

28 September 2010

Food Division,
Food and Health Bureau,
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Re: Columbarium Development Paper
LC Paper No CB (2) 884/09 – 10 (07)

Please find attached InvoCare Hong Kong Limited views and comments on the abovementioned Columbarium Development Paper.

InvoCare Hong Kong Limited is a subsidiary of InvoCare Limited an Australian publically listed company.

InvoCare Limited, including its subsidiary companies, (“the Company”) is the largest funeral operator in both Australia and Singapore performing approximately 20% and 10% of all the funerals respectively, from 173 locations.

In addition the Company is the largest provider of cremations and burials in Australia performing approximately 15% of all cremations and burials from its 12 locations (refer attachment InvoCare Memorial Parks).

In 2009 the Company reported revenues and profits amounting to HK\$1.8 billion and HK\$233 million respectfully (refer attachment 2009 Annual Report). Underpinning this result is the Company’s commitment to service and its clear understanding of client family needs.

The Company strives to provide a safe environment for the community and its employees. Conscious of its environmental responsibilities the Company has sets its own emission reduction targets with which it is in compliance.

As members of The Australian Funeral Directors Association and The Australian Cemetery & Crematoria Association the Company complies with the industries strictest codes of conduct and practice.

The Company and its employees are very active both financially and in time in supporting many charities and community events including the international service organisations Lions International and Rotary (refer attachment Involve).

InvoCare Hong Kong Limited was incorporated for the purpose of pursuing investment opportunities in both Hong Kong and mainland China.

Whilst the Company may not have operations in Hong Kong at present, the Company has for many years served thousands of Chinese families in Australia and Singapore, in the provision of funerals, cremations and burials. In so doing, the Company has a good understanding of the religious and cultural aspects of funerals, cremations, cemeteries and importantly columbariums as it pertains to the Chinese.

Notwithstanding this experience the Company is very conscious that the cultural aspects and needs of one jurisdiction may differ to those of another. Working successfully with Governments and Joint Venture partners in some jurisdictions has helped address some of these issues.

The Company enters the Hong Kong market with an open mind and a preparedness to work with the industry, non Government organizations and the Government itself in a manner whereby all stake holders benefit. In this regard the Company would be delighted to engage and hopefully participate in the much needed expansion of columbarium facilities in Hong Kong.

If deemed appropriate we'd be delighted to discuss any aspect of our views and comments on the Columbarium Discussion Paper at your convenience.

Yours Faithfully,



Benjamin Chow AO BE
Director
InvoCare Hong Kong Limited



Andrew Smith
Director
InvoCare Hong Kong Limited

Attachments:

InvoCare Limited 2009 Annual Report
InvoCare Limited Community Newsletter "Involve"
InvoCare Limited Memorial Parks Profile

**InvoCare Hong Kong Limited response to the Funeral Health Bureau
Columbarium Development Paper LC Paper No CB CB (2) 884/09 - 10 (2)
September 2010**

A. Increasing the supply of columbarium facilities to meet the overall public demand

Although columbaria are essential facilities for the community, it is not easy to develop columbarium facilities in Hong Kong given our small geographical size and the large population as well as strong local resistance against the development of such facilities in their neighbourhood.

Do you agree that all districts should collectively share the responsibility to develop columbaria so as to increase supply to meet the needs of the community?

InvoCare Hong Kong Limited comment:

Yes, to do otherwise would lead to a perception of one district having an advantage or disadvantage over another district

Where it is impractical for one district to provide columbaria for its constituents the constituents of that district might be required to pay a higher columbarium cost for columbarium usage in another districts columbarium. The introduction of such a fee would reinforce the position that the provision of columbarium is a collective responsibility. Moreover the additional revenues earned could be allocated to beautifying the areas around columbarium or for that matter other worthy causes.

