

Explanatory Statement

Cemeteries and Crematoria (Perpetual Care Trust and Perpetual Care Trust Reserve Percentage) Determination 2011 (No 1)

Disallowable instrument DI 2011-214

made under the

Cemeteries and Crematoria Act 2003 section 11 (determination of trust percentages)

Section 11 of the *Cemeteries and Crematoria Act 2003* (determination of trust percentages) requires the Minister to determine for each cemetery or crematorium, the perpetual care trust percentage of each operator receipt that is to form part of the perpetual care trust of the cemetery or crematorium, and the perpetual care trust percentage that is to form part of the reserve of the perpetual care trust of the cemetery or crematorium.

The percentages must be the percentages that the Minister considers necessary to ensure that there are sufficient funds in the trust and the reserve; so that the cemetery or crematorium will be adequately maintained both in the short and long term. The perpetual care trust (PCT) percentage is the upfront burial/interment fee set aside to cover maintenance costs of these facilities in the shorter term. The perpetual care trust reserve percentage is the percentage of the upfront burial/interment fee set aside plus compound interest to cover maintenance costs once these facilities are closed to new burials and interments.

This figure is set for five years. The percentages determined by the Minister are to be paid by each operator to the Public Trustee. The percentage payable is a fee as defined in section 55 of the *Legislation Act 2001*, therefore this determination is a disallowable instrument.