

PREPAID FUNERAL INDUSTRY — CODE OF PRACTICE

Statement by Minister for Seniors and Ageing

MR M.P. MURRAY (Collie–Preston — Minister for Seniors and Ageing) [12.09 pm]: I rise today to welcome the introduction of the McGowan government's mandatory code of practice for Western Australia's prepaid funeral industry, which will come into force on 1 March 2021. For the first time in Western Australia, the new code will give seniors and their families confidence in the security and value of their prepaid funeral plans. Pre-planning a funeral enables us to choose how our life will be celebrated and to plan for the expense of funeral arrangements. It also promises to spare our loved ones the financial burden of paying for a funeral.

When prepaying funeral plans, older Western Australians place their trust and their savings in funeral directors and other funeral service providers. It is estimated that \$170 million is currently being held over in WA to pay for future funerals, with that amount expected to grow rapidly as our population ages. Older Western Australians put their trust in the fact that these funds will be protected, that they will get a fair deal and that they are doing the right thing for their families by being prepared. This, however, has not always been the case, as I have experienced myself. Although prepaid Western Australian funeral sellers have in place voluntary standards, without a mandatory code of practice the funds of older Western Australians can potentially be placed in insecure investments and left unprotected from cost increases and inflation. Contracts have also been open to ambiguity should a provider become insolvent or a client move interstate or pass away before full payment is made. In my own family's experience, my mother was always a forward thinker and she organised and prepaid her funeral plan. When the time came, however, the plan's value did not cover half of what it had promised and, in the end, the planned service was nearly double the amount of the prepaid fund.

The code will give greater clarity and certainty surrounding what will be delivered from a prepaid funeral contract, with all goods and services to be outlined, along with the cost of each component and any fees clearly indicated. The agreed-upon price will be fixed at the time of signing to ensure that the client's funds are immune from cost increases and inflation over time, with the requirement that money be placed within secure investments under the name of the client.

I commend the government and my cabinet colleague Hon John Quigley, MLA, Minister for Commerce, for the work that has been done over the past few years to develop the new code, which will give peace of mind to many older Western Australians and their families.