

For discussion
on 23 October 2006

**Legislative Council Panel on Economic Services
Update on Ngong Ping 360**

Purpose

This paper provides Members with an update on Ngong Ping 360 since the last report of 18 July 2006.

Background

2. Ngong Ping 360 (i.e. Ngong Ping Skyrail and Ngong Ping Village) was opened on 18 September 2006. The entire project is operated and managed by Skyrail-ITM (Hong Kong) Limited (Skyrail), which is appointed by the Mass Transit Railway Corporation Limited (MTRCL).

3. Upon its initial commissioning, Ngong Ping Skyrail has drawn much public concern over its operation and other issues including the cracks found on one of the crossbeams of the Tung Chung Skyrail Terminal, the safety and reliability of the cable car system, the patronage of Skyrail and its public notification mechanism. In this connection, the Government has raised its concern with the MTRCL and Skyrail and urged them to make improvements.

Patronage

4. As indicated by the MTRCL, Ngong Ping 360 has recorded a satisfactory number of visitors since its opening. The patronage has exceeded 150,000 in the first month of operation. During the National Day Golden Week (1 – 8 October 2006), Ngong Ping 360 attracted some 60,000 visitors. The cable car carried over 10,000 passengers on 2 October 2006 which is the highest patronage record for Ngong Ping 360 so far. Patronage thereafter continued to be encouraging, with an average of 3,000 to 4,000 visitors on weekdays and 7,000 to 8,500 visitors during weekends. Skyrail will continue to liaise closely with the shop tenants at Ngong Ping Village and the tourism industry to enhance visitors' awareness of the cable car service, the Ngong Ping

Village and various tourism attractions at Ngong Ping. In addition, Skyrail and the New Lantau Bus Co. Ltd. have jointly launched combo ticket packages. The packages can provide bus services for passengers between Ngong Ping and other major attractions on Lantau Island, such as Tai O and Mui Wo. This would help promote other Lantau attractions to the visitors.

Cracks on a Crossbeam of the Tung Chung Skyrail Terminal

5. As regards the cracks on a crossbeam of the Tung Chung Skyrail Terminal, the MTRCL informed the Buildings Department (BD) of the incident on 20 September 2006. The BD carried out promptly a detailed inspection of the entire Tung Chung Skyrail Terminal Building on 21 September 2006 and noted that temporary supports had been erected under the crossbeam. The BD found no other cracks or structural damage. Therefore, the BD considers the Terminal Building structurally safe, and that the incident will not have any impact on the safety and operation of the cable car system.

6. The MTRCL, the Authorized Person, the Registered Structural Engineer and the Registered General Building Contractor submitted reports on the incident in early October to explain the causes of the cracks and propose long-term improvement measures. On this basis, the MTRCL has applied to the BD for installation of extra permanent supports to the crossbeam to enhance its long-term performance. The BD is processing the application. The MTRCL will commence the improvement works once approval has been granted. The improvement works will take four to six weeks, and are expected to be completed by mid-December 2006.

Safety and Reliability of the Cable Car System

7. Since the commissioning of Ngong Ping cable car system on 18 September up to 16 October, Skyrail has suspended the cable car services three times due to weather conditions and four times due to system and mechanical failure.

8. According to the test conducted by an independent cable car surveyor and the assessment by the EMSD, the cable car system of Ngong Ping 360 is safe on the whole. A number of incidents have occurred after its commissioning. However, on each occasion the cable car system could

effectively issue signals to suspend its operation in strong wind conditions or upon system failures. This safety measure is necessary to alert operational staff to make timely rectification so as to safeguard the safety of passengers.

9. The design, construction, operation and maintenance of Ngong Ping cable car system are under the regulation of the EMSD in accordance with the Aerial Ropeways (Safety) Ordinance. The EMSD has been closely monitoring the operation and maintenance of the cable car system before and after its commissioning. As shown in the EMSD's records from 18 September to 17 October 2006, the cable car system has achieved an average reliability rate of 98%.

