 2003, Submission No 4 from Mr Ralph Fardon, October 15 2003, Submission No 7 from Australian Funeral Directors Association (WA Division), undated, received October 24 2003.

<sup>57</sup> Submission No 1 from City of Melville, October 13 2003.

<sup>58</sup> Id.

- 7.12 Mr Ralph Fardon submits that the Government has not provided itemization of the projected savings, and claims that the Government is not prepared to submit the Functional Review Taskforce report to a form of due diligence.<sup>59</sup>
- 7.13 Mr Ralph Fardon counters the Government's claim that the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board will permit better co-ordination and planning for future growth of all metropolitan cemeteries. In evidence before the subcommittee Mr Fardon stated that:<sup>60</sup>

*The Fremantle Cemetery Board has not stifled this co-ordination in the past because since 1987 the MCB has managed every cemetery in Perth except the Fremantle Cemetery Board. There is no evidence that the MCB has been restricted in its planning for growth since the MCB domain has by-passed the Fremantle area by control at the Baldivis future cemetery and an arrangement with the City of Rockingham concerning the east Rockingham cemetery.*

- 7.14 Mr Fardon further submitted that a co-ordinated approach to planning and project management between the two cemeteries boards could have been achieved without transferring the management of the Fremantle Cemetery to the Metropolitan Cemeteries Board.<sup>61</sup>

*The FCB has always displayed a willingness to participate in any joint exercise of this nature.*

- 7.15 For example, it is submitted to the Committee that the Fremantle Cemetery Board initiated measures to share computer software design costs and also to establish a common system that would have resulted in consequential savings. However, it is claimed that these initiatives were delayed due to the Machinery of Government Review.<sup>62</sup>

### **Counterclaim of reduced competition and increased costs**

- 7.16 It was submitted by Mr Ralph Fardon that a monopoly of management of cemetery facilities within the greater metropolitan area of Perth has been created.<sup>63</sup> Concern is

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<sup>59</sup> Mr Ralph Fardon, *Transcript of Evidence*, November 3 2003, p2.

<sup>60</sup> Id.

<sup>61</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003.

<sup>62</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p5.

<sup>63</sup> Mr Ralph Fardon, *Transcript of Evidence*, November 3 2003, p2.

expressed by the AFDA that without the element of competition, there will be uncertainty in the industry and the community with respect to:<sup>64</sup>

- a) Costs. Will reasonable costs to be charged and price increases be kept to within the CPI?;
- b) future developments. Will the needs of the community continue to be satisfied?; and
- c) choice of services offered and diversity of options for memorialization of the deceased. Will this be made available to the community?

7.17 Competition is seen by many as the driver for improved services at the cemeteries and for reduced costs. For example, as stated by Colin J Purslowe, State General Manager, Service Corporation International Australia Pty Ltd, a large provider of funeral care:<sup>65</sup>

*Having competing Cemetery Boards particularly for cremation, has been a significant factor in both cemeteries making substantial improvements to the facilities and services they provide. Competition has driven innovation, a situation that should be maintained. Competition in terms of cremation fees has been most beneficial to the consumer.*

*Government and Metropolitan Cemeteries Board response to the counterclaim of reduced competition*

7.18 It was submitted to the Committee that there was no real competition previously in view of the greater responsibilities of the Metropolitan Cemeteries Board in managing and maintaining 5 cemeteries and the Fremantle Board only maintaining a single site.<sup>66</sup> As noted by the Metropolitan Cemeteries Board:<sup>67</sup>

*It is against that background of differing responsibilities and cost pressures both now and into the future that any assessment of product pricing and submissions on competition must be assessed. Frankly, although cost comparisons between the Metropolitan Cemeteries Board and Fremantle might be of academic interest, they are*

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<sup>64</sup> Submission No 7 from Australian Funeral Directors Association (WA Division), undated, received October 24 2003, p3.

<sup>65</sup> Submission No 8 from Service Corporation International Australia Pty Limited, October 21 2003.

<sup>66</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p5.

<sup>67</sup> Mr Ross Bowe, Chairman, Metropolitan Cemeteries Board, *Transcript of Evidence*, November 3 2003, p3.



