

**MEMORANDUM FOR MEMBERS OF THE
ANTIQUITIES ADVISORY BOARD**

**FEES AND CHARGES REVIEW
LICENCE TO EXCAVATE AND SEARCH FOR ANTIQUITIES**

PURPOSE

This paper seeks Members' views on the proposal to increase the fee for grant or renewal of licence to excavate and search for antiquities ("the Licence") from \$320 to \$2,300¹.

BACKGROUND

2. Under section 13 of the Antiquities and Monuments Ordinance (Cap. 53) ("the Ordinance"), a licence to excavate and search for antiquities may be granted to a person if the Authority (i.e. the Secretary for Development) is satisfied that the applicant has had sufficient scientific training or experience to enable him to carry out the excavation and search satisfactorily. Besides, the applicant should have at his disposal sufficient staff and financial or other resources to enable him to carry out the excavation and search satisfactorily; and he is able to conduct or arrange for a proper scientific study of any antiquities discovered as a result of the excavation and search.

3. In accordance with the Antiquities (Excavation and Search) Regulations (Cap. 53A) ("the Regulations"), which set out the procedures through which an application for the Licence should be lodged, the fee shall be payable to the Authority upon the grant or renewal of the Licence.

¹ If the fee revision is implemented in Financial Year 2013-14, the proposed fee is \$2,300; if the implementation falls beyond Financial Year 2013-14, the fee would be adjusted having regard to the change of staff cost, departmental expenses and other charges according to the price level of the year.

THE LICENCE FEE

4. The Licence fee was \$50 when the Regulations were first enacted in 1976. In 1994, the Antiquities and Monuments Office (“AMO”) was advised by the then Finance Branch to conduct a fee review. With the support of the Antiquities Advisory Board, the Licence fee was adjusted to \$320 in June 1995. Internal review on the rate was subsequently conducted in 1996, 2006 and 2009 which proposed to maintain the Licence fee as status quo.

RECENT DEVELOPMENT

5. In 2010, a request was made by the Finance Services and The Treasury Bureau to review the Licence fee. Given that the AMO had been working on streamlining the process of vetting and issuing excavation licences over the years, the AMO took time to re-consider the manpower and staff cost involved in handling each application so as to ensure that the proposed Licence fee could reflect the up-to-date situation. Upon conducting a cost review at the 2013-14 price level, it is noted that the actual cost for processing each Licence application is \$2,300². That said, given the current Licence fee set at \$320, the cost recovery rate is at 14% only.

FEE PROPOSAL

6. Since the cost recovery rate is currently on the low side, the AMO proposed to increase the fee to \$2,300 to reflect the actual cost for processing each Licence application.

7. The AMO considers that the levying of the Licence fee does not have a direct impact on people’s livelihood or general business activities with the following considerations: (i) The Licence does not offer the licensee an opportunity to run any profitable business for a period of time, but simply for conducting a specific archaeological investigation/excavation to facilitate preservation of archaeological resources; and (ii) A total of 106 Licences were issued between 1976 and 1996, with an average of 5 Licences issued per year.

² The cost is calculated at 2013-14 price level and certified by a Senior Treasury Accountant of the Leisure and Cultural Services Department.

Since the enactment of the Environmental Impact Assessment Ordinance (“EIAO”) in 1997, a total of 252 Licences were issued (as at October 2013) with the average growing to 16 Licences per year. Among them, 83% Licences³ issued came from government departments or private developers for the sake of conducting specific archaeological investigation/excavation to act in accordance with the EIAO or to facilitate preservation of archaeological resources arising from development projects. Since the development projects are often financed with huge capital outlays, increasing the fee from \$320 to \$2,300 represents a very tiny share of the total project costs and hence the impact on general business activities is insignificant.

8. The fee proposal has received support from the Development Bureau. It is targeted to implement the revised Licence fee in the first quarter of 2014 after legislative revisions.

ADVICE SOUGHT

9. Members are invited to offer their views on the proposal of increasing the fee for grant or renewal of the Licence from \$320 to \$2,300.

NEXT STEP

10. If Members support the proposal to increase the Licence fee from \$320 to \$2,300, the AMO will take this forward in accordance with the legislative procedures.

Antiquities and Monuments Office
Leisure and Cultural Services Department
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³ The remaining 17% of the Licences issued between 1997 and 2013 (as at October 2013) refers to the applications from the archaeologists/researchers commissioned/subsidised by the AMO and/or non-profit-making organisations, such as The University of Hong Kong, The Chinese University of Hong Kong and the Lord Wilson Heritage Trust for research purposes.