



Submission of views on private columbaria policy initiatives - part 1 of 5 (Resubmission)

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to:

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Clerk to Panel on Food Safety and Environmental Hygiene

Legislative Council Secretariat

Legislative Council Complex

1 Legislative Council Road

Central, Hong Kong

For the attention of: Clerk to Panel on Food Safety and Environmental Hygiene

Dear Sir/Madam

**Re: Implementation of the Private Columbaria Ordinance: Policy initiatives related to land premium and traffic impact assessment issues of pre-cut-off columbaria – submission of views**

I refer to the proposals given in Legislative Council Brief file re.: FH CR 2/3751/07. Please find below my views under the following headings:

## **Land premium**

It is noted from paragraph 10 of the Brief that land premium will be assessed at Full Market Value (FMV) based on estimated proceeds from disposal of all niches at present day value.

The Brief provides two options.

First option is to pay land premium at FMV linked to phased development of the columbarium.

The second option is by way of periodic payment of FMV short-term waiver fees.

I would prefer using the first option, that is, paying land premium at FMV linked to phased development.

It must be made absolutely clear to buyers of niches at private columbaria and the columbarium operators that they are paying for the privilege of having a niche when Hong Kong has a shortage of land suitable for development. This is because scarce land that is being used as a glorified godown for the ashes of the deceased could be better used providing facilities for the living. No longer will there be a free ride for such buyers and users.

I would advise FHB to add a warning that upon renewal of the government lease in the future (for example, after 30 June 2047 for land in the New Territories) for the lot that the columbarium is situated on, the Government would have full discretion to impose land premiums for lease renewal. Such a warning is necessary to inform potential buyers and their descendants that they will be paying sums of money now and in the future for the privilege of having a private niche.

## **Traffic Impact Assessment**

With regard to the proposals regarding Traffic Impact Assessment (TIA) in paragraph 21 to 27, I would not support the empirical evidence approach for pre-cut off columbaria. Some columbaria have been subjected to critical review under the requirements for town planning applications with regard to TIA and it would be considered grossly unfair to them that some columbaria that did not have the courage to submit themselves to the test of public opinion during town planning applications are given exemptions for TIA when they submit their town planning applications in future in order to comply with licensing.

If an unauthorized columbarium has only a small percentage of niches sold and occupied, it is plain logic and common sense that the impact on traffic (vehicular and pedestrian) will be limited.

However the potential impact MUST be assessed beforehand if the columbarium is planning to sell the rest of the unsold niches, which could number in the thousands.

For example, at the columbarium Cheung Ha Ching Shea in Kam Shan Tsuen, Tai Po, as of November 2013, only about 137 niches were sold and presumably occupied, according to the minutes of the town planning meeting that was held to assess the town planning application and rejected it.

The total number of niches built is 1700. If the remaining 1563 niches are sold, the corresponding impact from the increase in vehicular and pedestrian traffic associated with more people visiting the columbarium would be extremely serious.

To illustrate this point, I attach two enclosures (attached in separate email part 2 of 3 and email part 3 of 3 by file names of:

- Enclosure to Legco email part A  
(attached in separate email - Submission of views on private columbaria policy initiatives - part 2 of 5 (Resubmission))

- Enclosure to Legoc email part B  
(attached in separate email - Submission of views on private columbaria policy initiatives - part 3 of 5 (Resubmission))

- Enclosure to Legoc email part C  
(attached in separate email - Submission of views on private columbaria policy initiatives - part 4 of 5 (Resubmission))

- Enclosure to Legoc email part D  
(attached in separate email - Submission of views on private columbaria policy initiatives - part 5 of 5 (Resubmission))

The enclosures shows a series of photos of the traffic situation that I personally took in this month, April 2018, on the days: 2 April, 5 April (Ching Ming Festival), 8 April (first Sunday after Ching Ming) and 15 April (second Sunday after Ching Ming).

There are two columbariums along Kam Shan Road, the Buddhist Cheung Ha and Cheung Ha Ching Shea. As stated above, Cheung Ha Ching Shea is not fully occupied.

