



CEMETERY COST OF SERVICES

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CEMETERY COST OF SERVICES

Overview

- Costing
- Interment (Burial) Cost
- Interment Right/Licence (Maintenance) Cost
- Development Cost
- Total Cost



CEMETERY COST OF SERVICES

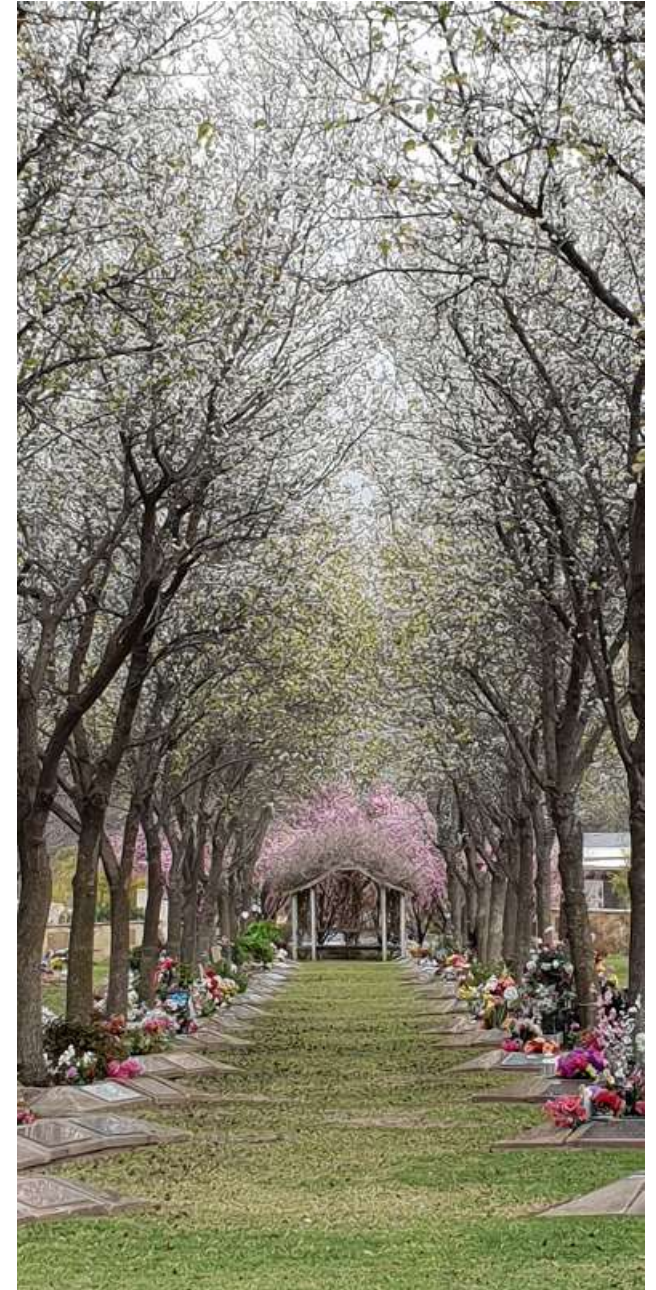
Costing

- Not an Exact Science
- Materiality
- Nuances
- Normalise
- Full Cost Allocation (Burial)
 - Direct Cost (Burial Technician)
 - Indirect Cost (Burial Sales/Council Administration)
 - Overhead Cost (Corporate Costs)

INTERMENT (BURIAL) COST

Key Cost Components

- **Direct Costs**
 - Labour
 - Plant and Equipment
- **Indirect Costs**
- **Overheads**



INTERMENT (BURIAL) COST

Direct Labour Hours (Example 1)

Tasks	Persons	Hrs / Person	Hrs / Task	Description
Confirm Site	1	1	1	Identify site, map route, selection machinery, allocate team
Dig Site	2	1.75	3.5	Collect machinery, dig site, grave cover
Set-Up	2	1	2	Ceremony set up (boards, carpet, lowering device, chairs)
Concierge	1	0.5	0.5	Liaise with funeral director and lead procession
Funeral Service	2	1	2	Lower casket, stand-by
Back Fill	2	1	2	Move setup to side, back fill site
Remove Setup	2	0.5	1	Collect setup (chairs, etc.)
Top up & Turf	2	1	2	Settle grave, top soil and turf
Water site	1	2	2	Water site X 5 over two weeks
Admin	1	1	1	WHS requirements, overall feedback, FD feedback
Direct Labour Hours			17	

INTERMENT (BURIAL) COST

Direct Labour Hours (Example 2)

Tasks	Persons	Hrs / Person	Hrs / Task	Description
Confirm Site	1	1	1	Identify site, map route, selection machinery, allocate team
Dig Site	2	2.25	4.5	Collect machinery, dig site, grave cover
Set-Up	2	1	2	Ceremony set up (boards, carpet, lowering device, chairs)
Concierge	1	0.5	0.5	Liaise with funeral director and lead procession
Funeral Service	3	1	3	Lower casket, stand-by
Back Fill	3	1.5	4.5	Move setup to side, back fill site by hand
Remove Setup	2	0.5	1	Collect setup (chairs, etc.)
Top up & Turf	2	1.25	2.5	Settle grave, top soil and turf
Water site	1	2	2	Water site X 5 over two weeks
Admin	1	1	1	WHS requirements, overall feedback, FD feedback
Direct Labour Hours			22	

