



To the Independent Pricing and Regulatory Tribunal

RE: Competition, costs and pricing in the NSW Funeral Industry

Thank you for the opportunity to comment on the draft report 'Competition, costs and pricing in the NSW Funeral Industry'.

The NSW Aboriginal Land Council (**NSWALC**) and the 120 Local Aboriginal Land Councils (**LALCs**) across NSW, operate under the *Aboriginal Land Rights Act 1983* (NSW) (**ALRA**). This legislation was established to, amongst other things, deliver compensation for dispossession of our lands and waters. The objectives of the ALRA are to improve social, cultural and economic outcomes for Aboriginal people in NSW and NSWALC, as the peak body, is working to achieve these goals.

As part of our role in supporting Aboriginal people in NSW, and to fulfil our legislative commitments to provide community benefits to members of LALCs and the wider Aboriginal community, NSWALC offers LALC members and Aboriginal peoples resident in NSW financial grants under a community benefit scheme. NSWALC has established a funeral grants scheme, which provides financial assistance to Aboriginal people to assist with the costs of a funeral. Under this scheme, grants are paid directly to funeral service providers and can be used to cover the costs of a basic funeral: funeral parlour service, casket or coffin, cemetery, removal fee, death certificate or doctor's certification for cremation and preparation of the body for burial.

Lack of competition:

In managing the funeral grants scheme, NSWALC has identified a lack of competition in some rural and remote areas in NSW. There is anecdotal evidence that some funeral service providers increase the quoted price for a funeral when they are made aware of NSWALC's financial contribution. We note that the report identifies that there are some small towns where there is only one local funeral provider. However, the report suggests that this is satisfactory because "the possible entry of new providers is likely to keep prices fair, and ensure quality of service." Yet, it is our experience in providing funeral fund support to Aboriginal people that the lack of competition means that this is not always the case. In this regard, we found the findings of the draft report that the NSW funeral and crematoria markets are 'workably competitive' unclear. We seek clarification regarding the meaning of 'workably competitive' particularly in relation to remote and regional areas where some service providers have a monopoly.

Transparency of pricing:

We note the findings of the report that most people do not obtain quotes before selecting a funeral provider. As a result, it is important that funeral providers are transparent with their pricing. NSWALC therefore, supports the recommendation in the draft report for NSW Fair Trading 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.
- c. 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.

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- d. 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'.

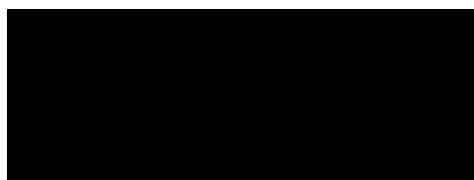
Increased enforcement of existing regulations:

The report suggests that the current level of regulation of the funeral industry is appropriate and fit for purpose but that many providers are not currently compliant with existing regulations. The report's solution for the lack of compliance is for more regular auditing of service provider's websites to ensure they are being transparent with their pricing. However, we question whether auditing funeral provider's websites is a sufficient deterrent and recommend that the audits also involve some sort of survey or interview with recent customers of funeral service providers as well. The report notes that in addition to regular audits there will be greater enforcement action for non-compliance. However, what form that enforcement action will take is not described. NSWALC suggests that the final report should outline what the enforcement action for non-compliance will be.

The draft report also notes that regulatory arrangements have been strengthened recently to include greater regulation of funeral insurance sellers to protect vulnerable consumers, and new powers for ASIC to intervene in products where there is a risk of consumer harm. NSWALC notes the report's recommendation for more education about funeral insurance to be developed and provided to consumers, including more promotion of the existing campaign 'It's ok to walk away' for Aboriginal consumers. In addition to education about consumer's rights, NSWALC believes there should be more enforcement action against sellers who do not comply with regulations and that this should be detailed in the report as noted above.

We would welcome the opportunity to further discuss these matters with you.

Yours sincerely,



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