



Independent Pricing and Regulatory Tribunal New South Wales Review of Competition Costs and Pricing in the Funeral Industry

I am preparing and submitting this submission under my role as President of the National Funeral Directors Association. I am also a majority owner of a funeral business in South Australia.

I would like to express my concerns, that much of the commentary and analysis (particularly from segments of the media), in recent times have limited operational knowledge of the funeral industry and primarily seek to sensationalise issues, without fully understanding the context.

A funeral presents its own overlay of emotions and issues, that are not common with other transactions. It is because of this that, trust in the funeral home is essential. Funeral homes cannot have “fire sales”, “Christmas or end of financial stock clearance sales” or indeed “buy one get one free” or “also comes with steak knives”. Funeral homes build their business over generations and are heavily based on relationships that traverse those generations.

I am an advocate of a regulated and licensed industry. The industry has a vast amount of regulatory compliance at local government and state level under various laws and acts. However, there is no requirement for licensing or minimum criteria of requirements to set up shop. Accordingly, without an industry association providing training and compliance with a code of ethics or minimum standards of equipment to operate, then it follows that cost and service variation will occur between those who actually provide an industry standard, compared to those, who are not held to an association regulated standard.

As a National Association, members are held to a standard and benefit from the credibility that provides, in trust to the community. Breaches or non-compliance have a complaints process mandated by the association charter.

While it would be beneficial to have a common federal licensing process, I would suggest that Covid 19 has taught us that the real power lies with the States.

I acknowledge the desire of the New South Wales Government to work towards a better outcome for its citizens.

1 A) What are your views on the range of providers and choice of services emerging in the funeral industry?

- There is substantial choice of funeral directors in capital and major metropolitan cities.
- Regional areas are less well serviced by numbers of funeral directors, but the level of care is no less.
- The death rate in Australia is relatively constant from year to year. Accordingly supply and demand and cost to service the death will vary - some funeral homes may only do 20 to 30 vehicles kilometres per funeral; others could be well into the hundreds of kilometres. Therefore, the number of funeral directors in an area will generally be dictated by economics associated with the number of deaths in or around a location.
- We have seen in the last decade or more, the increased presence of “briefcase” operators. This type of entity sets up as a “funeral director”. They have a smart phone or iPad, a home office, a car and tap into a network of suppliers who they essentially outsource the components of the funeral to. This disconnected and somewhat impersonal approach to disposal of a deceased, is fraught with challenges and can often leave the clients with a limited avenue of recourse, in the event of a dispute on delivery of service. Without the overhead of fixed bricks and mortar and a depreciation schedule, attached to a hearse or equipment, the opportunity to undercut pricing and service is apparent but not healthy.
- The capacity of some of these to utilise mass marketing on social media platforms at low cost is also a concern because of the often-unsubstantiated claims made in the promotional material.
- Promotions such as ‘high quality cremations’, ‘services of a licensed funeral director’ and ‘bring your loved one into our care’ would all need scrutiny when you consider they have ‘no skin in the game’ but simply offering materials handling and logistics.
- This can leave a wake of heartache as they often do not last long – essentially there is a cost to provision of genuine compassion, respect and dignity.
- Surely our society will not choose to abandon the benefits of grief, surely, we are not at the point where telemarketing and freight of a QR coded body bag containing deceased via custom refrigerated trucks to an interstate crematorium is how we want to respect of our loved ones. I do not believe that anyone when described the process of some cut price services, would proceed with that as an option.
- If we are serious, we need to provide transparency of process to accomplish transparency of price.