As you can see, there is a serious traffic problem generated by people arriving to visit the two columbariums, such as:

Inappropriate parking of cars

Excessive parking of cars

Cars making U-turns in the face of traffic

Traffic forced to negotiate a road made narrower by parked cars

People waiting for taxis at inappropriate place on road

Red taxis from the urban areas offloading passengers

If the Board grants a licence to such columbariums with such a traffic situation, then the traffic situation will further deteriorate as more visitors arrive because more niches have been sold.

## **Columbaria as a sustainable business**

It is the nature of a business, in any kind of industry, to maintain sales of its product or service. If the quantity of product or service is restricted, then the business loses its business viability or fundamental reason for existing in the first place.

Consider a property development company. It buys land, it builds flats on it and then it sells the flats. The profit the company makes is used to buy more land and the process repeats itself.

Or consider a snack shop selling curry fish balls. It buys in the fish balls, makes the snacks and sells the finished product. The profit the snack shop makes is used to buy more fishballs and the process is repeated.

With a columbarium, because of the difficulty in sourcing more niches due to town planning issues and other related issues, once the entire stock of niches is sold, the columbarium basically has no further revenue to speak off in the future apart from periodic management fees for the niches if it

charges them.

A business that has no further prospect of making more revenue is of no interest to anyone. Nobody will buy a business if there is no chance of it making revenue in future.

With the unauthorised columbaria on the Development Bureau's List B, I would guess a good proportion of them were set up by speculators hoping to make a quick profit by selling the columbarium business on after initial set up.

Consider this scenario. A columbarium is set up in a disputed location, there is strong demand, the columbarium sells a small portion of the niches at good prices. With the pricing established, a valuation of the business can be done based on the quantity of the unsold niches. Hopefully some foolish investor can be attracted into buying the columbarium business, and the business is sold on. In any case, what kind of business owner would be willing to bind himself to a long-term contract with a customer that could last for decades? The new owner is then left with the responsibility of managing the already sold niches and finding buyers for the unsold niches and dealing with the subsequent town planning issues and other government regulations and restrictions.

Problems do not end if a columbarium is fully sold, even if the original owners remain with the columbarium after set up. At some point in future, these original owners will be looking to retire. That is when problems arise because the original owners will struggle to find new owners to buy the business precisely because the business has no further prospect of generating revenue because all the niches were sold a long time ago. The children of the original owners may be unwilling to inherit the business themselves due to poor prospects. If the original owners die, and there are no arrangements made for subsequent management of the columbarium, then the Board will not be able to prosecute anybody for abandoning the columbarium as allowed for in the Ordinance.

I thus consider that due consideration must be given to assessing the sustainability of a columbarium as a viable business when the Board assesses licence applications.

This concludes my submission to the Legco secretariat.

Yours faithfully

Danny Chung

#### NOTE

There are four more separate emails with pdf attachments:

- Submission of views on private columbaria policy initiatives - part 2 of 5 (Resubmission)
- Submission of views on private columbaria policy initiatives - part 3 of 5 (Resubmission)
- Submission of views on private columbaria policy initiatives - part 4 of 5 (Resubmission)
- Submission of views on private columbaria policy initiatives - part 5 of 5 (Resubmission)

2 April 2018 – 1553 hours



People waiting by roadside for taxis opposite Buddhist Cheung Ha on Kam Shan Road

5 April 2018 – 0916 hours











Cars parked on Kam Shan Road near village hall, Cheung Ha Ching Shea and public toilet

5 April 2018 – 0920 hours



Cars parked near Cheung Ha Ching Shea and traffic congestion

5 April 2018 – 1132 hours	5 April 2018 – 1135 hours
	
Cars parked on Kam Shan Road near Buddhist Cheung Ha	Car dropping off visitors on Kam Shan Road near Buddhist Cheung Ha, green taxi passing traffic
5 April 2018 – 1136 hours	5 April 2018 – 1141 hours
	
Cars parked along Kam Shan Road, green taxis entering Kam Shan Tsuen	Green taxis on Kam Shan Road, near Buddhist Cheung Ha

5 April 2018 – 1141 hours	5 April 2018 – 1145 hours
	
White car turning round on road near Cheung Ha Ching Shea and public toilet	Cars are also parked further along Kam Shan Road away from Cheung Ha Ching Shea
5 April 2018 – 1145 hours	5 April 2018 – 1146 hours
	
