



ALAN HARRIS MCDONALD

EST. 1928

The Hon. Mr Kevin Anderson, MP and Minister for Better Regulation

Dear Minister,

I am writing regarding the consultation paper put out suggesting regulation changes that would affect the funeral industry.

I am the CEO of a group of regional funeral homes. In New South Wales we have nine different businesses. We welcome the opportunity to comment.

When I heard about this paper I contacted my association, particularly as it says that there had been consultation with industry around the suggested policy changes. The NSW Funeral Director's Association indicated that they had not been consulted, and that in the last round of proposals they met with the Minister's office (Mr Matt Kean) with a departmental officer. They indicated that they were willing to liaise further around the evidence base, the views of the department and any other concerns.

They have not been contacted by the Department to liaise, engage or provide advice until the proposed final version of the regulation was ready and they sent a copy.

Considering the level of engagement, the industry took to take the issue the Minister and shadow Minister I am surprised the department chose not to engage. I am very surprised by this, as we have industry associations like this to try to ensure that stakeholder interests are represented. The department could have liaised with me as well as I was present at the meeting.

I believe that the suggested regulation changes do not in any way represent the concerns of my community or customers. All our businesses provide several options to any family to ensure that the costs associated with a funeral service are appropriate to their budget and the service they require. We provide a written copy of the costs at the arrangement process and will provide a written quote for anyone requesting one. I have not had complaints around pricing, quotes or the cost.

People do ring and ask for pricing quotes and we provide these over the phone, or can provide a written quote for them, if they want it. However, in regional areas this is not common and we do not provide a standard basic package, other than a no service delivery only cremation.

I would note that the regulation isn't meeting any market failure in people being able to shop around. As noted in the documentation some people might find it difficult to shop around, however there are already businesses out there that provide this service and will get comparative quotes for families. The participating funeral businesses pay for the ability to quote.

The paper released also tried to differentiate the need for transparency from other service based industries, because of the grief families experience. To say that a funeral is more laden than a wedding to plan is surprising. I expect the government to do the price check for consumers on venues, catering, flowers, advertising/invitations, celebrants, vehicles etc. just like a funeral director has to provide as part of their professional services in organising a funeral.



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My other concern is the evidence base. If there are 21 complaints a year about a range of issues in funeral homes – is this large, given 50,000 deaths occur in this State a year? The evidence referenced is the UK, Scotland and New Zealand and all the approaches are suggested or recommended, not applied – so the outcomes are supposition. The other references are a couple of media stories, which are generally beat ups. The complaints made both through the banking royal commission and the articles referenced are more about the Funeral Insurance industry, not delivering funerals for consumers.

I hope you share my concerns that this proposal does not appear to be coming from any evidence base, as there have been no complaints raised with my association by Fair Trading, nor with my businesses. If there have been complaints made to Fair Trading there is no evidence in the paper about the number being significant, the nature of the complaints being resolved by this sort of regulation, or the outcomes of those complaints. Again, there appears to have been no consultation.

There are lots of impacts that the regulation has not foreseen in the funeral industry, including additional costs to my doing business and increasing red tape. The paper says there is no cost to the consumer, but our costs will be passed on. The perverse outcomes include funeral homes removing websites to avoid having to comply. Broad ranges for costs being supplied, leaving no meaningful information for the consumer. The greatest issues is that smaller regional and family owned businesses share a higher cost of compliance than an Invocare or Propel Funeral Partners.

The suggested changes will not help the consumers in our regional locations at all. We are the only funeral directors in some towns, we offer a service that is tailored to our local community and affordable. Indicating prices on a website will not help the client, particularly as we service very different communities from Sikh, Muslim, Hindu, traditional Christian denominations and a large portion of Italian Catholics. The services offered are so different that some sort of pricing comparison won't help the customer make a choice.

Opening the door to any funeral business to quote on funerals via a price checking website just means that the local business is going to have to compete with multinationals like Invocare and Propel who will still offer to do a funeral in our home town without any of the facilities, community knowledge or local jobs.

This does not seem to have been a consultative and collaborative process and I am disappointed.

I will be meeting with one of your Policy advisors on Monday before submissions close.

I will try to get other funeral directors to provide their feedback as well.

Yours faithfully,

Brendan Nugent

Chief Executive Officer

Harris McDonald Pty Ltd

19 July 2019