



Cover funeral expenses for members of Youpla Group

Party: Australian Greens

Summary of proposal:

This proposal seeks to compensate policyholders of the Youpla Group and comprises two components:

Component 1: The to-be-established Compensation Scheme of Last Resort (CSLR) would honour any claims made by a policyholder of the Youpla Group. This CSLR would cover funeral expenses following the death of a policyholder occurring from the start of the liquidation process until the finalisation of the liquidation process. Additionally, the CSLR would cover claims associated with a death having occurred before the start of the liquidation process, which has not been honoured following the commencement of the liquidation process.

Component 2: Fully repay insurance premiums paid by all policyholders at the start of the liquidation period unless the policyholder has been affected by Component 1.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to have a financial impact but, due to limited available data, significant uncertainty surrounding the number of policyholders that would make a claim and significant uncertainty surrounding the magnitude of each policyholder benefit under their defunct policy, the Parliamentary Budget Office (PBO) has determined that this proposal is unquantifiable.

All previously active Youpla Group funeral funds are now in liquidation. The appointed liquidator (*SV Partners*) advises that it is highly unlikely the liquidation process will be finalised within a 6-to-12-month period. The amounts which have been contributed to each of the four funeral plans by active members (as at the date of appointment of an external administrator) is estimated at around \$66.4 million in the *Statutory Report by Liquidator*, published 10 June 2022.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period. Financial implications (including a separate PDI table) over the period to 2032-33 are provided at Attachment A.

Table 1: Financial implications (\$m)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

* Unquantifiable impact.

Methodology

The PBO determined that the financial implications of this proposal are unquantifiable due to limited available data and significant uncertainty surrounding the number and magnitude of claims which would be made by prior policyholders of a Youpla Group product.

Component 2 will have no financial implications in 2022-23, as the finalisation of the Youpla Group administration process is not expected to be completed before the end of the 2022-23 financial year.

Data sources

SV Partners (2022) [Statutory Report by Liquidator - 10 June 2022 \(svpartners.com.au\)](https://svpartners.com.au), accessed 17 June 2022.

Attachment A – Cover funeral expenses for members of Youpla Group – financial implications

Table A1: Cover funeral expenses for members of Youpla Group – Fiscal and underlying cash balances (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
<i>Component 1: Compensation Scheme of Last Resort (CSLR)</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Component 2: Repay member contributions</i>	-	*	*	*	*	*	*	*	*	*	*	*	*
Total – expenses	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.

Table A2: Cover funeral expenses for members of Youpla Group – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable – not included in totals.