**MAYORAL MINUTE – NSW GOVERNMENT LEVY ON BURIALS AND CREMATIONS**

**RECOMMENDATION**

That Council:

1. Note that the NSW Government has announced a new cost shift onto Council and our community, by imposing a new tax on burials, cremations and ash interments.
2. Write to the NSW Premier and Minister for Lands and Property asking that they urgently reverse their decision to impose a new tax on all burials and cremations.

**REPORT**

Councillors,

The NSW Government has confirmed that from 1 July 2024 a new tax will be levied on cemetery operators carrying out more than 50 burials a year. For smaller operators the levy will commence from 1 July 2025. The tax will be set at:

* $156 per burial,
* $63 per ash interment, and
* $41 per cremation.

The levy is intended to fund the costs of the NSW Government’s cemeteries agency and thus improve the NSW Government’s bottom line.

Disappointingly, the NSW Budget this year did not make provision to cease introduction of the levy.

XXX Council operates number cemeteries for the community, including names of cemeteries.

XXX Council is considered a large/small operator, and so the levy is scheduled to apply from 1 July 2024/1 July 2025.

Cemeteries and Crematoria NSW (CCNSW – the cemeteries regulator) has advised that councils may choose whether they pass the levy onto the customer, but has not explained how else councils should fund the cost of this levy. Councils cannot absorb this levy into current operational budgets and will therefore have to pass on the levy to their residents and community members. This then makes interment services more expensive for individuals and families who are grieving through what will be for many people the most challenging circumstances of their lives.

Respectful and affordable interment services are a critical public good provided by local government cemetery operators.

The most recently available CCNSW annual activity report (2022-23) shows that:

* 110 of the 128 local government authorities in NSW operate cemeteries or crematoria.
  + 14 of those councils are based in metropolitan Sydney and
  + 96 are based in rural and regional NSW.
* Councils in NSW were responsible for 667 active cemeteries in NSW accounting for 68% of the total.
* Councils are the largest provider of bodily interment in NSW, responsible for 42% of burials in 2022-23, and in rural and regional NSW this rises to more than 80% of all burials.
* Councils undertook 31% of ash interments of cremated remains.

As a new cost shift onto councils and communities, this interment levy should be opposed in-principle, but it is particularly disappointing that this levy is being imposed on the bereaved during a cost-of-living crisis.

Local Government NSW’s latest cost shifting report ([www.lgnsw.org.au/costshifting](http://www.lgnsw.org.au/costshifting)) found that cost shifting had increased to $1.36 billion annually for 2021-22. On average, this represents an additional cost of $460.67 for every ratepayer across the state, and this represents lost services, lost opportunity and lost amenity for all our residents and communities.

**Pre-need purchased interments**

Tens of thousands of NSW residents have already purchased pre-need interments, and in some cases the contracts state that no further charges can apply at the time of interment.

In these cases, councils will likely not be able to pass on the costs of the levy, and will have to absorb it – a direct and unfunded cost shift from the NSW Government onto councils.

**OPTIONAL**

For Council, the direct cost shift from the NSW Government in order to fund the levy on each of our already sold pre-need interments amounts to $XX,XXX. *(Your council can calculate this by multiplying the number of pre-purchased burials by $156.*)

**NSW Government revenue raising**

The proposed levy would raise a substantial amount of money for the NSW Government. Based on interment numbers from the CCNSW annual activity report 2022-23, the levy would raise more than $5.7 million. CCNSW’s total expenses for 2022-23 were less than $3 million. This disparity between proposed revenue and expected expenses suggests that the proposed interment levy has been set at an excessive level.

Further, the funds collected will not go towards improving cemeteries. The funds will not be used for improved customer service or for better maintenance of cemeteries. Instead, the increased tax on grieving families will be used to fund the NSW Government’s cemeteries agency and improve the NSW Government’s bottom line.

This is reflective of the Waste Levy imposed on communities, which now amounts to almost $1 billion annually, the vast majority of which is funnelled directly into the NSW Government’s consolidated revenue fund.

If the NSW Government intends to increase regulation of cemetery operators, it needs to justify this decision to the community and fund the costs of this regulation from its own core budget.

As a result of this new tax on our community, I move that Council:

1. Note that the NSW Government has announced a new cost shift onto Council and our community, by imposing a new tax on burials, cremations and ash interments.
2. Write to the NSW Premier and Minister for Lands and Property asking that they urgently reverse their decision to impose a new tax on all burials and cremations.