INTERMENT (BURIAL) COST

Direct Labour Hours

Tasks	Example 1	Example 2
Dig Site	3.5	4.5
Funeral Service	2	3
Back Fill	2	4.5
Top up & Turf	2	2.5
Water Site	2	2
Other Tasks	5.5	5.5
Direct Labour Hours	17	22

- Labour v Plant and Equipment
- Burial Depth / Level
- Equipment Transport to site
- Shoring Up, Stony Soil, Reuse

INTERMENT (BURIAL) COST

Level 1 Coffin Earth Burial

Cost Component	%
Direct Costs	31 - 50%
Labour	28 - 40%
Plant and Equipment*	2 - 10%
Indirect Costs	10 - 24%
Overheads	38 - 47%
Total	\$1,350 to \$3,000

- Capital Allocation v's Depreciation



INTERMENT RIGHT (MAINTENANCE) COST

Key Cost Components

- **Ongoing Maintenance Costs**
 - Salaries and Wages
 - Plant and Equipment
- **Indirect Costs**
- **Overheads**



INTERMENT RIGHT (MAINTENANCE) COST

Maintenance Salaries and Wages

$$\begin{array}{r} \text{Total} \\ \text{S\&W} \end{array} \quad - \quad \begin{array}{r} \text{Total Burial} \\ \text{S\&W} \end{array} \quad - \quad \begin{array}{r} \text{Other} \\ \text{S\&W} \end{array} \quad = \quad \begin{array}{r} \text{Maintenance} \\ \text{S\&W} \end{array}$$

- Other S&W
 - Projects - Garden Development
 - Monumental Mason



INTERMENT RIGHT (MAINTENANCE) COST

Maintenance

- Labour Impacted by:
 - Accessibility of plant and equipment
 - Mowing, Gardening, Spraying
 - Contract Labour
- Plant and Equipment
 - Replacement Cost / Useful Life / Total Active Sites

INTERMENT RIGHT (MAINTENANCE) COST

Maintenance Cost per Site

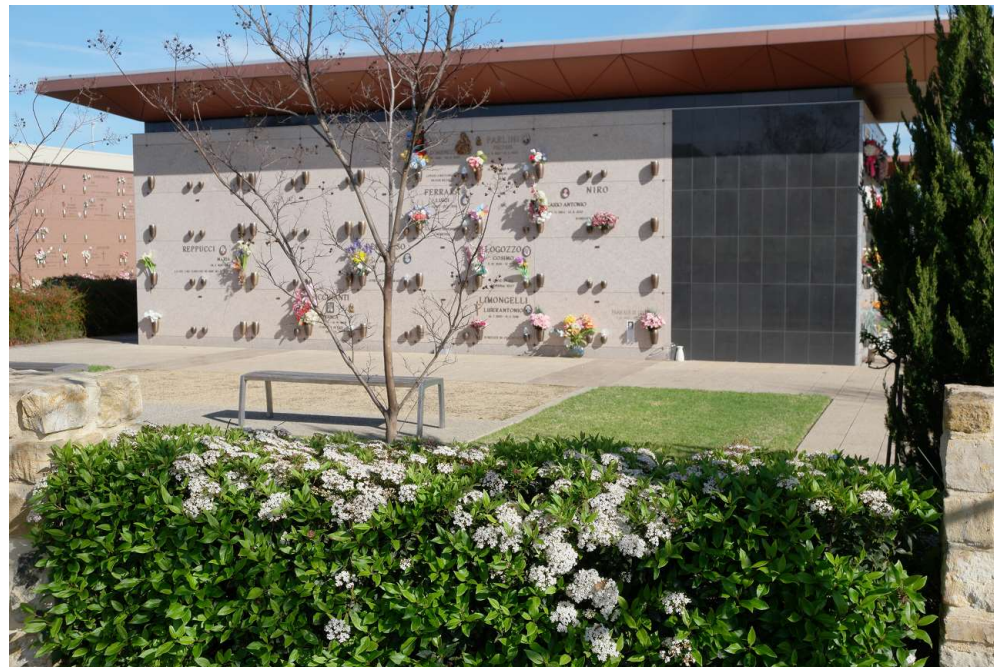
Cost Component	%
Direct Costs	10 - 85%
Labour	6 - 85%
Plant and Equipment*	0 - 6%
Indirect Costs	10 - 30%
Overheads	20 - 25%
Total	\$25 - 180 per year

- Maintenance Process is highly variable
- Cost per active licence (Excludes expired and un-used sites)

INTERMENT RIGHT (MAINTENANCE) COST

Time Value of Money

- Pay \$1,000 today or \$100 per year for 10 years
- Discounted upfront payment v's regular annual payments





INTERMENT RIGHT (MAINTENANCE) COST

Operating Cost per year

	Per Site
Annual Maintenance Cost	\$100
25 years	\$1,480
50 years	\$1,900
100 years	\$2,100

- Real Discount Rate 6%



TOTAL COST PER SITE

Full Cost Allocation

	Per Site
Burial (Level 1)	\$1,350 to \$3,000
Maintenance (50 Years)	\$1,900
Site Development Cost	\$30 to \$1,900
Total Cost	\$3,300 to \$6,800

- Packaged Goods - Headstone/Plaque + letters

CONSIDERATIONS

- Variation of interment processes
- Variation of maintenance requirements
- Out of Hours Service Cost
- Reasonableness





QUESTIONS

