

MEDIA RELEASE



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Propel Funerals' acquisition not opposed

The ACCC will not oppose the proposed acquisition of Gregson & Weight by Propel Funeral Partners (Propel) (ASX:PFP).

Propel and Gregson & Weight operate funeral director businesses and offer cremation services. Propel Funeral Partners is the second largest provider of death care services in Australia, and Gregson & Weight has been operating in the Sunshine Coast since the 1970s.

In the Sunshine Coast region Propel operates one funeral director business, under the Premier Funerals brand, and one crematorium, Buderim Crematorium. Gregson & Weight operates a funeral director business which has four sites in the region, three of which have crematoriums.

The ACCC has determined the proposed acquisition would be unlikely to result in a substantial reduction in competition in the supply of funeral director services in the Sunshine Coast region.

“Propel and Gregson & Weight predominantly focus on different customer segments and there is limited current competition between them,” ACCC Commissioner Stephen Ridgeway said.

“Gregson & Weight currently has the majority of the market and is the clear market leader in the Sunshine Coast region, while Propel has a small presence. We don't believe the market will be significantly altered as a result of the acquisition.”

Propel also operates Buderim Crematorium, which is an important facility for the provision of cremation services to 'third party' funeral directors, who do not have their own cremation facilities. The ACCC considered whether the proposed acquisition would increase the ability and incentive for Propel to restrict other funeral directors' access to Buderim Crematorium.

“We examined this potential for rivals to be denied access to Buderim Crematorium closely, but because alternative crematorium options are available, we consider that Propel is unlikely to have incentives to prevent access for third party funeral directors after the acquisition,” Mr Ridgeway said.

The ACCC also notes concerns from market participants regarding a trend in the death care industry of continued minor acquisitions of funeral homes, crematoriums, and cemeteries. The ACCC notes that in this industry consumers can be particularly vulnerable, and the ACCC will continue to investigate acquisitions and consolidation closely.

Further information is available on the ACCC website.

Background

Propel Funeral Partners is the second largest provider of death care services in Australia and New Zealand. It owns funeral directing businesses, along with cemeteries, crematoria, and related assets.

Gregson & Weight supplied funeral directing services from four locations: Caloundra, Buderim, Nambour, and Noosaville. Gregson & Weight also operates cremators at three of those sites, being Caloundra, Nambour, and Noosaville.

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