



Wednesday 30 September 2020

Interment Review
NSW Independent Pricing and Regulatory Tribunal

Dear IPART

RE: Review of the costs and pricing of interment in NSW

I write regarding the review of the costs and pricing of interment in NSW. Arranging a funeral can be an emotional process, sometimes with added time pressures if the death of a loved one was unexpected. Industry practices are not helping consumers to find options that best suit their needs. Some practices make costs hard to identify or understand, and this can be particularly harmful when consumers making these transactions are grieving and vulnerable. Change is needed so that people are easily able to find prices and compare options.

CHOICE supports the following recommendations:

- **Recommendation 4:** That CCNSW develop a code of practice for interment right contracts, including standard terms and conditions, and a requirement for cemetery operators to provide a plain English statement of terms and conditions. Mandatory elements to be enforced by the Industry Scheme.
- **Recommendation 5:** That CCNSW develop a code of practice, in consultation with faith, cultural and indigenous communities, which specifies minimum interment requirements for particular faiths and community groups.
- **Recommendation 6:** That all licensed operators be required to provide a basic adult lawn interment right and burial, at a minimum standard of maintenance as specified by the Code of Practice.
- **Recommendation 7:** That licensed operators' licence conditions may further specify which basic services (for particular faiths or community groups) they must provide by reference to those which are defined in a Code of Practice.
- **Recommendation 17:** That the NSW Government amend the *Cemeteries and Crematoria Act 2013* to provide for CCNSW to refer a cemetery operator to IPART for a maximum price determination of a specified body interment service.
- **Recommendation 18:** That CCNSW refer the metropolitan Crown cemetery operators to IPART for a price determination in relation to basic adult lawn burials.

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- **Recommendation 19:** That CCNSW work with IPART and cemetery operators to develop an Annual Information Return to collect data to support price regulation and monitoring.
- **Recommendation 20:** That CCNSW develop a code of practice on pricing, to provide guidance to cemeteries on pricing matters. Code of practice to include:
 - The principle that prices should be cost-reflective
 - Guidance on including land as an input to the price of an interment right
 - Simple price modelling tools.
- **Recommendation 22:** That the Code of Practice on pricing recommend that cemeteries publish prices for a subset of interment products on a consistent basis. These interment products include:
 - Plaque lawn grave
 - Headstone lawn grave
 - Monumental lawn grave
 - Ashes interment.
- **Recommendation 23:** For the standard interment services outlined in Draft Recommendation 22, cemetery operators be required to publish the following:
 - The total price for the interment service (ie, the sum of all necessary service components) for both at-need and pre-need purchases
 - Itemised prices for each service component of the interment service and including any additional costs due to cultural or religious requirements as specified in the code
 - Product specifications for the interment right, such as number of interments
 - Length of tenure (renewable or perpetual) and the future maintenance attributable to that right, for all relevant lengths of tenure.
- **Recommendation 24:** That the provisions of the Code of Practice on publishing prices in a consistent way be made mandatory via the industry scheme for cemeteries which conduct more than 50 burials or interment right sales per year.
- **Recommendation 25:** That CCNSW use consumer-facing language that reflects the terminology referred to in the Draft Report in Table 10.1.
- **Recommendation 26:** That CCNSW develop, within 12 months of the release of IPART's report, a central website to enable consumers to compare prices for interment services in one place.

CHOICE is particularly interested in the set of findings and recommendations that deal with increased pricing transparency and use of consistent and simple language. In IPART's analysis, it found that there is wide variation in prices for interment services, including the price of a standard or 'basic' adult lawn burial. There is also limited or inconsistent information available to consumers to conduct meaningful price comparisons. IPART states that this hampers consumers' ability to make informed decisions about purchasing interment products as well as dampening competitive pressures on cemetery operators.¹

¹ IPART 2020, *Draft Report: Review of the Costs and Pricing of Interment in NSW*, p4
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CHOICE welcomes the proposed recommendations as they will address the lack of transparency - a major problem for consumers - in the funeral industry. Through CHOICE's in-depth investigation into the funeral industry in 2019, we found that the decision-making ability of consumers is often considerably impacted by their vulnerable state and time constraints, as well as cultural expectations and pressures. As a result, consumers are almost always reliant on funeral suppliers and are limited in their ability to shop around. The absence of easily accessible pricing information exacerbates this. Due to these unique conditions, consumers are more susceptible to overcharging, misinformation and unsatisfactory services.

"It's a really stressful time - and the costs are a lot higher than you think to purchase plots and buy a coffin. There are a lot of incidental fees too - such as transferring the body; paying for the service; even putting a notice in a newspaper."

CHOICE funeral survey respondent

CHOICE is also concerned about reports of anti-competitive practices and misinformation shared by private cemetery and crematoria operators. In 2019, CHOICE heard from one survey respondent that they had emailed an InvoCare crematorium to ask for the cost of a cremation, which was quoted to be \$2,000. After their mother died a month later, the respondent visited the crematorium and was told they had to go to the nearby funeral home - also owned by InvoCare - because they needed a funeral director to arrange a cremation. The funeral home provided a quote of \$8,000 for services including transportation of the body from a hospital 13km away, the cremation, the cheapest coffin, a newspaper announcement and the required forms.

The respondent did not know that legally they did not have to use a funeral director to organise a cremation and that under the NSW Public Health Regulation 2012, a cremation authority must not, without reasonable excuse, refuse to accept a body for cremation.

Market domination and a lack of consumer knowledge about rights and obligations when it comes to organising interment and cremation leads to consumer harm. The proposed changes will make it easier for consumers of interment services to access pricing information and compare services between cemetery and crematoria operators, and will place obligations on these operators to be transparent in their dealings with consumers.

For further information please contact CHOICE on apereira@choice.com.au

Yours sincerely,

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