



AUSTRALIAN FUNERAL DIRECTORS ASSOCIATION

17 January 2020

Senator Brockman
Chair
Economics Legislation Committee
Senate – Commonwealth of Australia

Dear Senator Brockman

I refer to: -

- the submission of the Australian Funeral Directors Association (AFDA) dated 24 October 2019 and
- my oral evidence given to the Economics Legislation Committee on 12 December 2019 and provide the following answers to the question about the number of funerals exceeding \$10,000 which are paid in cash.

Information for the Senate - Funeral Director A	Number	% of total no. of funerals
Total number of funerals - 12 months	1071	
Number of funerals above \$10k (cash and non-cash)	322	30%
Number of funerals paid in cash	227	21%
Number of funerals above \$10k paid in cash	60	6%
Number of funerals under \$10k paid in cash	167	15%

Information for the Senate - Funeral Director B	Number	% of total no. of funerals
Total number of funerals - 12 months	6496	
Number of funerals above \$10k (cash and non-cash)	3857	59%
Number of funerals paid in cash	893	14%
Number of funerals above \$10k paid in cash	330	5%
Number of funerals under \$10k paid in cash	563	9%

Information for the Senate - Funeral Director C	Number	% of total no. of funerals
Total number of funerals - 12 months	612	
Number of funerals above \$10k (cash and non-cash)	450	74%
Number of funerals paid in cash	145	24%
Number of funerals above \$10k paid in cash	39	6%
Number of funerals under \$10k paid in cash	106	17%

Promoting
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In short, across three funeral homes in multiple states, 5-6% of all funerals are above \$10,000 and are paid in cash. I reiterate the point made before the Economics Legislation Committee that it is not the percentage of all funerals which reveals the magnitude of the harshness and discriminatory nature of the proposed legislation but rather the percentage of funerals paid in cash within specific ethnic communities including:

- Christian Orthodox
 - Greek
 - Macedonian
 - Serbian
 - Antiochian
 - Russian
 - Ukrainian
 - Bulgarian
 - Romanian
- European Catholic
 - Italian
 - Polish
 - Croatian
- Asian (Buddhist and Catholic)
 - Chinese
 - Vietnamese.

AFDA funeral sector representation

Since AFDA's appearance before the Senate on 12 December 2019, AFDA's representation in the funeral sector in Australia has increased from 55,000 of 160,000 deaths (34%) annually to 91,000 of 160,000 deaths (57%), due to the re-joining of Australia's largest funeral director as an AFDA member.

Reasons to seek a carve out from the legislation for prepaid and at-need funerals

The reasons for funerals to be exempt from the legislation include:

- There is no evil for the legislation to cure in the funeral sector. All deaths are required to be registered with State government registries, creating an audit trail for all funerals, making tax evasion highly improbable. It is also an offence in most states for prepaid funeral monies not to be invested with authorised entities in accordance with state legislation.
- Grieving people are at the lowest points of their lives. They often feel helpless, emotionally wounded or numb. A funeral director's role is to say "yes" to requests rather than "no". Our role is to provide choice for families and facilitate their wishes. Funeral directors endeavour to make the grieving process easier.
- Elderly people and in particular elderly migrant people often are not technologically savvy. They are less likely to use internet banking or carry a credit card. Debit cards often have low limits (\$1,000-2,000).
- Some elderly people and in particular, elderly migrant people save for their funeral or the funeral of a loved one, in cash. Some people prefer to avoid banks. There are now fewer bank branches, longer queues and a declining ability to use cheques. Bank cheques carry bank fees which many people wish to avoid.
- Regional communities may not be near a bank.
- People with mobility issues may limit their visits to the bank. Funeral directors visit these people at home to arrange a funeral. Approximately 50% of funerals are arranged in the family home. Elderly people may save for a funeral to relieve their families of the cost.

- Cemetery costs have risen exponentially in recent years particularly in metropolitan areas and particularly for 'monumental graves' which are preferred by many ethnic communities. Cemetery fees alone can exceed \$10,000 before a funeral director's fees are added. Christian Orthodox communities and European Catholic communities prefer burial which is considerably more expensive than cremation.
- The government encourages the prepayment of funerals or the investment in funeral bonds by exempting these prepayments from asset tests for Centrelink purposes. Prepaid funeral payments are completely exempt and funeral bond prepayments are exempt to \$13,250 which is above \$10,000.
- AFDA's Code of Ethics requires our members to respect cultural practices and preferences. Many migrant communities have a preference for cash.

The legislation operates harshly on the elderly and in a discriminatory way towards elderly migrants in particular.

Yours faithfully,

Andrew Pinder
National President
Australian Funeral Directors Association