Funeral Directors
ASSOCIATION OF NZ

2023 New Zealand

Funeral Industry Trends Report

September 2023

INTRODUCTION

Last year in New Zealand more than 38,000 families began the journey of farewelling their loved one.

As society has changed, and particularly with the recent Covid-19 experience, the nature of those farewells is also changing, and so too is the workforce that supports them.

This report explores the nature of the funeral industry today and the demographic and macro societal trends that will continue to drive change. It summarises the available research into why having a funeral matters and offers thoughts into potential future trends in funeral practice.

The insights in the report include statistical information similar to information gathered in a 2016 industry report. It adds information gathered from the members of the Funeral Directors Association of New Zealand and also references reports and articles based on a limited literature search including research quoted in recent Australia Funeral Directors Association and BARE commissioned research.

The Funeral Directors Association of New Zealand is pleased to share this report with the industry and wider stakeholders. We trust it will make a continued contribution to this essential, but sometimes overlooked part of New Zealand society.

Contents

FUNERALS IN NEW ZEALAND

Number of deaths

38,868
Actual 2023

52,700
Predicted 2042

Age at death

80.9
Years

53%
Deaths are at age 80 or over

Funeral industry

760 – 900
No. of funeral workers (estimated)

350
No. of funeral homes (estimated)

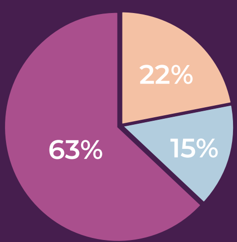
Funeral industry workers (based on Funeral Directors Association data):

54% female, 45% male, 1% Another gender

74% 45 years plus

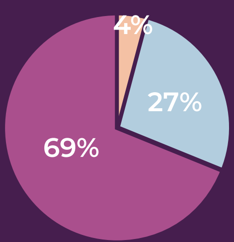
81.5% European

Types of funerals



- Attended funeral
- Hybrid funeral (cremation only/ but with a viewing)
- Unattended (cremation only/no family present)

73%
Traditional funeral with casket present



- Cremation
- Burial
- Other

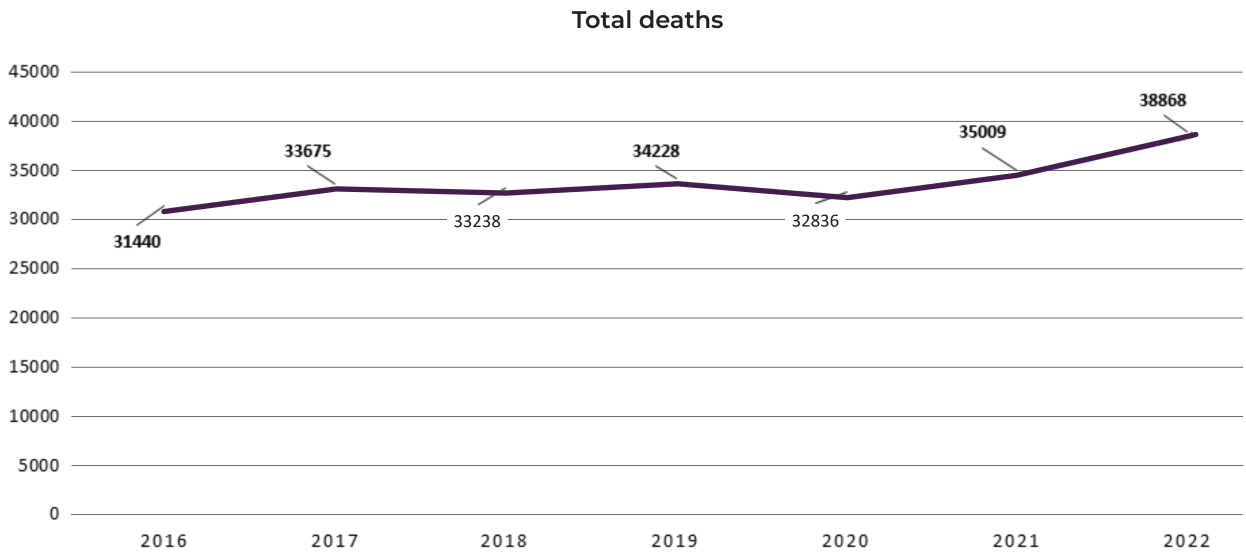
63%
Not pre-arranged or pre-paid

CURRENT SITUATION – DEATHS

Total deaths numbers are climbing

As our population grows and ages the number of us dying is also increasing.

In 2022, New Zealand recorded 38,868 deaths. Our successful Covid response led to an unusual drop in deaths in 2020. The jump in 2022 may be partly a catch-up on those lower 2020 numbers but it is clear the trend is upward overall.



Total number of deaths per calendar year (January – December)
Source: DIA statistics

Our population is living longer

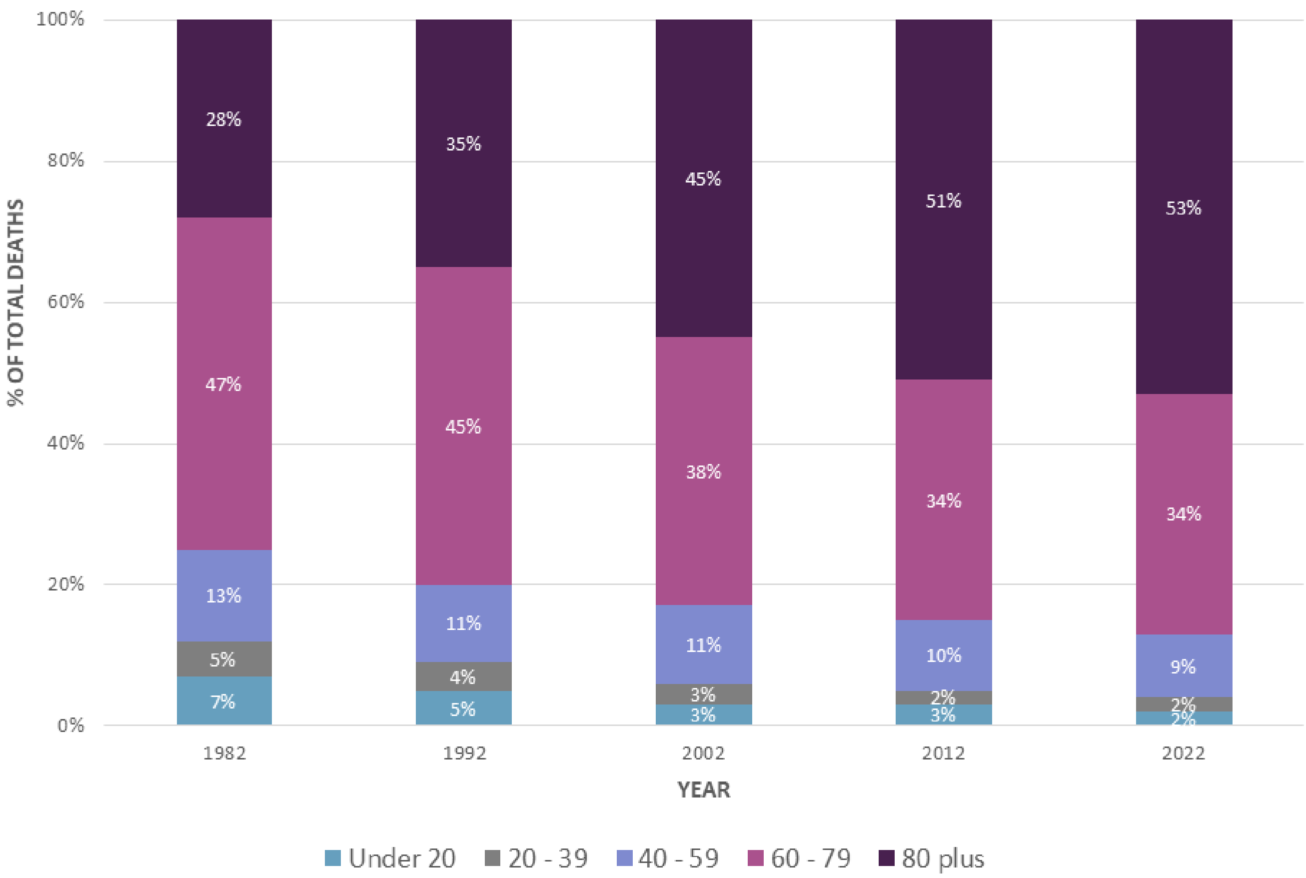
We are also living longer. The median age of death in New Zealand as of 2022 is **80.9 years** up from 72.7 years forty years ago.

Year	Average age of death
1982	72.7
1992	75.4
2002	78.3
2012	80.6
2022	80.9

Source: Statistics NZ

The proportions of those dying at 80+ have increased by 89% between 1982 and 2022.

