

REVIEW OF THE FUNERAL INDUSTRY IN NSW
FUNERAL PRICES
INFORMATION PAPER



Submissions to our Issues Paper raised concerns about high prices and lack of affordable funeral options for consumers.¹ To examine this issue, we analysed funeral prices in NSW and found that there is a range of options when purchasing a funeral, and so prices can vary substantially. We concluded that lower-priced funeral options are available, but more should be done to ensure consumers can make quick and easy comparisons between offerings, so they can make informed decisions when they purchase a funeral. This view is based on our findings that:

- ▼ **A wide choice of funeral options and price points are available in most areas of NSW.** Most providers offer a range of funeral types, from minimal through to premium packages, with prices that vary accordingly. Prices for similar funeral types also vary across funeral providers. However, there is little evidence to suggest that prices substantially exceed costs.
- ▼ **The funeral information standard has made it easier for consumers to compare options and prices** to find a funeral that suits their needs and budget. This standard requires funeral providers in NSW to prominently display an itemised pricelist and other funeral information on their website and at their place of business.
- ▼ **Greater compliance and improvements to the funeral information standard are necessary to further help consumers.** Around a third of the 250 funeral providers we looked at were not publishing any of the required funeral information, and so we are recommending actions to:
 - clarify aspects of the funeral information standard to make it easier for funeral providers to comply
 - improve aspects of the funeral information Standard to make it easier for consumers to compare the information published by funeral providers.
- ▼ New funeral providers entering the industry in recent years are putting downward pressure on lower-priced funeral products. Consumers are likely to benefit from a wider range of choice and lower prices (if they are price-sensitive).

A wide range of prices reflects choice for consumers

We found that there is adequate choice for consumers in most areas of NSW when they arrange a funeral, and that these choices are reflected in a wide range of prices. Our investigation showed that there are around 250 funeral providers in NSW,¹ almost all with websites. We downloaded funeral price information from those who displayed it and found that:

- ▼ most funeral providers provide a range of funeral types and price points.
- ▼ prices for similar funeral types vary widely across funeral providers.
- ▼ professional services fee and coffin are usually the highest price components.
- ▼ comparison of funeral prices and costs shows that their prices are likely to reflect underlying costs.

¹ 250 funeral providers refers to the number of unique funeral businesses operating in NSW. For example, we counted White Lady as one funeral business, despite the fact that it operates in many locations.

Most funeral providers offer a range of funeral types and price points

We identified a range of funeral types offered by most funeral providers in NSW, including:

- ▼ **No service no attendance (NSNA) funeral** where the funeral provider completes the minimum requirements for a direct cremation or direct burial, which does not include a funeral ceremony at the time of the cremation or burial.ⁱⁱ Our analysis considers NSNA cremations and NSNA burials as a type of funeral product.
- ▼ **Standard funeral with a service** where a single funeral service (ceremony) is usually held in a chapel, church or other external venue and is followed by a non-attended cremation or burial. It usually includes lower price components, such as a lower-priced coffin.
- ▼ **Premium funeral packages** which may include one or more viewings of the deceased, multiple services, transport for the family to the funeral, and expensive flowers, order of service book and other tributes.

Table 1 shows an example of the broad range of options that consumers can choose from. For example, Value Cremations offers a NSNA cremation package for \$1,790, while Boland Funerals offers a Platinum Care Cremation package for \$14,495. Both are funeral brands owned by InvoCare - the largest funeral provider in NSW. There are a range of options in between these two products, with different price points. The items included in these packages vary substantially, and so by comparing the range of options available, consumers can ensure they purchase a funeral that meets their needs, at a price they can afford.²

Secondly, even within a single product category (such as NSNA cremation) there is wide price variation among different funeral providers – this is discussed further below.

² Some assistance is available to people who are not able to pay for a funeral. For more information, please see our Issues Paper for this review.

Table 1 Funeral package comparison

| Package name | Value Cremations – NSNA cremation package | Boland Funerals (a Guardian funeral provider) – Platinum care cremation package |
|-------------------|--|--|
| Included services | <ul style="list-style-type: none"> ▼ Professional fee ▼ Transport and mortuary care ▼ Shroud ▼ Basic coffin ▼ Cremation certificate ▼ Death Certificate ▼ Cremation permit ▼ Cremation | <ul style="list-style-type: none"> ▼ Orion coffin ▼ Triple booking funeral service ▼ Transport and platinum mortuary care ▼ Viewing during business hours ▼ Celebrant or Clergy to the value of \$500 ▼ Flowers to the value of \$1000 ▼ Seven seater limousine mourning car ▼ Newspaper notice, premium condolence book, order of service book, A1 portrait of loved one ▼ All legal documents |
| Price | \$1,790 | \$14,495 |

Note: Our pricing analysis has focused on prices for cremation packages. This is because they are the most widely published prices. Available evidence suggests that prices for funerals with a burial are no higher than prices for funerals with a cremation.