10. Skyrail has drawn up a detailed schedule on maintenance inspection, and it conducts daily safety inspection of the system before its operation in the morning. Skyrail is required to submit quarterly inspection reports on the cable car system to the EMSD, and commission an independent surveyor to inspect the entire cable car system with a report submitted to the EMSD annually.

Operation

11. The MTRCL is responsible for monitoring the operation and performance of Skyrail. The major arrangements include Skyrail to submit annually, for the MTRCL's approval, a Business Plan (containing a financial budget, marketing plan and Key Performance Indicators for operation and maintenance of Ngong Ping 360.) The MTRCL and Skyrail have monthly management meetings to review and evaluate the business and operational performance. In addition, the MTRCL will monitor the performance of Skyrail on the basis of the Key Performance Indicators covering a wide scope of areas including safety, maintenance, cableway reliability, finance, sales and marketing. On top of compliance with relevant safety requirements, Skyrail will also conduct safety and financial audits during the course of the year and report to MTRCL.

12. The parent company of Skyrail has 11 years of solid and successful experience in managing and operating a tourism and cableway facility in Cairns, Australia. It has been awarded a number of international awards, that include ISO 14001 – Certified Environmental Management, ISO 9001 – Quality

Endorsed Company, and Green Globe 21. Skyrail in Hong Kong has experienced staff in place to head up the different functions in cableway operations and maintenance, village operations, sales and marketing, finance and administration, and human resources. Besides, there will continue to be technology transfer from the manufacturer of the cableway to the maintenance and operations staff of Skyrail on the operation and maintenance of the cableway. As a new tourism attraction operator in Hong Kong, Skyrail has been building up a tourism attraction management and marketing team in Hong Kong through technology and skills transfer, particularly expertise in cableway operations.

Staff Training

13. Based on the training and the operations and maintenance manuals of the manufacturer, Skyrail has developed various sets of operations and maintenance manuals and work procedures for its staff to follow. All operational personnel of Skyrail have taken examinations of EMSD and certified by EMSD as a Cableway Operator, while the supervisors and managers have also been qualified by EMSD as Cableway Controllers. Skyrail will conduct refresher training for all operational staff within six months after opening. For maintenance staff, they have all obtained the EMSD's Certificate of Operating Competence - Operator. In addition, electrical maintenance staff are Licensed Electrical Workers with at least five years of relevant experience.

14. In light of the experience drawn from initial operation and feedback of customers, Skyrail has been finetuning its staff operation manual and enhancing staff training so as to upgrade their service to meet public demand.

Public Notification Mechanism

15. The MTRCL and Skyrail have put in place a notification mechanism whereby the public will be informed in the light of different situations through various channels, including their recording enquiry hotlines, websites, broadcasting systems inside the cable car cabins and Ngong Ping 360 terminals, notices and broadcasts in MTR Hong Kong Station, Lai King Station and Tung Chung Station, as well as the notices in all MTR stations. Skyrail has also undertaken to deploy its staff to explain the situation to visitors on site

and notify the tour groups that have made the bookings to ensure that visitors affected are aware of the situation on the spot as soon as possible.

16. In view of recent stoppages, we have asked the MTRCL and Skyrail to improve the notification mechanism, with a view to further enhancing the transparency of their operation and minimizing the inconvenience caused to passengers. Skyrail has put in place a series of notification procedures since 18 October 2006, including immediately informing the public through the electronic media when the cable car service is expected to be delayed or suspended for 30 minutes or more, and notifying the printed and electronic media through press releases issued on the same day.

Continuous Enhancement

17. The MTRCL and Skyrail will strive to enhance the facilities and service of Ngong Ping 360, and to ensure the smooth operation of this new tourism infrastructure. The Government will continue to follow up on the progress of the implementation of the improvement measures.

Economic Development and Labour Bureau
20 October 2006