Proportions of age at death



Source: Statistics NZ

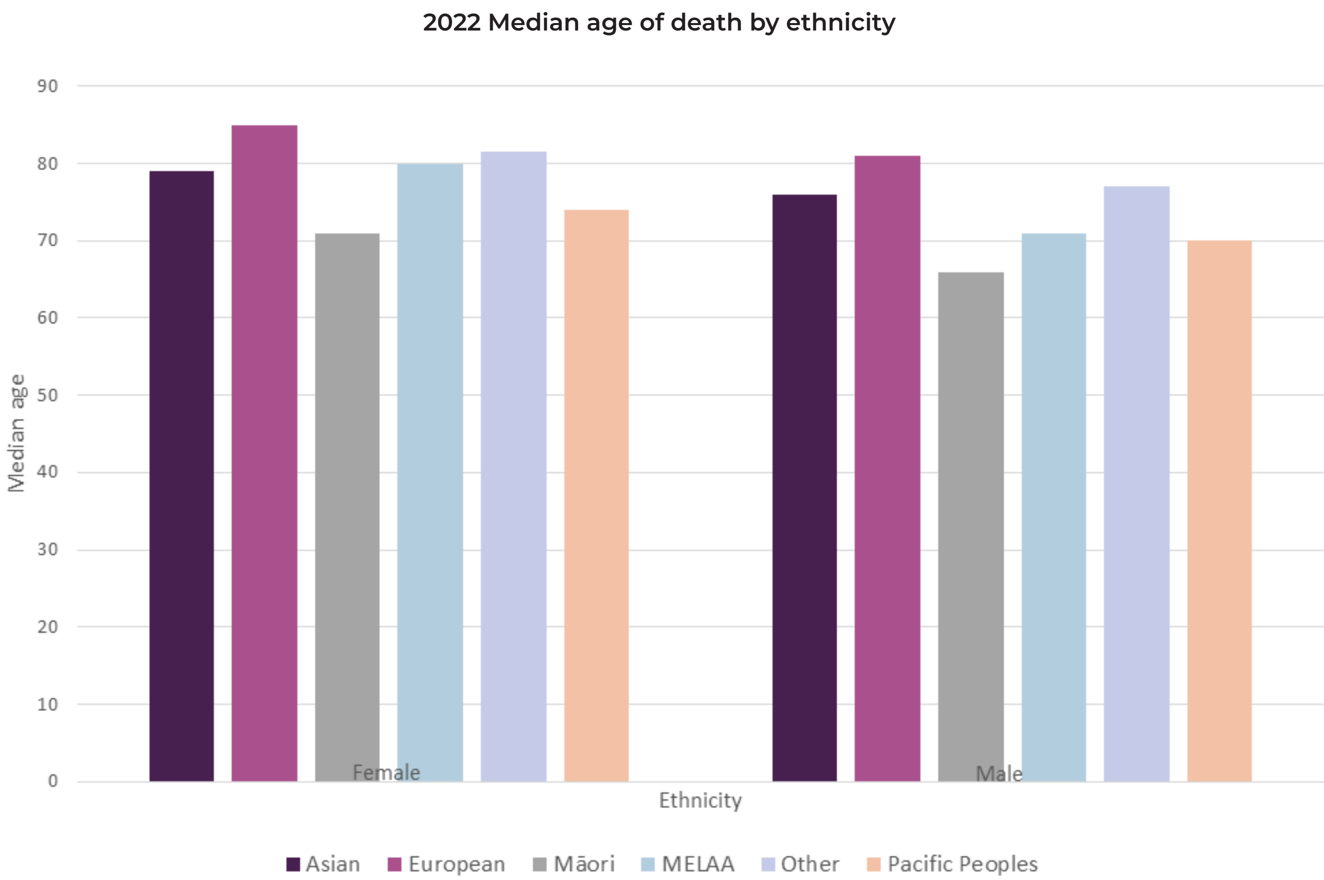
INTERESTING FACT

More people are reaching the 100 years milestone and over. In 2022, 459 deaths were people aged over 100 compared to 285 in 2016. That is a 61% increase.

Source: Statistics NZ

Māori die younger

While New Zealanders overall reach 80.9 years, the median age for Māori in 2022 was only 71 years for Māori women and 66 years for Māori men.



Source: DIA Statistics

Where we die

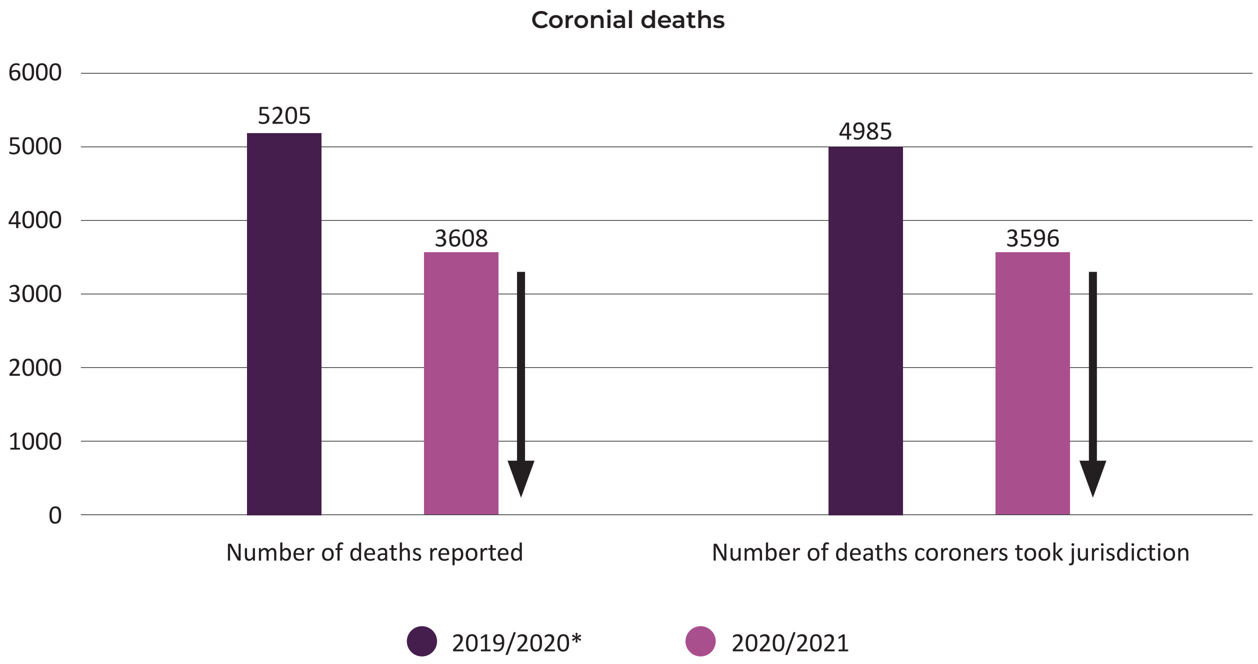
While 'place of death' is collected on the death registration form, it is not coded so statistics are not readily available. In 2016, Statistics New Zealand estimated around 70% of deaths happened in hospitals or respite/aged care facilities. Similar statistics from close neighbour Australia in 2021 put the figure at just over 80%. Given New Zealander's increasing age we might expect place of death to now be similar to Australia's numbers.

Coronial deaths

When someone dies in a sudden, unexplained, or unnatural death it is reported to the coroner for investigation.

According to the 2020/2021 Coronial Services Annual Report, around 5,700 deaths are reported to coroners every year, and coroners accept jurisdiction for around 3,600 of these deaths.

As with deaths overall, the last reported coroner numbers decreased in 2020.



Assisted death

There is a new type of death in New Zealand with assisted death becoming legal in New Zealand in 2021.

According to Te Whatu Ora Health NZ – Mate Whakaahuru Assisted Dying Services, between 7 November 2021 and 6 November 2022, there were 661 formal applications for assisted dying.

Of those assessed over the year, 399 applications were confirmed as eligible and 257 assisted deaths occurred.

The place of death in an assisted death is quite different with 80% of assisted deaths taking place in a person's home or another private residence. The remainder occur in aged care facilities, public hospitals, or hospices.

CURRENT SITUATION - INDUSTRY

Industry size

Funeral homes register their physical premises with local councils to operate so it is difficult to accurately size the market. However, the Department of Internal Affairs (DIA) do keep a record of all those organisations who register deaths and from a list provided in August 2023 it appears there are around 350 funeral homes.

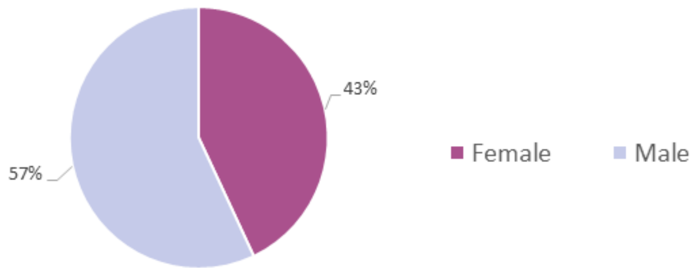
At an individual level, the 2018 Census data records 765 individuals as identifying their occupation as a funeral director or funeral worker. These workers were more likely to be aged over 45, male, and European.

2018 Census: Age of funeral workforce*

	Funeral Director	Funeral Worker	Total
18 - 24 years	18	6	24
25 - 34 years	63	33	96
35 - 44 years	102	24	126
45 - 54 years	180	30	210
55 - 64 years	171	39	210
65 years and over	75	24	99
Total	**609**	**156**	**765**

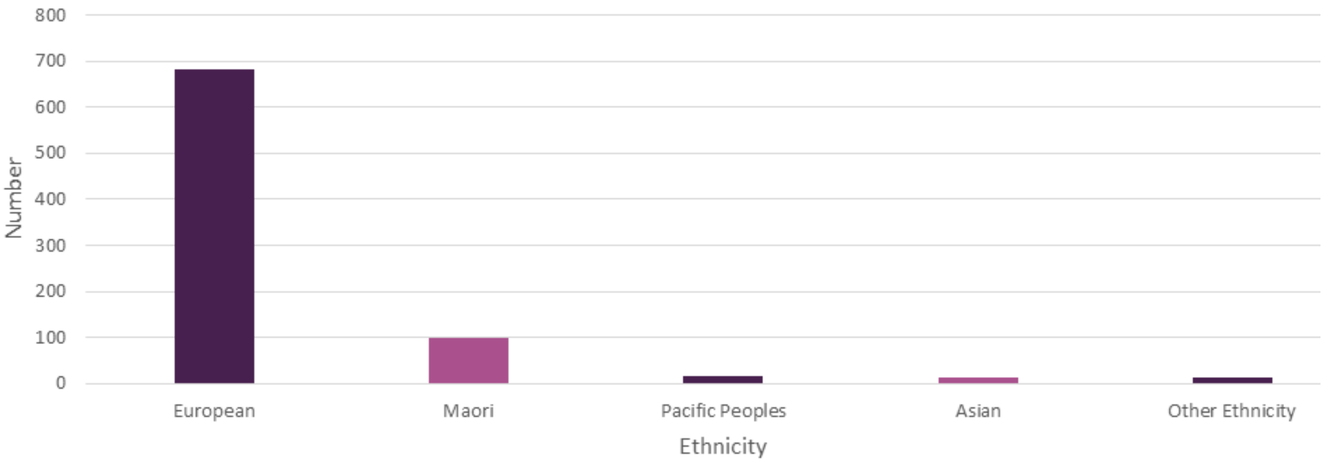
Source: 2018 NZ Census – Age of funeral workforce

2018 Census: Funeral workforce* gender



Source: 2018 NZ Census – Funeral workforce gender split

2018 Census: Ethnicity of funeral workforce*



Source: 2018 NZ Census – Ethnicity of funeral workforce

**Funeral workforce includes anyone who selected the roles of funeral director or funeral worker in the 2018 Census.*

2023 Funeral Directors' Association membership

Funeral directors and other funeral workers are represented by a number of membership bodies the largest of which is the Funeral Directors Association of New Zealand. Comparison to DIA data suggests 76% of all funeral homes are Association members.