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

- There is substantial statutory regulation at local and state government level covering all aspects of the industry.
- Requirements can cover back flow water pressure testing of plumbing to premises, through to operational ranges for temperature of mortuary cool rooms to mention a couple but the list could go on.
- The various state acts that surround cemeteries and crematoriums and the interaction of funeral directors with those facilities is substantial.
- The interface of funeral directors with coroners and births death and marriages and health care venues is sophisticated and an essential part of the process.
- While a federal oversight of the industry would be preferable similar to aged care or the freight industry, or even the recent national fire emergency codes, it is apparent that Covid 19 has made it very clear, that the implementation of licensing would be best serviced at State level but it would be essential to have consistent terminology and cross border networks to limit the impact on funeral directors operating in border communities.
- A federal Cause of Death and Death Registration Form etc but implemented at a state level would be of great assistance.
- Mandating that at the very least a funeral director must be a member of an Industry Association to operate is essential.
- Requiring that Government contracts or tenders involving the death care industry are Association members.
- Associations have the capacity and do regulate and address how funeral directors operate and provide a complaints and resolution process to the consumer.
- I believe a staged process of requiring Association membership initially with the view to moving to a licensed qualification would be the short to mid-term goal.
- It is essential that Associations or government through a self-regulated or licenced process have the powers to address education and training with the view to lifting the industry to improved levels of competence and trust.
- If a funeral director is found in breach of standard then they should be excluded from offering those services, this occurs in other licensed service sectors.

C) Can people complete some or all of the funeral arrangements easily without using a funeral director

- There are physical and functional processes, material handling and event management considerations. The short answer is not at all or at least not without substantial difficulty.
- How would an untrained person handle the removal of a deceased from a car accident, crime scene, in home palliative death, a suicide or transfer from an aged care facility?
- How would they handle coroner and inter or intra state transfer of the deceased?
- How would an untrained person handle and have access to a mortuary, a cool room and the myriad specialist equipment, tools and products or chemicals required to provide adequate care.
- How would an untrained person handle the body preparation requiring removal of pacemakers, removal of catheter tubes or pain relief infuser devices.
- Most birth death and marriage departments require registration of the funeral business entity to submit online registrations.
- Most media outlets require an established relationship and substantial credit arrangements to post death and funeral notices.
- Most crematoriums and cemeteries have structures that involve the funeral director relationship.
- Of concern would be the burden that this type of functionality would impose on a grieving family.

D) What are your views on the impact of Covid 19 restrictions on choice of services in the funeral industry?

- There has been a shift to cremate now and memorial service later.
- There has been a marked increase on the utilisation of live streaming for those full-service funerals that have proceeded.
- The biggest issue in relation to Covid 19 has been the number of people permitted to attend funeral services and the associated guilt at not being able to attend or invite due to number restrictions has impacting general well-being.
- Many options such as memorial cards, memorial books and casting petals have not been able to be utilised. Even the closeness of pall bearers has been impacted.
- Limitations on funeral numbers and capacity to have wakes has also impacted the grieving process.
- Initial lack of PPE and then its requirement at different levels has been costly and time consuming.
- Contact tracing record systems have been less than user friendly many people do not bring phones to a funeral and many are not tech savvy.
- In line with recognising the impact on the community and the economy funeral directors have been considerate of pricing despite the increased impact of costs due to COVID-19 issues.

2) Is funeral price information easily available on providers websites and does the information meet consumer needs?

- A consumer asking how much funeral is, equates to the same as a consumer asking how much a car or a house is.
- Both those scenarios are open to personal choice, location and the status those objects bring.
- To answer the common question of how much is a funeral it is essential to understand the inputs into the transaction.
- Where is the deceased, how long have they been deceased, what size, shape, length and weight is the deceased?
- Does the deceased have artificial limbs, a pacemaker or been subject to autopsy, trauma or been an organ donor?
- What style type design of coffin, handles or drapery is required.
- What flowers press notices of memorial cards, photo stories or streaming services are required.
- What level of cultural consideration must be observed?
- These choices are relevant to individual style and choice and go to the level of respect and dignity that the individual wants to express.
- In summary I submit that website price information can be misleading without understanding the complex matrix of choices that we as humans want to make.

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

- Given consideration of the above I do not have a problem with funeral pricing.
- I do consider there are small numbers in the industry that unfortunately take advantage of families in a vulnerable time.
- Funeral Directors often take great faith in extending credit to the price level of a good second-hand car, at considerable risk.
- They also as a result of this faith are exposed to high levels of bad debt or forced to extend term payments to recover debt.
- Funeral Directors understand that client time issues are placing pressures on the traditional capacity to celebrate a deceased and they are generally accepting of the need to provide a range of options that match the consumer budget.

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

- I have concerns about funeral insurance as it is basically life insurance and the funds do not always get utilised for paying for the funeral.
- I have concerns about several issues related to pre-paid funerals.
- I think funeral bonds are a more flexible consumer product.