

# Consultation Summary Report

## Funeral Pricing Code



November 2022



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## Background

Investigations by the Australian Competition and Consumer Commission and consumer advocacy group, CHOICE, into the funeral industry have found problems for consumers around pricing information.

These problems include:

- package deals which do not include clear information about what is included in the package and the cost of the individual goods and services;
- no upfront prices for consumers to be able to compare providers; and
- unfair use of market power by some funeral chains.

Lack of price information and transparency makes it difficult for consumers to compare prices or find better deals on funerals.

Some services are represented as mandatory even though they might not be. Additionally, consumers may not know the final cost until after the funeral is held. Consumers often do not understand all of the costs involved and end up paying much more than they were led to believe.

To address these problems, the State Government has introduced the Fair Trading (Funeral Pricing Code of Practice) Regulations 2022 (WA) (Funeral Pricing Code) for funeral directors in Western Australia (WA). The Funeral Pricing Code will commence on 1 May 2023 and require funeral directors to provide upfront prices to consumers on their website and place of business. They will also be required to provide an itemised price quote to a customer before entering into a funeral agreement with them. This will help consumers find price information without engaging with a funeral director and to make more informed decisions when organising and purchasing a funeral.

In March and April 2022, the Department of Mines, Industry Regulation and Safety, Consumer Protection Division (Consumer Protection) sought funeral industry and consumer feedback about the proposed Funeral Pricing Code. This paper tells you what we heard and what we did.

Consumer Protection thanks all respondents for taking the time to contribute to the consultation.

# Regulation of funeral pricing in WA

Funeral Directors in WA are already required to comply with other laws about pricing:

## **Australian Consumer Law (the ACL):**

Under the ACL:



- funeral directors must not engage in misleading and deceptive conduct;
- goods and services sold must be fit for purpose;
- where a price is given to a consumer, the total price must be stated; and
- funeral directors must provide consumers with an itemised bill within seven days of the request, with the request having to be made within 30 days of receiving an invoice. However, there is no requirement that businesses display prices to consumers upfront.



## **The Fair Trading (Prepaid Funerals Code of Practice) Regulations 2020 (WA):**

- applies to prepaid funeral contracts; and
- requires funeral directors to itemise the costs for all goods and services included in a prepaid contract, plus the total price including GST.



## **Funeral Licence conditions issued to funeral directors by the Metropolitan Cemeteries Board, under the *Cemeteries Act 1986* (WA):**

Funeral directors must:

- provide a written estimate of all funeral charges and disbursements at the time of taking instructions from a client; and
- be clear on what is and is not included in their fees.

These laws do not require funeral directors to provide prices upfront to consumers.

**From May 2023 the Funeral Pricing Code introduces new requirements to increase early disclosure of pricing for consumers and provide better information for them to make a decision.**

## How we consulted

In March and April 2022, Consumer Protection issued a survey on its website seeking feedback on the draft Funeral Pricing Code. Sixteen responses were received from the funeral industry, and 58 responses were received from consumers.

Meetings were held with stakeholders including the Australian Funeral Directors Association (WA), InvoCare, the Metropolitan Cemeteries Board, the Department of Local Government, Sport and Cultural Industries, the Department of Health WA, and the Commissioner for Victims of Crime.



