

- ▼ Please mute your microphone
- ▼ Please turn on your camera (webcam)
- ▼ We will start at 2.02 pm



PUBLIC HEARING
DRAFT REPORT
COMPETITION, COST AND PRICING FACTORS
IN THE NSW FUNERAL INDUSTRY

Liz Livingstone, CEO

29 April 2021

Agenda



MC – Liz Livingstone, IPART CEO



Welcome – Deborah Cope, Acting Tribunal Chair



Draft findings & recommendations – Jennifer Vincent



Stakeholder presentations



Feedback and questions



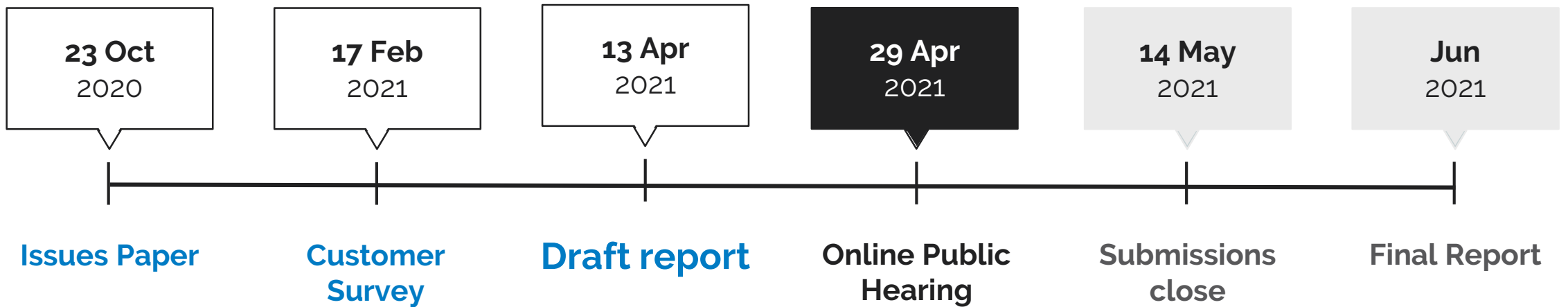
Closing remarks – Deborah Cope

Review context (s145 Cemeteries and Crematoria Act, 2013)

145 Investigation and report by IPART

- (1) The Independent Pricing and Regulatory Tribunal is to conduct an investigation of interment costs and the pricing of interment rights within the interment industry with regard to:
 - (a) the relativity of costs and pricing factors for perpetual and renewable interment rights, and
 - (b) full-cost pricing of perpetual interment rights, including provision for the perpetual care of interment sites and cemeteries.
- (2) The investigation is to include a review of competition, cost and pricing factors within the funeral industry.
- (3) A report on the outcome of the investigation is to be provided to the Minister within 3 years after the commencement of this section.
- (4) The Minister is to make the report publicly available free of charge by publishing it on a website maintained by the Department.
- (5) Except to the extent that the regulations otherwise provide, Division 7 of Part 3 of the *Independent Pricing and Regulatory Tribunal Act 1992* applies to and in respect of an investigation under this section.

Where our review is up to



Background



The aim of our review is to enable people to make informed choices about the kind of funeral they want at a price they can afford.



People organise funerals infrequently, in a short timeframe, during what can be a stressful and emotional time.



People can be reluctant or unwilling to obtain quotes, compare funeral providers or request discounts.



Satisfaction is high and formal complaints are few.



Issues with information, particularly about price.

Our findings and recommendations: information



We found

- ▼ Many funeral provider websites lacked price information
- ▼ Government websites – inconsistent or incomplete information



We recommend

1. NSW Life events website to provide comprehensive information about the process after a death occurs
2. Fair Trading develop a consumer guide
3. Fair Trading amend FAQ about information standard to support compliance
4. The funeral information standard be amended to expand and clarify the requirements to publish price information

Our findings and recommendations: regulation



We found

- ▼ Some people called for more regulation of the industry
- ▼ Current regulation is appropriate and fit for purpose



We recommend

1. Fair Trading audit and enforce compliance
2. NSW Health review funeral provisions in Public Health Regulation

Our findings and recommendations: ways to pay



We found

- ▼ the recommendations of the Banking Royal Commission are likely to address concerns about ways to pay for a funeral



We recommend

1. NSW Government websites include information about enhanced financial regulation, and consumer rights and responsibilities with respect to funeral financial products
2. Fair Trading prioritise consumer education about funeral insurance and funeral products

