



H.Parsons Funeral Directors

H.Parsons Pty Ltd
34 Belmore Street
Wollongong, NSW, 2500
Australia

P (02) 4228 9622
F (02) 4226 6742
E info@hparsons.com.au

A.B.N. 44 000 470 977

www.hparsons.com.au

November 20, 2020

Re: H.Parsons Submission For The Review of Competition and Costs In The Funeral Industry

To Tribunal Members Dr Paterson, Ms Cope and Ms Gamble,

We take the opportunity to thank the tribunal for taking an active interest in the funeral industry and for publishing the issues paper (23rd October 2020). We are delighted to be given an opportunity to respond to the topics raised in this document.

H.Parsons is now the longest, continuously operating family run funeral home in Australia, tracing our history back some 130 years to the original premises on Keira St Wollongong. My great grandfather acquired the business of William Hudson in 1893.

Our family has continued in business for this length of time due to some fundamentals of any good business: honesty, transparency, fairness, excellent value for money, flexibility and superior customer service.

As a full service funeral provider, we have invested in (to name a few):

Comprehensive staff training, including Certificate IV trained mortuary staff

Modern and spacious chapels

Audio Visual equipment, including web streaming

H.Parsons Response

Question 1 Tell us what you think about choice and competition in the funeral industry:

a) what are your views on the range of providers and choices of services emerging in the funeral industry?

The industry has undergone serious change in the last five years. During this time, we have seen the emergence of Australia's first not-for-profit funeral director, Tender Funerals, in our local area. We have also observed the rise of the 'briefcase funeral director' (a funeral director that owns nothing more than a website and a briefcase).

Our local market also has the full range of InvoCare brands – Guardian (Hansen and Cole), Simplicity, White Ladies and Value Cremations. All of these have driven intense competition in our local market.

H.Parsons has responded by launching Easy Funerals (www.easyfunerals.net.au) – a low-cost funeral brand with the motto ‘the more you do, the more you save’. We have offered competitive and transparent package pricing that demonstrates (like most things in life) – you get what you pay for! Our lowest cost options have minimal staff support to reduce cost for the family.

Given all this, our market research would suggest that over 90% of the population given a full range of options, will still choose a full service funeral provider. Reasons for this:

- The time to organise a funeral is relatively short – three to four days on average between passing and the funeral service and committal.
- Funeral arrangements are complicated by choice and this is a combinatorial problem (choices made have linked effects on other service providers and choices made may not be compatible from a logistic, venue rules or legal sense). As an example: Service location and time will affect which celebrant, committal time and the legal paperwork required.
- Even with a full service provider, families feel an extraordinary time pressure to deal with well-wishing friends and family, attending to requests and dealing with loss.

b) what are your views on the need for regulation and what regulation might look like?

Whilst we appreciate and understand the spirit of transparency in pricing, we feel that without regulation, unscrupulous operators are able to operate at a competitive advantage to those companies, such as H.Parsons, that are operating to best practice standards of care for the deceased and their families.

The industry has, and continues to be, regularly reported on through the news media, various government inquiries and university studies. We feel that this level of attention is somewhat unwarranted given:

- The extraordinarily low numbers of complaints received by government agencies (less than 0.05% of all funerals conducted)
- The emotive nature of funerals

Nevertheless, H.Parsons strongly believe in the need for greater regulation and a mandatory code of conduct that covers the following

- Basic standards of hygiene, dignity and respect for the deceased in mortuary and body preparation
- All participants should register their mortuary with local councils with councils to ensure a minimum standard of cleanliness, functionality, staff qualification and safety
- Prominent website display of companies, facilities and equipment used in the transportation, care, and storage of the deceased
- Occupational health and safety standards,
- Staff training for mortuary staff and Funeral Directors
- An independent rating system which covers issues of services provided solely by the company versus contract out-sourcing

c) can people complete some or all of the funeral arrangements easily without using a funeral director?

The key word in the question is 'easily'.

Even very simple funeral arrangements, such as a no-service, no attendance cremation only funerals require:

- a statutory declaration to be signed and properly witnessed,
- collection of two sets of medical paperwork (from the patient's GP and a properly authorised medical refereeing doctor)
- collection of information to submit to the Department of Births, Deaths and Marriages, collection,
- transportation of the deceased from place of death and to the crematorium and,
- attending to all remaining bookings

Further cost and complexity is introduced when you were to include:

- Cultural and community expectations (e.g. an Islamic funeral and burial is ideally performed within 12 to 24 hours of passing, requiring a funeral director with additional staff and facility capacity to cope)
- Third-party organisations such as Churches, Crematoria and Burial locations – each with their own processes and schedules which all need to be aligned for the service to take place
- Third-party organisations such as celebrants, florists, memorial stationary providers, external audio-visual equipment providers, outdoor furniture hire...

