

Dear Sirs,

Re: A Brief Proposal for a Long Term Solution to the Building of Columbarium

In response to your Public Consultation on the Review of Columbarium Policy, I strongly object to columbarium facilities being built in any of the 18 districts. As mentioned in your consultation document, local community has resistance to have columbarium facilities in their neighborhood. In my opinion, building columbarium in the community will not only bring a lot of disturbance to the nearby communities, it will also reduce the value of the properties around the columbarium facilities. Thousands of citizens may suffer from such a policy. In addition, the lands in the 18 districts are too valuable to be used for such purposes.

Operating columbarium facilities is a very profitable business. Price of a niche ranges from few thousand dollars for a short term lease to over a hundred thousand dollars for a permanent lease. Based on the projection on the number of deaths, as shown in your consultation document, an average of 50,000 people will pass away each year for the next 20 years. If we assume that the average price of a niche is \$15,000 for a permanent lease, there is a potential market for a \$15 billion business for the next 20 years. I believe that the revenues derived or to be derived from the operating of columbarium facilities could be used to finance the development of a nearby island which has small to none population. If the island is too small for such purpose, reclamation may be an option if it is financially viable.

I suggest that the whole operation should be run by the Government which could easily resolve some of the problems mentioned in the consultation document, such as rezoning, licensing and compliance with the regulations. I also suggest that the business that operates the columbarium facilities should consider an IPO if the future prospect is promising so that the public could own part of the business and the Government can recover their investments plus a reasonable return on their investments. The operation model of MTR is a good example and proven to be a great success.

If additional land is available on the island, I propose that it could be used for children education purposes such as building of a zero carbon village or Confucius Temple so that while we pay respect to our ancestors, we can at

same time educate our children to treasure our environment as well as respect their parents and ancestors.

In summary, the advantages of the above proposal are set out below:

1. It will minimize the disturbance to the community;
2. The whole project should be able to self financed through pre-sale of niches and/or issuing bonds and/or other financial instruments;
3. Most of the profit generated from the operations will be used to develop the facilities and to protect the environment instead of distribution to private shareholders;
4. Since the facilities will be designed and built from scratch, most of the issues mentioned in the consultation document could be accounted for;
5. A well designed plan will allow most of the niches facing the sea which will not only allow our passed away love ones to enjoy a spectacular ocean view but to let their descendants and relatives to have a peace of mind knowing that they had done their best for their ancestors. In most cases, it may coincide with our traditional belief of "Fung Shui";
6. A well designed plan will harmonize the columbarium facilities with the nature and yet minimize the disturbance to the environment;
7. Paying respect to our ancestors will also be an outing and education event for the children; and
8. It will create a lot of jobs.

Some of the operations such as public transportation to the island may suffer a lost due to low usage during week days, however, revenue generated from the core business of selling or leasing niches should be able to cover such losses.

It is expected that my proposal will be objected by some interest groups. As a rule of thumb, it is impossible to make a majority of people better off without making a minority of people worse off. I believe that through compromising, work around and compensations, conflicts could be resolved.

As a former management consultant and associate corporate finance director of multinational professional firms, I believe my proposal could benefit millions of people (including those who passed away) and it is also a long term solution to resolve most of the issues mentioned in the consultation

document. At this stage, I do not have sufficient data and detailed information to support my view. I urge the authority to conduct a detailed feasibility study based on the direction I proposed.

If you have any queries, please do not hesitate to contact me at 9387 9333 or via email.

Sincerely,

Stewart Cheung