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*somewhat meaningless because of the different roles of the cemeteries. We are not comparing apples with apples, for want of a better description. On the one hand, the Metropolitan Cemeteries Board maintains about 330 hectares of land over five cemetery sites. ... On the other hand, there is a single-location manager at Fremantle that is responsible for about 46 hectares of land, and it does not have the same planning and developing responsibilities.*

*Government and Metropolitan Cemeteries Board response to the counterclaim of increased costs*

- 7.19 The Metropolitan Cemeteries Board has abolished the collection of ashes fees in the interests of uniformity as this was not a fee being charged at the Fremantle Cemetery (refer to paragraph 7.9).
- 7.20 It was submitted that with its additional responsibilities, the Metropolitan Cemeteries Board has maintained fees “*well below Australian median levels*”.<sup>68</sup> The Metropolitan Cemeteries Board submits that the single management structure will not lead to increased costs for the public.<sup>69</sup>
- 7.21 The Minister submitted that in relation to future costs a key performance indicator will be that fees are contained below the Australian industry median average, even though the Metropolitan Cemeteries Board will continue to have greater responsibilities than most comparative operations in the eastern states.<sup>70</sup>
- 7.22 The Committee was advised by Mr Peter MacLean, Chief Executive Officer, Metropolitan Cemeteries Board, that fee increases would be contained within the CPI over the next 2 years.<sup>71</sup>

*Metropolitan Cemeteries Board response to the counterclaim of reduced efficiency*

- 7.23 The Metropolitan Cemeteries Board supports the transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board. They submit that this will deliver a more robust, integrated and efficient cemetery management system for Perth. The Metropolitan Cemeteries Board

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<sup>68</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p5.

<sup>69</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p3.

<sup>70</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p6.

<sup>71</sup> Mr Peter MacLean, Chief Executive Officer, Metropolitan Cemeteries Board, *Transcript of Evidence*, November 3 2003, p7.

is of the view that a single management structure provides the most cohesive and holistic approach to future scenario planning, land acquisition and development.<sup>72</sup>

- 7.24 Further, the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board supports the Metropolitan Cemeteries Board in their role as the managers and developers of a number of cemeteries throughout the metropolitan area. As stated by Mr Peter MacLean, Chief Executive Officer, Metropolitan Cemeteries Board, in evidence before the subcommittee:<sup>73</sup>

*Fremantle will provide a good local cemetery service, but establishing a crematorium will mean that the revenue generated will be from way outside the immediate Fremantle boundary; that is, it will come from users who will demand facilities developed by MCB in the future. That is where we are at, and how we support the Government's policy decision based on the task force recommendation. It is a business imperative.*

- 7.25 The Metropolitan Cemeteries Board has advised the Committee that they provide a broader range of core services that will be extended to Fremantle. These include:<sup>74</sup>

- i) mausoleum facilities; and
- ii) funeral web-casting and virtual memorials on web-based technology.

- 7.26 The Metropolitan Cemeteries Board has also advised that, from an employee point of view, they are providing employees with greater training and development opportunities in the expanded organization.<sup>75</sup>

### **Committee Comment**

- 7.27 The Committee notes the reasons asserted by the Minister and the Metropolitan Cemeteries Board in support of the decision to transfer the management of the Fremantle Cemetery to the Metropolitan Cemeteries Board. The Committee also notes the counterclaims to those reasons.

- 7.28 Based upon the available information, the Committee was unable to make a direct comparison between the range of operations of the former Fremantle Cemetery Board

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<sup>72</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p3.

<sup>73</sup> Mr Peter MacLean, Chief Executive Officer, Metropolitan Cemeteries Board, *Transcript of Evidence*, November 3 2003, p5.

<sup>74</sup> Mr Ross Bowe, Chairman, Metropolitan Cemeteries Board, *Transcript of Evidence*, November 3 2003, p3.

<sup>75</sup> Id.

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and those of the Metropolitan Cemeteries Board. Each board had different responsibilities to the other.

7.29 It is extremely difficult, if not impossible, to measure or predict future rises in costs and fees of cemetery services in the current situation, let alone if the transfer of management of the Fremantle Cemetery had not taken place.

