

Submission on public consultation draft for the
NSW Fair Trading Regulation 2019

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Combined Pensioners & Superannuants Association of NSW Inc (CPSA)

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CPSA receives funding support from the New South Wales and Australian Governments



CPSA is a non-profit, non-party-political membership association founded in 1931 which serves pensioners of all ages, superannuants and low-income retirees. CPSA has 92 branches and affiliated organisations with a combined membership of approximately 23,000 people living throughout NSW. CPSA's aim is to improve the standard of living and well-being of its members and constituents. CPSA receives funding support from the NSW Government Departments of Family & Community Services and Health and the Australian Government Department of Health.

Submission

CPSA welcomes the opportunity to comment on the public consultation draft of the NSW *Fair Trading Regulation 2019* under the NSW *Fair Trading Act 1987*. CPSA's interest in this Regulation relates to the Information Standard in Part 2 Division 2, Funeral goods and services.

CPSA agrees that option 3 identified in the Regulatory Impact Statement for the Proposed Fair Trading Regulation 2019 is appropriate with regard to the Information Standard for funerals.

The mandatory publication of funeral prices, particularly publication on line, is a powerful way of allowing consumers to procure funerals:

- without having to spend a lot of time to shop around;
- being able to inform themselves about features and pricing before meeting a salesperson trained to apply - subtly or otherwise - emotional pressure.

It continues to be CPSA's position that the price of a basic funeral under the current regulation and information standard should be set by a pricing regulator. However, CPSA acknowledges that the mandatory publication of the prices of all components of a funeral is the maximum that can be achieved under an information standard.

Information

Even though the intent of the new information standard is for public disclosure and even though this disclosure requires itemisation in accordance with the funeral goods and services as defined in clause 7, the way in which this information is presented leaves a significant amount of room to manipulate the consumer and even to baffle the consumer. It is likely that the effect of that manipulation would be that consumers are not in a position to make informed choices.

From the price list, the consumer should be able to calculate the approximate cost of their desired funeral option to within a reasonable margin of error of the actual quotation. CPSA is concerned that the itemisation proposed in clause 7(2) is too loose as to (1) specific items and (2) ability to be compared across different funeral suppliers, for consumers to make their calculation and be reasonably close to the price subsequently quoted.

To address these two concerns, CPSA suggests both the price list and the quotations should be structured according to a uniform format to be used by all NSW funeral suppliers.

This uniformly formatted price list and quotation should list all specific items of goods and services. The following suggestions as to how this should be done are by way of examples, although it is suggested that the description of each information category in clause 7(2) should be retained and then followed by specific items within those categories:

- Clause 7(2)(a) need not change;
- Clause 7(2)(b) should list the types of medical certificates that need or may need to be obtained and their likely cost;
- Clause 7(2)(c) should list the price of collection/transport options (e.g pick-up by van or hearse in a body bag or in a coffin); this clause should list the price of separate options for preparation of the body (from basic preparation to embalming); this clause should also list the price of any viewings prior to the funeral service;
- Clause 7(2)(d) needs to list the unit price for storage, i.e. an hourly or daily rate;
- Clause 7(2)(e) should list the lowest option and a median option;
- Clause 7(2)(f) should list the price of transport options (by van or hearse; limousine for mourners), the price of available halls and chapels, the cost of a celebrant/clergy and the cost of flower arrangements;
- Clause 7(2)(g) should list the price of a burial or cremation and monument options.

Basic funeral

The requirement to publish the price of “the least expensive package for funeral goods and services required for a burial or cremation of a body that is offered by a supplier” resembles the current requirements for the “basic funeral”.

However, CPSA’s advocacy in relation to the basic funeral is not motivated by a desire to get consumers to take up the basic funeral in great numbers. CPSA’s interest in the basic funeral is that it meets the requirements of an essential service in relation to funerals. It is the availability of the basic funeral in its present form that CPSA regards as important for those unable to afford a more elaborate funeral package.

CPSA would therefore like to argue strongly for the retention of the basic funeral and its component parts as set out in the current information standard. This can be achieved in the proposed information standard by:

- marking the relevant funeral goods and services as listed in clause 7(2) as components of the basic funeral
- publishing the price of a basic funeral as part of funeral price information as per clause 8, either in addition to, or in replacement of “the price of the least expensive package for funeral goods and services”.

In retaining the basic funeral as part of the remade information standard, that standard would also resolve the question as to what, relevantly, is “the least expensive package for funeral goods and services”. Arguably, the least expensive package is a direct committal, which omits certain components of the basic funeral, the most important of which is a basic service to ensure the dignity of a basic funeral.

CPSA is strongly of the view that “the least expensive package of funeral goods and services” cannot be a substitute for a basic funeral.

CPSA is also of the view that publication of “the least expensive package of funeral goods and services” will not do much in the way assisting consumers in deciding what would strike the balance for them between affordability and dignity. From the consumer point of view it would be more helpful if providers published the cost of a typical or median package. This requirement, combined with a uniform price list, would give consumers the tools and guidance to decide on an appropriate and affordable funeral option.