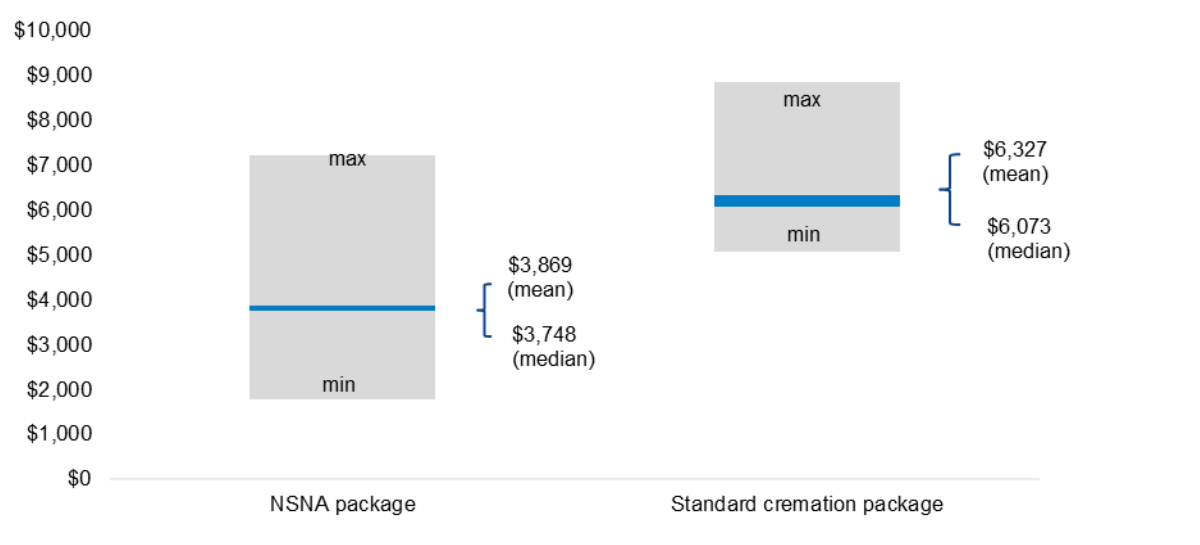
Source: Value Cremations, [Cremation Pricing \(NSW\)](#), accessed 31 March 2021; Boland Funerals, a Guardian funeral provider, [Platinum Care](#), accessed 31 March 2021.

Prices for similar funerals types vary widely across funeral providers

We looked at a sample of around 40 funeral providers’ websites,³ and found that the median price for a NSNA cremation package is around \$3,750, while the median price for a standard cremation package with a funeral service is around \$6,100. However, there are many funeral providers who advertise prices that are well above or well below these prices (see Figure 1). Even within the NSNA category, prices can vary from \$1,800 to around \$7,200. Similarly, a standard cremation package can vary from around \$5,500 to \$8,900. (Our analysis considered prices available in NSW between December 2020 and March 2021. Funeral providers can change their prices at any time).

³ Our sample was based on a range of funeral providers from a range of areas across NSW who displayed an itemised pricelist on their website in accordance with the funeral information standard. While it was not a random sample, it included a mix of independent funeral providers, as well as those owned by InvoCare and Propel Funeral Partners.

Figure 1 Price variation for funeral packages



Note: Not all funeral providers publish prices for the cheapest funeral package.

Data source: Pricing information collected from around 40 funeral provider websites between December 2020 and March 2021. Funeral providers can change their prices at any time.

Each funeral type offered by funeral providers usually includes a choice for either cremation or burial. However, our analysis of funeral prices has largely focused on prices for funerals with a cremation. This is because the price of a funeral with a burial may include the price of the burial plot which can vary widely, especially in Sydney.ⁱⁱⁱ Cremation fees, on the other hand, tend to be less variable, ranging from around \$500 to \$1,500, and are included in the price of a funeral package in our analysis.

In addition to publishing an itemised price list, the funeral information standard requires funeral providers in NSW to publish the price of the least expensive package for the burial or cremation of a body supplied by the funeral provider. Usually, the least expensive package is the NSNA cremation. While many funeral providers publish prices for itemised service components for funerals with a burial, many do not publish the minimum total price for burial funeral packages. Based on available information, we have not found any evidence to suggest that prices charged by funeral providers for funerals with a burial are higher than prices for equivalent services for funerals with a cremation.⁴ (Noting that prices for burial plots in a cemetery are not considered in this analysis, as those prices vary substantially, and are not set by funeral providers).

⁴ There are some differences in itemised service components for funerals with a cremation and funerals with a burial. For example, funerals with a cremation include a cremation fee (set by the crematorium) and cremation permit and cremation certificate fees (set by NSW Health). These prices do not apply to funerals with a burial. Similarly, funerals with a burial may include a fee for the burial plot and a fee for the burial of the body – these prices do not apply to funerals with a cremation. We found that any differences in prices for funerals with a burial and funerals with a cremation could be explained by differences in itemised service components, described above.

