



29 November 2018

To the inquiry team

Inquiry into Reform of Business Licensing in Western Australia

The Metropolitan Cemeteries Board (MCB) is pleased to be involved in the Inquiry into the Reform of Business Licensing in Western Australia. The MCB submits the following in response to the consultation papers issued by the Economic Regulation Authority (ERA) and the draft report issued in October 2018 outlining various recommendations to address identified problems in the way regulatory agencies manage state government business licences.

In summary, MCB agrees in principle to the proposed recommendations of the draft report, of 22 October 2018. The MCB views its responsibilities with respect to the licences and permits it issues as an important service to the community and as a public asset. The MCB regularly monitors the output from the licensing scheme and regularly adjusts the licensing regime where possible to meet community needs, service deliverables and capacity. The MCB however may have concerns with any additional evaluation, reporting or governance resourcing as a result of this review.

The MCB

The MCB is a self-funded statutory authority of the Government of Western Australia responsible for managing cemeteries at Fremantle, Guildford, Karrakatta, Midland, Pinnaroo and Rockingham. We provide sensitive and dignified facilities and services to meet the needs of the deceased and bereaved, such as cremation, burial, entombment, memorialisation and chapel services, as well as planning for future cemetery needs of the metropolitan population. The MCB is a body corporate and its responsibilities are described in the *Cemeteries Act 1986* (the Act), with administrative, operational and general provisions as set out in the *MCB By-law 1992* (the By-law). The MCB also has powers under the *Cremation Act 1929*.

The Licensing Regime

Under the provision of the Act, the MCB is responsible for the licensing of funeral directors and monumental masons. A licence is valid for the financial year of issue or part there-of which allows the holder to conduct funerals or as the case may be, monumental works, during the term of the licence. The Board is able to inspect the facilities and equipment of an applicant or holder of a funeral directors licence.

There is also provision for the Board to issue a permit to conduct a single funeral to the holder of a funeral directors licence issued by another Board or regional local government authority, or a person who is not the holder of a licence. Likewise, a single monumental permit may be issued for the single construction of a headstone where that person is not a monumental mason licence holder but has the required expertise in construction.

Under the provision of the By-law, the Board may issue a permit to a licenced mason, to carry out monumental works for each monument construction to ensure safety and standards.





The licensing regime provides some assurances to the community that there has been a level of due diligence applied by both the regulator and the applicant and that a level of acceptable standards are being met. Indeed, the WA funeral industry as a whole prides itself with achieving high standards of service to the WA community along with applying the values of respect and compassion. The community ultimately pays for the service it expects and receives.

In addition, for a funeral director, a licensee must agree to a Code of Conduct and Terms and Conditions of licensing which meets not only legislative requirements but public health standards, commercial practices and other possible risks to a potentially vulnerable community at a time of grief and significant emotional upheaval.

The MCB currently administers 25 funeral director licences and 13 masons' licences and in 2017/18 issued 1,980 monumental work permits. With respect to funeral directors we have a team of 12 well trained and experienced staff who directly monitor and assist the funeral directors ensuring their licensing obligations are being met and funerals are conducted without incident. In the year 2017/18 the MCB administered 11,742 funerals. The MCB has a dedicated trained and experienced staff member who administers the ongoing process of administering monumental work permits, liaises with the masons providing assistance and support, and applies checks on construction standards.

At a set time approaching the end of the financial year, two dedicated staff members are assigned to the renewal of existing licences; the process is finalised in readiness for the commencement of the new financial year, allowing traders to commence from 1 July. During the course of the year, new licence issues, enquiries and training/workshops are handled by senior staff due to the complex nature and unique content knowledge of this process. Premises, equipment and trading details are updated as changes to businesses by the owners are made.

The By-law has the provisions to set the conditions of licence. The Code of Conduct and licence Terms and Conditions are reviewed annually based on specific issues or market failures that may have been encountered either by the community, the licensees themselves or the MCB. Several amendments have been made in the last five years to reflect this.

The licence fees are set by resolution of the Board, approved by the Minister and published in the *Gazette*. As an example, the licence fees for funeral directors account for cost recovery. The total income generated from licence fees divided by the total numbers of funerals conducted in a year equates to about \$2.50 per funeral (2017/18). This does not take into account staffing to administer and issue licences during the year or account for the ongoing support, education and assistance provided to licensees to ensure compliance and licensing obligations are met. The MCB is most likely under recovering on licensing costs and have limited resources for the administration and monitoring. This real cost to the organisation is difficult to measure.