What kinds of measures do you think can be adopted to lessen local resistance to the construction of columbarium facilities? (see paragraphs 16 to 18 for details)

InvoCare Hong Kong Limited comment:

Firstly, utilizing available land within existing cemeteries as suggested.

Secondly, utilizing available adjoining land to existing cemeteries, again as suggested

Thirdly, restricting the construction of new facilities to areas where residents are not in close proximity eg near the Hong Kong International Airport, where the necessary infrastructure already exists.

Fourthly, requiring new facilities to be designed with resident resistance in mind and careful consideration of the environment.

Fifthly, introducing a surcharge for columbarium usage for residents outside of the district in which the facility is located, refer above.

Sixthly, an ongoing educational program addressing the arguments for and against columbarium and the consequences for a district where there are insufficient facilities.

Finally encouraging columbarium operators to be active their community, supporting community events and worthy community causes. This would enhance the reputation of columbarium operators which would assist, over time, in reducing resident opposition. Examples of some our initiatives are attached in the supporting information provided.

Do you agree that existing cemeteries, which are already well supported by infrastructural and transport facilities, should be expanded or more columbarium facilities should be built therein to expedite the provision of such facilities? (see paragraph 17 for details).

InvoCare Hong Kong Limited comment:

Yes because this approach would attract the least resistance from the community and it would be the most cost effective as the infrastructure is already in place.

The BMCPC and religious bodies also play an important role in the provision of columbarium facilities. To augment the supply of columbarium facilities as soon as possible to meet public demand, do you agree that the BMCPC and religious bodies should be encouraged to expand their existing columbarium facilities or develop such facilities in other places? (see paragraph 20 for details)

InvoCare Hong Kong Limited comment:

Yes. Where resources are not available the BMCPC and religious bodies could be encouraged to work with the Private Sector in the form of a joint venture or otherwise.

We would be interested in participating and would welcome the opportunity to discuss with the relevant parties our experience in such ventures.

B Encouraging the public to accept a more environmentally friendly and sustainable means for handling cremains

The concept of sustainable development is generally accepted in the community. To promote the sustainable development of columbarium facilities, do you agree that the public should be encouraged to accept more environmentally friendly and sustainable means for handling cremains?

InvoCare Hong Kong Limited comment:

Yes, subject to respecting various religious and cultural beliefs. An ongoing concerted educational program outlining the options available will in time encourage residents to consider other options.

The Government has been actively promoting scattering of cremains in Gardens of Remembrance (GoRs) or in designated Hong Kong waters. Do you agree that the Government should step up the efforts to further promote these two ways of handling cremains?

InvoCare Hong Kong Limited comment:

Yes, again subject to respecting various religious and cultural beliefs.

In relation to GORs we would expect the take up to be exponential as consumers feel more comfortable with this form of disposal.

The provision of a communal memorial for such scattering would enable families to pay respects to their ancestors on important occasions. These communal memorials need not be large and could be designed in a manner which is both resident and environmentally friendly.

Potentially these communal monuments could incorporate a prayer room with on line facilities which enable families to log on and see a picture of the deceased when preying and burning joss sticks.

Consideration could be given to allowing the scattering of remains on some of the uninhabited islands of Hong Kong. A communal monument could again be provided. Ferries could be used to transport families avoiding significant infrastructure investment.

Do you have any other suggestions on alternative means of handling cremains?
(see paragraphs 21 to 25 for details)

InvoCare Hong Kong Limited comment:

Families could be encouraged to retain the remains in an urn at home. Whilst this might be acceptable in time future generations may not be willing to retain the remains, and in so doing this option will only be deferring the inevitable.

Scattering could be allowed and encouraged at designated areas on uninhabited islands in Hong Kong refer above. This option would be environmentally friendly, with presumably little community resistance.

Repatriation of remains back to the country of birth and/or where the deceased ancestors resided and were interred could be encouraged.

In some countries the option of converting remains into jewelry is being offered.