7.30 The Committee cannot therefore make a definitive finding under this term of reference.

## **8 THE IMPACTS UPON THE COMMUNITY SERVED BY THE FREMANTLE CEMETERY IF THE TRANSFER OF MANAGEMENT PROCEEDS**

8.1 It was submitted to the Committee that the transfer of management of the Fremantle Cemetery from the Fremantle Cemetery Board to the Metropolitan Cemeteries Board will result in numerous benefits to the community served by the Fremantle Cemetery. These include the:<sup>76</sup>

- proposed installation of funeral web-casting in the Fremantle West Chapel;
- upgrade of the telephone system at the Fremantle Cemetery to provide an improved community service; and
- implementation of a standard burial and cremation fee for pre-need funeral arrangements which will be transferable over all cemeteries. In the past, an agreement purchased at Fremantle could only be honoured at that cemetery and a Metropolitan Cemeteries Board agreement could not be used at Fremantle.

8.2 It is further submitted that there will be minimal impact and change to the Fremantle Cemetery as a result of the amalgamation of the 2 boards. For example:<sup>77</sup>

- The name of the cemetery will not change.
- The style, character, identity and community needs of the region will be respected.
- By and large, the staff of the Fremantle Cemetery has not changed.

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<sup>76</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p6, and Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p10.

<sup>77</sup> Ibid.

- There has been a strong Fremantle presence on the (7 member) Metropolitan Cemeteries Board from July 1 2003, including 2 former Fremantle Cemetery Board members.
- There should be no appreciable effect on local industry as both the Metropolitan Cemeteries Board and the Fremantle Cemetery Board use the same major suppliers.
- Further, the Minister advises that “*common sense dictates local servicing of Fremantle Cemetery needs*”.<sup>78</sup>

8.3 The Committee has been advised by the Metropolitan Cemeteries Board that they will:<sup>79</sup>

*... work in close liaison with local government and other community organisations to reflect local needs whilst at the same time providing a consistently high standard of customer service.*

8.4 However, it was submitted that there is a strong association of a community with its local burial ground and that the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board has negatively impacted on this.<sup>80</sup>

8.5 In response to the claims on the impact felt by the local community, the Minister is of the view that the Fremantle Cemetery is a regional, not a local facility:<sup>81</sup>

*Over 50% of the cremations received at Fremantle are from outside the normal catchment for which the cemetery services burials. Many of these cremations are from the Peel region where resources are needed to develop the new memorial park. A good number also come from the south-east metropolitan corridor and regular requests are being received for the development of a crematorium and memorial park facilities in that region.*

8.6 It is claimed that the merger will lead to higher charges at the Fremantle Cemetery “*and that the grieving families will be the ultimate losers*”.<sup>82</sup> Further:<sup>83</sup>

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<sup>78</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p7.

<sup>79</sup> Submission No 6 from Metropolitan Cemeteries Board, October 14 2003, p11.

<sup>80</sup> Submission No 4 from Mr Ralph Fardon, October 15 2003, p7.

<sup>81</sup> Submission No 5 from Minister for Local Government and Regional Development, October 16 2003, p7.

<sup>82</sup> Submission No 1 from City of Melville, October 13 2003.

<sup>83</sup> Id.

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*The many people who have been drawn to choosing Fremantle Cemetery for family, cultural, sentimental and financial reasons will be the big losers in this cynical bureaucratic exercise.*

- 8.7 A further concern raised with the Committee is that the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board may increase the possibility of reclamation or compulsory acquisition of existing vested land at the Fremantle Cemetery for public works, thus reducing future burial site availability to the community serviced by this facility.<sup>84</sup> The Committee notes, however, that no evidence of this has been provided. The Committee has been advised by the Minister that the option of selling off Fremantle Cemetery land (or the creation of easements) did not weigh at all on the decision to transfer management of the Fremantle Cemetery.<sup>85</sup> Further, the Committee notes that the Fremantle Cemetery is still being managed by a statutory authority. The Metropolitan Cemeteries Board has been established under the same Act as the former Fremantle Cemetery Board and is subject to the same rules of operation as provided for in the *Cemeteries Act 1986*.

#### **Committee Comment**

- 8.8 The Committee notes the views expressed in submissions in relation to the impacts upon the community served by the Fremantle Cemetery of the transfer of management of the Fremantle Cemetery to the Metropolitan Cemeteries Board. The Committee is of the view, however, that there is no evidence, at this stage, to conclude that the community served by the Fremantle Cemetery has been either positively or negatively impacted upon as a result of the transfer of management.



