



23 Marcus Clarke Street
Canberra ACT 2601

GPO Box 3131
Canberra ACT 2601

tel: (02) 6243 1368

mergers@acc.gov.au

www.accc.gov.au

Our ref: IM-70340
Contact officer: Georgia Zele/Matthew Chan
Contact phone: (02) 9230 9103; (02) 9230 3873

1 October 2019

Dear Interested Party

Request for submissions: Propel Funeral Partners Limited's proposed acquisition of Gregson & Weight Funeral Directors

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Codfern Pty Ltd, which trades as Gregson & Weight Funeral Directors (**G&W**), by a subsidiary of Propel Funeral Partners Limited (**Propel**) (**proposed acquisition**).

Propel and G&W both provide funeral services in the Sunshine Coast and surrounding areas in Queensland. Further details can be found at **Attachment A**.

The ACCC's investigation is focused on the impact on competition and in particular, we are seeking your views on:

- how closely Propel and G&W compete with each other in supply of funeral director services and cremation services in the Sunshine Coast region
- the impact of the proposed acquisition on prices and service levels for funeral directing and/or cremation services
- the extent to which Propel may have the ability and incentive to restrict access and/or increase prices at the Buderim Crematorium.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on Wednesday 16 October 2019**. Responses may be emailed to mergers@acc.gov.au with the title: *Submission re: Propel/G&W - attention Georgia Zele and Matthew Chan*. If you would like to arrange a

time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Georgia Zele on (02) 9230 9103 or Matthew Chan on (02) 9230 3873.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Tom Leuner
General Manager
Merger Investigations

Attachment A

Propel

Propel is a Sydney-based publicly listed company which operates in the death care industry in Australia and New Zealand. It owns funeral director companies, along with cemeteries, crematoria and related assets. Propel operates from 120 locations, including 28 cremation facilities and 9 cemeteries.

Propel supplies funeral directing services on the Sunshine Coast and surrounding areas under the 'Premier Funerals' brand. Propel has a site in Currimundi and owns and operates the Buderim Crematorium, which provides cremation services, chapel services and memorial sites.

Premier Funerals also supplies funeral director services from a site in Oxley, in the Brisbane region.

G&W

G&W started operating in the 1970s and is the largest funeral services provider in the Sunshine Coast region. G&W provides funeral directing services from four locations: Caloundra, Buderim, Nambour and Noosaville. It operates crematoria at three of those sites: Caloundra, Nambour and Noosaville.

The proposed acquisition

Propel proposes to acquire 100% of the issued share capital in Codfern Pty Ltd (trading as Gregson & Weight Funerals), and certain freehold properties on the Sunshine Coast.

Propel proposes to acquire all assets and facilities associated with the operation of the G&W funeral business (as seen in Table 1) as well as the freehold properties from which the businesses operates in Caloundra, Buderim and Nambour. It will also lease the property situated in Noosaville.

Table 1: Parties' funeral directing and crematoria services in the Sunshine Coast region

Owner	Brand	Funeral director sites	Crematoria sites
Propel	Premier Funerals	Currimundi	Buderim
Gregson & Weight Funerals	Gregson & Weight Funeral Directors	Buderim Caloundra Nambour Noosaville	Caloundra Nambour Noosaville

Attachment B

1. Please provide a description of your business or organisation.
2. Please outline the reasons for your interest in the proposed acquisition, including any commercial relationship(s) with either of Propel or G&W.

Relevant market(s)

3. Please discuss the key factors (such as geographic proximity, price, quality and available amenities) which influence:
 - a. consumer choice for funeral directing services
 - b. consumer choice when selecting a location for funeral and/or memorial ceremonies
 - c. funeral director choice of location for cremation services for 'no attendance' cremations.

Please provide reasons for your views.

Funeral directing services

4. Please discuss how closely and in what ways Propel and G&W compete in the supply of funeral directing and/or cremation services in the Sunshine Coast region.
5. For all funeral directors in the Sunshine Coast region (including Propel and G&W), please outline:
 - a) size and location of their sites
 - b) services offered (e.g. price and range of services offered)
 - c) type and quality of amenities available (e.g. chapels, viewing rooms, catering and memorial gardens)
 - d) reputation in the area.
6. Identify any suppliers that compete particularly closely with those of Propel and/or G&W (e.g. due to location or services offered).
7. To what extent do funeral directors located outside the Sunshine Coast region compete for Sunshine Coast customers?

Crematorium services

Access to services at the Buderim Crematorium

8. The ACCC understands Propel's Buderim Crematorium is the only crematorium in the Sunshine Coast region which provides third party services to competing funeral directors. To what extent will Propel have the ability or incentive to restrict access and/or increase prices at the Buderim Crematorium if the proposed acquisition proceeds?
9. In the instance that funeral directors in the Sunshine Coast region could no longer access the Buderim Crematorium, what facilities would they use for:
 - a) cremations
 - b) ceremonies
 - c) memorialisations.

New crematoria in the Sunshine Coast region

10. Please identify potential new entrants to the supply of crematorium services (including cremations, chapel, memorial gardens etc.) in the Sunshine Coast region. In your response, please provide details regarding:
 - a) estimated time and cost of market entry, and the extent to which such costs would not be recoverable upon exiting the market
 - b) the minimum size of operations required for entering the market (e.g. number of cremations)
 - c) any regulatory barriers, such as environmental or planning regulations
 - d) the importance of reputation
 - e) long term trends for cremation services (including consumer demand and industrial cremation sites).
11. If Propel restricted access to and/or increased prices for cremation services for competing funeral home operators, how likely is it that those operators may open their own competing crematorium or sponsor a third party's entry (having regard to the factors listed in the question above)?

Other information or competition issues

12. Please provide any additional information or comments (including broader information or comments regarding the industry) that you consider relevant to the ACCC's consideration of the proposed acquisition under section 50 of the Act.