



## Waverley Cemetery: a proud commercial business since 1877

Waverley Council has operated a fully commercial cemetery and funeral business on the site of Waverley Cemetery for over 135 years.

Council originally accepted ownership and control of the Cemetery from the State Government in 1868 “provided it incurred no expense in doing so”. To this day, the business has funded its operations entirely by sales of cemetery services without funding from Waverley ratepayers. It is separately accounted for in Council’s Annual Financial Statements.

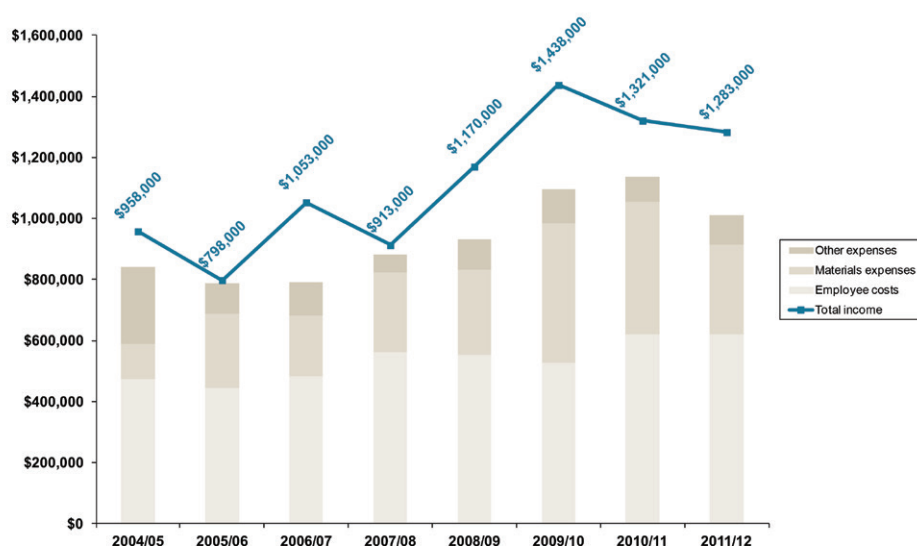
Waverley and South Head cemeteries are operated as a single cemetery business and service. South Head Cemetery is full and consequently operates at a loss. It is Crown Land and Council has no choice but to manage the maintenance and service costs for South Head in addition to those of Waverley Cemetery.

Waverley Cemetery is owned as freehold title in full by Waverley Council, all the way down to the high water line on its eastern edge. The coastal board walk is within the Cemetery lands.

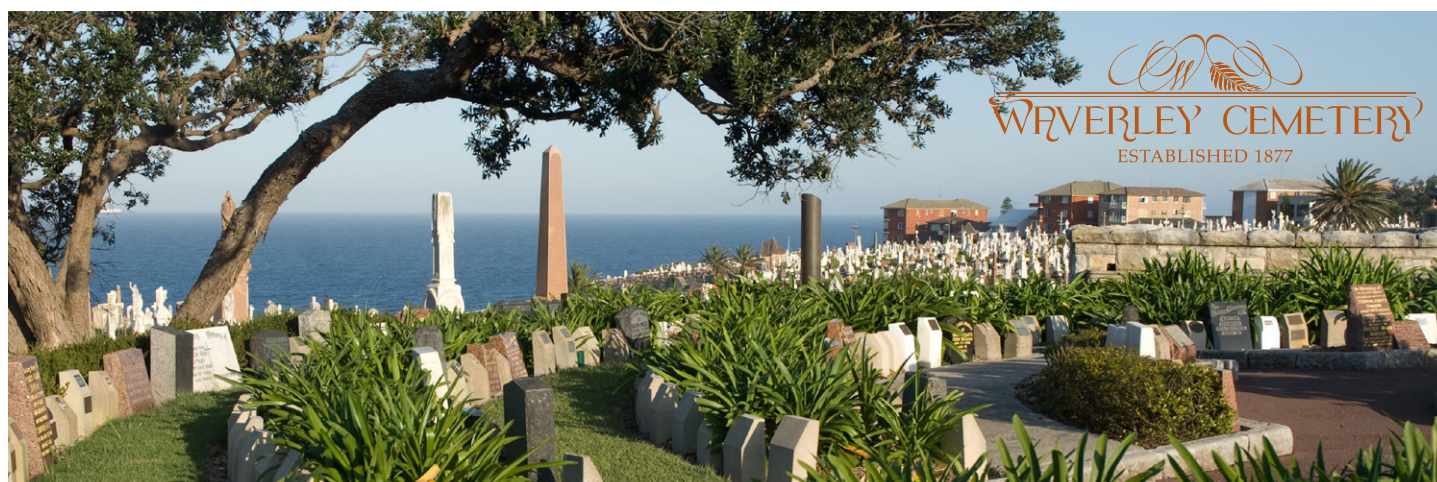
## Is Waverley Cemetery operating profitably?