The licensing structure is set to ensure licence holders are compliant to the requirements of the governing legislation, maintain high standards of equipment, premises and conduct. The existing licence structure however also enables the freedom of commercial enterprise and market positioning as the licensee sees fit, unless there is misleading or fraudulent activities which are then reported to the agency with the relevant jurisdiction. The general market (community) supports on average 23 to 25 funeral director licences and 12 to 13 masons licences per year. This has been a stable number for several years. The community has some cultural loyalties to these service providers or selects on competitive price or market niche. The community directs the offering of add-on services provided in addition to the basic necessary duties required from a funeral director. The licensing regime allows licensees of large companies, small businesses, community groups and not for profit organisations to co-exist.

The MCB engages daily with licensed funeral directors to ensure compliance with paperwork applications, public health standards and conduct. The MCB provides ongoing education, advice, assistance and training to all licence holders. There are regular industry meetings to discuss various matters and issues, regular memo updates to announce new policy or procedures, and an educational and resource industry portal maintained, dedicated phone lines and email. We have a complaints handling system in place to deal with complaints from the public or to handle funeral director complaints about each other. Licensees are provided ongoing advice, assistance, education, support, in a customer focussed manner rather than taking strict /legal approaches; assist with problem rather taking a punitive approach unless there is a serious indiscretion.

Licences and Permits as Governance

With this level of engagement there are few issues within the industry and the few that arise are normally dealt with effectively and swiftly. The licensing regime is a solid foundation backed up with support from knowledgeable staff that employ a collaborative approach in dealing with issues. Licences are used to address the potential risks to the community; most problems are sorted during the course of managing the funeral or prior to the construction of headstone before they become an issue. What shapes the way we interact is the common goal of community service to arrange the best experience possible for families in their time of need.

The MCB's view is that licences set a good governance regime. They are a measure of a person's good standing and ability to deliver proper services. There is no requirement for a funeral director to have formal qualifications as an applicant for this licence; a Certificate IV is now offered at certain training facilities. There is a requirement for masons to have a Stonemason qualification and it's desirable that they have 5 years' experience as they undertake significant building and construction on the cemetery site. The lack of educational requirements for funeral directors may limit the ability to predetermine the suitability of a person to the role. Other measures are applicable such as the demonstration of years of experience in the industry and the ability to manage a business. Licences are a barrier to potentially "rogue" operators who may see an opportunity to and take advantage of a vulnerable and valuable expanding market place. Recently, in the case of funeral directors, there has been a shift away from industry association membership and therefore reduced support from whole of industry standards and practise.





Future efficiencies

Currently the MCB is working on developing a new business system which will gain efficiencies with our renewal of licensing and issuing of work permits. Efficiencies will be realised to both the licensees and the MCB with positive flow-on effects to the community/customer experience. With the assistance of automation, application and turnaround times for approvals will be improved, self-service from the client will allow regular updates to licence information and monitoring. Outward notifications to license holders will automatically send communications regarding timely information, renewal of licence, payments due, and the ability to schedule and record inspections on an on-line platform.

Current issues and possible areas for reform

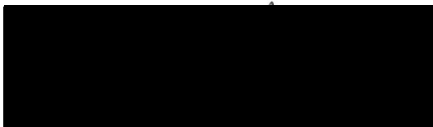
Licensing new funeral directors and masons can be a lengthy and protracted process; various reasons being the applicant acquiring premises and equipment, obtaining planning permission and approvals, training and gathering evidence to demonstrate the requirements as outlined in the Act. Experienced personnel are required to work through this process with the applicant. A person who cannot satisfy the licensing requirements will not be issued a licence; to do so may have the potential to cause great distress to the potentially vulnerable community and risk to public health.

There are few permits issued to conduct a single funeral. As a result of community feedback, the MCB has significantly reduced the cost of the single funeral permit for this financial year in order to present a more affordable option to the community. The application for the permit remains rigorous however and the person (who is not the holder of a funeral director's licence) must demonstrate the ability to manage the proper conduct, undertake the basic duties of a funeral director and ensuring that there is no risk to public health.

Currently a funeral director or monumental mason must be licenced by the cemetery authority responsible for the cemetery where licensees conduct their business. Funeral directors for example in regional areas may have several licences corresponding to various cemeteries that fall within different shires (local government authorities). There may be benefits from standardisation and management of all licences and permits issued by one central authority and a central register created for the State; consideration for this may include the uniqueness of this industry and an excellent understanding of the significant associated risks to the community.

In closing, the MCB would be happy for the ERA to use funeral director licensing as a case study or to test any proposed framework. The MCB may be representative of a small self-funded agency where there is a high level of community interest and impact, and although administers a low volume of licences, administers a high volume of work as a result of these licenses, and mitigates a high level of community and public health risk.

Yours sincerely



Peter Deague
Chief Executive Officer