This white car is doing a U-turn in the face of traffic on Kam Shan Road	Cars parked along Kam Shan Road near Cheung Ha Ching Shea and public toilet

5 April 2018 – 1240 hours



5 April 2018 – 1244 hours



Cars parked along Kam Shan Road near Cheung Ha Ching Shea, traffic passing along road

Cars parked on Kam Shan Road near Buddhist Cheung Ha

5 April 2018 – 1245 hours

5 April 2018 – 1245 hours



Cars parked along Kam Shan Road away from Buddhist Cheung Ha

Cars parked along Kam Shan Road near Buddhist Cheung Ha



<p>5 April 2018 – 1245 hours</p>	<p>5 April 2018 – 1246 hours</p>
	
<p>People waiting along road with no pedestrian pavement for taxi</p>	<p>Traffic passing parked cars near Cheung Ha Ching Shea</p>
<p>5 April 2018 – 1508 hours</p>	<p>5 April 2018 – 1512 hours</p>
	
<p>Cars parked along Kam Shan Road before Buddhist Cheung Ha</p>	<p>Cars parked along Kam Shan Road near Buddhist Cheung Ha</p>

5 April 2018 – 1513 hours



Cars parked along Kam Shan Road near Cheung Ha Ching Shea

5 April 2018 – 1515 hours

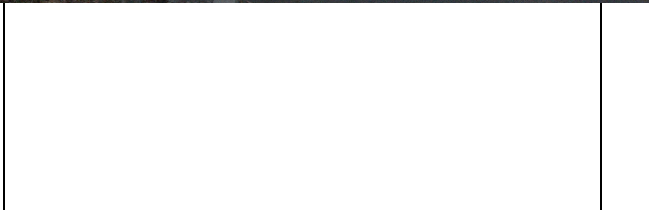
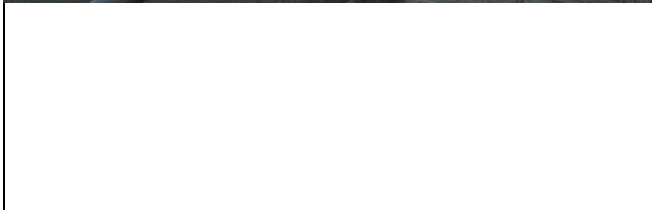


Cars parked along Kam Shan Road, red taxi doing a U-turn

5 April 2018 – 1639 hours



5 April 2018 – 1642 hours



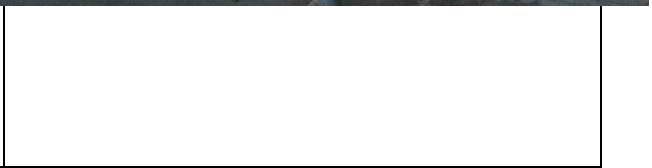
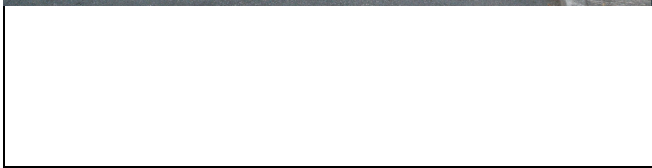
Cars parked along Kam Shan Road, away from Cheung Ha Ching Shea

Cars parked along Kam Shan Road, away from Buddhist Cheung Ha

5 April 2018 – 1701 hours



5 April 2018 – 1702 hours



Cars parked along Kam Shan Road near public toilet opposite Cheung Ha Ching Shea

Cars parked along Kam Shan Road away from Cheung Ha Ching Shea

8 April 2018 – 1146 hours	8 April 2018 – 1146 hours
	
Cars parked along Kam Shan Road away from Cheung Ha Ching Shea	Cars parked along Kam Shan Road near Cheung Ha Ching Shea
8 April 2018 – 1157 hours	15 April 2018 – 1125 hours
	
Visitors stepping out from urban area red taxi to visit Buddhist Cheung Ha	Cars parked along Kam Shan Road near Buddhist Cheung Ha