

14th May 2021

## Response to IPART Draft Review of Competition, Costs and Pricing in the NSW Funeral Industry

The NFDA acknowledges that consumers need to make informed choice about the kind of funeral they want. Providing a funeral service is akin, to the choice a consumer makes, when purchasing an airline ticket. The result of the efforts extended, end up in the same place, it's just that consumers have a choice based on a range of their individual circumstances that determine whether they want to purchase services in first, business, economy, or cattle class.

Given that the review indicated that most people are satisfied, with funerals they purchase and that there are few formal complaints and that the draft findings found that both funeral and crematoria markets are workably competitive – The NFDA are at odds with the need for additional measures to control the funeral director's capacity to operate in a free-market economy and not have to reveal pricing to competitors.

The NFDA are supportive of consumer education. However, to stay competitive in a changing industry it needs to be on a level playing field. Suggesting that the lowest cost option be the guideline is flawed. To be able to allow a consumer to rate the lowest cost, the standard should be the same. For example – the coffin should be nominated as a chipboard coffin (and free of organochlorines) fixed with six screws lined with 100 um plastic and have a name plate fixed. It should also note the exclusions – number, type and style of handle are options and based on personal choice. It should state that the base price is for a standard coffin for a person less than 1.8 metres high and less than 500 mmm wide at shoulders and they weigh less than 85 kilograms. Consumers and deceased are all types of size and shape and the growing obesity challenges will impact increased costs over time. Having a stated one price fits all, is misleading. Indeed, referring to the airline comparison – it is not uncommon for oversize persons to have to book two seats.

Relevant particularly to dash point 6 it would be instructive to educate the consumer more accurately in the definition of "least expensive funeral package" that the pricing should also notify the consumer that additional costs may be incurred for removal of pacemakers, catheters, closure of wounds or insertion of cavity closures, fixing of eye lids and mouth formers, or the handling of deceased with infectious diseases and so on. The reality is that the consumer does not want to know the detail of the process of preparing a deceased person. Indeed, it is different for everyone taken into care and the choice that consumers make are linked to the respect and dignity that they choose to exhibit for their loved one. Again, having a lowest price option is not the best guidance for a consumer to make a choice.

Indeed, the review found that most people in NSW have access to a choice of funeral directors and a range of funeral services that meet their needs and are affordable. It also used reference material not relevant to the Australian death care market and referred to overseas studies.

NFDA have concerns about pricing authorities, making recommendations about body disposition, as there would be variable measures required, especially for infectious diseases which would impact

the price. Surely, we are not at the point of having a checklist enquiry of deceased relatives, regarding obesity, disease infection or pacemaker removal.

We need to be careful as a society, to not minimize the essentiality of the death care industry, surely the consumers rights to differing levels of service are reflected in a different price. The selection of a funeral director based on the cheapest advertised price is not a indication of the actual service delivered.

Of concern is in fact the focus on price rather than the types and benefit of service provided. Many of the benefits to a bereaving family come from the experience and compassion that funeral staff exhibit. Putting a price on caring, kindness or consideration is impossible and yet this is the area of service that the vast majority of consumers appreciate and benefit from.

The pie charts and tables provided, indicate that a high percentage of consumers are neutral to satisfied or very satisfied with the service provide by the industry. The comparing quotes table indicates that 33% of the consumers sort 1 to 3 quotes. A more helpful number would be how many changed their initial decision, based on alternative quote. Consumers largely base their funeral choice based on a generational relationship that their family has with a funeral director. Trust is inherent and continued and consistent delivery of service has earned that trust.

The NFDA rejects the conclusion that the industry does not need to be licensed. An operator can breach an existing regulation and while maybe penalised, can continue to operate in the same business, or move and recommence business, or change the business name. Repeat breaches of a regulation under a licensed system would provide provision for education, suspension, or cancellation of a license to operate.

Significant in this, is the role of Industry Associations to self-regulate and administer the existing codes of ethics and practice. Mandating that a funeral director needs to be licensed and also a member of an industry association would provide a platform for regulations to be educated, enforced and resourced in a healthy, collaborative and instructive environment rather than reacting to low numbers of complaints, usually blown out of proportion and context by media sensationalism.

The funeral information standard has the potential for consumers to conclude what some funeral directors include, versus to another is the same and therefore price differences would in fact be misleading to consumers. There is not consideration of regional versus metropolitan variation in a cost examples on a website and if the government and regulatory authorities are genuinely concerned about consumer transparency then educating the consumer in the death care industry via engagement with industry associations is a better way of comparing apples with apples.

Greg Nethercott – President NFDA