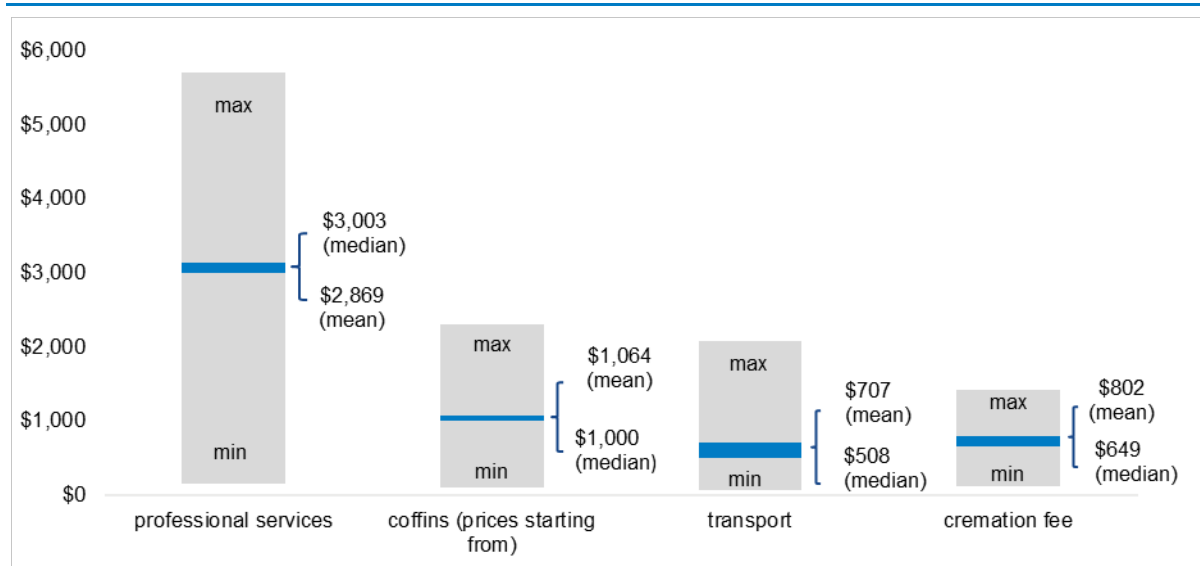
Professional services fee and coffin are usually the most expensive items

The funeral information standard requires funeral providers to itemise the price of specified components of the service. Funeral providers are not required to itemise their professional services fee which is usually the most expensive item (but many choose to do so). We found that the most expensive components of a funeral are:

- ▼ the professional services fee, which is typically around \$3,000
- ▼ the lowest advertised priced coffin, which is typically around \$1,000⁵
- ▼ the transport fee, which is typically around \$500
- ▼ the cremation fee, which is typically around \$650.⁶

Figure 2 (below) shows that the price of each item can vary widely.

Figure 2 Price variation for itemised funeral components



Note: Not all funeral providers publish a price for their professional services fee.

Data source: Pricing information collected from around 40 funeral provider websites collected between December 2020 and March 2021. Funeral providers can change their prices at any time.

Comparison of costs and prices shows that prices are likely to reflect underlying costs

The average cost of providing a funeral, as reported by a sample of funeral providers, is around \$8,000 (for more information see our [information paper on costs](#)). We found that the price of an NSNA cremation and standard cremation package is usually below this (as discussed above). While we have not done a cost build-up for each funeral product, there is little evidence to suggest that prices substantially exceed costs.

⁵ Our analysis uses the 'prices starting from' price.

⁶ A 'typical' price refers to the median price in our sample of funeral provider prices shown on websites.

Funeral information standard provides greater pricing transparency

We have found that the funeral information standard (outlined in Box 1) has made it easier for consumers to compare options and prices to make an informed decision about the funeral they purchase. Prior to the introduction of the new funeral information standard in 2019,⁷ many people argued that it was difficult for consumers to obtain pricing information from funeral providers in the short time available to arrange a funeral. It was also reported that funeral providers would often require consumers to have a face-to-face meeting before any prices would be disclosed. We consider that the funeral information standard should resolve these issues, if all funeral providers comply with the regulation.

Box 1 Funeral information standard – NSW Fair Trading Regulation 2019

All funeral directors in NSW are required to display specified funeral information about the goods and services they offer. Funeral information must be displayed at each place of business and on any public website maintained by the funeral director.

Funeral information includes:

- ▼ the price of each of the following -
 - transport of body prior to burial or cremation
 - storage of the body at a mortuary or holding room
 - hire of a refrigeration plate
 - type of coffin, casket or shroud or price range of coffins, caskets or shrouds
 - care and preparation of the body prior to burial or cremation
 - viewing of the body prior to burial or cremation
 - arrangement and conduct of a funeral service (including hire of the venue)
 - burial or cremation of the body.
- ▼ the location of the mortuary or crematorium used by the funeral director
- ▼ if the funeral director uses a mortuary or crematorium that is not owned or managed by the funeral director, the name of the owner or manager
- ▼ a reasonable estimate of the following disbursements:
 - the cost of obtaining of a death certificate from the Registrar of Births, Deaths and Marriages
 - the cost of obtaining any certificate or permit required in relation to the body
 - fee charged by a cemetery or crematorium in relation to the burial or cremation.
- ▼ the price of the least expensive package for the burial or cremation of a body supplied by the funeral director
- ▼ how a body is transported prior to burial or cremation.