Breakdown of Funeral Directors Association member

Funeral Directors
ASSOCIATION OF NZ
MEMBER

106

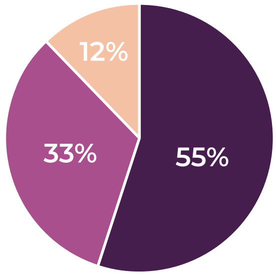
Member firms (made up of 250 funeral home locations)

54%

Funeral directors are qualified/on the Association register of funeral directors

700*

Staff employed across all member firms (funeral directors, embalmers, administrators, managers etc)



- **202 qualified funeral directors**
- **124 qualified embalmers**
- **45 both qualified funeral director/embalmer**

**It is likely some administrative/management staff did not classify themselves as funeral workers in Census data.*

Breakdown of Funeral Directors' Association workforce

Gender and age

In comparison to 2018 Census data, an August 2023 survey[1] of Association members shows funeral workers are now more likely to be female.

Member: Funeral workforce gender

Source: 2023 Funeral Directors Association 'Celebrating Us' survey

However, Association members are slightly older overall than total census funeral worker numbers with 74% being 45 years plus compared to 68% in the 2018 census.

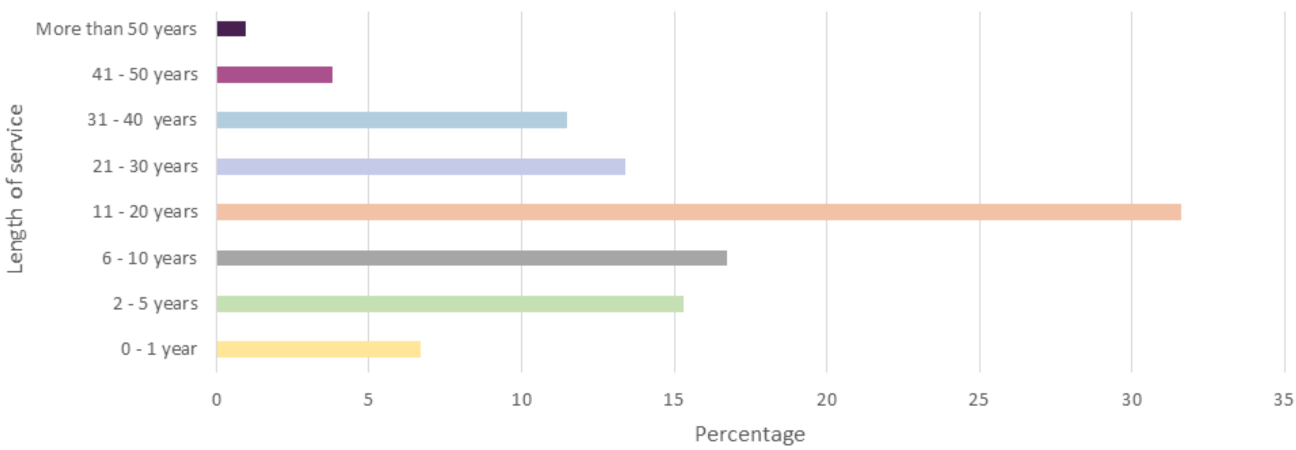
Members are predominantly clustered around the 45 – 64-year age group reflecting the high longevity of funeral workers with over 61% having worked in the industry 11 years or longer. Those in younger age groups are more likely to be female.

Age of workforce

Age	Male	Female	Another Gender
18 - 24 years	0	2	0
25 - 34 years	5	18	2
35 - 44 years	11	22	0
45 - 54 years	33	46	0
55 - 64 years	43	31	0
65 years and over	12	8	0
	104	**127**	**2**

Table: Female/male split in Funeral Directors Association members across ages

Length of time working in the funeral industry



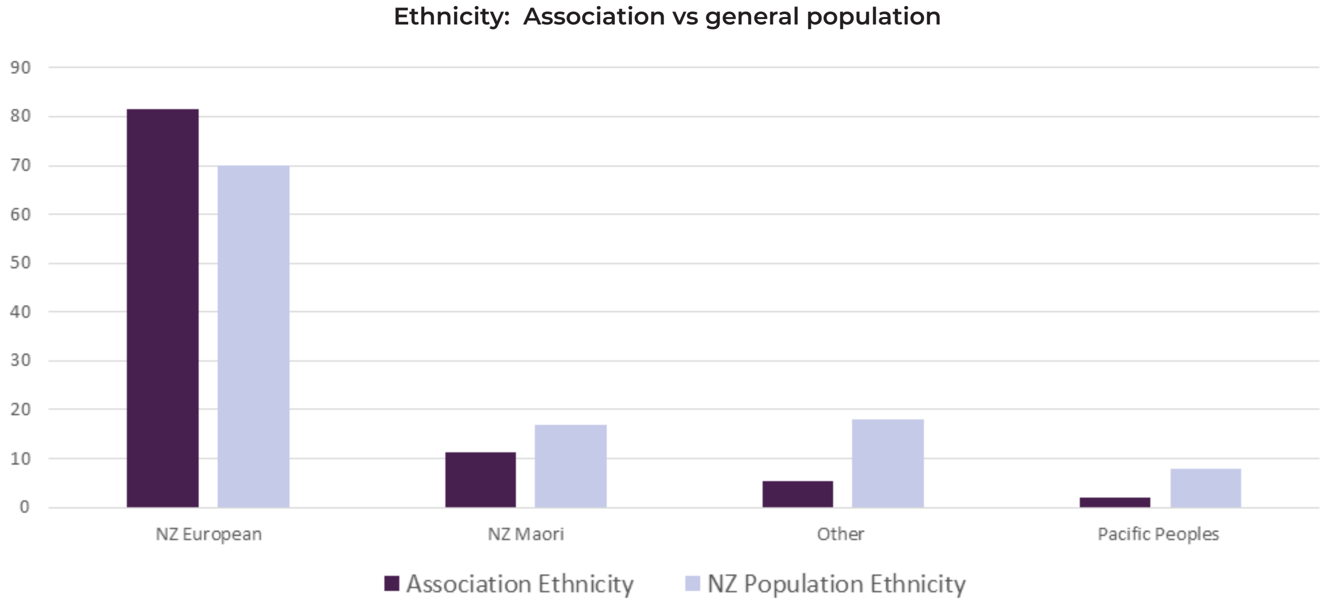
Source: 2023 Funeral Directors Association 'Celebrating Us' survey

[1] *'Celebrating Us' survey sent to 420 Association members and their staff. 233 (55%) completed the survey.*

Ethnicity

The Association survey also considered the ethnic mix of workers and asked about languages spoken.

The survey suggests Association workers currently under-represent the wider population ethnic mix with workers predominantly European and English language speaking.



Source: 2023 Funeral Directors Association 'Celebrating Us' survey
** Participants could select more than one ethnicity e.g NZ European/Māori*

Source: 2023 Funeral Directors Association 'Celebrating Us' survey
** Participants could select more than one language e.g., English/Māori*

Disability

The Association survey asked about disability using the Washington Group Short Set of Questions on Disability. This asks about difficulties you might have doing certain activities because of a health problem.

Only two members reached the threshold for functional difficulty due to a health condition.

Funeral home ownership

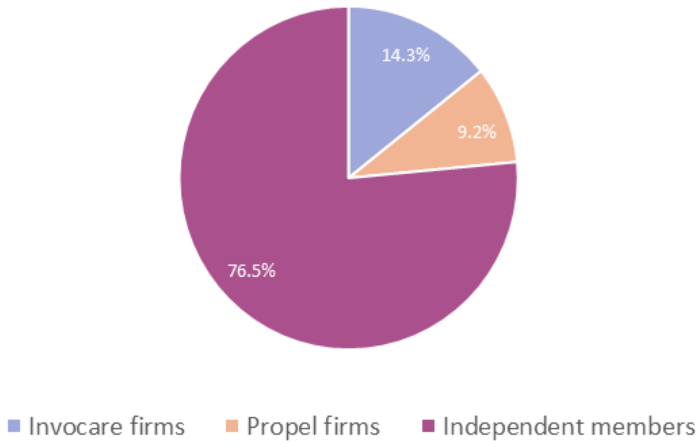
As with many countries around the world, funeral home ownership is now a mix of family/privately owned and corporate groups. Invocare and Propel are Australian owned corporates and both have a presence in the New Zealand market.

Since corporates tend to own larger firms, the percentage of registered deaths managed by corporates is higher than the percentage of locations. In total 23.5% of locations are owned by one of the corporate groups. 41.5% of registered deaths are managed by corporate members.

Note, since almost all corporate-owned firms are Association members the percentage of deaths managed is higher amongst Association membership. When considered as part of New Zealand's overall deaths, corporates manage 29% of registered deaths.

Funeral home ownership

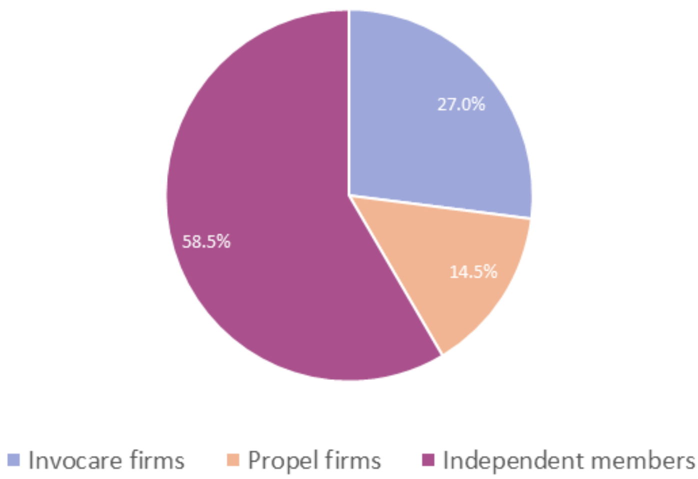
(Based on funeral home locations for member firms only)



NB: A member firm can have more than one location

Funeral home ownership

(Based on total number of registered deaths 1 july 2022 - 30 june 2023 for member firms only)



Source: Funeral Directors Association database

DIY

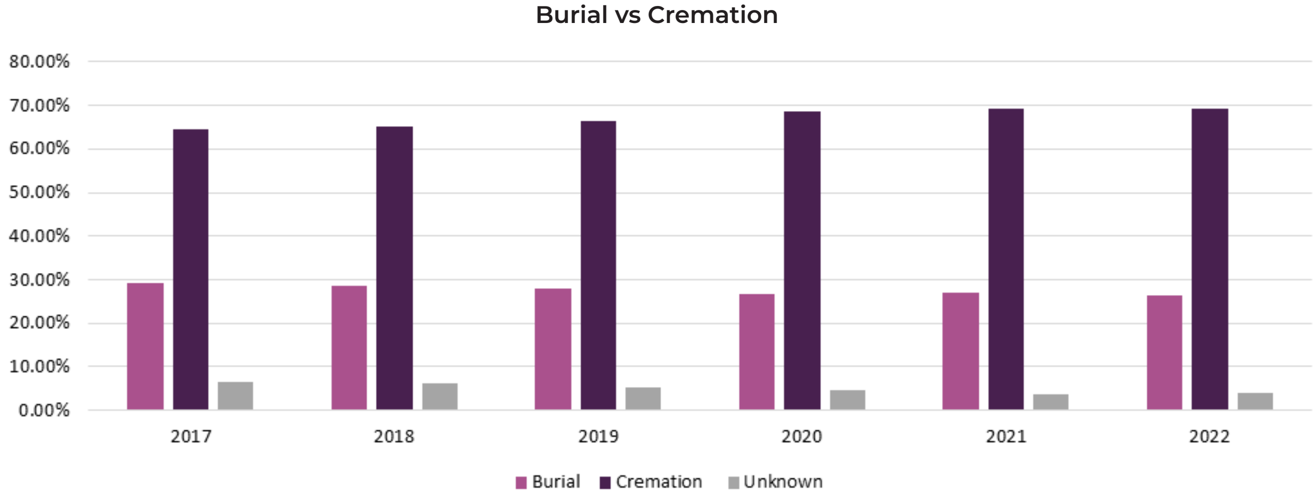
There are no statistics available to show the number of DIY funerals in New Zealand. However, July 2023 DIA figures show that funeral directors are involved in almost all deaths in New Zealand, with 99.4% of deaths registered by a funeral director. As below though, a number of families are opting for no ceremony at all with a rise in unattended funerals.

