

SOUTH AUSTRALIA

**FAIR TRADING (PRE-PAID FUNERALS CODE OF PRACTICE)
REGULATIONS 1996**

SUMMARY OF PROVISIONS

1. Citation
2. Commencement
3. Compliance with code of practice

SCHEDULE

Fair Trading (Pre-paid Funerals) Code of Practice

1. Citation
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REGULATIONS UNDER THE FAIR TRADING ACT 1987

*Fair Trading (Pre-paid Funerals Code of Practice)
Regulations 1996*

being

No. 74 of 1996: *Gaz.* 23 May 1996, p. 2571¹

¹ Came into operation 1 July 1996: reg. 2.

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Citation

1. These regulations may be cited as the *Fair Trading (Pre-paid Funerals Code of Practice) Regulations 1996*.

Commencement

2. These regulations will come into operation on 1 July 1996.

Compliance with code of practice

3. A trader to whom the code of practice prescribed by the schedule applies must not contravene or fail to comply with the code of practice.

Maximum penalty: \$1 000.

SCHEDULE

Fair Trading (Pre-paid Funerals) Code of Practice

Citation

1. This code may be cited as the *Fair Trading (Pre-paid Funerals) Code of Practice 1996*.

Interpretation

2. In this code—

"**approved investment**", in relation to the investment of pre-paid funeral costs, means a bond, endowment policy or other similar form of investment, the terms of which provide that the investment cannot be realised except on production of—

- (a) a death certificate relating to the recipient of the funeral; or
- (b) a duly signed notice of cancellation of the pre-paid funeral contract;

"**approved investment manager**" means—

- (a) a body corporate carrying on life insurance business under the *Life Insurance Act 1945* of the Commonwealth, as amended from time to time, or an Act of the Commonwealth passed in substitution for that Act; or
- (b) a friendly society under the *Friendly Societies Act 1919* or under similar legislation in force in another State or a Territory; or
- (c) a trustee company under the *Trustee Companies Act 1988* or under similar legislation in force in another State or a Territory; or
- (d) the Public Trustee; or
- (e) the Catholic Church Endowment Society Inc.; or
- (f) any other body that—
 - (i) carries on the business of investing money on behalf of other persons; and
 - (ii) is approved by the Commissioner for the purposes of this code (who must be satisfied that the body has adequate insurance cover for all money received in relation to a pre-paid funeral);

"**client**" means a person who enters into a pre-paid funeral contract with a funeral director;

"**funeral director**" means a person or body who carries on the business of providing funeral services;

"**pre-paid funeral contract**" means a contract (entered into during the life of the recipient) between a client and a funeral director under which the funeral director agrees to arrange a funeral for the recipient, being a funeral that is to be wholly or partly paid for on the making of the contract;

"**recipient**" means the person whose funeral is to be arranged pursuant to a pre-paid funeral contract.

Obligations of funeral director

3. (1) A funeral director must ensure that a pre-paid funeral contract to which the funeral director is a party—

- (a) is in writing in a print size of not less than 12 points; and
- (b) is signed by all the parties.

(2) If a pre-paid funeral contract is not to be signed by the recipient on the ground that the recipient lacks legal capacity to enter into the contract, the funeral director must—

- (a) sight the power of attorney, guardianship order or other instrument that evidences the client's authority to enter into the contract on the recipient's behalf; or
- (b) if the client does not have any authority to enter into the contract on the recipient's behalf—take reasonable steps to verify the recipient's lack of legal capacity.

(3) A pre-paid funeral contract must set out—

- (a) the date of the contract; and
- (b) the name, business address and telephone number of the funeral director; and
- (c) the name, business address and telephone number of the approved investment manager with whom the costs of the funeral are to be deposited; and
- (d) the name and residential address of the client; and
- (e) if the client is not the recipient—the name and residential address of the recipient; and
- (f) the name, address and, if available, telephone number of the person or persons to be contacted in the event of the recipient's death.

