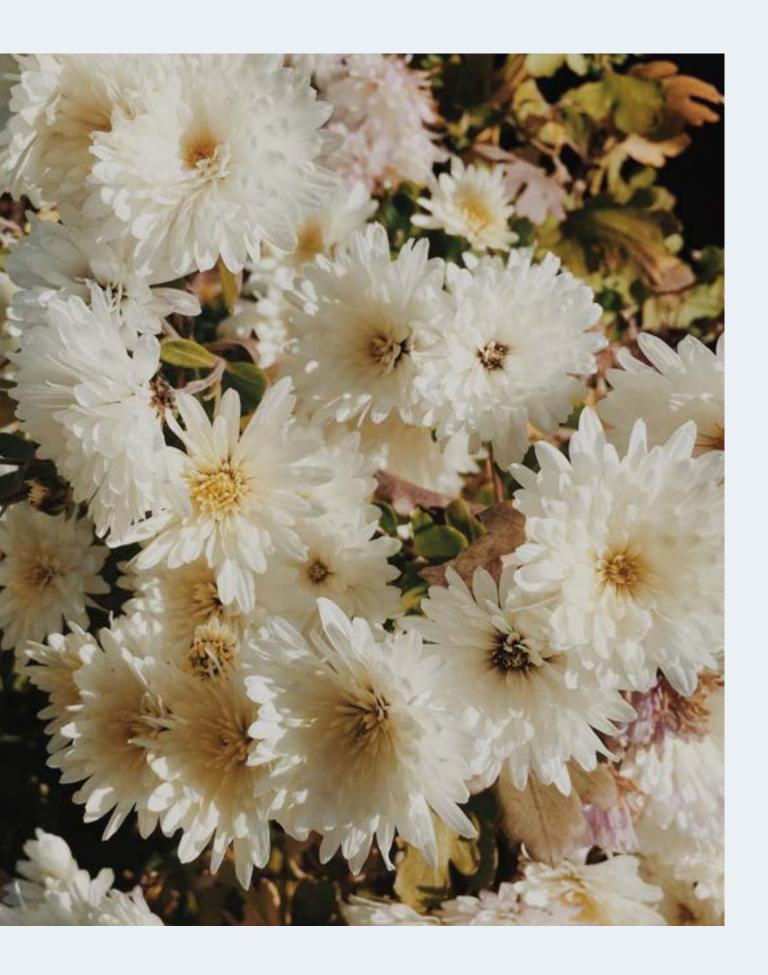


Funeral Industry Trends Report

The community impact of funeral organisations

December 2022





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Introduction

As with any industry, understanding the trends and changes at play is crucial to preparing for future challenges and opportunities. The funeral industry is no different. This report, commissioned by the Australian Funeral Directors Association (AFDA), is the third release exploring the trends shaping and impacting the funeral industry in Australia.

The first report in this series established the key trends shaping the funeral industry as a whole. The second report continued to build on these insights, but also explored the experience of staff working in the funeral industry. The report also highlighted the impact of COVID-19 and its associated restrictions on funeral organisations. This study provided valuable insights into the meaningful contribution they are making to Australian society by supporting families who have lost a loved one.

This third edition in this series, seeks to understand the contribution of funeral organisations to the communities in which they operate. Many funeral organisations are mainstays in their local community and engage with people in one of the most difficult times of life. The support provided to families does not stop after the funeral, with many funeral organisations playing an active role in providing or recommending support services that go on to help families during the months and years after their loss.

The AFDA, formed in 1935, plays a key role in supporting funeral organisations in their efforts to guide Australians through death and grief. The AFDA represents over 99,275 funerals annually accounting for 58% of the national total of deaths in Australia. As an industry leader, the AFDA actively enhances and promotes the professional standards within the funeral industry.

Mark McCrindlePrincipal, McCrindle Research







A message from the AFDA CEO

This report comes at a time when the ATO is considering public submissions in relation to their draft decision that the ATO's previous ruling that GST should be applied to burials in public cemeteries purchased through funeral directors (in place since 2000) is incorrect, and that GST collected since 2014 would need to be refunded.

The ATO's expectation is that the refunds would have to be administered and paid in advance by funeral directors who conducted services at public cemeteries over the past seven years. There could be up to 600,000 burials since 2014 for which the estate and/or families will seek the GST refund.

The Australian Funeral Directors Association (AFDA) position is that funeral directors applied GST in good faith and in accordance with past rulings from the ATO. There would be significant administrative burden of retrospectivity unfairly placed on funeral directors, many of whom are small familyowned businesses; and the cost of administration charges would likely outweigh the value of the majority of GST refunds if the ATO's new advice were applied. AFDA supports any future measures which reduce the cost of funerals to the public.