FUNERAL TRENDS

Burials vs Cremations

Since the 1960s and 1970s when more local authorities invested in cremation facilities, the number of New Zealander's opting for cremation over burial has surged. The growth in cremations has continued in the last six years.

In 2022, 69% of New Zealanders were cremated vs 27% buried in a council burial ground, urupa or private cemetery.



Source: DIA statistics to period ending December 2022

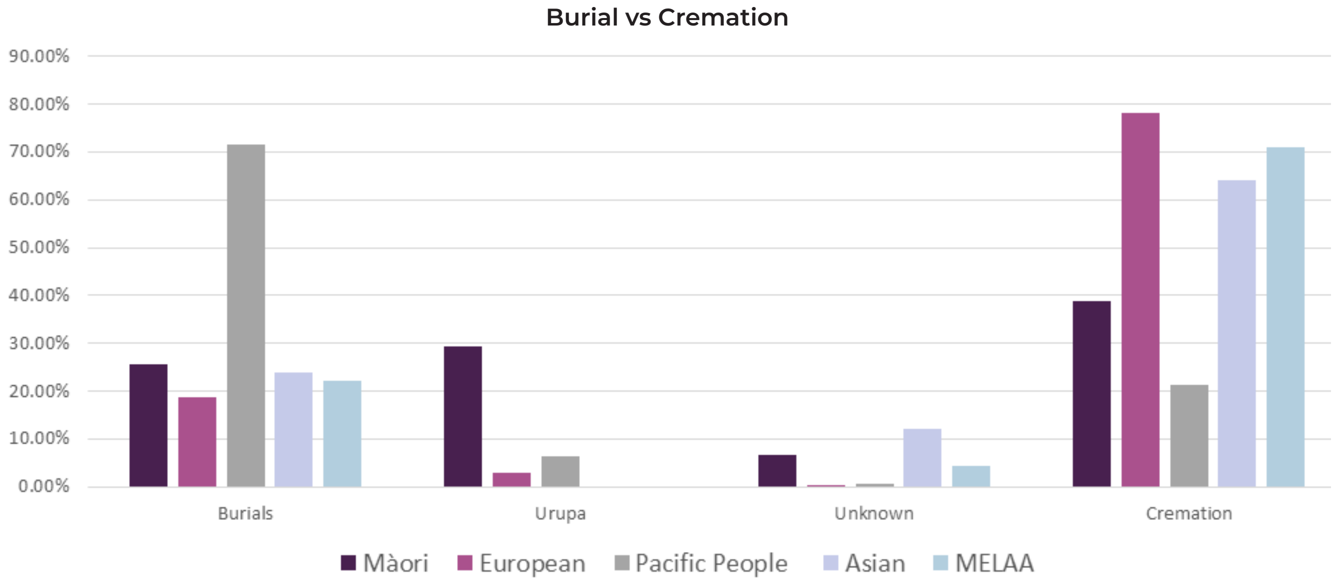
NB: Burial and Urupa combined.

Burials are more popular with Māori and Pacific Peoples

Burials are most popular with Pacific Peoples with 72% buried in a council ground or urupa. Pacific Peoples also have the lowest number of cremations at 21%.

Māori have also traditionally preferred burial, although increasing numbers of urban Māori and the increased costs of burial and tangihanga may be driving a reduction in burials. In 2022, 55% of Māori were buried in a council burial ground or urupa compared to 39% cremation.

Most Europeans prefer cremation with 78% cremated in 2022.



Source: DIA statistics to period ending December 2022

Burial costs have increased significantly

Reduced religious belief and more families split across the country or across the world are reasons behind the increased popularity of cremations, but it is cost that appears to be the driving reason.

In 2023, the average cost of burial in a council cemetery increased to $4,315, with some councils charging as much as $7,207. Council increases have, in some centres, been well above the rate of inflation.

The average cremation cost on the other hand remains under $1,000, although purchase of a cremation plot and interment at a council facility does add another $1200 on average.

1 July 2022 vs 1 July 2023 burial costs

Region	1 July 2022 Total for burials	1 July 2023 Total for burials	% Increase
New Plymouth	$6,552	$7,207	9%
North Shore Memorial Park	$5,600	$6,112	9%
Manukau Memorial Gardens	$5,600	$6,112	9%
Waikumete	$5,600	$6,112	9%
Tauranga	$4,673	$4,954	6%
Hamilton City Council	$4,440	$4,841	9%
Waikato District Council	$4,696	$4,696	0%
Dunedin	$4,270	$4,399	3%
Nelson	$3,570	$4,284	20%
Whangarei	$3,868	$3,868	0%
Napier	$3,397	$3,642	7%
Palmerston North	$3,100	$3,317	7%
Christchurch	$2,925	$3,051	4%
Invercargill	$2,570	$2,675	4%
Taupo	$1,150	$1,170	2%

Notes to table

Costs are taken from published council cemetery rates. Costs include burial plot, interment, and compulsory maintenance costs. In councils where multiple plot costs are published, the costs shown represent the more modest or common plot cost. This means in places like Waikumete current plot costs of up to $6,270 are not represented in the table.

Funerals organised by funeral homes are typically attended

A 2023 survey[2] of Funeral Directors Association of New Zealand members shows that funerals organised by members are typically attended funerals with 78% either being attended, or a hybrid funeral (described as a cremation only with a viewing).

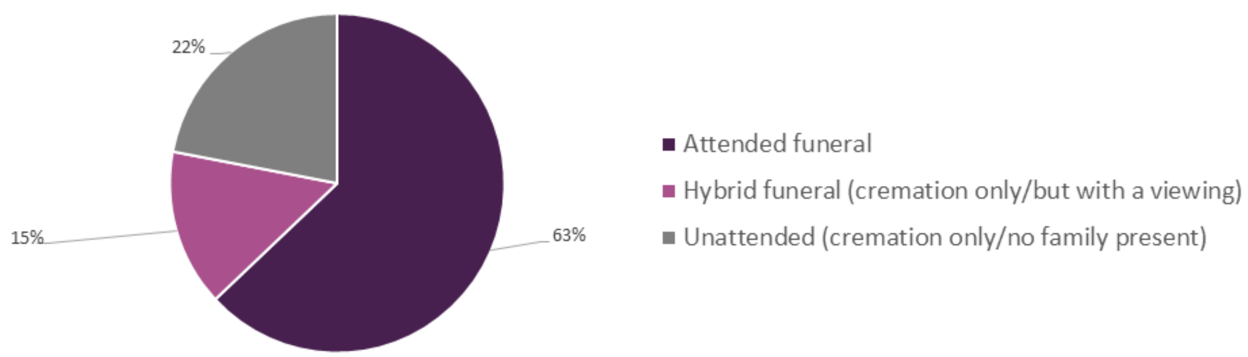
The total figure is similar to results from a similar survey in Australia, where in 2022 AFDA members reported 74% of funerals were attended. Unattended funerals in Australia grew from 16% in February 2021 to 26% of funerals in June 2022.

While this is the first year we have gathered data in New Zealand, members provided the following feedback in open comments:

"Direct cremations are increasing, as are small private services"

"Some modern churches (New Life, Majestic, Grace etc.) are encouraging direct cremation and then the church managing the memorial services without need of the funeral home."

Types of funerals



Source: 2023 Funeral Directors Association Funeral Trends survey

Funerals still include traditional elements

The same survey also asked about the elements of funerals with most funerals retaining a high level of 'traditional' elements. However, members commented some aspects have changed over time:

"Death notices not as popular as people rely on social media."

"Death notices are uploaded to a wider range of medias (newspaper, local community websites, local community apps, and on our website"

"We have a very traditional community. Even our direct cremation families still like a death notice in the paper."

"Live-streaming more popular since COVID when it was used extensively"

Viewings remain common in New Zealand with an average of 65% of families choosing a viewing according to the survey. This is higher than the 43% reported in Australia and is likely linked to higher proportions of Māori and Pacific Peoples families and anecdotal feedback New Zealand funeral homes are more likely to embalm than Australian funeral homes. Note, the survey didn't ask about the numbers of tangihanga and this will be added to future surveys.

