

**For discussion
on 10 February 2015**

Legislative Council Panel on Food Safety and Environmental Hygiene

**Review on Fees for Cemeteries and Crematoria Services Provided by the
Food and Environmental Hygiene Department**

Purpose

This paper seeks Members' views on the Administration's proposal to revise the fees for cemeteries and crematoria services provided by the Food and Environmental Hygiene Department ("FEHD").

Background

2. In the 2013 Policy Address, the Chief Executive announced, among other things, a plan to align the different fees and charges that existed for similar municipal facilities and services in the urban areas and New Territories. It was stated that, as a first step, where the fee or charge for a facility or service differs between the urban areas and New Territories, the lower rate would prevail, and that since most of the fees and charges for municipal facilities and services have remained unchanged since 2000, a comprehensive review of the fee levels and charging policy would be conducted by the relevant departments. In line with the established financial guidelines, once these fees and charges have been duly adjusted upon the completion of the comprehensive review, we would thereafter review and, where necessary, revise them on an annual basis.

3. The fee alignment exercise to bring the different fees to the lower level was completed in 2013. FEHD has since proceeded to review all its fee items. Given the large number of fees and charges involved, and the need to conduct detailed costing exercises, we would submit the fee revision proposals in batches.

4. This paper covers the proposal to revise the fees for cemeteries and crematoria services, except for the fees for the permanent deposit of ashes of human remains in a niche at a government crematorium or columbarium ("permanent deposit of ashes"), which would be determined when updated costing data are available in the context of the construction of new columbaria in the pipeline.

Fee revision proposals

Background

5. FEHD currently manages 16 public cemeteries and crematoria, and provides around 43 000 cremations and 2 000 burials of human or skeletal remains each year. It also provides other services, such as permanent and temporary storage of ashes, placing of plaques at gardens of remembrance, issue of permission to exhume human remains, scattering of ashes at gardens of remembrance and at sea, etc.

6. Excluding the fees for permanent deposit of ashes, there are currently 10 major fee items for cemeteries and crematoria services. These fees are either specified in the Public Health and Municipal Services (Fees) Regulation (Cap. 132CJ) or by the two former municipal councils. Except for the fee alignment exercise in 2013 in which the fees of some of the services were lowered, the fees of the cemeteries and crematoria services have remained unchanged since the previous revision of fees conducted by the ex-Urban Council and ex-Regional Council in 1996 and 1997 respectively.

Fee Revision

7. Generally, the fees charged by the Government should be based on the “user pays” principle, i.e. at levels adequate to recover the full cost of providing the relevant goods and services. FEHD has reviewed the said fee items accordingly –

No.	Fee Item	Existing Fee	Proposed Fee
1.	Cremation of human remains or skeletal remains - First increment (2015-16) - Second increment (2016-17) - Third (i.e. the last) increment (2017-18)	between \$90 and \$1,220 ¹	\$3,120 \$4,790 \$6,560
2.	Deposit of ashes in temporary storage facilities	\$80 per month	\$70 per month

¹ (a) the human remains of a person aged 12 or above: \$1,220;
(b) the human remains of a person aged below 12: \$650; and
(c) the skeletal remains of a person: \$90.

3.	Permission for placing of plaques in garden of remembrance	\$90	\$320
4.	Burial of human remains in public cemeteries	between \$2,605 and \$3,190 ²	\$6,670
5.	Burial of skeletal remains in public cemeteries	\$6,350	\$8,970
6.	Exhumation permit	\$120	\$160
7.	Duplicate of exhumation permit	\$140	\$100
8.	Alteration of exhumation permit	\$140	\$88
9.	Placing of urns in niches	\$140	\$345
10.	Certificate of cremation/burial	\$140	\$47

Details of the fee revision proposals are at **Annex** with justifications set out in the ensuing paragraphs.

Adjustment by phases for fees for cremation of human and skeletal remains

8. For the fees payable for cremation of human remains or skeletal remains in government crematorium, the current cost recovery rate is on the low side (18%). Instead of recovering full cost in one go, we propose adjusting the fee by phases over three years, with a view to achieving a cost recovery rate of 50%, 75% and 100% in the first, second and third year respectively. For other fees, we propose to bring them to full cost recovery in the first year.

Same fee for adults and children

9. At present, adults and children are charged differently for cremation services as well as burial services only. As the costs involved are similar, we propose to pitch the fees for adults and children at the same level.

Green burial services remain to be free

10. Staying in line with our policy to promote green burial, we propose to keep the three green burial related services (namely scattering of ashes at sea, scattering of ashes at gardens of remembrance and the Internet Memorial Service) free of charge. We shall review the charging policy for these services in 2017.