**16**

responses were received from the  
**funeral industry**

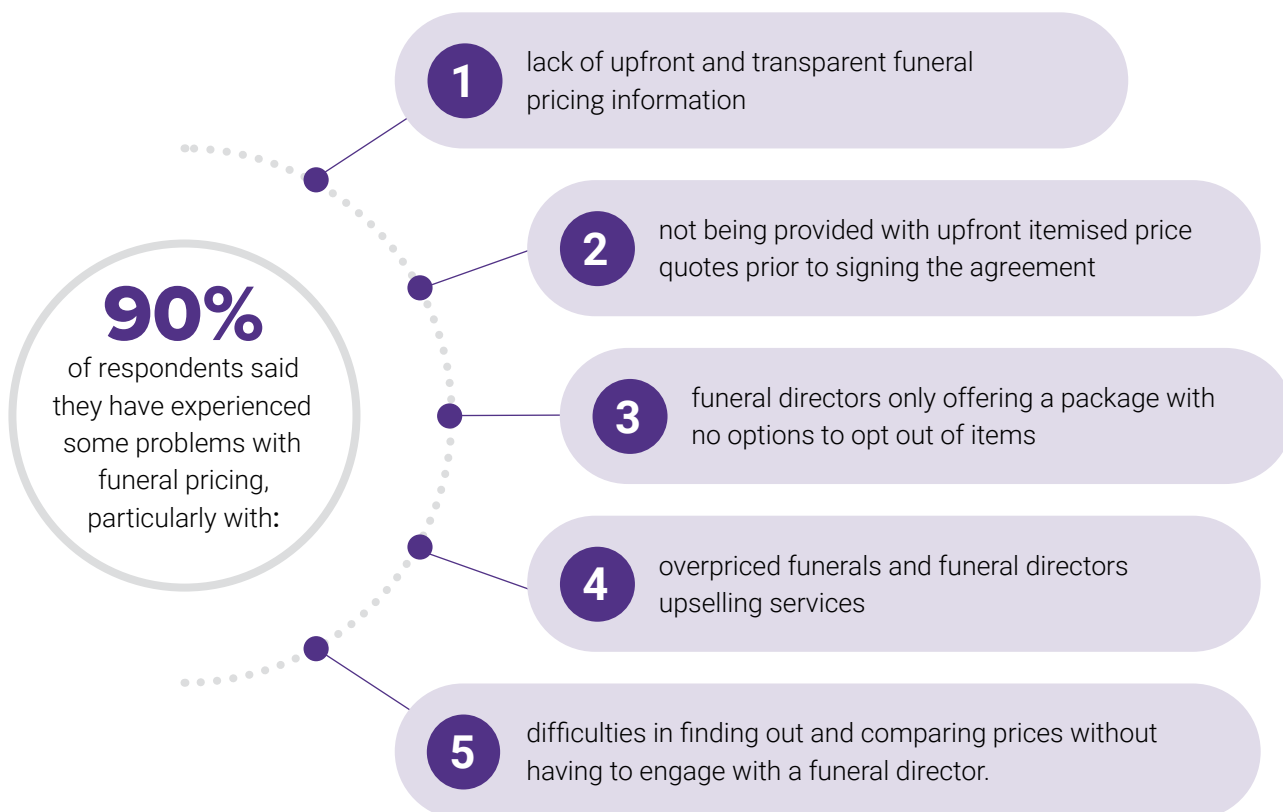


**58**

responses were received from  
**consumers**

## What consumers and industry told us

### Consumers



## Consumers

**100%**

of respondents supported funeral directors in WA being required to display their prices upfront.

Some respondents identified a **lack of information available on the legal requirements for funerals.**

This can make it difficult for consumers to know what they want or need to engage a funeral director for.