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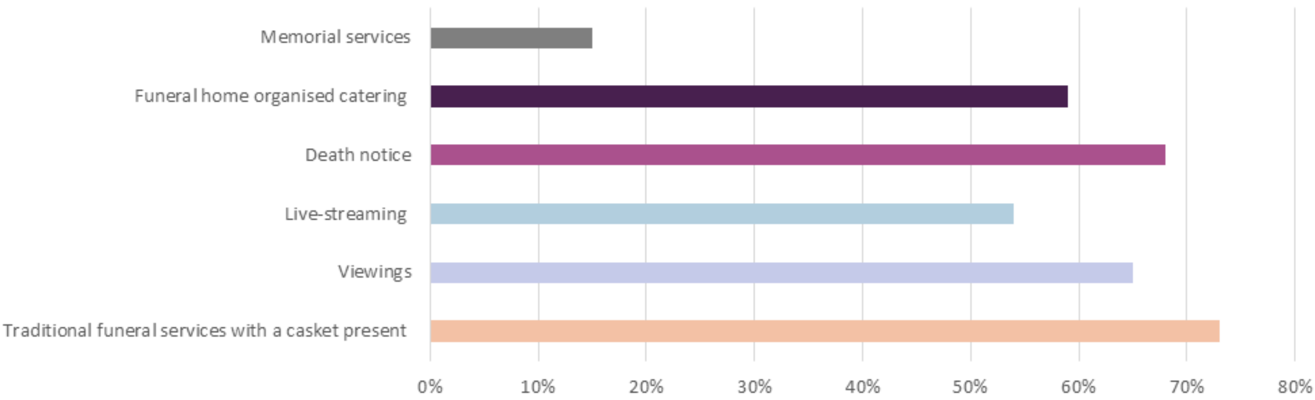
[2]Inhouse survey completed Sept/October 2023 and based on similar questions to an AFDA survey. 43 participants representing members across NZ and firms ranging in size from less than 100 funerals to 1100- 1300 funerals. Majority of respondents were 100 – 500 funerals.

Elements of a funeral



Source: 2023 Funeral Directors Association Funeral Trends survey

Memorials are less common with only 14% of members saying they run memorial services which were defined as 'services without a casket present and services that occur after the cremation'.

Most funerals are not pre-planned

We asked our members how many families pre-arranged or pre-paid their funerals. Note the numbers in the chart below may not be mutually exclusive – ie some may pre-pay and pre-arrange.

Equivalent figures in Australia didn't differentiate between pre-arrange and pre-pay. In Australia 15% of funerals are pre-paid / pre-arranged, 85% are not.

24%
Pre-arranged

14%
Pre-paid

64%
NOT pre-arranged or pre-paid

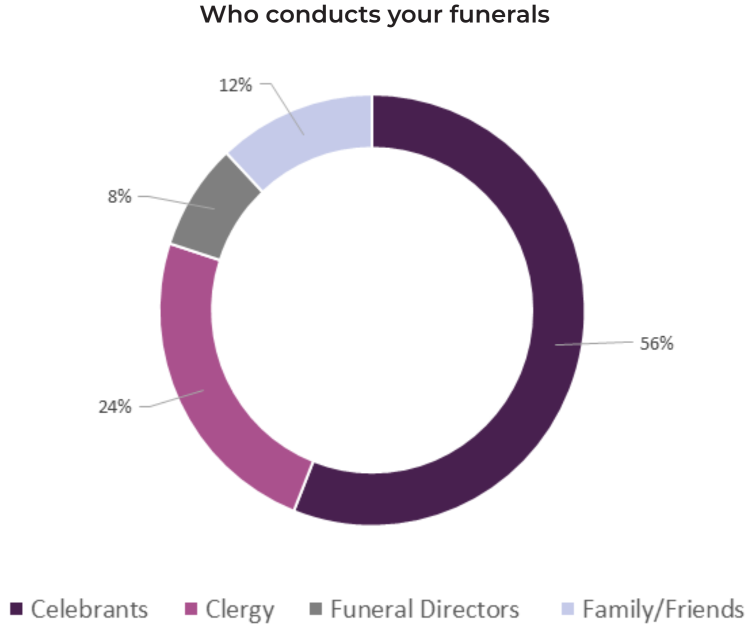
Funerals are most typically conducted by a celebrant

Most New Zealand funeral homes have strong affiliations with local celebrants and the Association has a strong relationship with Celebrants' Aotearoa. This relationship and a declining participation in religion is likely leading to the relatively high number of funerals conducted by celebrants in New Zealand versus Australia where figures for celebrant and clergy-run funerals are similar (37% each).

Members commented:

"Celebrants the usual choice as people veer away from 'religious' ceremonies"

"Availability of celebrants can be an issue at times (retiring, on leave, have other work commitments)"



Casket choice is often driven by cost

Caskets are one of the more expensive elements of a funeral and many of the comments in the survey reflected those costs are on many families' minds. However, some families also like the ability to personalise a casket.

"Note the MDF caskets include many with a wood-like finish".

"Increasing use of Coffin Club"

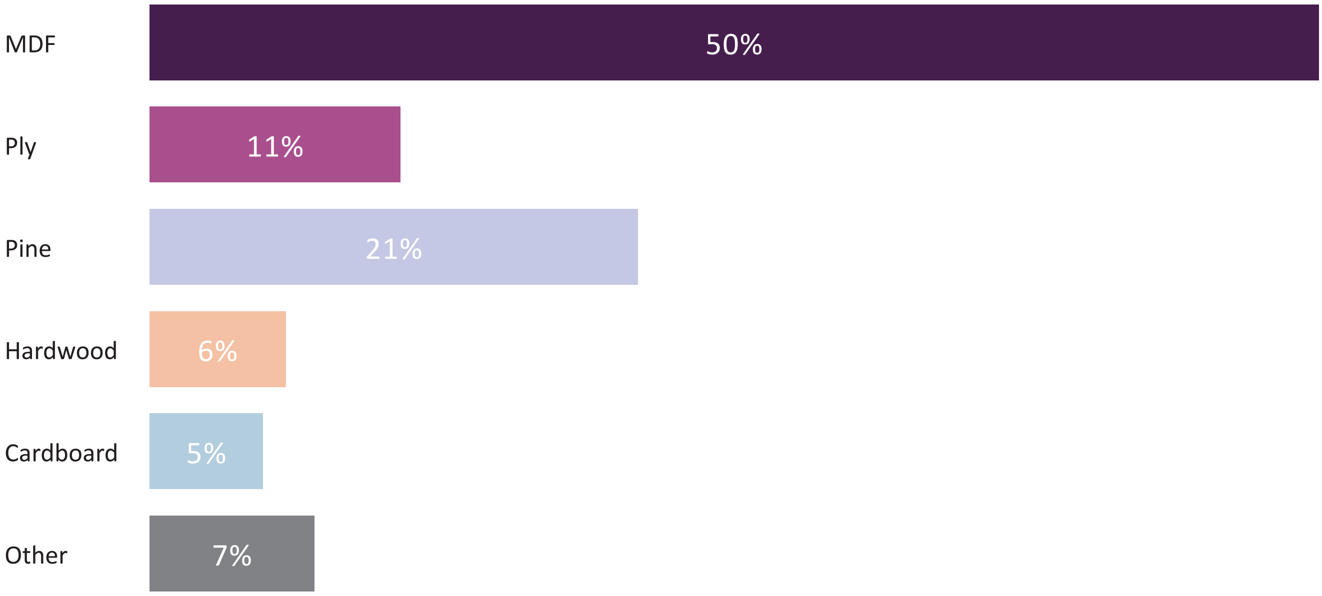
"Caskets are changing from traditional "brown wood grain" finish to wrapped and/or painted caskets."

"Cost a factor for many families so they will cut where possible by using a cheaper casket …"

"MDF - Laminated/foil caskets are the most popular choice due to price and presentation compared to plan custom wood."

The AFDA survey had a similar spread of casket choice.

Casket choice



Source: 2023 Funeral Directors Association Funeral Trends survey

Costs are a key consideration for families

While the member survey didn't explicitly ask about costs, a number of comments added reflected the increasing challenge for families in meeting funeral costs. This is leading to more price shopping, smaller funerals, and families taking over arranging some aspects themselves.

"It is obvious that money is becoming more of an issue, this year we have seen an increase in people calling around for pricing."

"People do ring around for prices (shop around)."

"Direct cremations are increasing, as are small private services."

"Cost a factor …. own flowers, service sheets and do own photo tributes."

The survey did not ask for funeral costs and the Association has been cautious in public commentary to note that funeral costs can vary significantly depending on part of the country, and choices made by the family. However, in 2023, the Association calculated averages for the essential costs included in the Funeral Grant and calculated average costs for a very modest funeral as follows:

$7,500

Basic funeral - cremation

$10,000

Basic funeral - burial

GRIEF RESEARCH

Role of funeral on bereaved relatives' mental health, grief and bereavement

Funeral directors know intuitively that funerals significantly support the mental health of bereaved families. Funerals provide social support, and the rituals of a funeral help to re-establish and stabilise mourners' mental worlds which may be shattered by a loss.

However, 'proving' the link between funerals and impact on grief is more problematic since every death and every funeral is unique and ethics would preclude the type of randomised testing that might be used in other fields.

Covid-19, where funeral practice was shut down for weeks or months at a time around the world has provided a unique opportunity to explore this topic.

How do funeral practices impact bereaved relatives' mental health and bereavement?[3] – UK

This academic study published in 2021, synthesised results from a range of other studies about the effects of funeral practices on bereaved relatives' mental health and bereavement outcomes.

The results were inconclusive with five observational studies finding benefits while six did not. However, more in-depth analysis of the qualitative research showed the benefit of after-death rituals including funerals depends on the ability of the bereaved to shape those rituals and say goodbye in a way which is meaningful for them. Findings also highlighted the important role of funeral officiants during the pandemic.

NatCen study[4] - UK

A 2023 report from the UK National Centre for Social Research, showed changes to funeral services available during the pandemic caused distress for families. The impacts were felt differently with religious, cultural beliefs and the personality of the person lost affecting how families felt. A common feeling was a loss of control with few choices and little personalisation available.

Rapua te Māmara - NZ

In New Zealand, the Funeral Directors Association of New Zealand supported development of a report on whānau reflections on life and death during the Covid-19 lockdown. While the report is simply a collection of life stories, in a presentation to Association members at the October 2022 AGM, report editor, Dr Tess Moeke-Maxwell noted the extreme grief and distress caused to Māori families not able to fulfil traditional tangihanga protocols. In particular, whānau told stories of the loss of the connectivity – hugs, touch, hongi - that is fundamental to their honouring of the dead.

The Grief Centre – NZ

A recent informal survey of grief counsellors and coaches run in-house by The Grief Centre found that the impact on grief of not having a funeral is 100% negative.

When thinking about client mental health now, versus pre-Covid times 70% felt it was somewhat worse with 15% each saying it was about the same or much worse. No one said client mental health was better.

General bereavement was the top issue in the counsellor's grief work.

Funeral experts by experience: what matters to them – UK

A final relevant report conducted just prior to Covid-19 provides some explanation on how funerals can help and reinforces why the issues during Covid-19 with creating meaning and having control hurt families so badly.

Designed to help identify whether a funeral experience led to long-term consequences for the well-being of bereaved people, the study talked to 50 respondents in the UK with respondents representing a balanced range of English funeral experiences. The research found five things matter:

1. **That the funeral follows the wishes of the person who died.** This is hugely comforting and even knowing a very simple wish such as a favourite song can help. Not having wishes left families 'unmoored' and indecisive and often led to family tensions.