National President Adrian Barrett reconfirmed AFDA's position that the Australian Funeral Directors Association, National Funeral Directors Association (NFDA) and Funeral Directors Association NSW (FDANSW) should unite for industry representation to be effective and leverage the

benefits of scale and unity when purporting to be the voice of the industry. Without this unity, individual Association resources continue to be diluted and less effective, and messaging to the government and media can be mixed. The government, media and the general public understandably do not know who they should be contacting or listening to. It is incumbent on those governing funeral industry associations to leverage the benefits of scale and influence for those working within the funeral industry, and progress towards one voice.

This third edition of the Funeral Industry Trends Report considers the important role funeral directors play in the aftercare of grieving families. The support provided by funeral directors of friends and families grieving a loved one does not cease once the funeral service is complete. Funeral directors provide ongoing support in many ways and this report highlights the support offered and the appreciation shown by families for this ongoing support.

Dale Gilson

CEO

Australian Funeral Directors Association

Methodology

Member data collection

In November 2020, the Australian Funeral Directors Association (AFDA) commissioned McCrindle to conduct research into the key trends shaping the funeral industry. Since 2021 data has been gathered from funeral organisations through a monthly survey distributed to AFDA members.

The Funeral Industry Trends: The community impact of funeral organisations report focused on the most recent six months of data, from January 2022 to June 2022, and includes comparisons to previous data collection periods where possible. The survey was distributed through AFDA's member network gathering 96 responses from 26 AFDA members and represents 6,316 total funerals.

This survey was distributed to members monthly from January 2022 to June 2022 and was in field for 7 days each month.

Community impact survey

An additional survey exploring the community impact of funeral organisations was distributed to AFDA members, garnering 58 responses from funeral directors, or nominated representatives. The survey was in field from the 10th to the 24th of October 2022. The 58 responses to this survey represent a response rate of 43%, out of a total 135 AFDA members. With a 95% confidence level, the margin of error for this data set is 12.85%.

Quotes and testimonials have had client information removed to ensure anonymity and have been used with permission.

Graphs and rounding

Data labels on the graphs in this report have been rounded to the nearest whole number and may, therefore, sum to 99% or 101%. Any calculations where two data points have been added are based on raw data (not the data labels on the graph) which have been rounded once combined.





Community impact of funeral organisations



Funeral organisations play an important role in the community

> Funeral directors see the positive impacts their organisations have in the community:

100%

of funeral directors strongly/somewhat agree that funeral organisations have a responsibility to help people navigate one of the most difficult times in their lives.

95%

strongly/somewhat agree that funeral organisations are uniquely placed to have a positive impact in the community.



Creating a sense of community spirit



Connecting people with helpful services

Top challenges with providing aftercare:



Educating people about coping with grief and loss



Aftercare is important to the work of funeral organisations

83%

strongly/somewhat agree providing aftercare services is important to their funeral organisation



Limited staff resources



consuming



Clients can be hesitant to engage with aftercare services



Funeral organisations are having a positive impact in the community

93%

of funeral directors strongly/somewhat agree that engaging with the community is a high priority for their funeral organisation.

Funeral organisations are active in the community through:

Attending community groups and educating people on funerals, death and grief

74%

Recommending grief and loss support services

Hosting events to commemorate loved ones

41%

funeral organisations from across Australia conduct over 6.120

community focused events, activities or programs in a typical year.

Total number of events, activities or programs run in a typical year (Top three)

1 Partnering with other organisations/causes that support clients processing grief and loss

2,279

2 Hosting events for the local community to commemorate their loved ones

2,053

3 Open days for members of the public to tour the funeral home and learn more about funerals

Total number of people who engaged with/attended the community events, activities or programs run in a typical year (Top three)

1 Hosting events for charities that are working to find a cure or provide support for people experiencing common causes of death

61,333

Recommending grief and loss support services

3 Open days for members of the public to tour the funeral home and learn more about funerals

7,830

The team at McKenzie Family Funerals were amazing when they assisted with my father's funeral. They went out of their way from day one to ensure our funeral service was stress free. They even arranged transport from one regional town to another. They kept in contact throughout the process and ensured our family's wishes were respected. I am so blessed to have met the team and will remember them always. Thank you."

- A recent client of McKenzie Family Funerals

Thank you to the team at Peter Elberg
Funerals for the compassion and non-intrusive
assistance in organising my grandmother's
funeral. Your honest and caring presence made
our intense grief a little easier to bear. It was a
very emotional and vulnerable period for my
family, but by your kindness, you became part
of our family and friends. THANK YOU.