**100%**

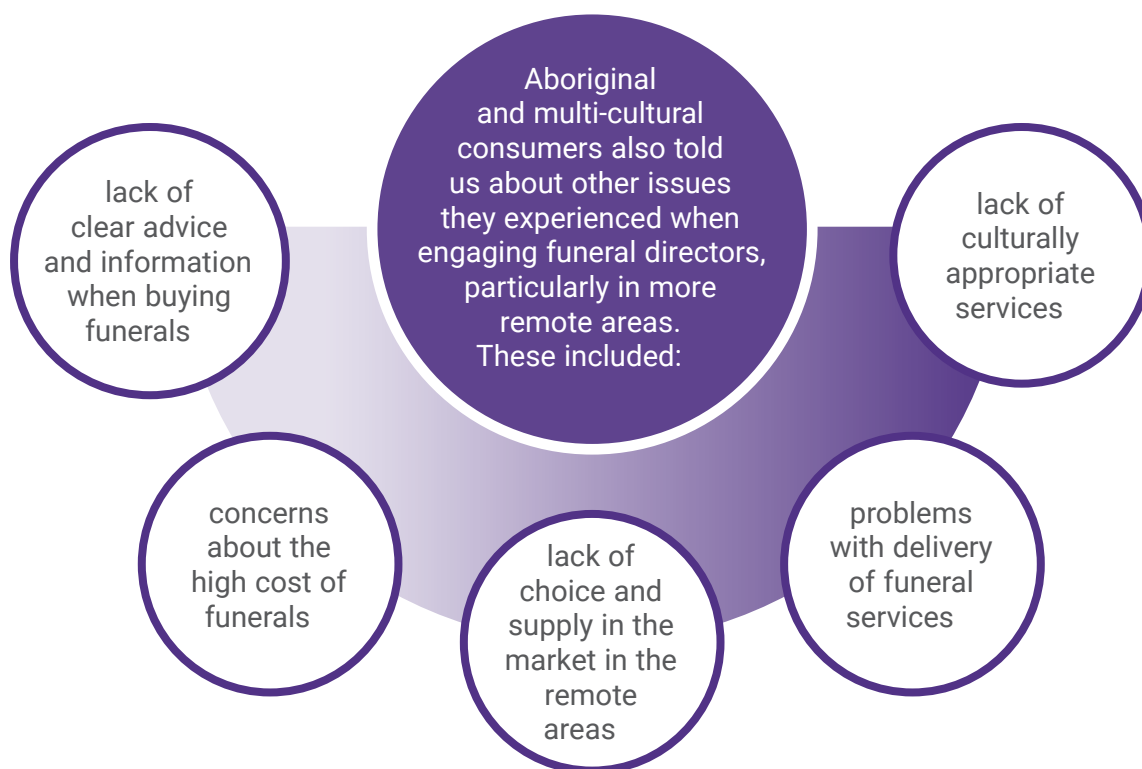
of respondents also agreed that receiving an itemised quote before entering into a contract will help them make more informed decisions when organising a funeral.

“ I found it hard to get a quote for funeral. Once the first funeral director turns up at your house to plan the funeral you feel obligated to go with them without knowing what another [sic] options are. It's a very stressful and vulnerable time for families; pricing should be more upfront at the initial enquiry or on the website. ”

“ When I enquired about the cost to bury a family member, the funeral director gave me a quote over the phone of \$7k. I did not receive a written quote of a breakdown of the costs and just transferred the money to the account. I never received a receipt only my bank statement confirmed I paid and I never followed up afterwards, I just accepted it. ”

## Consumers

### Particular issues experienced by Aboriginal and Multi-Cultural Consumers



“

Only one provider available to regional and remote communities, so dominates market.

”

“

Demand for upfront payment, no choice for celebrant, and fitting into a time/day for funeral to suit the Directors.

”

“

Lack of clarity as to what the plans covered. Plans being sold to Indigenous people in remote areas who had no access to advice on the consequences and benefits of entering into one.

”

## Funeral industry

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Industry responses showed that although many funeral directors are providing some pricing information to consumers, most do not provide prices upfront, and many do not provide itemised quotes before signing agreements.

16

responses were received from the funeral industry and they indicated that a range of methods are used by funeral directors to provide prices to consumers.

87%

had a website promoting their business,  
*however, of these only*

37%

published prices on their website.

44%

indicated that they had a price list available to consumers at their business.

12%

provided non-itemised quotes with a total amount.

50%

said that they only provide itemised invoices after the funeral service is completed.

There were no significant objections from industry to the draft Funeral Pricing Code.

