



Fact Sheet 4: Future business planning

What is the future of Waverley Cemetery as a business?

Waverley Cemetery is currently a strong profit centre for Council and the Waverley community. However, it is facing significant future challenges to sustainability.

What are the future business challenges for Waverley Cemetery?

There are two main challenges being faced by the business:

1. Changes in people's preferences for interment:

- In the last decade in Australia there has been a significant increase in preferences for ashes interment and a significant decrease in preferences for burial. The majority of demand is now for ashes interment and we expect this demand will continue to increase.

2. Changes in the structure of the funeral and cemeteries industry in Australia:

- In the last five years there have been increasing drives by the private sector players in the funeral and cemeteries industry towards mergers and monopolisation. This has reduced the number of independent suppliers in the funeral industry. These independent suppliers used to provide Waverley Cemetery with more referrals for purchase of rights of burial than they are now providing.

If no new business model is identified, sales volumes are expected to drop. However, Council will still be required to retain all the current staff and will incur other expenses necessary to maintain both the Waverley and South Head Cemetery sites and to meet obligations entered into over many years to inter people who have purchased rights of burial. It is not possible to reduce expenses to fully offset potential losses in sales.

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 remarkable and beautiful Cemetery, to trade on its natural strengths, namely:

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

Surprising though it may seem to some, many people highly value "plots with a view". But with increasing competition fewer people will do this unless the whole package is better than what can be offered by competitors. Expanding the way we conduct funerals on site, to match other modern providers of funeral and cemetery services, and offering something secure, beautiful and different, may well be the only way to preserve this historically significant site and service. This is very likely to require construction of a pavilion for funerals and associated functions, as most other cemeteries in Sydney have done already.

We also need to be able to respond to changing demand and preferences for interment. Cost-effective generation of attractive memorial options and choices – particularly attractive ashes memorials – will be essential, as will our ability to provide the full package of funeral and interment services and choice in service levels.



What are the chances of finding a successful new business model?

Waverley Cemetery has some singular comparative advantages for delivery of cost-effective cemetery and funeral services. It should be able to continue to trade competitively on these advantages. It sells a service and product that is unique in the market.

It also has access to passing trade that no other cemetery enjoys, with over 1,000,000 visitors walking through it every year. If we can cost-effectively conduct full funerals in addition to interments, increase sales of ashes memorials and maintain sales of burial licences and care agreements, our chances of continued success in business are good.

Council's potential success in finding a good business model for the future is likely to depend on whether a pavilion for funerals can feasibly be constructed at a reasonable cost and in a manner that does not impose negatively on surrounding residents. It will also depend on whether attractive saleable ashes memorials can be provided cost-effectively.

Modelling of potential financial returns is being conducted based on various uses of a pavilion including funerals, functions, a café, flower sales, historical tours/guides, visitor information, merchandising and the added sales of rights of interment and monumental works which we expect would be boosted if funerals are held on site and offered as a single package with other sales.

Is a crematorium at Waverley Cemetery required for business success?

No. It is not possible under the Cemetery's binding statutory Plan of Management to conduct cremation in Waverley Cemetery or on adjacent sites. Nor is it necessary from a business point of view. Cremation on site is not being considered as part of the business planning process.

What are the barriers to finding a successful new business model?

The cost of a pavilion may be a barrier to finding a successful business model. Community attitudes to funerals and a pavilion may also form a barrier to identification of successful business models. It is Council's intention to work with the community to find mutually beneficial solutions consistent with the adopted Plan of Management and the values the community holds for the Cemetery.

What will happen if no new business model is found?

In 2013, ratepayers of Waverley will be required for the first time in the Cemetery's 135 year history to contribute funds towards annual operational and maintenance costs of Waverley and South Head Cemeteries. Contributions will occur for infrastructure renewal regardless of whether a new business model is found. If a new business model is not found it is likely that annual increases in rates will need to be double what they would otherwise be to cover unavoidable costs.

Alternatively, the site will suffer significant deterioration and valuable heritage will be lost both in terms of site monuments and the cemetery services.