- A recent client of Peter Elberg Funerals

Facing grief and loss

Undoubtedly, losing a loved one is a difficult time in a person's life. Pain, uncertainty, loss, stress and the like are commonplace as Australians journey through grief. With 171,469 registered deaths in 2021, this is the reality of many families and communities throughout Australia.¹

"Put simply, grief is our response to the impact of a loss in our life." – MyGriefAssist²

Funeral directors and their staff are uniquely placed to understand some of the key challenges for those processing death as they walk alongside families in the midst of their grief. These challenges can include feelings of loneliness and isolation and navigating complex family dynamics among other difficulties.

Family dynamics

For many Australians, the death of a loved one requires them to navigate complex and often tense family dynamics and, in some cases, disagreements.

"Some of the more common issues are around family conflicts. Family members often need to navigate the wishes of the deceased and their own needs of closure." – Funeral Director

"A challenge is navigating new family dynamics, where each family member is grieving in their own unique way." – Funeral Director

Loneliness and isolation

Others are commonly faced with intense feelings of loneliness and isolation.

"The impact of loneliness - they can't express how they are really feeling, especially as their family and friends return to normal lives after the funeral. Those closest to the deceased don't - it's never the same for them, it is now about adjusting to a different life." - Funeral Director

"A key challenge is processing the loss of a loved one. Many don't know where to turn for help and support. Many feel very lonely, depressed, or angry." – Funeral Director

An unfamiliar process

For many Australians, the processes, steps and actions required when someone passes away are largely unfamiliar. This unfamiliarity is a significant challenge for some when it comes to dealing with grief and loss.

"Many people don't understand the funeral process and how to deal with grief after the funeral."

- Funeral Director

Not knowing where to go for support

Another barrier is the difficulty to access, or limited support and services. This is often especially the case in regional and remote communities.

"Living in a regional area offers less support and services than a major city, for instance, counsellors, support groups and the like."

- Funeral Director



The role of funeral organisations in meeting the needs of the community

Funeral organisations have a unique role to play in supporting families and communities as they process death. In fact, nearly nine out of ten funeral industry staff (87%) say they are compelled to work in the funeral industry because they are able to help families and loved ones during a difficult time.³

Funeral directors recognise their meaningful role, with 100% strongly/somewhat agreeing that funeral organisations have a responsibility to help people navigate one of the most difficult times in their lives, and 95% strongly/somewhat agreeing that funeral organisations are uniquely placed to have a positive impact in the community.



95% of funeral directors strongly/ somewhat agree funeral organisations are uniquely placed to have a positive impact in the community.

Funeral organisations are active in their community

Positively, funeral directors do not just agree that funeral organisations are uniquely placed to have a positive impact in the community, but they are in fact, active and engaged in their local community.

The most common way funeral organisations engage with their community in a typical year is through attending community groups and giving talks on grief, funerals and death (74%). Three in five funeral directors (62%) say they provide recommendations for grief and loss support services and two in five (41%) host events for the local community to commemorate their loved ones.



Three in four funeral directors (74%) engage their local community through attending community groups and giving talks on grief, funerals and death.



IN A TYPICAL YEAR, WHICH OF THE FOLLOWING WAYS HAS YOUR FUNERAL ORGANISATION ENGAGED IN THE COMMUNITY?

n=58

Attending community groups and giving talks on grief, funerals and death	
74	%
Recommending grief and loss support services	
62%	
Hosting events for the local community to commemorate their loved ones	
41%	
Hosting events and providing services aimed at improving understanding of death and grief (death literacy)	
38%	
Partnering with other organisations/causes that support clients processing grief and loss	
33%	
Providing grief and loss support services	
31%	
Open days for members of the public to tour the funeral home and learn more about funerals	
24%	
24 /0	
Hosting events for charities that are working to find a cure or provide support for people experiencing common causes of dec	ith
(e.g. cancer, heart disease)	
16%	
Other (please specify)	
14%	
None of the above	
10%	

Aftercare in the funeral industry

long lasting and meaningful support to their clients is through aftercare services, programs and events. way funeral organisations continue to provide support and care to their clients following the funeral service itself. Positively, 83% of funeral directors strongly/somewhat agree that providing

The way funeral organisations give this ongoing support varies depending on the funeral

COMMON TYPES OF AFTERCARE



Follow-up calls after the funeral service



Dedicated aftercare funeral service



Counselling sessions to help process grief and loss



Provision of resources to equip



Referral and recommendation



Support with processing the legal and administrative

The impact of aftercare

In many ways, the most profound impact a funeral organisation can have is through caring personally and intentionally for individuals and families as they process their loss. This care is not just limited to the funeral service, but for many, extends beyond that.

Funeral directors believe aftercare has a number of positive impacts, including helping families to process grief and reinforcing a sense of care and support. Funeral organisations often offer aftercare to the broader community as well, not just to their own clients.

"Bereavement Support in the form of after-funeral follow up is a natural and positive way of extending the care funeral homes offer to families. At the Grief Centre we are proud to partner with many across the funeral industry in offering this service, which we know makes such a difference in helping people adjust to their loss following a death." - Stephen Dil, Chair, The Grief Centre



Aftercare helps process grief.