Source: NSW Fair Trading, [Funeral information standard](#), accessed March 2021.

⁷ Prior to the introduction of the current funeral information standard, funeral providers in NSW were required to provide an itemised pricelist within 48 hours of receiving a request.

Combined Pensioners and Superannuants Association (CPSA) submitted that “the publication of pricing information on individual websites does not make for easy comparison, something that can be fixed by using comparison websites such as www.gatheredhere.com.au and by making participation by funeral directors mandatory.” It also submitted that the NSW Government should develop and operate a comparison website for the funeral industry. We do not consider that a Government-run comparison website is warranted at this time, because (as noted by CPSA) there are already private firms providing this service. The sections below discuss our proposed recommendations for improving the funeral information standard to enhance comparability.

Some funeral providers raised concerns about transparency around quality of service not being reflected in the funeral information standard. For example, H Parsons Funeral Directors submitted that “the challenge for the consumer (and reputable companies) in these types of enforced exercises – how do you convey the concept of ‘quality’ – quality of care for the deceased, quality of facilities and quality of staff training”.^{iv} We consider that a requirement to publish an itemised price list does not prevent a funeral provider from providing additional information to emphasise or explain the quality of their service. In our view, it is up to the funeral provider to decide how to differentiate their services from competing providers.

Around 65% of funeral providers have at least some prices on their website

Out of around 250 funeral providers who operate in NSW, only around 65% display at least some pricing information on their website, and at least 10% of funeral providers who are displaying prices are not complying with all aspects of the regulation. Submissions to our Issues Paper noted that the level of compliance with the funeral information standard is very mixed.^v For example, many funeral providers are not:

- ▼ displaying their prices prominently on their website - many price lists are very difficult to find, despite the regulation requiring funeral information to be prominently displayed
- ▼ displaying the total minimum price for the cheapest funeral package – some funeral provider websites say that they ‘do not offer packages’ and therefore do not publish a total minimum price
- ▼ itemising the price of each component specified by the funeral information standard
- ▼ disclosing the location of their mortuary and crematorium
- ▼ publishing an estimate of the price for a burial plot.

Our recommendations to ensure greater compliance with the funeral information standard are discussed in our [Information Paper on regulation of the funeral industry](#). The section below discusses our recommendations for improving the effectiveness of the funeral information standard.

Some aspects of the funeral information standard require clarification

As discussed above, around a third of funeral providers in NSW are not publishing any of the funeral information that they are legally required to, and many of those who are publishing some funeral information are not fully compliant. To ensure that funeral providers in NSW clearly understand what information they are required to publish, our draft recommendation is that NSW Fair Trading amend both the regulation and supporting information for funeral providers (such as FAQ documents) to clarify the following:

- ▼ provide more guidance on ‘prominent display of information’ on websites.⁸
- ▼ clarify what constitutes a public website for the purposes of the funeral information standard. For example, NSW should clarify that funeral providers must display funeral information on any social media pages that they operate, if the funeral provider does not have a public website.
- ▼ clarify that funeral providers must display the total minimum price for the cheapest combination of funeral products and services, regardless of whether they offer ‘funeral packages’.

NSW Fair Trading should address these improvements by updating the funeral director FAQ document and the NSW Fair Trading funeral information standard website landing page to ensure that they can take effect immediately.^{vi} For the avoidance of doubt, NSW Fair Trading should amend the regulation when it is next reviewed to reflect these points of clarification.

We are recommending some improvements to the funeral information standard

We are also recommending some changes to the funeral information standard to enable easier comparison. As discussed above, the professional services fee is usually the most expensive component of the funeral. We have observed that many funeral providers are not itemising the price of their professional services fee (because they are not required to), and instead list it as ‘available on request’. Our draft recommendation is that NSW Fair Trading amend the regulation to require all funeral providers to publish the price of their professional services fee. Funeral providers who do not charge a professional services fee should publish the price as \$0. This change could be implemented when the regulation is next reviewed. Submissions to our Issues Paper, such as Active Directions, supported mandatory publication of professional services fees.^{vii}

⁸ For example, the Therapeutic Goods Administration provides examples of factors that determine whether a visual advertisement meets the benchmark for prominent display including: font size and type similar to the main representations in the ad, good contrast from background, information should not be buried under pictures. See Therapeutic Goods Administration, [Complying with the Therapeutic Goods Advertising Code \(No. 2\) 2018](#), accessed 25 March 2021.