At present, public niches are allocated to bereaved families on a permanent basis. Given the limited supply of suitable land for columbarium development, do you think that it is the best arrangement for the Government to continue this perpetual interment practice?

InvoCare Hong Kong Limited comment:

Limited tenure (eg 20 years) is encouraged in a number of countries, including Australia.

If this was considered a viable option we would recommend that consumers in the first instance be offered an option of either perpetuity or tenure with a premium price being imposed on the former and an option for families to extend the tenure period by paying an additional fee.

Appropriate consumer protection needs to be in place if tenure is offered, including:

There must be a written acknowledgment from the consumer that they have been made aware that tenure has been taken and that they understand what happens to the cremains at the end of the tenure period. At the end of the tenure period cremains could be scattered at sea or interred in a communal grave.

Appropriate notice must be given to the consumer (by letter and by advertisement as consumers invariably change address) that tenure is soon to expire, offering them the chance to renew the tenure.

There is suggestion that a time-limited lease / an annual management fee should be introduced for public columbarium facilities (including urn grave facilities) to ensure that they will continue to serve their purpose as places for descendants to pay respect to the deceased. This can also help achieve sustainable development and better utilization of niches. Do you think that the suggestion is feasible? (see paragraphs 28 to 30 for details)

InvoCare Hong Kong Limited comment:

Yes, however to encourage this option it might be preferential that all columbarium offer tenure.

The Government may consider introducing an incentive scheme for the return of public niches to the Government for re-use in exchange for an ex-gratia allowance. Do you agree to the introduction of such incentive scheme by the Government? (see paragraph 31 for details)

InvoCare Hong Kong Limited comment:

Yes, subject to the niches not being utilized and having the appropriate consent of the family.

C. Enhancing consumer protection

To facilitate members of the public who are considering purchasing / preparing to purchase private columbarium niches to make an informed choice, the Government will publicise information of private columbaria. Do you have any suggestions on how to further strengthen consumer education? (see paragraphs 41 to 45 for details)

InvoCare Hong Kong Limited comment:

Yes. If not already offered, consumers should be provided with a written contract setting out the rights and obligations of the consumer and the columbarium operator. This contract should clearly state that the columbarium is appropriately approved and complies with the relevant authority regulations. Consideration could also be given to approving the contract contents before it becomes in use.

D. Enhancing regulation of private columbaria

The Administration considers that in the longer run, a licensing scheme should be introduced for better regulating private columbarium development. A preliminary framework for such a scheme has been worked out and is set out in this public consultation document. Do you think the proposed licensing scheme is appropriate for enhancing regulation of private columbaria? (see paragraphs 46 to 51 for details)

InvoCare Hong Kong Limited comment:

Overall yes, however the revocation of a license in the public interest may create an issue as nearby residents invariably oppose columbaria. We would recommend that some form objectivity be incorporated in the wording of the appropriate clause.

*Whilst the proposed licensing provisions have been restricted to Private columbaria we would recommend that **licensing be extended to Public columbaria** where the proposed provision has relevance eg record keeping. From a Governance perspective, where practicable, the operator should be the regulator. This additional coverage would enhance public confidence in the licensing provisions.*

Finally the licensing provisions should set out what happens to both the cremains and the facility in the event of a license being revoked, setting out clearly the parties' responsibilities.

Some people do not welcome the existing private columbarium facilities in their districts. Meanwhile, those who have purchased niches therein are worried that the columbaria will not be able to continue operation under the new licensing system because they involve unauthorised developments or due to other reasons. In fact, given the inadequate supply of columbarium facilities, it will not be easy to handle the displacement of cremains. When facing such dilemma, how do you think the Government should deal with existing unauthorised private columbaria? (see paragraphs 52 to 58 for details)

InvoCare Hong Kong Limited comment:

On a case by case basis giving consideration to the number of cremains involved, the age of the cremains, the reputation of the columbarium operator and the operators financial capacity to help fund the relocation of the remains.