"We help families make informed decisions, give direction on next steps and where to from here and encourage them to keep going. We often help people get ongoing support, facilitate building networks and finding spaces for emotional support."

- Funeral Director



Aftercare reinforces that funeral organisations care for, and support people during and after the loss of a loved one.

"Aftercare has a local impact as it provides a reassurance to the community that our company cares in all spaces surrounding death and the journey that follows."

- Funeral Director



Many aftercare services are open to broader community, not just clients.

"Our aftercare services are not only open to our clients, but to anyone in our community needing support when it comes to grief and loss." – Funeral Director

Challenges in providing aftercare

While most funeral directors across the nation agree that aftercare is important to their funeral organisation, there are some challenges associated with providing this much needed service.

Limited staff resources is a significant issue for some organisations who have small teams, or are located in regional or remote areas. Regardless, funeral organisations go out of their way to accommodate clients in their time of need.

"The team at McKenzie Family Funerals were amazing when they assisted with my father's funeral. They went out of their way from day one to ensure our special day was stress free. They even arranged transport from one regional town to another. They kept in contact throughout the process and ensured our family's wishes were respected. I am so blessed to have met the team and will remember them always. Thank you."

 A recent client of McKenzie Family Funerals (Regional WA)

Similarly, many funeral directors express that time is limited for them and their staff. Despite this, many clients commend the funeral organisations for the care, level of attention and personalisation that goes into arranging funerals, all of which takes time. Moreover, funeral organisations often go over and above in taking time to provide resources to support with the process of grief and loss.

TOP FIVE CHALLENGES IN PROVIDING AFTERCARE SERVICES

"Thank you to the staff at William Farmer Funeral Directors for the professional and personal manner the funeral was conducted. The tragic death has been the worst experience of our lives. Thank you for the booklet "The pain of grief". Again, thank you for your help."

- A recent client of William Farmer Funeral Directors

Losing a loved one is an extremely complex and difficult life event, and in many cases, people can be hesitant to engage in aftercare services. One of the key ways aftercare is having a positive impact on families and the communities affected by a death is that it normalises death, dying and grief. In fact, many funeral directors see having conversations and bringing grief into the open as a way they can provide meaningful support.

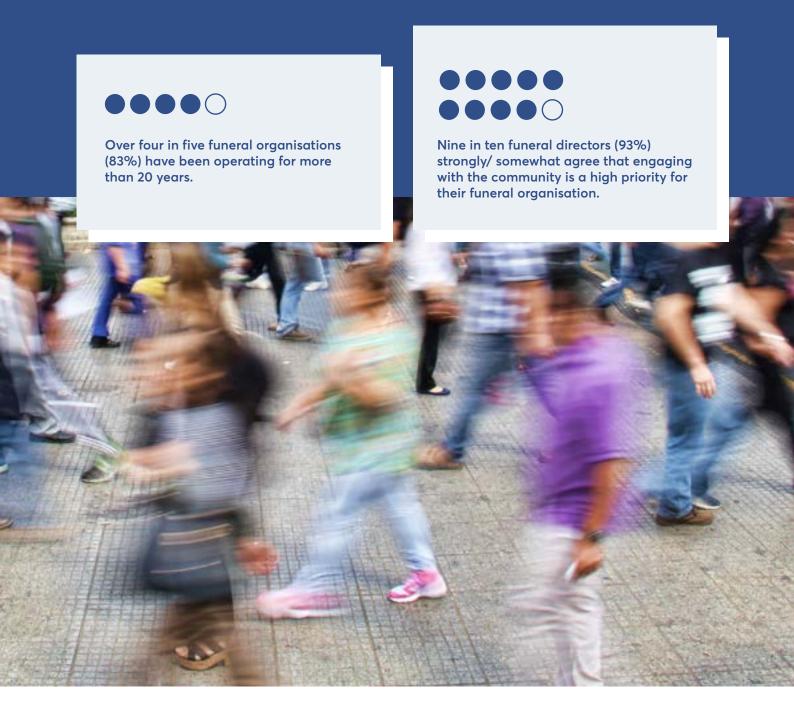
I think by bringing the conversation out from behind closed doors to make death, dying and grief more often spoken of, we are normalising talking about death, dying and grief." – Funeral Director

1 67% Limited staff resources 2 62% Time consuming 3 33% Clients hesitant to engage 4 28% Budget constraints 5 22% Clients don't see the need

The impact of funeral organisations in the community

With over four in five funeral organisations (83%) having been operating for more than 20 years, many funeral organisations are mainstays in their local communities. Even more noteworthy, one in five funeral organisations (19%) have been operating in their local community for more than 100 years, having a sustained impact across generations and through multiple changes in society.

