

INQUIRY INTO FUNERAL INDUSTRY

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Theme:

Summary



Council on the Ageing (NSW) Inc
Estab. 1956

22 June 2005

The Director
Standing Committee on Social Issues
Legislative Council
Parliament House
MACQUARIE STREET SYDNEY NSW 2000

Dear Sir/Madam

RE: INQUIRY INTO THE NSW FUNERAL INDUSTRY

COTA (NSW) welcomes the opportunity to put forward a Submission into the Funeral Industry. COTA is deeply concerned that the vulnerability of older people in the community, and that of their families, is not preyed upon at a time of distress and uncertainty.

Funerals are an essential service to the community. It has come to our attention, that certain practices are being carried out in the NSW funeral industry which adversely affect many in the community at large but particularly older members who are least able to cope and many of whom have extremely limited resources.

Issues raised by Seniors Information Service

COTA (NSW), a not-for-profit 'peak body' organisation in NSW, founded in 1956, manages a hotline for seniors called the Seniors Information Service. The Seniors Information Service provides confidential information and referrals on issues concerning older people in NSW to 45,000 callers annually. Information given by the Service is sourced from over 4,000 organizations, services, and support and retirement groups throughout NSW; for example HACC services, ACAT; access, retirement villages locations and regulations, leisure activities, legal and financial information.

The Service reports that callers frequently express concern that either the caller, or someone they know, have been "ripped off" by funeral directors.

The following specific issues have been raised by these callers with respect to funerals and the funeral industry:

1. Many funeral companies, whilst they may appear to be Australian companies, are in fact owned by American companies. This puts up the costs as if a portion is sent back to the parent company.

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PATRON:
Her Excellency Professor Marie Bashir AC
Governor of New South Wales

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2. Complaints that callers were often approached by the funeral operators with “glossy” brochures “like a bridal book” and were being talked into buying more elaborate coffins etc. which were little different to the “basic” model.
3. Funeral notices when placed by the funeral companies often cost about \$200 – which compared unfavourably for those for e.g. garage sales - for the same size ‘notice’.
4. Complaints that crematorium staff urged relatives to come back the next day to collect the ashes and then were often bombarded with having to choose to buy expensive urns.
5. Callers were unaware that if there was already a family cemetery plot purchased, it could be reused and that the only cost would only then be for the excavation fees, not the cost of another plot.
6. Many callers were generally unaware that there was no need for a minister, priest or clergy if they chose to hold the ceremony away from a church.
7. Many callers suffered from “post funeral remorse” as they claimed that they were being forced to make decisions regarding the funeral when they felt particularly vulnerable and they felt that often the directors preyed on this.
8. Callers also complained of the pitfalls with respect to prepayment of the funerals and not reading the fine print e.g. regarding the area serviced by the plan; inflation costs or not; not being aware that the moneys should be kept in a fund separate from the funeral company.

Other issues

- Complaints have also been received in relation to ‘pre-paid’ packages. Whilst there is a record of a package having been bought, callers have complained that all too often they are pressed to add further items at the time of the funeral, escalating the costs at a time they are often least able to resist.
- There have also been complaints that there is no ‘basic’ package offered at any time. It is more the case of the question being posed as to what the customer/client had to spend in the first instance and then working costs up from there.

COTA (NSW) also would like to draw to the attention of the Inquiry the problems faced by Aborigines when one of their members die. Traditionally members wish to return to the origin of their birth to be buried making it often a particularly expensive process for family members, many of whom are elderly. This section of the community would appear not to have been considered in relation to funeral ‘packages’.

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Recommendations

There are many measures which will need to be adopted once the issues and deficiencies in the industry have been clearly identified.

COTA (NSW) has been working in conjunction with NCOSS and would like to support their recommendations and propose the following for consideration:

- Introduction or upgrade of legislation which would regulate the industry and make it specifically accountable under ACCC guidelines or to the Office of Fair Trading;
- A Code of Conduct based on ACCC guidelines
- An industry Ombudsman to address complaints and ensure compliance with the guidelines;
- A licensing system for the operators in the industry;
- The requirement to offer a 'basic' package to ensure that there is a best practice basic model (including the offer of cardboard coffins) to the public;
- Enforcement of public health requirements;
- Clear pricing for the various packages available and a requirement that they be widely available and advertised;
- A requirement when offering pre-paid packages to disclose all the relevant information at the time of the purchase as well as other products which may be offered at the time of the funeral for the customers consideration before the funeral;
- A requirement for the industry to offer packages of reasonable costs which take into account the sensitivities of the various ethnic, Aboriginal and Torres Strait Islander cultures.

Conclusion

COTA (NSW) looks forward to the outcomes of the Inquiry and to the NSW Government putting in place mechanisms and measures which will ensure that any recommendations that come out of the Inquiry are speedily and effectively implemented.

Yours sincerely



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