We explained above that funeral providers in NSW must publish the price of the least expensive package for the burial or cremation of a body supplied by the funeral provider, which is usually a NSNA funeral. We consider that for some consumers a NSNA funeral will not meet their needs. To address this, we are making a draft recommendation that funeral providers be required to publish the price of the least expensive funeral package with a service, if they offer this product. This will ensure that consumers for whom a NSNA funeral is not suitable can also benefit from greater pricing transparency.



Draft Recommendation

- 5 That, to improve compliance with the funeral information standard, NSW Fair Trading amend its website and FAQ information about the standard to:
 - provide examples of what constitutes ‘prominent display’
 - clarify what constitutes a public website for the purposes of the standard
 - include a definition of the ‘least expensive funeral package’ to clarify that it is an estimate of the total minimum price for the least expensive combination of products a funeral provider offers to customers, whether or not the funeral provider defines that combination of products as a ‘package’.
- 6 That NSW Fair Trading start the process for amending the funeral information standard to
 - require all funeral providers to publish:
 - a. the price of their professional services fee
 - b. the price of the least expensive funeral package that includes a funeral service, for the burial or cremation of a body, if supplied by the funeral provider.
 - clarify that funeral providers are required to publish funeral information on any public website maintained by the funeral provider, and include a link to the funeral information on any social media account maintained by the funeral provider. If the funeral provider does not have a public website but has a social media account, it must publish the funeral information on each social media account.
 - include a definition of the ‘least expensive funeral package’ to clarify that it is an estimate of the total minimum price for the least expensive combination of products a funeral provider offers to customers, whether or not the funeral provider defines that combination of products as a ‘package’.

New entrants putting downward pressure on lower-priced products

In recent years, changes in the funeral industry appear to be contributing to lower funeral prices, particularly at the lower-priced end of the market. For example:

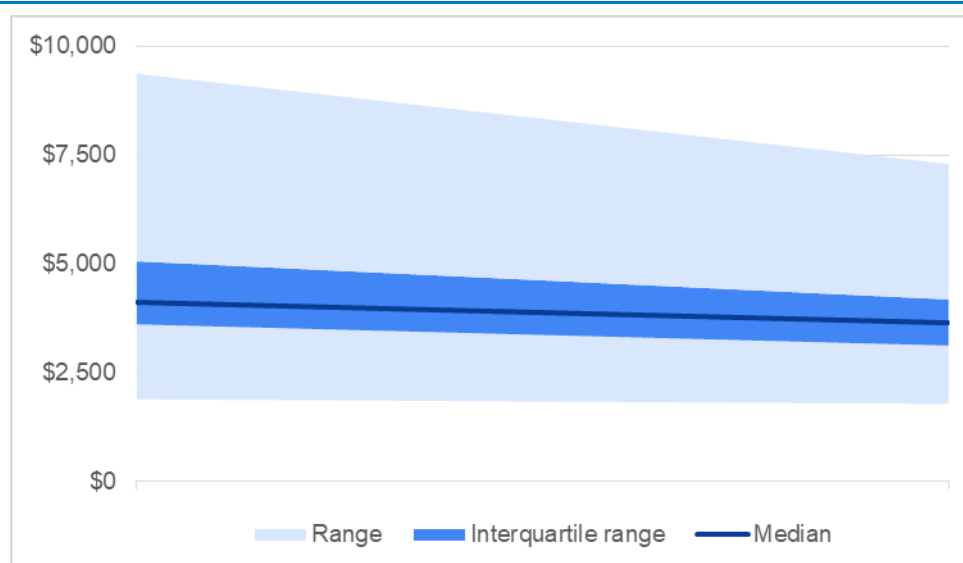
- ▼ funeral providers without physical premises have entered the market. These businesses are often referred to as mobile funeral providers, who typically engage a third party to undertake some of the funeral activities (such as transport or body preparation) for them.
- ▼ new providers like Tender Funerals and Picaluna have emerged, offering more consumer involvement in the funeral process.
- ▼ there has been a trend towards consumers choosing NSNA cremations and basic funeral packages over the last 5 years.^{viii}

Submitters to our Issues Paper, such as Council on the Ageing (COTA), noted that consumers support the emergence of a broader range of funeral providers.^{ix}

To understand how prices have changed in recent years, we compared pricing data from 2017 and 2020 provided by funerals pricing comparator website Gathered Here. We found that the price of NSNA cremations in metropolitan areas of NSW decreased substantially between 2017 and 2020. For example:

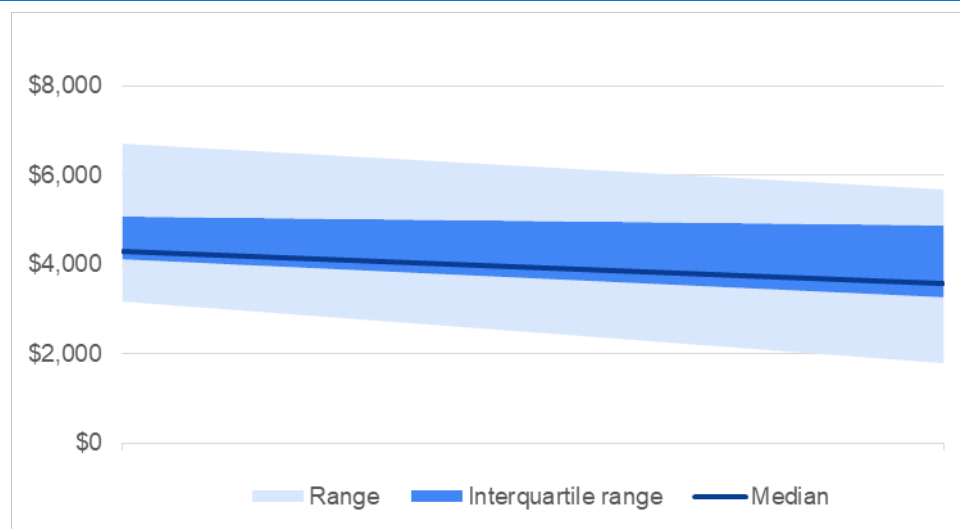
- ▼ The median price of a NSNA cremation decreased by between around \$500 to \$800 in Sydney, Wollongong and Newcastle.
- ▼ In Sydney, the spread of prices for NSNA cremations appears to be narrowing (See Figure 3). In Wollongong, prices for NSNA cremation prices are clearly decreasing (see Figure 4).

Figure 3 Prices changes between 2017 and 2020 – Sydney NSNA cremation



Data source: Price data purchased from funeral price comparator website Gathered Here.

Figure 4 Prices changes between 2017 and 2020 – Wollongong NSNA cremation

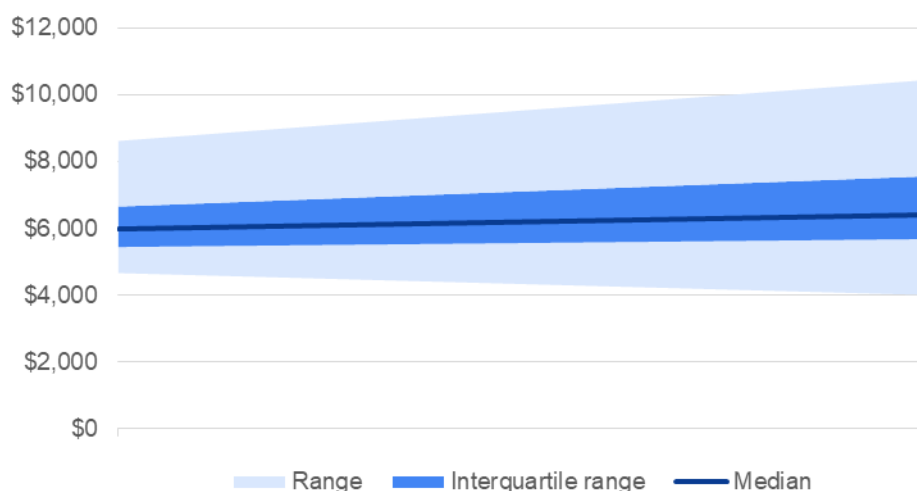


Data source: Price data purchased from funeral price comparator website Gathered Here.

On the other hand, Gathered Here price data showed that funerals with a service appear to have followed different price trends between 2017 and 2020, depending on the location. We found that:

- ▼ The median price for a funeral with a service in Sydney (single and dual service funerals for burial and cremation) increased by between around \$300 and \$600. Figure 5 shows that the spread of prices for a single service cremation in Sydney appears to be widening over time.
- ▼ The median price for a funeral with a service in Newcastle decreased for cremations, but increased slightly for burials (single and dual service cremations decreased by around \$250 and \$50, respectively, while single and dual service burials increased by around \$130 and \$50, respectively).
- ▼ The median price for a funeral with a service in Wollongong increased for most types of funeral with a service by between around \$200 and \$400, except for single service burials, where the price decreased by around \$30.

Figure 5 Prices changes between 2017 and 2020 – Sydney single service cremation



Data source: Price data purchased from funeral price comparator website Gathered Here.

Prices of the largest providers vary depending on the brand

InvoCare is the largest provider in the funerals market in NSW.^x We found that its prices vary substantially, depending on the InvoCare brand. We also found that prices offered by Propel Funeral Partners (the second largest funeral provider in NSW) are generally within the range of prices offered by other providers (see Figure 6, below). Our findings were based on price lists that are publicly available on InvoCare's and Propel Funeral Partner's websites. (Noting that, with some exceptions, most price lists show the total price of the NSNA cremation package, but not the total price for funeral packages with a service).