With nine in ten funeral organisations (91%) engaging in their local community in some way every year, it is unsurprising that 93% of funeral directors also strongly/somewhat agree that engaging with the community is a high priority for their organisation.



Total number of community events

Collectively, the 58 funeral organisations that responded to the survey conduct over 6,100 community events, activities or programs in a typical year. Assuming all 135 AFDA member organisations are similarly active in their local community, this figure could be as high as over 14,000 events, activities, or programs run in a typical year.

TOTAL NUMBER OF EVENTS, ACTIVITIES OR PROGRAMS RUN IN A TYPICAL YEAR

n = 58

- 2.279 partnership opportunities with other organisations/causes that support clients processing grief and loss
- 2,053 events hosted for the local community to commemorate their loved ones
- 1,245 open days for members of the public to tour the funeral home and learn more about funerals
- referrals to grief and loss support services
- events for charities that are working to find a cure or provide support for people experiencing common causes of death (e.g. cancer, heart disease)
- events and providing services aimed at improving understanding of death and grief (death literacy)
- 53 community groups and giving talks on grief, funerals and death
- grief and loss support services

Total number of people engaged

Each event or activity conducted by the 58 funeral organisations can impact multiple people in the community. Profoundly, many of these events enable people to feel proactive in dealing with their grief and contribute to their local community.

The events that garner the largest total attendance are events for charities that are working to find a cure or provide support for people experiencing common causes of death (e.g. cancer, heart disease).

TOTAL NUMBER OF PEOPLE WHO HAVE ENGAGED WITH/ATTENDED THE COMMUNITY EVENTS, ACTIVITIES OR PROGRAMS RUN IN A TYPICAL YEAR

n=58

- 61,333 people attending events for charities that are working to find a cure or provide support for people experiencing common causes of death (e.g., cancer, heart disease)
- 8,216 people receiving recommendations for grief and loss support services
- 7.830 people attending open days for members of the public to tour the funeral home and learn more about funerals
- 5,278 people impacted through partnering with other organisations/causes that support clients processing grief and loss
- 3.263 attending events and services aimed at improving understanding of death and grief (death literacy)
- 3.086 attending events for the local community to commemorate their loved ones
- 2,897 attending community groups and giving talks on grief, funerals and death
- 691 people engaged through grief and loss support services

The positive impacts of funeral organisations in the community

Community involvement is central to the ethos of many funeral organisations. Funeral directors believe there are a number of positive impacts that come from engaging with the community, including creating a sense of community spirit, connecting people with helpful services and educating people about grief and loss.



FUNERAL DIRECTORS SEE POSITIVE IMPACTS FROM ENGAGING WITH THE COMMUNITY







76%

Creating a sense of community spirit

"Thank you to the team at Peter Elberg Funerals for the compassion and non-intrusive assistance in organising my grandmother's funeral. Your honest and caring presence made our intense grief a little easier to bear. It was a very emotional and vulnerable period for my family, but by your kindness, you became part of our family and friends. THANK YOU."

- Peter Elberg Funerals

76%

Connecting people with helpful services

"At a local level, we work with the families directly, but often where needed, we recommend an appropriate person or service to further support the family."

– Funeral Director

71%

Educating people about grief and loss

"Funeral organisations help create an openness about death and normalise loss as a part of life. It shows the value of having a funeral or memorial service to bring closure and help process grief and loss." – Funeral Director





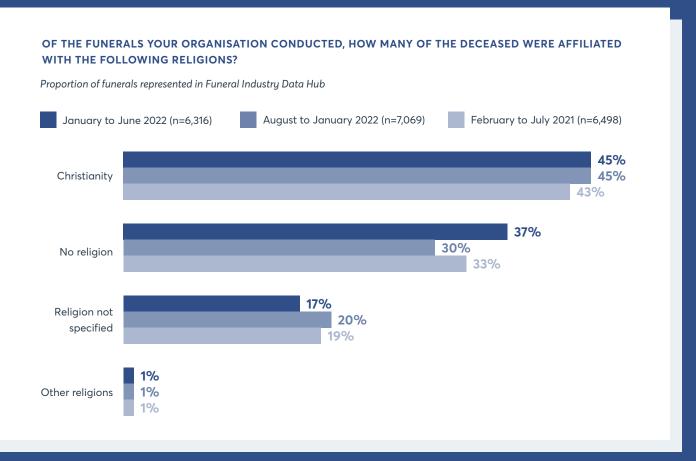
Trends in how people farewell their loved ones

Religious affiliation of funerals

Data from AFDA members shows an increase in funerals where the deceased identifies as 'no religion'. Between January to June 2022, nearly two in five funerals (37%) were for people who are not religious, compared to 30% in August 2021 to January 2022 and 33% in February to July 2021.