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**Hon Barry House MLC**  
**Chairman**

**Date: December 8 2003**

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<sup>84</sup> Submission No 7 from Australian Funeral Directors Association (WA Division), undated, received October 24 2003., p4

<sup>85</sup> Letter from Hon Tom Stephens MLC, Minister for Local Government and Regional Development, November 20 2003.



# APPENDIX 1

## STAKEHOLDERS CONTACTED BY THE COMMITTEE

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Name
Minister for Local Government and Regional Development
Australian Funeral Directors Association (WA Division)
Municipal Employees Union
Liquor, Hospitality and Miscellaneous Workers Union
Western Australian Local Government Association
Cockburn City Council
City of Fremantle
East Fremantle Town Council





**APPENDIX 2**  
**LIST OF WRITTEN SUBMISSIONS**

<b>From</b>	<b>Date</b>	<b>Number</b>
City of Melville	13.10.03	1.
Dr C A M Walkley	14.10.03	2.
Ms L de Sarigny	14.10.03	3.
Mr R Fardon	15.10.03	4.
Minister for Local Government and Regional Development	16.10.03	5.
Metropolitan Cemeteries Board	14.10.03	6.
Australian Funeral Directors Association (WA Division)	Undated, received 24.10.03	7.
Service Corporation International Australia Pty Ltd.	21.10.03	8.



## APPENDIX 3

### WITNESSES WHO GAVE EVIDENCE TO THE COMMITTEE

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<b>From</b>	<b>Date</b>
Mr Ralph Fardon	03.11.03
Mr Ross Bowe, Chairman, Metropolitan Cemeteries Board	03.11.03
Mr Peter MacLean, Chief Executive Officer, Metropolitan Cemeteries Board	03.11.03



## **APPENDIX 4**

### **CHRONOLOGY**

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- 1.1 March 2 2001 - Machinery of Government Taskforce established.
- 1.2 June 26 2001 - Machinery of Government Taskforce reported.
  - 1.2.1 August 2001 - Metropolitan Cemeteries Board provided a submission to the Machinery of Government Taskforce
- 1.3 October 2001 - Cabinet endorsed process, guidelines and time frame to review Western Australia's 165 statutory authorities, which included the Fremantle Cemetery Board.
- 1.4 December 4 2001 - Commencement of a review of the Statutory Authority status of the Metropolitan Cemeteries Board and the Fremantle Cemetery Board, conducted as part of the review of the structure, functions and relations of the Department for Local Government and Regional Development.
  - 1.4.1 January 26 2002 - Fremantle Cemetery Board provided a submission to the review of the Statutory Authority status of the Metropolitan Cemeteries Board and the Fremantle Cemetery Board.
  - 1.4.2 February 12 2002 - Metropolitan Cemeteries Board provided a submission to the review of the Statutory Authority status of the Metropolitan Cemeteries Board and the Fremantle Cemetery Board.
  - 1.4.3 March 2002 - Australian Funeral Directors Association (WA Division) (AFDA) made a written submission to the Department of Local Government and Regional Development. The AFDA also met with a representative who collated information for the review committee.
- 1.5 June 2002 - Functional Review Taskforce formed to undertake a Review into the Effective Delivery of Government Priorities.
  - 1.5.1 The review was undertaken by Pricewaterhouse Coopers (a private firm).
  - 1.5.2 The submissions made by the Fremantle Cemetery Board, AFDA and the Metropolitan Cemeteries Board (mentioned above) were considered by the Functional Review Taskforce.

- 1.6 July 22 2002 - Cabinet decision to allow Fremantle Cemetery Board to continue operating as an independent statutory authority. Fremantle Cemetery Board members were informed but no public announcement was made.
- 1.7 December 9 2002 - Functional Review Taskforce reported to the Government.
- 1.8 March 31 2003 - Cabinet decision made to transfer the management of Fremantle Cemetery to the Metropolitan Cemeteries Board.
- 1.9 May 13 2003 - Public announcement of decision to transfer management of the Fremantle Cemetery to the Metropolitan Cemeteries Board.