

Briefing for the Incoming Minister

We all die. But death shouldn't have to lead to poor mental health outcomes or debt for those left behind.

We have ideas about how this Government could show a human face on death in a containable way in terms of fiscal risk. About how a simple adjustment to the allowable pre-paid funeral plan maximum could lead to more people financially looking after their own funeral needs. And about how you could help us keep doing what we're doing - providing an essential private deathcare service, in a more sustainable way.

Topics we'd like to discuss with you

Work and Income Funeral Grant

"Most of our funerals would be for low-income Māori families who just need us to prepare [embalm] the deceased, dress them, arrange a viewing and then transfer to the marae. The costs are an average of \$5,000 which leaves families with several thousand dollars of debt even with a full WINZ grant. Most pay us at something like \$10 a week and we write off \$35-\$45,000 a year. We're a small business with a six-figure debt burden, but who else will look after these families if we don't?"
Funeral Director, Whakatane

We've talked to you previously about our concerns on the low level of the Work and Income Funeral Grant. The small numbers who qualify do not have other means to meet a shortfall in funeral costs. Surely properly supporting vulnerable New Zealanders would save downstream costs – harm from the loan sharks they may turn to, mental health impacts? Think of this as social investment.

Bureaucratic inefficiency with major compliance costs

The process of applying for and granting applications is also broken with missing criteria (death certificates aren't covered, KiwiSaver isn't mentioned as an asset), variable application of that criteria and different ways of handling applications.

The resultant time spent and the debt our members are citing, are a direct cost for our sector of small business owners (75% of our members are SMEs).

We've recently seen one (non-member) firm wind-up because of the debt burden of delivering funerals to low-income families who can't pay. As the Government of business, we need your help making our businesses viable so we can continue to deliver our valuable services to all communities across New Zealand.

Pre-paid funeral maximum value

Approved pre-paid funerals are excluded from the financial means assessment for residential care subsidies but the maximum value, \$10,000 has not been changed in many years and is now out of step with the average cost of a full funeral.

We feel this could be an easy tweak to a policy setting with little cost and a big benefit in ensuring families are properly covered for the funeral they would like to hold.

Topics you may be able to facilitate with other Ministers

Burial and Cremations Act 1964 review – Minister of Health

Despite work on this review beginning in 2010, no legislative change has been introduced.

One of the delays has been in an inability to show sufficient evidence of consumer harm to warrant a inclusion of regulatory provisions. Our industry association already offers consumer protections in the form of standards and a complaints service, and we think the Government's time could be far more effectively spent focusing on technical changes required to update the Act to modern funeral practice.

For example, currently there is no easy pathway to introducing modern and potentially more environmentally friendly disposal methods such as water cremation.

We are able to provide comprehensive subject matter expertise on technical issues that will be useful for officials.

Deaths under Coroner – Minister of Justice

When someone dies unexpectedly, violently or in suspicious circumstances and a GP or doctor is unsure what caused a person's death they will report it to the coroner.

The Ministry of Justice is currently scoping a project to ensure an appropriate level of support is provided to bereaved families and we have already provided input to their review. We would like to see this project continue and address issues such as how funeral directors can be kept better informed on behalf of families.

There are a number of other technical issues we have raised, including during the Coroners Amendment Bill submission that we would appreciate being able to discuss.

About the Funeral Directors Association of New Zealand

The Funeral Directors Association of New Zealand is a membership-based association covering approximately 75% of all funeral homes in New Zealand.

Entry to the Association is based on an assessment against a set of standards which include Ethical Principles and Standards of Conduct. These are regularly inspected as a condition of ongoing membership. Membership also includes requirements for qualified funeral directors and embalmers. Qualifications are NZQA approved.

The Association also offers the only specialist funeral complaints service available for the public. The service is only available if a family has used a member firm.

Currently 76.5% of Association members are independently owned funeral homes. 14.3% are owned by Australian corporate Invocare with a further 9.2% owned by Australian corporate Propel.

106

Member firms (made up of 250 funeral home locations)



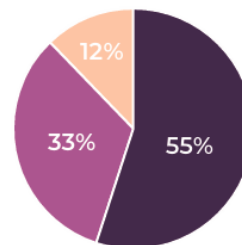
54%

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.*

About funerals in New Zealand

There were 38,868 deaths in New Zealand in 2023 with deaths predicted to rise to 52,700 by 2042.

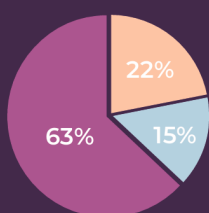
The median age at death is currently 80.9 years with 53% of deaths at age 80 or over.

A recent industry report produced by the Association shows that traditional funerals with a casket present remain popular and that cremation is preferred – although cremation statistics are reversed for Pacific Peoples and Māori.

However current cost pressures on families and policy settings by Government are leading to a growth in unattended cremations or very small private ceremonies.

Research summarised in the industry report suggests this could negatively impact on the mental health, grief and bereavement journey of bereaved relatives’.

Types of funerals

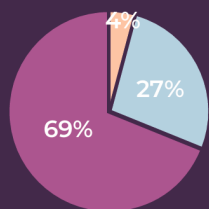


- Attended funeral
- Hybrid funeral (cremation only/ but with a viewing)
- Unattended (cremation only/no family present)



73%

Traditional funeral with casket present



- Cremation
- Burial
- Other



63%

Not pre-arranged or pre-paid

2023 New Zealand Funeral Industry Trends Report