This increase may be related to broader national trends. In the recent 2021 census, Australians identifying with no religion increased from 30% in 2016 to 39% in 2021.

The proportion of funerals conducted for people identifying with Christianity, however, have remained consistent throughout these time periods (43% Feb - July 2021, 45% Aug 2021 - Jan 2022, 45% Jan - Jun 2022).



Funerals being held in crematoriums have decreased

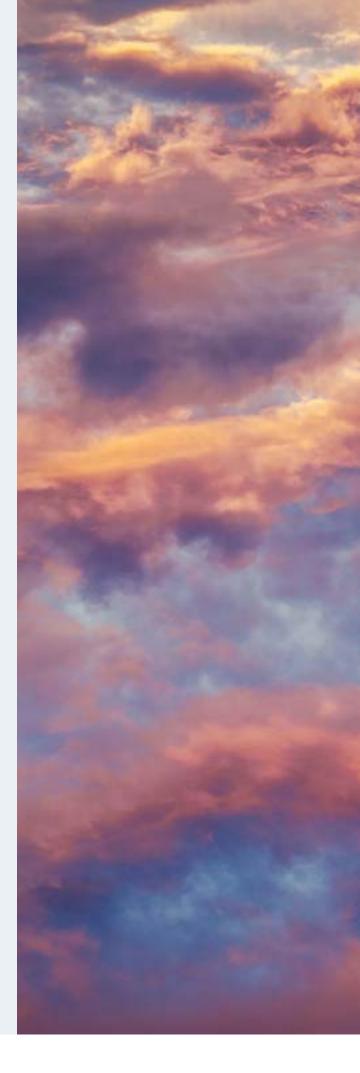
Despite affiliation with no religion seeing a slight increase, the proportion of funerals being held in churches has been increasing slightly since the first reporting period.

In January to June 2022, 32% of funerals were held in churches, consistent with the 30% in the period from August 2021 to January 2022. In February to July 2021, 26% of funeral services were held in churches.

Similarly, funeral services held in funeral homes has also been relatively consistent since the last reporting period, however, there has been an overall increase since the first reporting period. One in four funerals (27%) were held in a funeral home in February to July 2021, this rose to one in three (33%) in August 2021 to January 2022 and remained consistent at 34% in January to June 2022.

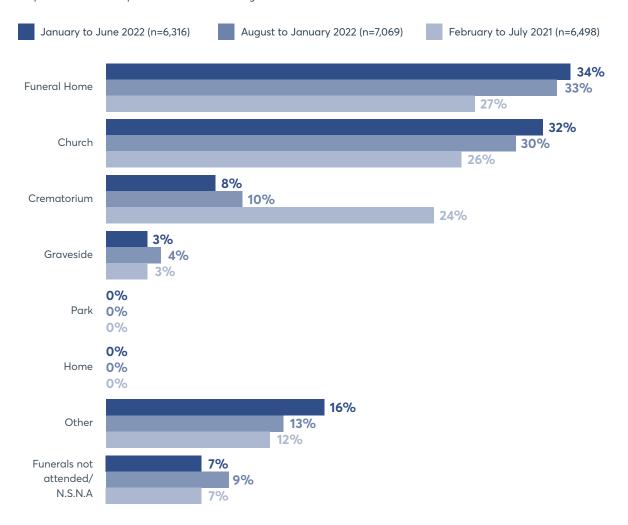
Funerals in crematoriums, however, has seen a significant decrease over these three periods. In February to July 2021, 24% of funerals were held in crematoriums, compared to 10% in August 2021 to January 2022 and just 8% in January 2022 to June 2022.

Despite this, the proportion of cremations to burials has remained consistent, 59% cremations to 41% burials in February to July 2021, 60% cremations to 40% burials in August 2021 to January 2022 and 59% cremations to 41% burials in January to June 2022.



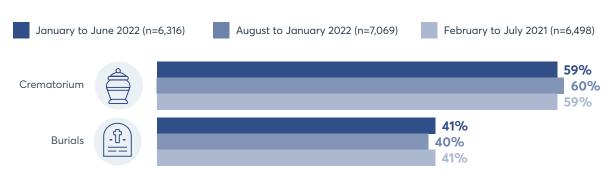
OF THE FUNERAL SERVICES YOUR ORGANISATION CONDUCTED, HOW MANY WERE HELD AT THE FOLLOWING LOCATIONS?