[3] *Burrell A and Selman LE (2020) How do funeral practices impact bereaved relatives' mental health and bereavement? A mixed methods review with implications for Covid-19. Omega – Journal of Death and Dying, 8 July 2020, doi:10.1177/0030222820941296*

[4] *Natcen.ac.uk. Understanding the impact on bereavement during Covid-19*

2. **Decision-making has to be inclusive.** Families strove to ensure all close family members were involved in decision-making. In a small number of cases the funeral exacerbated family rifts. The report writers note the role of the funeral directors in family mediation cannot be under-estimated.
3. **Responsive funeral directors were well regarded.** For people who had arranged funerals previously this included the funeral director understanding the level of information required. ‘Good’ funerals were ‘co-productions’, with varying degrees of control between families and professionals.
4. **Being with the body: the importance of getting it right.** Families had different views and being with the body at the moment of death (e.g., in hospital) was enough for many. Facilitating what the family wanted was essential. Getting it wrong was something not readily forgotten.
5. **Having a funeral service that met expectations.** Respondents wanted the right tone, that the funeral accurately reflected the person who died and that everyone had the chance to say goodbye. Participants had different views on the degree of personalisation, but no-one wanted to be told about what funeral service they should have.

The report writers concluded families are often ‘experts by experience’ and their perspectives had important implications for training, regulation, and policy formulation. In particular they noted policy makers who just focus on transparency on price are missing the important reality that the predictable, material elements of a funeral that might make up a ‘basic funeral’ for the purposes of price comparisons are not the elements that are most important to families.

The importance of family control and the ability to shape a farewell in a way that is meaningful to them is a key finding in all the research on the impact of funerals on mental health, grief, and bereavement.

[5] *Moeke-Maxwell T and Mason K (2022) Rapua te Mārama. Self published.*

[6] *Rugg J and Jones S (2019) Funeral Experts by Experience: What matters to them. The University of York*

GOVERNMENT AND LOCAL GOVERNMENT ROLE

Government responsibility for 'death' is split across numerous central and local government entities. Each of these have different interests, and it is possible that lack of an overarching 'owner' has contributed to the pause in the major reform of deathcare legislation, the review of the Burial and Cremations Act 1964.

In particular, the review has failed to show significant consumer harm in the funeral industry, reducing appetite for regulation. Calls for registration were met with concern by the Funeral Directors Association who pointed out the proposed registration rules were largely unworkable and that an approach more similar to the implementation and monitoring of standards that the Association had developed would better guard against the type of consumer harms that may occur.

Another key tenet of the reforms, increased transparency on pricing, is also a feature of international reforms in the UK and Australia, although more often as a result of their equivalent competition regulators. In New Zealand, the Commerce Commission has shown greater interest in improving contracts issued by funeral directors and this work is ongoing as at the date of this report.

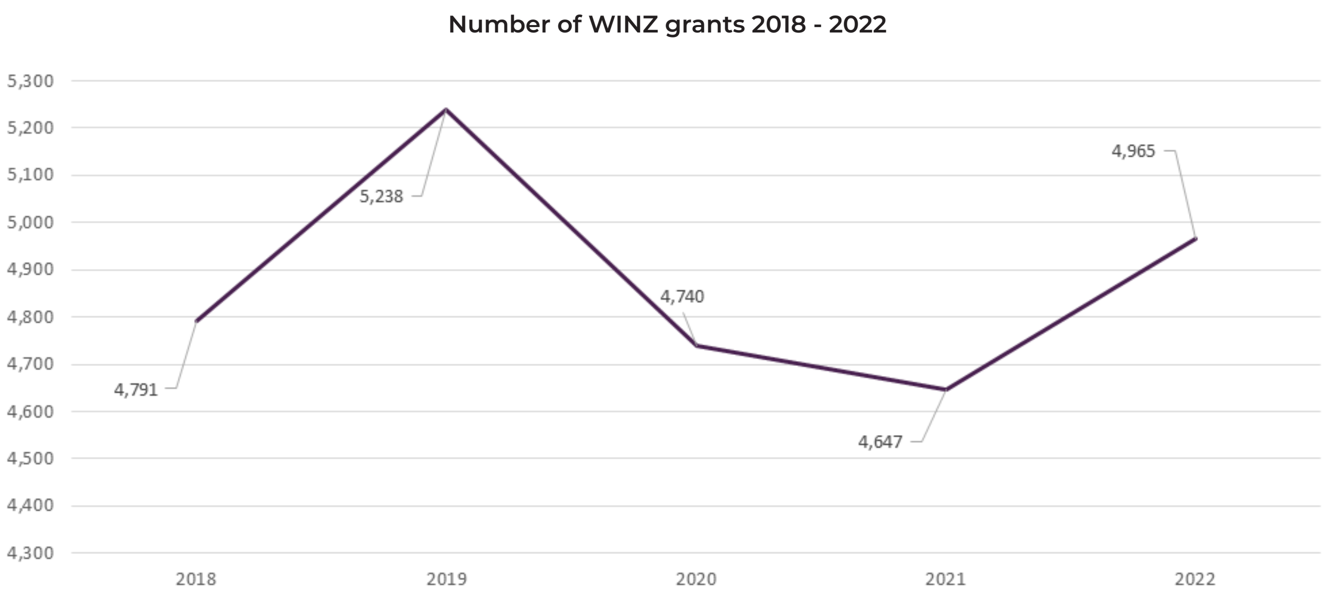
WINZ funeral grant

There is no universal government support for funeral costs in New Zealand but those dying in an accident are entitled to a funeral grant of up to $7,491.95 from the Accident Compensation Corporation (ACC).

A much smaller grant, currently up to $2,445.37 is also available from Work and Income New Zealand. Only available to those who meet income and asset testing limits, the grant is paid out to just under 5,000 New Zealanders each year with most achieving only 90% of the available amount.

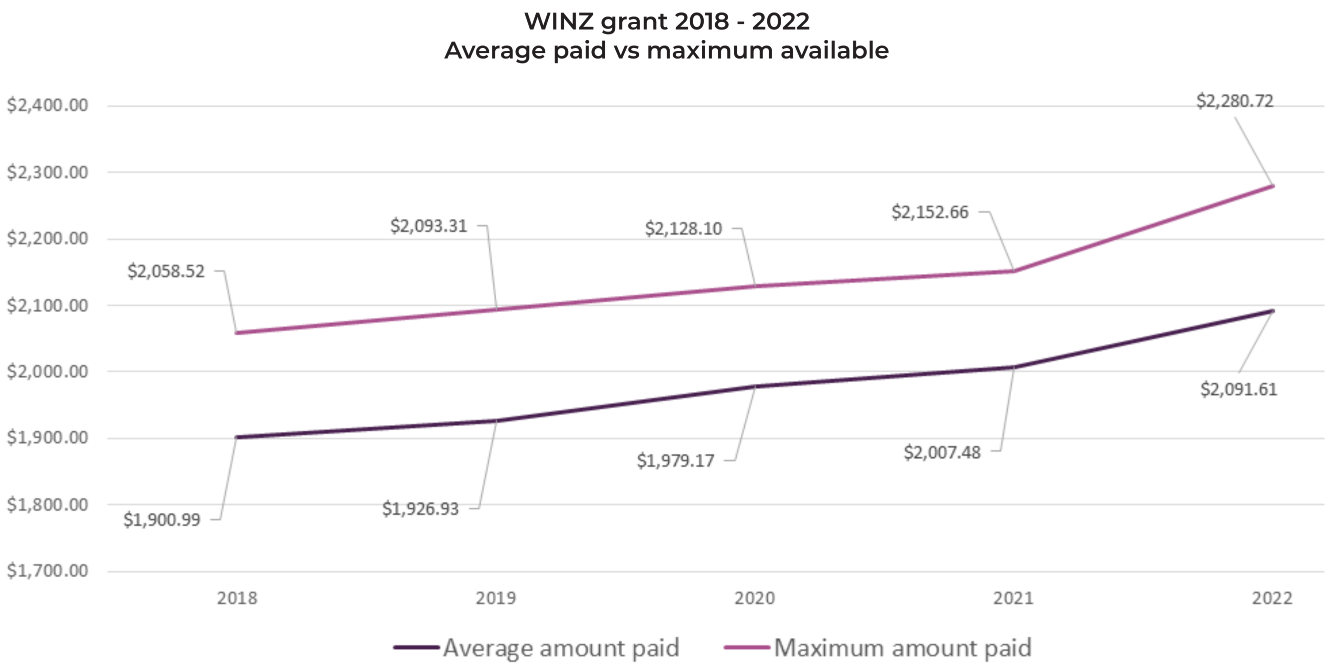
The Funeral Directors Association has campaigned for over 20 years to increase the grant amount, noting the disproportionate harm to vulnerable New Zealanders, particularly Māori and Pacific Peoples

Over the last five years the number of WINZ grants has averaged around 4,900 per year.



Source: MSD data provided in 2023 under Official Information Act request

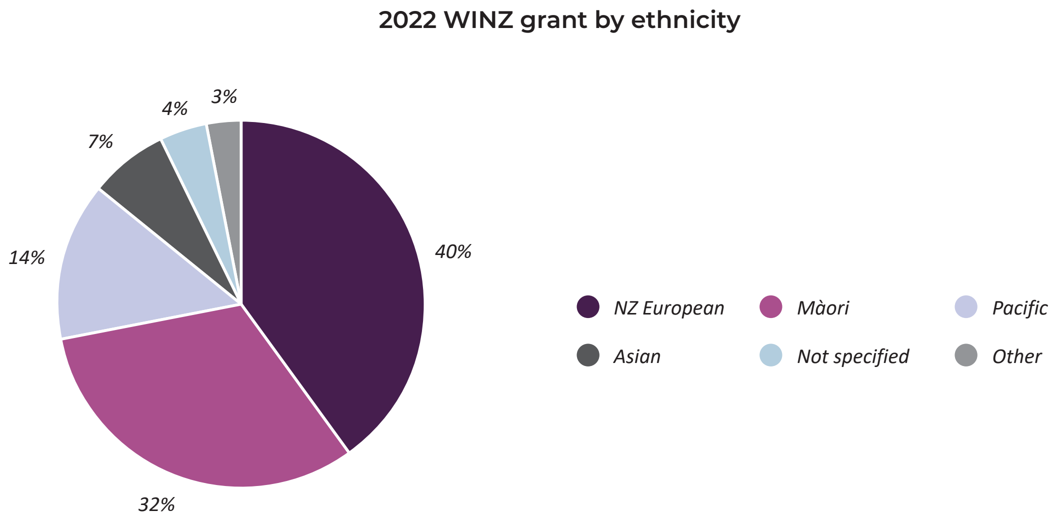
The average amount paid is consistently around 90% of what is available. This is likely because the grant is paid based on essential funeral elements, not all of which may be represented in the funeral home's invoice.