Our findings: costs



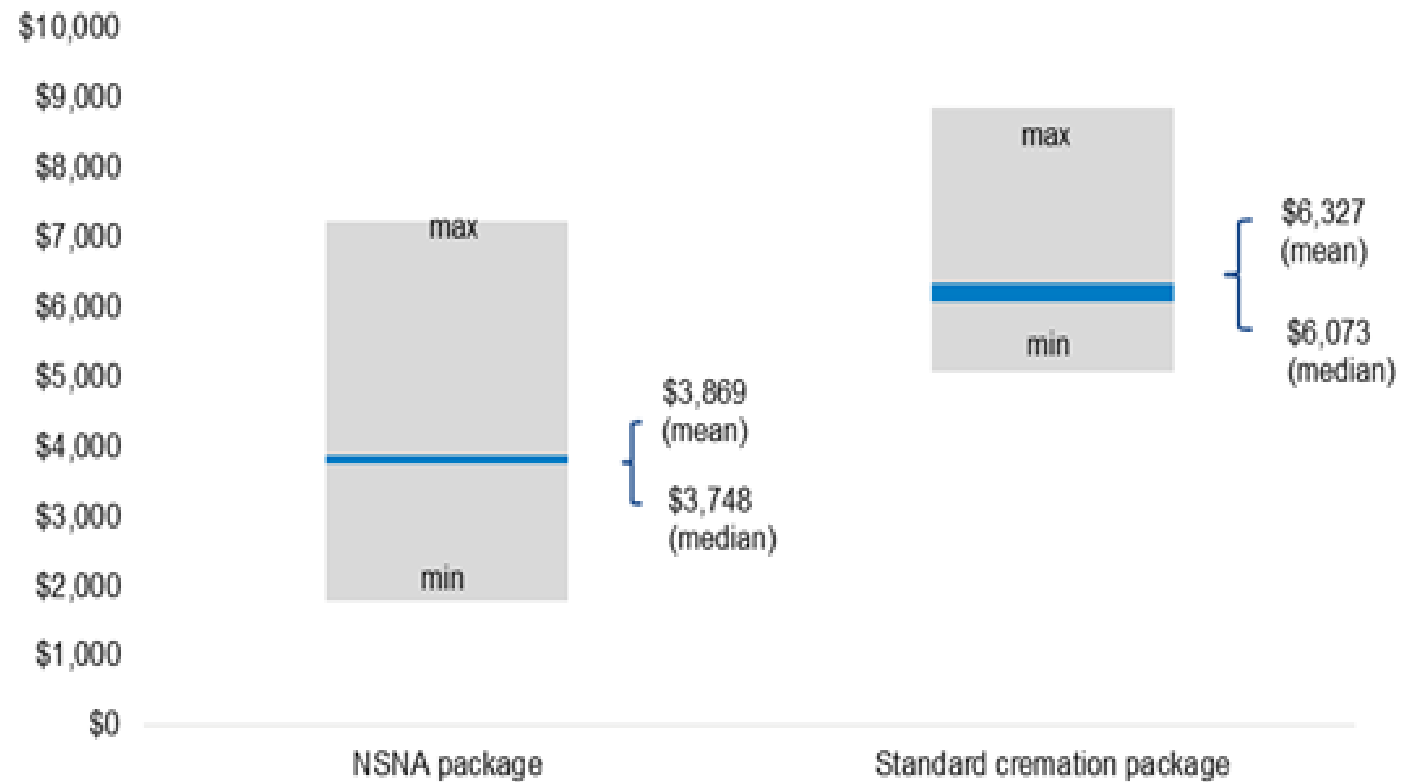
Costs of doing business for funeral providers

- ▼ Labour costs significant
- ▼ Relatively low set-up costs
- ▼ Different business models affect treatment of costs

Our findings: prices



Prices for funerals





Fair Trading



Customer
Service

Funeral transparency information standard

Valerie Griswold & Maggie Phang

Better Regulation Division, Department of Customer Service

IPART Public Hearing - 29 April 2021

www.customerservice.nsw.gov.au

Background on funeral information standard

- ▼ New information standard for funeral goods and services commenced on February 1 2020.
- ▼ The information standard is mandatory and applies to all funeral directors operating within NSW. Its aim is to increase price transparency for consumers.
 - Funeral directors must display on their website and at each place of business an itemised price list for the main goods and services they offer relating to burials and cremations.
 - They must also disclose the cheapest available funeral package.
- ▼ A widespread compliance program was due to roll out at that time, but the timing and approach was modified due to national emergencies – bushfires and COVID-19 pandemic.

Fair Trading Compliance Program – Funeral Operators

- ▼ **Phase 1 – Education Program:** February 2020 to date; reached over 500 traders to educate on what the new reforms are and what businesses were required to do.
- ▼ **Phase 2 – Compliance Program, Part 1:** to occur in 2021.
- ▼ **Phase 3 – Compliance Program, Part 2:** to occur in early 2022; targeting traders found to be non-compliant in phase two.