Our continued challenge as funeral directors is to be able to provide choice without introducing too much complexity and cost to the organisation (which is then passed to the family).

d) what are your views on the impact of COVID restrictions on choice of services in the funeral industry?

H.Parsons has tried very hard to accommodate all families as a result of COVID restrictions. We have:

- Seen a >200% growth in families viewing the funeral via webcasting
- >30% increase in families choosing No Service No Attendance (NSNA) cremation
- Innovated by introducing the 'Zoom Wall' to allow families to not only see the funeral service but to join and interact

2. Is funeral price information easily available on providers' websites and does the information meet consumers needs?

In our view, the NSW Fair Trading changes of 2019 are an example of a great idea but poor execution.

- The funeral price information sheet does not identify which costs are mandatory versus optional. Further to this, the information standard does not enforce the display of a minimum cost for each funeral 'type'
- The information sheet contains industry jargon for which the consumer has little chance of deciphering
- Does not enforce a standard of display
- Does not enforce a standard of 'what is included' in each line.

- Does not indicate a standard of care for the deceased
- Does not include a standard for staff training

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?

Furthermore, a cursory search of competing funeral websites indicates this standard is not displayed on many websites (not enforced through NSW Fair Trading)

3. Tell us what you think about funeral pricing and affordability.

Our company has always sought to provide class-leading care, service and innovation within the funeral industry.

H.Parsons fundamentally reject the assertion that we, or any other reputable funeral homes upsell funeral packages. This goes to the heart of our integrity and to the reason we have a 130 year history.

We simply provide choice. What makes a funeral right for one family will not be the same for the next.

We work hard to find the right solution for each family. This includes ensuring they know about all the low-cost options and ways to save money if we get an indication that affordability will be an issue.

We do believe in meeting families where possible to discuss their options. Seemingly endless choice requires tailoring – this is very difficult to express on a website.

We believe we do more to support families of low socio-economic backgrounds than any other funeral director in NSW. We do this by providing no interest loans and by not asking for payment up front in most circumstances

4. Tell us what you think about the different ways of paying for a funeral.

H.Parsons makes the following points about the cost of funerals generally:

1. Funeral Directors are obliged to not mark up the costs of products and services provided through third-parties. These are referred to as ‘Disbursements’. H.Parsons include the following statement on all of our written quotations and advertising ‘Disbursements are payments made to suppliers on your behalf. H Parsons Pty Ltd do not add any additional fees or charges and we proudly refuse any commissions for work performed from these quality approved, local suppliers.’
2. A funeral director reliably must pay these disbursements costs to our suppliers without guarantee that we will receive payment from the consumer – this is a significant burden not applied to other comparable industries.
3. As a proportion of the total cost of a funeral – disbursements are often more than the cost of products and services provided by the funeral director. Burial costs in particular will add significantly to the funeral.
4. We would make the point strongly that Burial and Cremation service providers are mandated to accept payment directly through their website from the consumer, thus easing the debtor burden on the funeral director. Enabling this functionality would allow the funeral applicant to pay from home without attending an office and should possess individual client accounts – similar to paying a utility account.
5. A funeral director will price their services based on the level of their investment. A full service funeral provider will invest in staff training and development, their facilities,

their vehicle fleet, number of staff and hours required per funeral etc. Low cost providers will not make these investments and we believe will lead to a higher number of complaints.

We believe this review from IPART may provide an opportunity to make these points clearly.

In terms of paying for the cost of a funeral, H.Parsons promotes pre-paid funeral products through Foresters Friendly Society. We believe Pre-Paid Funerals and Funeral Bonds are the most ethical ways of saving for a funeral. Any contribution made by the client is theirs and will be put against the cost of the funeral. Pre-Paid funeral products can be paid over time through small regular payments.

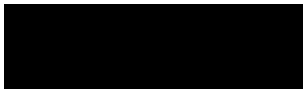
We do not promote funeral insurance, as these financial products tend to:

- Prey on the elderly or those that lack financial literacy
- Cost far more over the longer term
- Risk losing all monies paid if contributions are stopped

We note the rise of 'buy now, pay later' financial products from companies such as AfterPay. Whilst these products may hold some benefit for us (reduced cost of collection), we remain somewhat concerned for the effect on consumers that have little capacity to pay and may be forced into a debt spiral.

We would like to thank IPART for taking the time to read our submission. I would like to make myself available to answer any further questions you may have of me or the business.

Yours faithfully,

A solid black rectangular box used to redact the signature of Alan Parsons.

Alan Parsons
Managing Director
H.Parsons Funeral Directors
P: (02) 4228 9622