² (a) a person aged 12 or above: \$3,190; and
(b) a person aged below 12: \$2,605.

Measures to improve efficiency

11. FEHD regularly reviews its operation and streamlines its procedures with a view to improving efficiency and lowering the operating costs. FEHD last revamped the Cemeteries and Crematoria Computer System in 2009 and changed its procedures to streamline the processes of handling applications for cemeteries and crematoria services. The effects of these improvement measures, mainly reduction in processing time, have been factored in when calculating the costs of the relevant services.

Revenue implication

12. The proposed revision of fees will bring about an increase in revenue of about \$93 million in the first year upon implementation. In the second and third years, the phased increase in fees for cremation services will give rise to an additional revenue of about \$72 million and \$77 million respectively. As indicated in paragraph 8 above, the increase in revenue in effect only implies a reduction in the deficit arising from the operation of cremation service which now stands at \$221 million.

Next step

13. To give effect to the fee revisions, amendments to the relevant subsidiary legislation are required. The Administration plans to table the relevant legislative amendments before the Legislative Council within the 2014-15 legislative session.

Advice sought

14. Members are invited to comment on the fee revision proposals set out in this paper.

Food and Health Bureau
Food and Environmental Hygiene Department
February 2015

	Description of fee #1	Current		Year 1			Year 2			Year 3		
		Fee	Cost recovery rate # 2	Proposed Fee	Cost recovery rate #2	Fee Increase / Decrease	Proposed Fee	Cost recovery rate #2	Fee Increase / Decrease	Proposed Fee	Cost recovery rate #2	Fee Increase / Decrease
1	The cremation in any Government crematorium of - (a) the human remains of a person aged 12 or above (b) the human remains of a person aged below 12 (c) the skeletal remains of a person <i>[To be renamed as "The cremation in any Government crematorium of human remains or skeletal remains".]</i>	\$1,220 \$650 \$90	19% 12% 3%	} \$3,120	} 50%	156% 380% 3367%	} \$4,790	} 75%	} 54%	} \$6,560	} 100%	} 37%
			18%									
2	The temporary deposit of ashes (after the first two months) <i>[To be renamed as "The deposit of ashes in temporary storage facilities".]</i>	\$80 (per month)	116%	\$70	99%	-15%	} # 3					
3	Permission for placing of each monument etc., planting of each tree, shrub or plant of any kind <i>[To be renamed as "Permission for placing of plaques in gardens of remembrance".]</i>	\$90	28%	\$320	100%	256%						
4	The burial of human remains in any public cemetery of - (a) a person aged 12 years or above (b) a person aged below 12 <i>[To be renamed as "The burial of human remains of a person in any public cemetery".]</i>	\$3,190 \$2,605	48% 39%	} \$6,670	} 100%	109% 156%						
5	The burial of skeletal remains of a person in any public cemetery	\$6,305	70%	\$8,970	100%	42%						
6	Permission to exhume human remains	\$120	76%	\$160	101%	33%						
7	Duplicate exhumation permit	\$140	139%	\$100	99%	-29%						
8	Alteration of exhumation permit	\$140	159%	\$88	100%	-37%						
9	Placing additional urn in niches	\$140	41%	\$345	100%	146%						
10	Certificate for cremation/burial	\$140	298%	\$47	100%	-66%						
	Scattering cremains at sea	Free	N/A	Free	N/A	N/A	} #4					
	Scattering cremains at garden of remembrance	Free	N/A	Free	N/A	N/A						
	Internet Memorial Service	Free	N/A	Free	N/A	N/A						

#1 : Fees for items 1 to 6 are specified in Schedule 6 to the Public Health and Municipal Services (Fees) Regulation (Cap. 132CJ). Fees for items 7 to 10 are specified by the two former municipal councils. According to section 9(3) of the Provision of Municipal Services (Reorganization) Ordinance (Cap. 552), the fees and charges previously determined by the two former municipal councils will continue to be valid until they are varied, amended or replaced. They were not included in the subsidiary legislation on the alignment of FEHD's fees and charges implemented in July 2013 as there was no alignment issue for these few items.

2 : The costings of the current/Year 1, Year 2 and Year 3 are at 2015-16, 2016-17 and 2017-18 price levels respectively.

3 : Items 2 to 10 are proposed to achieve 100% cost recovery in Year 1 and will be subject to annual review.

4 : These services are proposed to remain as free services and will be subject to review in 2017.