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Independent Pricing and Regulatory Tribunal
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Review of Competition, Costs and Pricing in the Funeral Industry

Carers NSW welcomes the opportunity to provide a submission to the Independent Pricing and Regulatory Tribunal (IPART) *Review of Competition, Costs and Pricing in the Funeral Industry* Issues Paper. This brief submission will focus on the need to ensure that funeral services are affordable and accessible for all carers in NSW, and that carers' consumer rights are recognised and protected.

About Carers NSW

Carers NSW is the peak non-government organisation for carers in New South Wales (NSW). A carer is any individual who provides care and support to a family member or friend who has a disability, mental illness, drug and/or alcohol dependency, chronic condition, terminal illness or who is frail. Carers NSW is part of the National Carer Network and a member of Carers Australia. Our vision is an Australia that values and supports all carers, and our goals are to:

- Be a leading carer organisation in which carers have confidence
- Actively promote carer recognition and support
- Actively support carers to navigate a changing service landscape that will be characterised by ongoing policy reform
- Promote connected community experiences and opportunities for carers that are inclusive of diverse carer groups
- Lead and advocate for carer-specific and carer-inclusive policy making, research and service delivery
- Continue to be a quality-driven, responsive and carer-focused organisation.

Funeral costs

Carers NSW recognises that funerals can be costly, with Australians spending between \$3,000 and \$9,000 on average. Given that almost 1 in 5 Australians are unable to raise \$2,000 within a week for something important,¹ it is clear that the current funeral market is unaffordable for many. Further, the 2020 National Carer Survey found that more than 1 in 3 carers are unable to raise \$2,000 within a week, with more than half of all carers who participated in the Survey experiencing some form of financial stress in the past 12 months.²

As a result, the financial implications of organising a funeral may be felt more acutely among carers, especially as caring often inhibits one's ability to participate in paid employment, affecting their overall financial security. Data from the 2018 Survey of Disability, Ageing and Carers indicates that carers are more likely to live in households with a lower equivalised gross household income and are twice as

¹ Australian Bureau of Statistics (ABS) (2020), General Social Survey: Summary Results, Australia

² Carers NSW (2020), *2020 National Carer Survey: Summary report*, Carers NSW, North Sydney.

likely to be in receipt of an income support payment.³ Carers' average gross personal income is almost a quarter less than the average weekly income of non-carers.⁴

Funeral payment options

The Issues Paper highlights that there are a number of ways to pay for a funeral, particularly if families do not have finances readily available to cover immediate associated costs. While these options may indeed benefit some people, it is important to note that a number of these options assume that people either: have enough income to organise or 'prepay' their own funeral; can afford to use part of their income to pay for funeral insurance; or have the ability to repay a loan that accrues interest after the funeral has taken place. Considering that carers and former carers often experience difficulty in affording daily living costs,⁵ it is unlikely that these options would be realistic for many.

Government and charitable assistance for funeral payments are also identified by the Issues Paper as a way in which people may be supported to pay for a funeral, stating that those in receipt of an income support payment may be eligible for additional bereavement assistance. While this is true for recipients of some income support payments, the amount of bereavement assistance differs depending on individual circumstances. Furthermore, the details of bereavement payments are not well publicised and are difficult to calculate or estimate, making it challenging to know whether such payments would be effective in providing support to carers when paying for a funeral.

Carers NSW would also like to note that while carers are twice as likely to receive income support compared to their non-caring counterparts, only 24% of carers rely on government payments as their main source of income.⁶ This suggests that there is still a cohort of carers who would be ineligible for government assistance to pay for a funeral service and would be left largely unprotected and unsupported if they were required to finance a funeral at short notice.

Carers NSW acknowledges that recommendations to change the current social security provisions are beyond scope for the Independent Pricing and Regulatory Tribunal and indeed for the NSW Government. However, in order to support carers (and people in NSW more broadly) organise and pay for funerals, Carers NSW believes the NSW Government should subsidise the costs of funeral services for carers and people in low-income households and recommends that IPART should endorse these recommendations to the NSW Government as well.

Regulation of the funeral services industry

Lack of formalised regulation and monitoring processes of the funeral services industry has also been identified by the Issues Paper as a point of concern. Limited transparency and codes of ethics or practice have direct implications for consumers engaging with these services, especially where carers are grieving and may therefore be more vulnerable to deceptive or unethical practices by funeral services.

Carers NSW recognises NSW Fair Trading has begun to develop and implement measures that seek to address concerns regarding regulation through the Information Standards (which requires providers and directors to prominently display funeral information on their website). However, issues identified in the Issues Paper suggests these standards are not appropriately upheld. For example, consumers who call funeral services directly to purchase goods or services will sometimes be quoted higher prices compared to visiting the funeral services' website. For many carers, particularly those who are older or

³ ABS (2019) *Disability, Ageing and Carers, Summary 2018*, New South Wales, Catalogue no. 4430.0, Canberra.

⁴ Ibid.

⁵ Carers NSW (2020).

⁶ ABS (2019).

from a culturally and linguistically diverse background (CALD), navigating websites and information online can be difficult, hence their preference to speak with someone directly.

In order to ensure carers, particularly those who are older or from CALD backgrounds are not disproportionately affected by a lack of regulation of the funeral services industry, Carers NSW recommends that more stringent measures be introduced to monitor the quality and compliance of funeral services. To achieve this, Carers NSW supports suggestions made by the Issues Paper to mandate compulsory training of funeral directors and staff more broadly, develop and implement a registration scheme to which all providers must adhere to and establish an industry code of practice that clearly stipulates the appropriate conduct of registered funeral services.

Thank you for accepting our submission. For further information, please contact Grace Cherrington, Policy and Development Officer, on [REDACTED] or [REDACTED].

Yours sincerely,

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