Proportion of funerals represented in funeral industry data hub



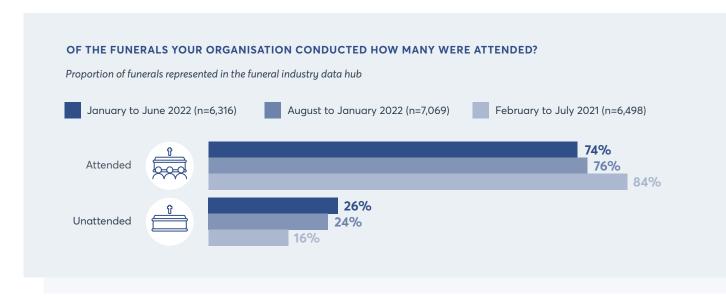
OF THE FUNERALS YOUR ORGANISATION CONDUCTED HOW MANY WERE BURIALS AND HOW MANY WERE CREMATIONS?

Proportion of funerals represented in funeral industry data hub



The proportion of unattended funerals has increased

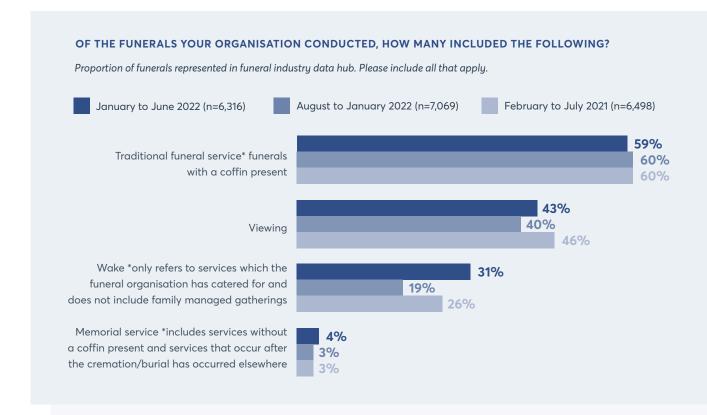
Despite easing of restrictions and lockdowns in the latter half of 2021 and into 2022, the proportion of unattended funerals has continued to rise. In February to July 2021, unattended funerals were at 16%, rising to 24% in August 2021 to January 2022 and 26% in January to June 2022.



One in three funerals include a wake

Traditional funeral services (funerals with a coffin present) continue to be the most popular type of funeral service across the three reporting periods, with three in five funerals (59% January to June 2022, 60% August 2021 to January 2022 and 60% February to July 2021) being a traditional service.

The proportion of funerals with wakes, however, has increased. In February to July 2021 one in four funerals (26%) included a wake. This fell to 19% in August 2021 to January 2022 but rose to 31% in January to June 2022. This may be a result of COVID-19 restrictions easing.



Attended funerals have decreased in cost

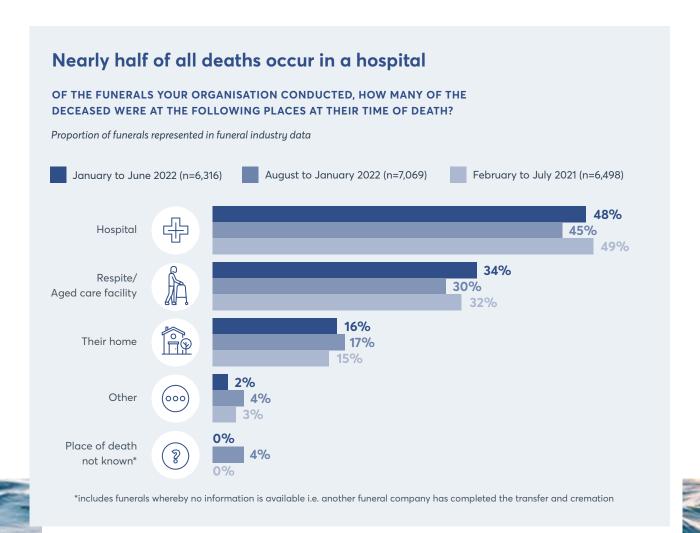
Attended funerals in January to June 2022 cost \$8,745 on average, decreasing from \$8,999 in August 2021 to January 2022. In February to July 2021, attended funerals cost an average \$8,371.

Conversely, unattended funerals have seen an increase in the most recent reporting period of January to June 2022, costing an average \$4,869, compared to \$4,282 in August 2021 to January 2022 and \$4,265 in February to July 2021.

