

Submission to IPART

re: issues paper review of competition costs and pricing in the funeral industry October 2020

I have conducted funerals as a Christian minister for around 350 families, and helped organise at least 7 funerals within my own family. I therefore make this submission as a consumer and a representative of and advocate for 350 families who have been consumers.

Organising a funeral is a transaction in which the consumer is almost always open to exploitation because of ignorance of the process coupled with the emotional impact of grief. Most people desire to be supplied with a product and service that are basic and simple, decent and dignified; but because of lack of experience they have no idea what that may entail.

Generally no list of options that would give them adequate choice is made available to consumers of the funeral industry; nor are there funeral brokers (for want of a better term) who could compare operators in the industry and advise the customer of the best options to take that would suit their circumstances and wishes.

Competition does not really exist. In the bush, consumers have little or no choice; there is often only one funeral director. In the city there are a multitude of funeral directors, but very few consumers know whether they are independent from each other or a subsidiary of a larger business. Consumers generally purchase what they are offered, negotiating on the quality of the coffin, or the value of flowers. But consumers are generally given no say in the handling of the deceased's body, nor are they generally given options regarding home preparation, the use or not of chemical preservatives, the ability to provide their own coffin, the use of a shroud, etc.

The goal of the issues paper is:

Our objective is for consumers to be able to make informed choices about the kind of funeral they want at a price they can afford.

I believe this stated goal is almost unachievable for the reason stated in that paper, namely:

Because people organise funerals infrequently and they occur quickly, during what can be a stressful and emotional time, organising a funeral is different to most other consumer decisions. As it is an infrequent purchase, people are generally unfamiliar with the options available, the prices involved and what is required or optional. Also, as death is a sensitive subject, people can be reluctant, or unable, to engage in the usual methods of decision-making for large purchases, like shopping around and comparing services and prices, inquiring about discounts or selecting on the basis of price.

- Very few people organise more than one funeral.
- Funerals must be arranged quite quickly in order to be organised, prepared and advertised to family and friends.
- Funerals are a time of great stress and emotion, primarily grief, which is itself an infrequent emotion for which most people are unprepared and ill equipped to handle.
- Most people are unfamiliar with arranging funerals and are therefore unfamiliar with possible options. They are unaware that many funeral directors are branches or subsidiaries

of a major business within the industry, thus being neither competitors nor independent in the normal sense of those terms.

- Decision making in choosing a funeral director is complicated because the consumer is choosing both a series of products and a series of services; some of which services the funeral director is subcontracting out, namely the celebrant; and some of which products the funeral director is purchasing and selling on to the consumer (and sometimes with a huge mark-up), without allowing the consumer the option of supplying their own product; and some of the products offered have alternatives of which the funeral director is not informing the consumer.

There needs to be a huge publicity campaign involving all areas of society, informing the vast majority of the general populace of the possibilities available when arranging the funeral of a loved one, and of their ability to choose for themselves what they would wish for their loved one.

**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 increase in the range of providers and choices of services emerging in the funeral industry is both a positive and a negative thing.

Positively it makes available more choice, but this is only in heavily populated locations;

Negatively very little changes with more providers because the vast majority of consumers are unaware of the new providers and the range of services presently offered let alone the new services that might be offered.

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

There certainly needs to be some regulation. This needs at a minimum to include a level of training necessary to hold a licence to operate as a funeral director, together with a level of service necessary to hold a licence to operate as a funeral director, with a penalty ranging up to the loss of a licence to operate as a funeral director for failure to maintain a set level of service.

There also needs to be some sort of change so that families can be physically involved in the preparation of the deceased's body for the funeral.

Further there needs to be a removal of associated regulations and laws that limit the re-use of graves, the deep level of burials, the insistence of the use of coffins, and the practise of treating bodies with chemical preservatives, etc.

c) can people complete some or all of the funeral arrangements easily without

using a funeral director?

They should be able to, but this is something that is not offered by the main operators in the industry. Funerals have gone in a relatively short time from a family function to a commercial enterprise that shuts the family out. The funeral director's role should be to guide and provide a service for the family to enable them to prepare for and to bury or cremate their relative, rather than an industry that does everything and excludes the family from everything except the funeral (ie. memorial) service.

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

No, it isn't. I have just looked at 5 local funeral directors websites. Their responses were:

- One webpage clearly displayed the price information, but the names they gave to the three options were totally insensitive.
- One gave the information, but it was difficult to find at the bottom of a long webpage.
- One did not have the information, but informed me that they were in the process of preparing the information to place on their webpage.
- One did not have the information, and informed me that although they had a local webpage, it was controlled by head office.
- One did not have the information, and did not respond to an email where I could access that information.

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

Most people do not search online or even by phone in the case of the death of a family member or close friend. They choose someone who has been recommended, or whose advertisement they have seen, or who were involved in a friend's funeral. And they take what is offered by mostly an industry-driven industry.

Many families are in an emotional where they will pay whatever it cost to give their loved one a "decent send-off"; they will even go into debt to do so at a time when they are not emotionally able to consider how that debt will be repaid.