**53 per cent of respondents said that they had no concerns with the proposed requirements.**

Of those who had concerns, the main issues raised were:

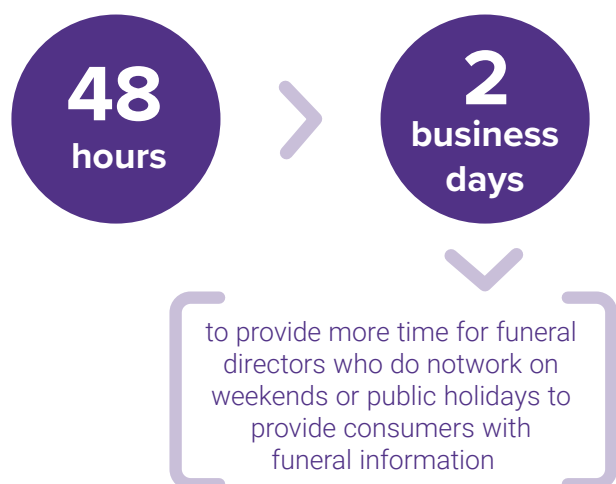
- how prices for goods and services supplied by other suppliers could be provided?;
- prices for goods and services can vary depending on individual circumstances making upfront pricing difficult;
- some items, such as refrigeration plates, are not used in WA; and
- 48 hours was not enough time to provide prices in response to a request from a consumer if the request was made over a weekend.

In response to a question about transition time, most respondents advised that they would like six months to change their business practices to comply with the new requirements under the Funeral Pricing Code.

# What we have done

## Made some amendments to the drafting of the Funeral Pricing Code to clarify requirements

Minor amendments to the Funeral Pricing Code addressed some of the issues raised by funeral directors. The time requirement of 48 hours was changed to two business days to provide more time for funeral directors who do not work on weekends or public holidays to provide consumers with funeral information.



**A six month transition period has been included before the Funeral Pricing Code commences to allow funeral directors in WA to ensure compliance with the new requirements.**

More detail on the issues raised by funeral directors and our responses to that feedback is published on Consumer Protection website – [www.consumerprotection.wa.gov.au](http://www.consumerprotection.wa.gov.au).

Consumer Protection will develop regulator guidance material to assist funeral directors on how to comply with the Funeral Pricing Code, including a template example for how pricing can be provided. This guidance material will be available on the website.

## Introduction of the Funeral Pricing Code

The Funeral Pricing Code has now been published.

The Funeral Pricing Code will require funeral directors to:

- publish price and information on funeral goods and services on their website and at their place of business, including the price of a basic funeral package;
- provide general funeral information to consumers within two business days of request; and
- provide itemised fees for all goods and services supplied under a funeral agreement, including the total cost of the funeral before entering into the agreement.

This will enable consumers to find funeral information and prices before engaging with a funeral director, and make it easier to compare prices across the funeral industry.



**The Funeral Pricing Code will commence operation on 1 May 2023.**

Funeral directors may start to publish their prices in accordance with the Funeral Pricing Code before this time, however it will not be mandatory until 1 May 2023.

We will also

**Develop educational resources and conduct educational activities to help consumers engaging funeral directors and/or organising funerals**

Educational publications will include guidance for consumers who might not know that they have certain rights under the ACL and other laws when it comes to the delivery of funeral goods and services. Consumer Protection's website will also include links to other government organisations that may be able to assist with queries and complaints about funerals.

Understanding what a funeral director must do as a licensed activity and what can be legally organised by an individual will help consumers choose their requirements and manage the cost of funerals. Education in this area can assist consumers understand what the minimum legal requirements for funeral services are.

**Develop an educational campaign that is specifically for Aboriginal consumers**

This campaign will include a dedicated Consumer Protection webpage, printed articles, in-person visits to the communities and social media posts. Consumer Protection will also work with other agencies to develop educational initiatives to further assist these consumers.



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**Department of Energy, Mines,  
Industry Regulation and Safety**

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**Regional offices:**

Goldfields/Esperance	(08) 9021 9494
Great Southern	(08) 9842 8366
Kimberley	(08) 9191 8400
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North West	(08) 9185 0900
South West	(08) 9722 2888

**Consumer Protection Division**

Gordon Stephenson House  
Level 2/140 William Street  
Perth Western Australia 6000

Locked Bag 100 East Perth WA 6892

**Call:** 1300 30 40 54

**Email:** [consumer@lgirs.wa.gov.au](mailto:consumer@lgirs.wa.gov.au)

**[www.consumerprotection.wa.gov.au](http://www.consumerprotection.wa.gov.au)**



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