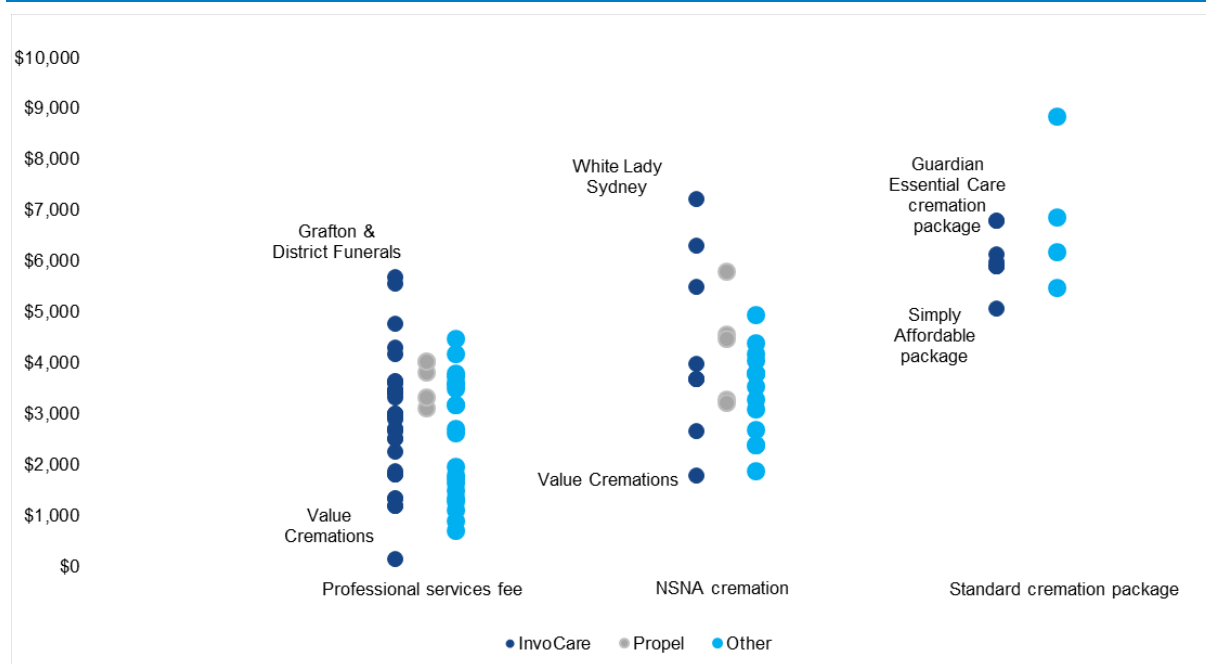
InvoCare has around 26% market share, and is vertically integrated.^{xi} As well as multiple funeral brands, it operates 10 cemeteries and crematoria in NSW, and many other related businesses.^{xii} Propel Funeral Partners is the second largest provider, with around 6% market share.^{xiii} Both InvoCare and Propel Funeral Partners have acquired a number of small funeral businesses in recent years, often retaining the brand name of the small business.^{xiv}

In addition to the small funeral homes that InvoCare operates, it has three national brands, and one state-wide brand with that target different segments of the market. These include:

- ▼ **Value Cremations** - online-only direct cremation provider offering affordable cremation services.
- ▼ **Simplicity Funerals** - simple, functional and affordable funerals.
- ▼ **Guardian Funerals** – offers funerals ranging from a small intimate family service to a large-scale State funeral.
- ▼ **White Lady Funerals** - offers customers a high level of customer service.^{xv}

Based on our sample of prices from around 40 funeral provider websites (which included a number of InvoCare brands), Figure 6 shows that the White Lady price for a NSNA cremation in Sydney is substantially higher than the median price for an NSNA cremation (around \$3,750).⁹ However, the Simplicity price for a NSNA cremation is very close to the median,¹⁰ and Value Cremations is substantially cheaper.¹¹ InvoCare submitted that it caters to the differing needs and circumstances of customers by offering a variety of brands, which reflect not only different price points but also different areas of focus.^{xvi}

Figure 6 Comparison of InvoCare, Propel and other funeral provider prices



Note: Prices are not available for all packages, as funeral providers in NSW are only required to publish the price of their cheapest package. Similarly, funeral providers are not required to publish their professional services fee, although many do. Grafton and District Funerals lists a price for the “arrangement and conduct of a funeral service”.

Some InvoCare brands have different prices for different areas in NSW.

Data source: Pricing information collected from around 40 funeral provider websites collected between December 2020 and March 2021. Funeral providers can change their prices at any time.