Yes. Currently the cemetery business sells in excess of \$1.2 million worth of interment, funeral and monumental services per annum and is trading at a surplus.

Waverley Cemetery - Actual operating income and expenses



Annual surpluses from Waverley Cemetery are transferred to a reserve which is used strictly for capital maintenance of infrastructure in Waverley and South Head Cemeteries.



## What are the Cemeteries' reserves for infrastructure renewal?

The Cemeteries' reserve balance as at 30 June 2012 was \$1.5 million.

In the last six years more than \$1.3 million from cemetery sales have been transferred to the Cemeteries' reserve for their infrastructure maintenance. In the same period almost \$950,000 has been spent from the reserve on infrastructure renewal in the cemeteries, mostly on essential retaining infrastructure.

## What is the asset maintenance liability for the cemeteries?

Being well over 100 years old, both cemeteries are facing a significant infrastructure renewal bill. This bill is 30% higher than the backlog infrastructure bill for all Waverley Council's other assets put together.

The Cemetery is also facing bills for restoration and make-safe of significant monuments. These bills are estimated at a minimum of \$25 million every 50 years.

### WAVERLEY CEMETERY BACKLOG AND ONGOING INFRASTRUCTURE MAINTENANCE OVER NEXT 11 YEARS

#### Backlog asset renewal bills

|                                   |             |
|-----------------------------------|-------------|
| Total infrastructure backlog      | \$9,687,075 |
| Tip remediation and stabilisation | \$4,500,00  |

#### Ongoing maintenance bills

|   |             |
|---|-------------|
| Ongoing maintenance minimum required over the next 11 years | \$5,573,949 |
|---|-------------|

|              |                     |
|--------------|---------------------|
| <b>Total</b> | <b>\$19,761,024</b> |
|--------------|---------------------|

## What is the financial outlook for Waverley Cemetery?

In addition to the above asset renewal bills, Waverley Cemetery is expected to face ongoing operational losses commencing in the near future. If the Cemetery does not find a new and successful business model, operational losses are expected to accumulate to over \$30 million by 2030 and by that year will have reached almost \$2 million per annum. To fund this from rates, annual rate increases would need to be imposed at more than double the level that might otherwise be expected, permanently. Expected annual increases of around 3% would need to be replaced by 7% increases ongoing, unless a new business model is found.

The expected transition from profits to losses is the result of Australians' increasing preference for ashes interments and decreasing preferences for burial. It is also the result of changes already underway in the Australian funeral and cemeteries industry. These changes are reducing the number of funeral agents feeding business to Waverley.

## How can we ensure the Cemetery will continue to trade profitably?

A new business model is required which will allow Waverley, as Australia's most remarkably beautiful Cemetery, to trade on its natural strengths, namely:

- its magnificent coastal cliff location and views,
- its largely intact and stunning monuments,
- its prestigious and famous "residents" – eg., Henry Lawson, Victor Trumper, Lawrence Hargraves, Dorothea McKellar and many more, and
- its centrality to a large population base.

Expanding the way we conduct funerals on site, to match other modern providers of funeral and cemetery services, may well be the only way this historically significant essential service can continue. This is quite likely to require construction of a pavilion for funerals and associated functions, just as most other trading cemeteries in Sydney have done already. It is also essential to maintain the site, monuments and all, just as it is. This is fundamental to future business success. For more information on business planning, see Fact Sheet 4.