

Our Ref: C2006/1810
Contact Officer: Louise Hird
Contact Phone: 03 9290 1484

7 March 2007

[Address]

Dear

**Re: Retirees WA (Inc) application for revocation of authorisation A70012
and its substitution by authorisation A91015
- final determination**

The Australian Competition and Consumer Commission (ACCC) has issued a determination granting authorisation in respect of the application lodged by Retirees WA (Inc) (RWA) on 29 September 2006 for revocation of authorisation A70012 and its substitution by authorisation A91015.

The RWA sought renewal of its authorisation allowing for reduced cost pre-paid funerals to be agreed to between the RWA and members of the Western Australian Funeral Directors' Association (WAFDA members) and between RWA and non-WAFDA funeral directors (Independent Funeral Directors). These arrangements were previously authorised by the ACCC in 2001.

Summary of ACCC considerations

Having considered the application and submissions from RWA, the ACCC grants authorisation for a further period of five years. A copy of the 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.

Application for review

Pursuant to section 101 of the *Trade Practices Act 1974*, a person dissatisfied with this determination may apply to the Australian Competition Tribunal for its review. An application for review must be made within 21 days of the date of this determination; that is, on or before 28 March 2007. If no application to review is lodged by this date, the ACCC's determination will come into force on 29 March 2007

A copy of the determination is available on the ACCC's website at www.accc.gov.au.

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 determination sent to you, please do not hesitate to contact Louise Hird on 03 9290 1484.

Yours sincerely



aw Gavin Jones
Director
Adjudication Branch

Organisation
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
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