Source: MSD data provided in 2023 under Official Information Act request

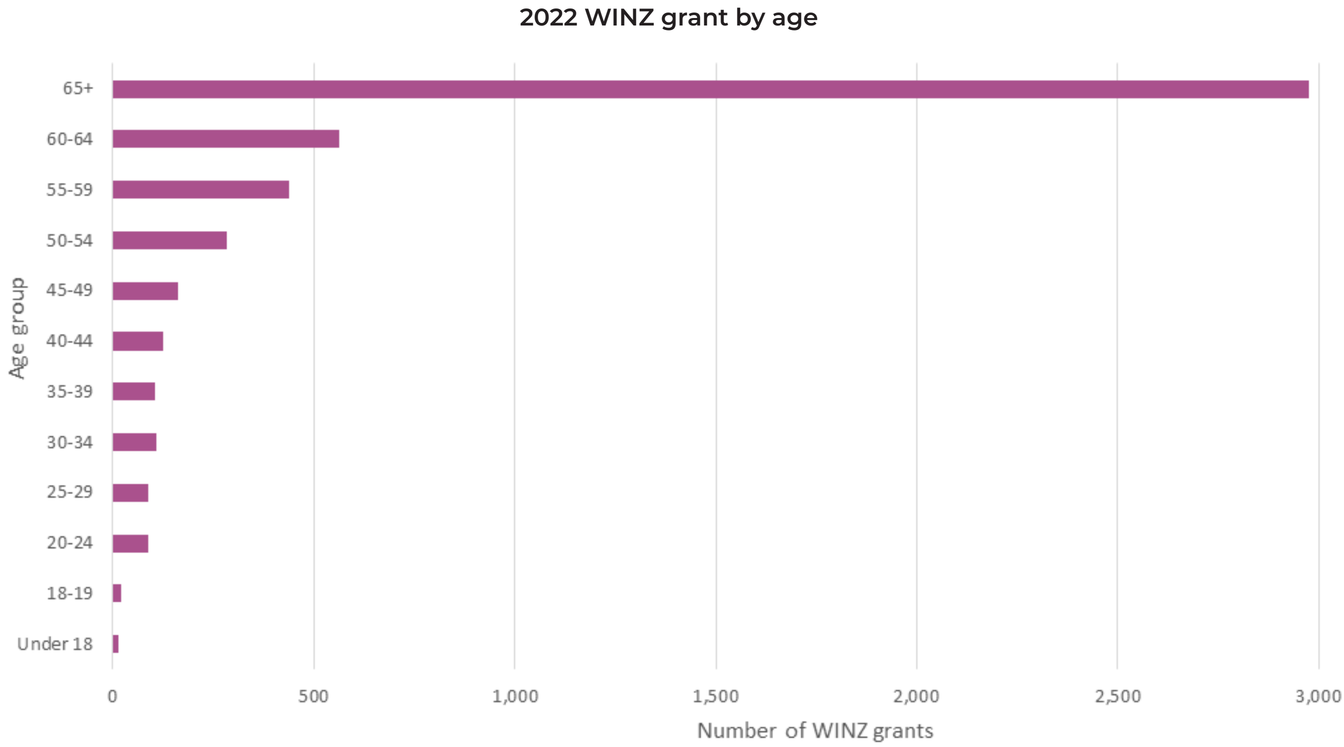
The ethnic break-down of the New Zealand population is approximately 70% European, 17% Māori, 8% Pacific Peoples and 18% other.

However, 35% of WINZ Funeral Grant claimants are Māori and 37% Pacific Peoples, making them disproportionately more likely to access a WINZ funeral grant.



Source: MSD data provided in 2023 under Official Information Act request

Families of older New Zealanders (65+) are much more likely to access the grant than other age groups.



Source: MSD data provided in 2023 under Official Information Act request

WorkSafe

Funeral home owners have a duty under the Health and Safety at Work Act 2015 to identify hazards then manage them in a way to minimise the risk to health and safety. Recent WorkSafe investigations into funeral homes suggest a greater focus by the health and safety regulator on this industry.

The regulator has called on affected funeral homes to not only achieve full compliance, but demonstrate they have done so with suitably qualified and recognised expertise. Chief concerns to date have been around staff working with formaldehyde-based chemicals, but risks also exist from lifting and handling bodies and long periods standing while working.

Raising the importance of health and safety compliance has been a focus in industry publications such as the Funeral*care* magazine.

Local and regional council involvement

In addition to running council cemeteries and crematoria, local councils also sign-off on funeral home premises including mortuaries and issue consents for operation of private crematoria.

Recently some councils have raised issues with the disposal of mortuary waste into local wastewater systems. In Gisborne this has led to a requirement to install a septic tank with waste to be trucked to a local Wisconsin mound although no timeframe has yet been established.

A recent prosecution against a Tauranga funeral home for cremator smoke that breached consents also speaks to a growing appetite for councils to address local constituent concerns about funeral home operations.

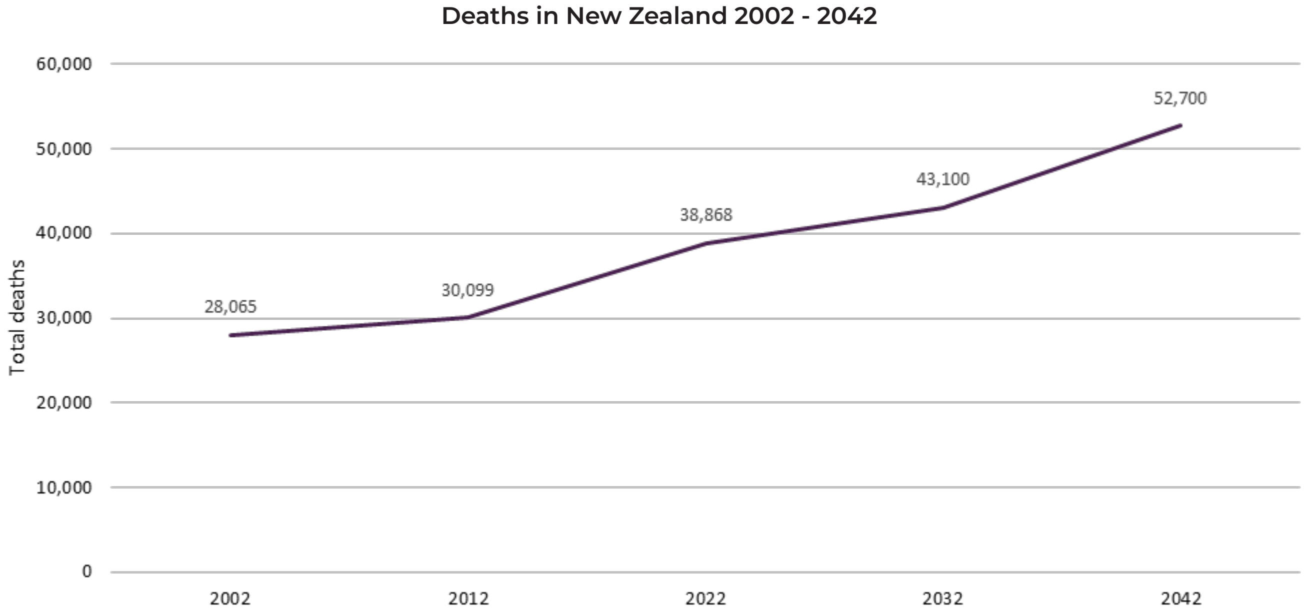
With the pause in Burial and Cremation Act reforms, local councils are also having to make local decisions about new disposal methods such as water cremation. This is likely to lead to fragmented availability of these options.

FUTURE TRENDS

The number of deaths is increasing

Our population is continuing to grow and age. In 2042, the projected death volume in New Zealand is 52,700, up from just under 39,000 in 2022.

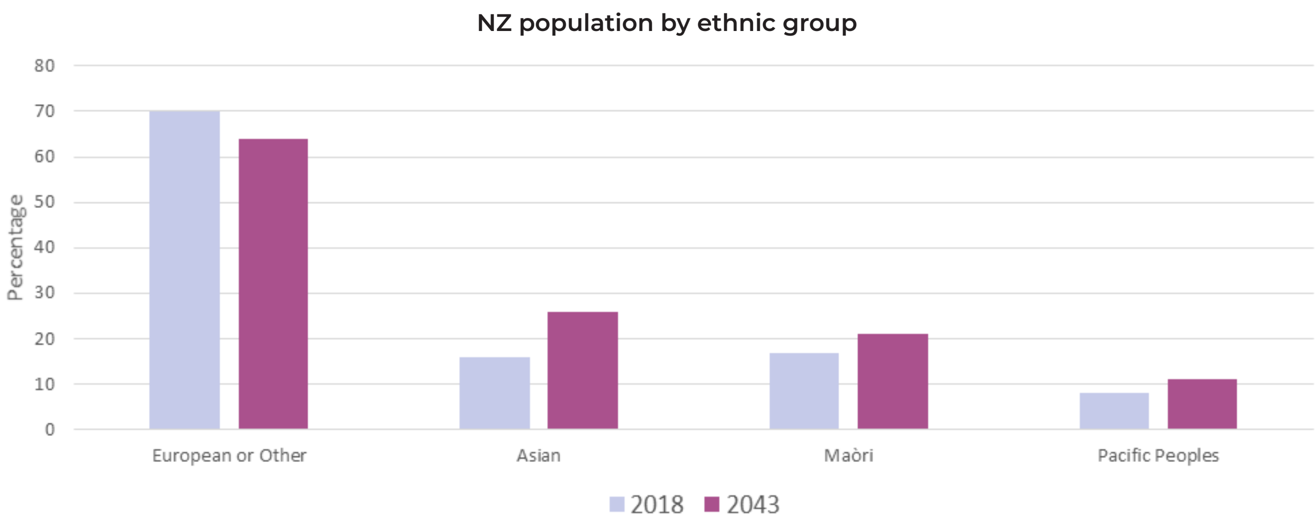
The regional and district breakdowns provided in the appendix shows this increase is more marked in some areas of New Zealand than others.



Source: Statistics NZ

Our ethnic mix is changing

By 2043, it is projected that there will be more Asian New Zealanders than Māori or Pacific Peoples although both these cohorts will also grow. New Zealand European numbers on the other hand will reduce.