Draft IPART recommendations – for consideration

Continue

- ▼ Education program to raise awareness of the existing information standard with businesses
- ▼ Planned compliance activity (Phase 2) based on the existing information standard

Commence in 2021

- ▼ Improvements to public information available to consumers and funeral operators about the information standard, including enhancements to NSW Government websites

Review – in future

- ▼ Following these activities, review and consider amendments needed to enhance the information standard



Council on the Ageing (COTA)



Dignity, Respect, Choice:
Planning for the final
Chapter

- ▼ Council on the Ageing (COTA) NSW is a peak body representing people over 50 in NSW.
- ▼ We are an independent, consumer-based, non-government organisation.
- ▼ We work to ensure the views and voices of older people are heard and acted on.
- ▼ Community engagement is primary focus of COTA NSW and have included topics such attitudes to death and dying.

OUR SUBMISSION

Informed by:

- Surveyed COTA members
- Previous research such as our 50+ Report – *Dignity, Respect, Choice: Planning for the final chapter*
- Legal Pathways program
- External research such as CHOICE

OUR SUBMISSION

Key themes:

- Accessible and standardised information provision
- Inconsistent availability of pricing on websites
- Concern amongst consumers about homogenisation of the market
- Variation to the standard funeral is challenging
- Wide-spread distrust and confusion about funeral payment options



Combined Pensioners and Superannuants Association (CPSA)



Australian Funeral Directors Association

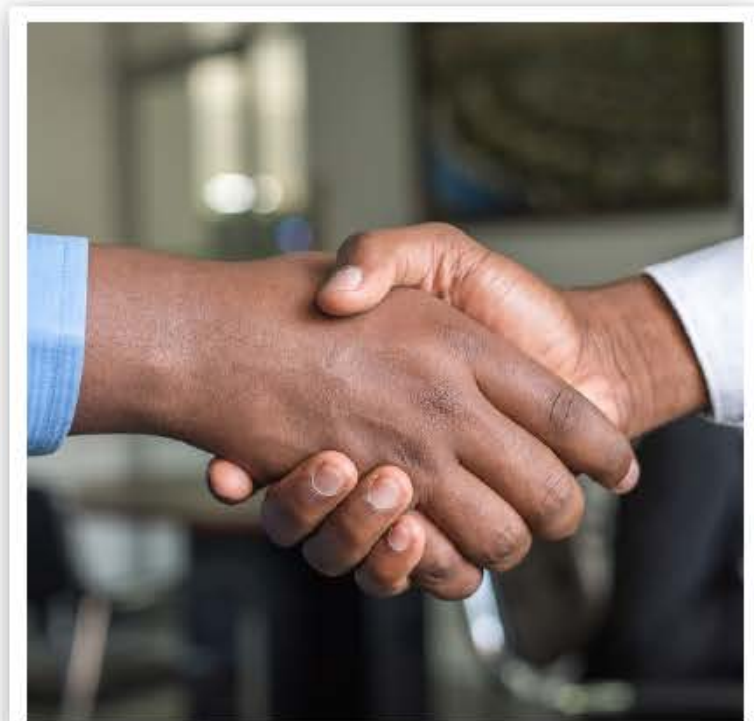
IPART Review



AUSTRALIAN
FUNERAL
DIRECTORS
ASSOCIATION

The Australian Funeral Directors Association is the national peak industry body with members in every State and Territory representing approximately 60% of all deaths in Australia.

AFDA's key objective is to optimise the funeral experience and ensure quality service for the community by enhancing and promoting professional funeral standards.



Overview



AUSTRALIAN
FUNERAL
DIRECTORS
ASSOCIATION

- AFDA thanks IPART for the fair and balanced review of the NSW funeral industry
- A true representation of the consumer experience and not skewed to a complaint experience of approximately 4 out of every 10,000 funerals or less than 1%
- 100% of AFDA NSW members display pricing on their websites
- AFDA supports IPART's draft recommendations to increase transparency and the enforcement of proper pricing information and regulation



Feedback



AUSTRALIAN
FUNERAL
DIRECTORS
ASSOCIATION

- The IPART review is a 5-year statutory requirement
- Modify blanket assertion 'the most expensive items in a funeral are usually the professional service fee and the coffin' (page 11)
- AFDA recommends the creation of a register of who is operating as a funeral director and should include "celebrants" and people such as the death doulas.





Funeral Directors Association of NSW



Tender Funerals



National Funeral Directors Association



Feedback and other comments
or questions

Next steps

You can provide feedback to our **Draft Report** by making a submission.

Submissions close on **14 May 2021**.

You can also provide feedback on our funeral checklist on the **NSW Government “Have Your Say”** website.

Contact Jennifer Vincent, 9290 8418 or jennifer_vincent@ipart.nsw.gov.au