(4) A pre-paid funeral contract must contain—

- (a) the following particulars of the funeral to be arranged by the funeral director on the death of the recipient:
 - (i) the name and address of the church, crematorium, funeral chapel or other place at which the funeral service is to be held;
 - (ii) the manner of disposal of the recipient's remains;
 - (iii) if the recipient's remains are to be interred—the name and address of the cemetery at which they are to be interred;
 - (iv) the type and style of coffin or other container to be used, the materials of which it is made and details of linings, fittings and mountings;
 - (v) if the recipient's remains are to be cremated and interred in an urn or other container—the type and style of urn or other container and the materials of which it is made;

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- (vi) if there is an interment right in force for the benefit of the recipient—
 - (A) the name of the holder of the interment right;
 - (B) the name of the cemetery authority that granted the right;
 - (C) the period for which the interment right was granted;
 - (D) the nature and location of the interment site;
 - (vii) if there is a separate contract for a pre-paid memorial for the recipient—
 - (A) the names of the parties;
 - (B) a description of the memorial to be provided;
 - (C) a statement as to whether the costs of the memorial have been fully paid;
 - (b) particulars of the following matters associated with the funeral:
 - (i) floral arrangements;
 - (ii) death and funeral notices;
 - (iii) mourning coaches;
 - (iv) the funeral service, including use of clergy or a funeral celebrant;
 - (v) memorial work;
 - (c) particulars of any other requirements associated with the funeral.
- (5) A pre-paid funeral contract must set out—
- (a) the total cost of the funeral to be arranged under the contract; and
 - (b) the costs associated with each matter in relation to which particulars are provided under subregulation (4); and
 - (c) the costs associated with any documentary material required in connection with funeral arrangements, such as a copy of the certificate of cause of death; and
 - (d) any charges that may be levied for transportation of the recipient's remains and the circumstances in which they will apply; and
 - (e) any amount to be retained by the funeral director for expenses to be incurred in advance of the recipient's death (such as the issue of an interment right); and
 - (f) the financial and other arrangements that will apply—
 - (i) if the funeral director ceases to carry on business before the contract is performed; or
 - (ii) if the funeral director is unable for any other reason to perform the contract; and
 - (g) if there is to be a right of cancellation—
 - (i) the person who may exercise the right; and

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- (ii) the manner in which the right may be exercised; and
- (iii) the financial arrangements that will apply, including the period of notice required for the withdrawal of funds deposited with the approved investment manager; and
- (iv) the following note in bold type:

NOTE—FOR INFORMATION OF CANCELLING PARTY

It will be important to consider the taxation and social security implications of cancellation of the contract; and

- (h) the following note in bold type:

NOTE: Clients are advised to ensure that the recipient's next-of-kin and executor are aware of the existence of the pre-paid funeral contract.

(6) A funeral director who enters into a pre-paid funeral contract must ensure that, on the signing of the contract, a signed copy of it is given to all the parties.

(7) A funeral director who enters into a pre-paid funeral contract must, within seven days of the signing of the contract—

- (a) transfer all money received from the client (other than any amount referred to in subclause 5(e)) to the approved investment manager specified in the contract; and
- (b) give the approved investment manager a notice in writing setting out the provisions of the contract relating to the matters referred to in subclause (5)(f) and (g)(i), (ii) and (iii).

Obligations of approved investment manager

4. An approved investment manager must, within 28 days of receiving money from a funeral director for a pre-paid funeral—

- (a) invest the money in an approved investment; and
- (b) give the client and funeral director a written notice specifying—
 - (i) the name of the funeral director; and
 - (ii) the name of the client; and
 - (iii) if the client is not the recipient—the name of the recipient; and
 - (iv) the name of the approved investment manager; and
 - (v) the amount of money received; and
 - (vi) the amount of money paid for initial management expenses and commission to the approved investment manager or any other person; and
 - (vii) the amount of money invested; and
 - (viii) particulars of the form of the approved investment in which the money has been invested.