Source: Statistics NZ, as reported by Berl, Business and Economic Research Ltd

Macro and consumer trends

Macro trends influencing how New Zealanders live and work will also impact the future of the industry. These trends include:

- A decline in religion
- Increased focus on individual expression
- Concerns about climate change
- Increased digitalisation and use of technology
- The impact of generational differences on work practices e.g., Millennial and Generation Z attitudes
- Changing family structures and changes to how New Zealanders provide social support to each other

The 2020 Consumer Lifestyles Study by Otago University also points to emerging consumer behaviours such as increased spending on DIY activities and more concerns with price and product quality.

New Zealand doesn't have up-to-date consumer information on consumer attitudes to funerals and funeral directors, but a nationally representative 2021 Australian survey , also suggests more attention to affordability. While 66% of the Australian respondents still wanted a ceremony, they preferred a smaller intimate ceremony. Respondents valued the role of funeral directors with the most valued traits being affordability, professionalism, honesty and empathy.

Future challenges and opportunities

Together, expected future changes lead to a range of possible challenges and opportunities for the industry. While not exhaustive, the Funeral Directors Association point to the following:

Increased workforce with changing motivations

Our 2016 industry report calculated there were 63 deaths per funeral director based on the number of deaths divided by total funeral directors. While we don't have up-to-date census data that would confirm the total number of funeral directors, a reasonable estimate remains 600 – 630 funeral directors and on this basis the 63 figure remains reasonable proxy.

On these numbers, the total number of required funeral directors would rise to around 830 (assuming funerals continue in the current form – see other conclusions) by 2043. Many of these would be younger and employers will have to adapt to changing work motivations such as increased needs for flexibility and wellness and support requirements. As New Zealand's ethnic mix changes, there is also opportunity to recruit for those who can represent the needs of non-European cultures.

Changing nature of 'funeral'

The aging population (with less friends left to attend and families around the world), cost pressures and changing consumer demand will likely see further rises of unattended and smaller scale funeral 'ceremonies'.

Some commentators though point to an opportunity to grow the market.

With an increased trend toward individualisation and tailored, personal experiences, people may start to reimagine funerals as an opportunity to farewell their loved ones in style. Those dying in the next 15 years will also be the wealthiest part of society. How could the industry attract some of the spend of the Baby Boomer population?

Funeral homes that can offer high quality customisation, and appeal to what research tells us contributes to a good funeral experience, may have an opportunity to re-shape the market and make funerals highly desirable and valued.

Changing structure of funeral businesses

Corporatisation of funeral businesses is continuing across the world. Some commentators also point to the possible interest in integrating related professions such as those offering wills, estate planning, residential aged care or end-of-life services.

At the other end of the spectrum, new death professionals such as death doulas are entering the industry offering services catering to the needs of those wanting more control over their final farewell.

Funeral businesses will need to make decisions about their unique position and offering and whether or how to work with aligned professionals.

Increased regulation and professionalism

Regulators in the UK and Australia have been putting increasing controls on the funeral industry. While there is limited appetite yet in New Zealand it is clear the

[1] *Bare. Australian Funeral Industry State of the Nation 2021*

professional standards introduced by the Association for its members have provided interim comfort to regulators that there are good self-regulatory controls for member firms at least.

There will remain pressure on the industry to continue to improve transparency around pricing. This won't just be from government. With prices on most services at people's fingertips, consumers will increasingly demand information.

However, the lessons from the University of York report about what really matters (ie not the simple elements you can price compare) suggests industry has an opportunity to supplement any mandated pricing information with clear information on the funeral director's approach, views on personalisation and co-production of funerals with families and how the funeral director will care for the person who has died.

Sustainability baked into businesses

Environmental considerations will influence choices in how services are provided and in what is demanded. But sustainability goes beyond electric cars, mortuary chemicals, service sheets and other environmental aspects.

Firms will need to have tight control over costs and will need to be rigorous in their expansion and development considerations in order to remain financially sustainable.

Concerns about social licence to operate will also see increasing pressure in areas such as mortuary waste and cremator operation from local and potentially central government. Funeral homes will need to be mindful of community wants and needs and take special effort to nurture community relationships.

Increasing digitalisation and technology

Live-streaming of funeral services is now common-place in New Zealand, but increasing digitalisation offers other opportunities.

Various online pre-planning solutions are currently being scoped in New Zealand and there may be opportunities for funeral homes to link with these services for those wishing to pre-plan directly rather than with a funeral home. Likewise, pre-payment of funerals will need to take advantage of an increasing appetite to set up arrangements directly. There is also opportunity for a comprehensive death notice online offering to provide a one-stop place for New Zealanders to find out who has died and be able to offer tributes and obituaries.

Artificial intelligence will also offer opportunities in areas such as creation of death notices and freeing up mundane paperwork and data entry.

At a local level, funeral homes will need to ensure their online presence meets modern expectations. Opportunities exist to populate websites with inspiration for more personal and meaningful ceremonies as well as increase transparency of pricing. Funeral homes will also need to remain alert for google reviews and social media commentary that may harm their businesses.

APPENDIX

Predicted percentage of population over 65 years (regions)

REGION	2023 %	2028 %	2033 %	2038 %	2043 %	2048 %
Northland region	21	24	27	28	29	29
Auckland region	14	16	18	19	20	20
Waikato region	17	19	21	22	23	23
Bay of Plenty region	20	22	24	25	26	27
Gisborne region	17	20	21	23	24	24
Hawke's Bay region	19	22	23	25	25	26
Taranaki region	19	22	23	25	26	27
Manawatu-Whanganui region	19	22	24	25	25	26
Wellington region	16	18	19	21	21	21
Tasman region	24	27	30	32	33	34
Nelson region	22	25	28	30	31	32
Marlborough region	24	27	29	30	31	31
West Coast region	23	27	30	31	31	31
Canterbury region	17	19	21	22	22	23
Otago region	18	20	22	23	24	25
Southland region	19	21	23	24	25	26
Area outside region	15	20	20	22	22	20

Source: Statistics NZ

Predicted percentage of population over 65 years (districts)

DISTRICT	2023 %	2028 %	2033 %	2038 %	2043 %	2048 %
Far North district	21	24	26	28	28	28
Whangarei district	21	24	26	27	28	28
Kaipara district	25	29	31	33	33	33
Auckland	14	16	18	19	20	20
Rodney local board area	18	19	21	22	22	22
Hibiscus and Bays local board area	20	22	25	27	28	30
Upper Harbour local board area	16	18	19	19	19	20
Kaipatiki local board area	13	15	16	17	18	19
Devonport-Takapuna local board area	19	21	22	23	23	22
Henderson-Massey local board area	11	13	15	16	17	18
Waitakere Ranges local board area	13	16	19	22	24	25
Great Barrier local board area	28	32	34	35	35	34
Waiheke local board area	25	30	33	36	36	36
Waitemata local board area	11	14	16	17	17	16
Whau local board area	14	16	17	19	19	20
Albert-Eden local board area	13	15	17	19	19	18
Puketapapa local board area	15	17	18	19	19	19
Orakei local board area	19	21	23	24	24	23
Maungakiekie-Tamaki local board area	12	14	15	15	16	16
Howick local board area	16	18	20	22	23	24
Mangere-Otahuhu local board area	10	12	14	15	16	17
Otara-Papatoetoe local board area	9	11	13	15	15	16
Manurewa local board area	9	11	13	15	16	16
Papakura local board area	10	12	13	14	15	16
Franklin local board area	17	20	21	23	22	22
Thames-Coromandel district	34	38	41	42	42	42
Hauraki district	26	30	32	35	36	36
Waikato district	14	16	18	20	21	21
Matamata-Piako district	22	24	26	27	27	27
Hamilton city	12	13	14	15	16	17

DISTRICT	2023 %	2028 %	2033 %	2038 %	2043 %	2048 %
Waipa district	19	22	23	25	26	27
Otorohanga district	17	19	20	22	22	22
South Waikato district	18	20	22	23	24	23
Waitomo district	18	20	23	24	24	25
Taupo district	22	24	27	28	29	30
Western Bay of Plenty district	23	26	29	30	31	31
Tauranga city	20	22	23	25	26	26
Rotorua district	16	18	19	21	22	23
Whakatane district	19	22	24	26	26	26
Kawerau district	22	25	27	28	29	30
Opotiki district	18	22	24	26	26	26
Gisborne district	17	20	21	23	24	24
Wairoa district	19	21	23	24	24	24
Hastings district	18	20	21	23	24	24
Napier city	21	23	25	27	28	28
Central Hawke's Bay district	22	25	28	29	29	29
New Plymouth district	20	22	24	25	26	27
Stratford district	20	22	25	26	27	27
South Taranaki district	17	20	22	24	25	26
Ruapehu district	19	23	26	27	28	29
Whanganui district	22	25	26	28	29	29
Rangitikei district	20	23	26	27	27	26
Manawatu district	19	22	24	26	27	27
Palmerston North city	15	17	18	20	20	21
Tararua district	20	23	26	27	28	28
Horowhenua district	25	28	29	30	31	31
Kapiti Coast district	27	29	31	33	34	35
Porirua city	13	15	17	19	20	21
Upper Hutt city	16	18	20	21	22	23
Lower Hutt city	14	16	17	17	18	18
Wellington city	12	14	15	17	17	17
Masterton district	22	25	26	27	28	28
Carterton district	25	29	31	33	33	33

DISTRICT	2023 %	2028 %	2033 %	2038 %	2043 %	2048 %
South Wairarapa district	24	28	30	32	33	34
Tasman district	24	27	30	32	33	34
Nelson city	22	25	28	30	31	32
Marlborough district	24	27	29	30	31	32
Kaikoura district	25	29	30	31	32	31
Buller district	29	34	37	38	38	37
Grey district	21	24	26	28	28	27
Westland district	21	25	28	30	30	30
Hurunui district	23	26	28	30	30	30
Waimakariri district	21	24	26	28	29	29
Christchurch city	16	18	19	19	19	20
Selwyn district	13	15	18	20	22	23
Ashburton district	19	20	21	22	22	23
Timaru district	23	26	28	29	29	30
Mackenzie district	19	22	24	25	25	25
Waimate district	25	28	29	31	31	31
Chatham Islands territory	15	20	21	23	22	21
Waitaki district	24	26	28	29	29	29
Central Otago district	24	27	29	30	31	31
Queenstown-Lakes district	12	14	15	17	19	21
Dunedin city	18	20	22	23	24	24
Clutha district	20	22	24	26	26	26
Southland district	18	21	23	24	25	26
Gore district	22	25	27	29	29	29
Invercargill city	19	21	23	24	24	25

Source: Statistics NZ

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