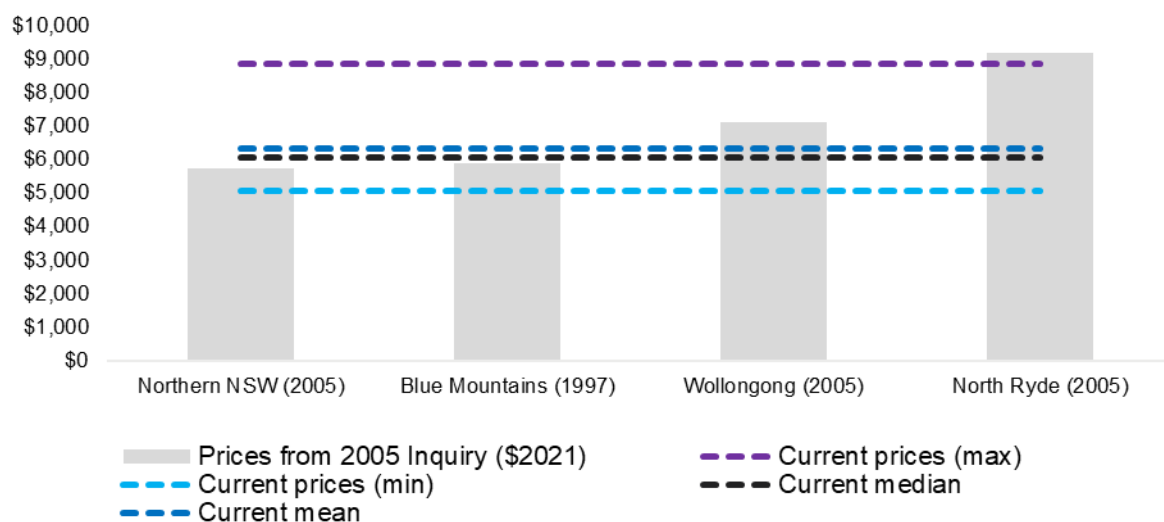
COTA submitted that there is “wide-spread concern about a lack of choice [in the funeral industry]... even in the metropolitan area, choice is limited by the developing duopoly. This translates into a situation where funeral costs are set by the large providers – and what seems to consumers to be a never-ending increase in the costs”.^{xvii} To test this, we compared pricing data published in the 2005 NSW Standing Committee on Social Issues inquiry into the Funeral Industry to the prices we found in the market between December 2020 and March 2021 for a standard cremation package with a service. While the sample of prices in 2005 is small, Figure 7 shows there is little evidence to suggest that prices have changed substantially in the last 15 years, after adjusting for inflation.

⁹ Figure 2 shows that the median price for a NSNA cremation is around \$3,750.

¹⁰ The Simplicity Basic Package in Sydney is \$3,995. See Simplicity Funerals, [Cremation funeral packages](#), accessed 6 April 2021.

¹¹ Table 1 shows that Value Cremations price for a NSNA cremation is \$1,790.

Figure 7 Comparison of funeral prices for a standard cremation package in 2005 and 2021 (\$2021)



Note: 2021 prices collected for standard cremation packages with a service

Data source: Standing Committee on Social Issues, [The funeral industry](#), December 2005, pp 23-24; pricing information collected from around 40 funeral provider websites collected between December 2020 and March 2021.

- ⁱ For example, see Carers NSW, submission to IPART Issues Paper, December 2020, p 1, Choice submission to IPART Issues Paper, December 2020, p 3; CPSA submission to IPART Issues Paper, December 2020, p 3.
- ⁱⁱ Cemeteries and Crematoria NSW, [Understanding your choices](#), accessed 24 March 2021.
- ⁱⁱⁱ For more information on prices for burial plots, see IPART, [Draft Report - Review of interment costs and prices in NSW](#), September 2020.
- ^{iv} H Parsons Funeral Directors, submission to IPART Issues Paper, November 2020, p 4.
- ^v For example, see CPSA submission to Issues Paper, November 2020, p 4; W. Morrow, submission to Issues Paper, November 2020, p 3; Council on the Ageing, submission to IPART Issues Paper, December 2020, p 12.
- ^{vi} NSW Fair Trading, [FAQs for funeral directors](#), accessed March 2021.
- ^{vii} Active Directions, submission to IPART Issues Paper, p 2.
- ^{viii} IBISWorld, Funeral Directors, Crematoria and Cemeteries in Australia, September 2020, p 13.
- ^{ix} Council on the Ageing, Submission to IPART Issues Paper, December, 2020, p 14.
- ^x IBISWorld, Funeral Directors, Crematoria and Cemeteries in Australia, September 2020, p 8.
- ^{xi} Based on InvoCare's national market share, see Ibis World, Funeral Directors, Crematoria and Cemeteries in Australia, September 2020, p 8.
- ^{xii} InvoCare, [Our brands](#), accessed 31 March 2021.
- ^{xiii} IBISWorld, Funeral Directors, Crematoria and Cemeteries in Australia, September 2020, p 8.
- ^{xiv} IBISWorld, Funeral Directors, Crematoria and Cemeteries in Australia, September 2020, p 26.
- ^{xv} InvoCare, submission to IPART Issues Paper, December 2020, p 4.
- ^{xvi} InvoCare, submission to IPART Issues Paper, December 2020, p 3.
- ^{xvii} Council on the Ageing NSW, submission to IPART Issues Paper, December 2020, p 17.