



Our Ref: C2006/1810
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**Australian
Competition &
Consumer
Commission**

7 February 2007

*sent to
attached IP list*

[Address]

GPO Box 520
Melbourne VIC 3001

Level 35 The Tower
360 Elizabeth Street
Melbourne VIC 3000

Dear [Salutation]

ph (03) 9290 1800
fax (03) 9663 3699

**Re: Retirees WA (Inc) application for revocation of authorisation A70012
and its substitution by authorisation A91015 – draft decision**

www.accc.gov.au

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the application for authorisation lodged by Retirees WA Inc (RWA) on 29 September 2006.

The application concerns agreements negotiated between RWA and the Western Australian Funeral Directors Association (WAFDA) and certain individual Independent Funeral Directors in WA, and involves the supply of fixed-cost prepaid funerals to eligible RWA members under a funeral fund (the Funeral Fund).

Summary of ACCC considerations

Having considered the application and submissions from RWA, the ACCC proposes to grant authorisation for a further period of five years. A copy of the draft determination is available on the ACCC's website at www.accc.gov.au.

The ACCC considers that these arrangements are not likely to result in any significant anti-competitive detriment. In particular, the ACCC notes that the arrangements cover a very small segment of funerals in WA (around 5 per cent), that Funeral Fund members can opt out at any time should they be able to negotiate a better price individually and also that there appears to be a high-degree of non-price competition in the relevant markets. Most significantly, the ACCC has formed the view on the available information that the arrangements are likely to result in a lower end price to fund members than would be negotiated without the arrangements.

The ACCC is satisfied that there are public benefits arising from the arrangements. In particular, the ACCC considers there is a public benefit in the provision of funeral directors services to a section of the community, some of which are financially disadvantaged, at a price lower than if the Funeral Fund in its current form was discontinued. The ACCC also considers that the arrangements provide some public benefit in reduced administrative costs to both the RWA, members of WAFDA and certain individual Independent Funeral Directors which contribute to the viability of the Funeral Fund.

Therefore, after considering all the information before it, the ACCC is of the view that the public benefits flowing from the arrangements are likely to outweigh the anti-competitive detriments and the ACCC has decided to grant authorisation.



Next steps

Once the ACCC issues a draft determination, the Applicants or any interested party who may be dissatisfied with the ACCC's draft determination may request that the ACCC convene a 'pre-decision conference'. A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Under the *Trade Practices Act 1974*, the ACCC must set a date within 14 days of which any pre-decision conference must be requested. Accordingly, if you wish the ACCC to hold a pre-decision conference in relation to the draft determination, you must notify the ACCC in writing by **21 February 2007**. Conferences are conducted informally, without the participation of legal or other professional advisers.

Alternatively, you are also invited to make a written submission in response to the ACCC's draft determination. Written submissions should be lodged by **28 February 2007** at the following address:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Submissions can also be lodged by e-mail to adjudication@acc.gov.au or by facsimile on 02 6243 1211. If relevant, please provide a preferred email address for any future correspondence from the ACCC.

Persons lodging a submission with the ACCC may request that information included in the submission be excluded from the public register in certain circumstances. Submissions which are excluded from the public register may still be taken into account by the ACCC when conducting its assessment of an authorisation application. Guidelines for seeking exclusion from the public register are attached for your information.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-determination conference be called, and will then release a final determination in relation to these applications.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter (or would like a copy of the draft determination sent to you), please do not hesitate to contact Louise Hird on (03) 9290 1484

Yours sincerely

Gavin Jones
Director
Adjudication Branch

Interested Party List

- Australian Funeral Directors Association
- Archer & Sons Funeral Homes
- P & L Hogan Funeral Directors
- Albany City Funeral Home
- Department of Consumer and Employment Protection
- Karrakatta Cemetery
- Affordable Funerals
- B D Coventry & Sons
- Bowra & O'Dea Pty Ltd
- Christian Funeral Company
- Chipper & Son Pty Ltd
- Esperance Funeral Services
- Goldfields Funeral Directors
- J Keenan & Co
- Just Cremations
- Mareena Purslowe & Associates
- Oakwood Funeral Home
- Pensioner Funerals
- Peter J Jackson Funeral Directors
- Prosser Scott & Co Pty Ltd
- Purslowe Funeral Homes
- R Falkingham & Son
- Baskerville Metcalfe
- Seasons Funerals
- Simplicity Funerals
- Seasons
- Value Funerals
- William Barrett & Sons