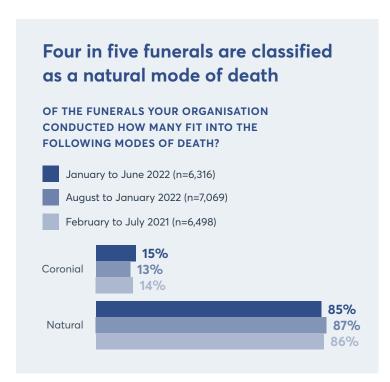




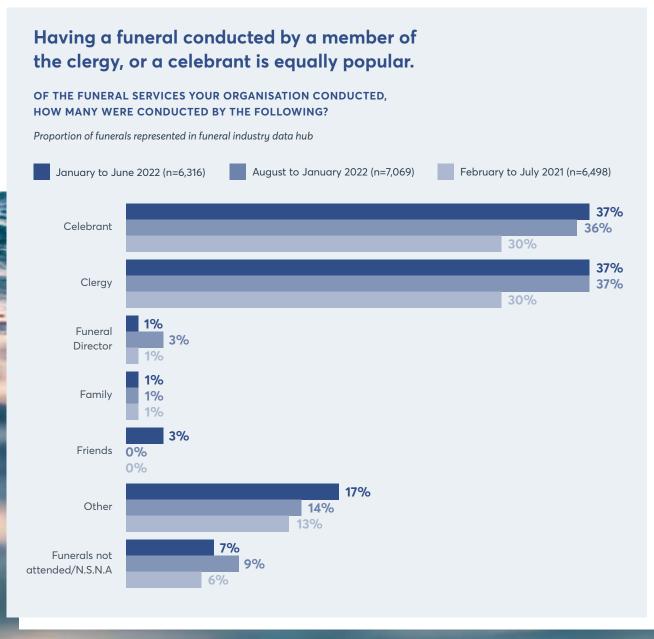
Funeral trends in Australia







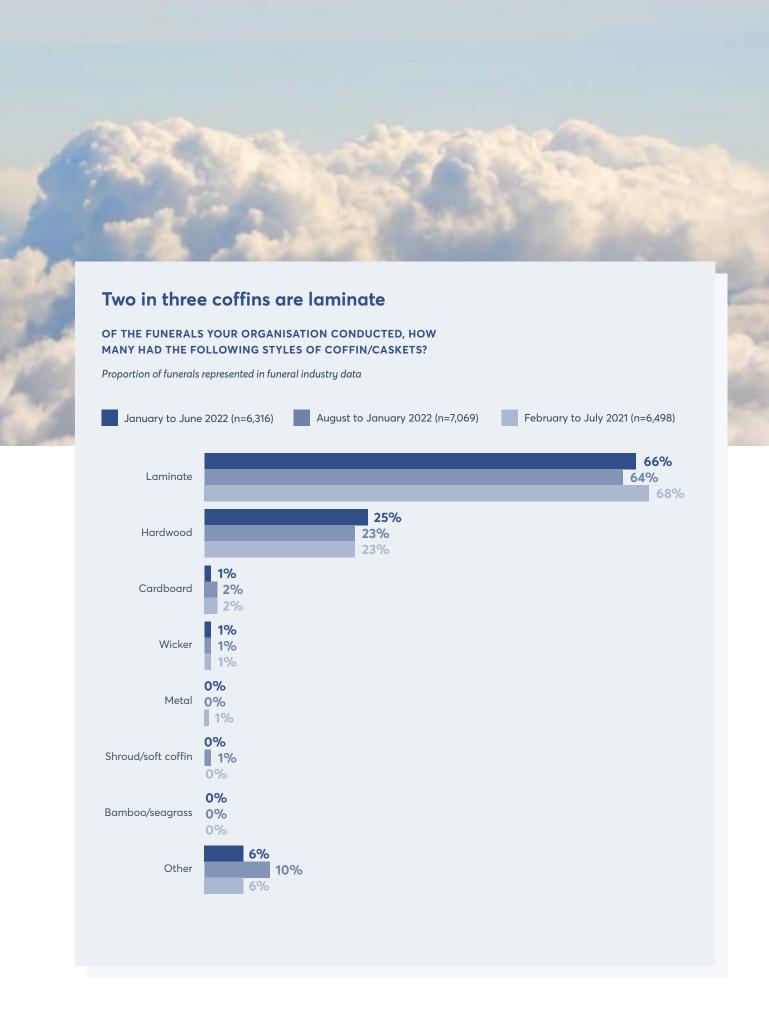




Funeral service fees have remained consistent OF THE FUNERALS YOUR ORGANISATION CONDUCTED, HOW MUCH WERE CUSTOMERS CHARGED, ON AVERAGE, FOR EACH THE FOLLOWING SERVICES (IF NOT INCLUDED IN PROFESSIONAL FEES)? Proportion of funerals represented in funeral industry data January to June 2022 (n=6,316) August to January 2022 (n=7,069) February to July 2021 (n=6,498)



*Does not include service fee for death registration



References

- 1 Australian Bureau of Statistics (2021), Deaths, Australia, ABS Website, November 2022.
- 2 MyGriefAssist, About Grief, https://www.mygriefassist.com.au, November 2022
- 3 AFDA, Funeral Industry Trends Report The valuable contribution of the Australian funeral industry and its staff, 2022
- 4 Australian Bureau of Statistics (4 July 2022), Religious affiliation in Australia, ABS Website, November 2022.

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