

LCQ16: Operation of Ngong Ping 360

Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Lam Tai-fai in the Legislative Council today (February 8):

Question:

Since the commissioning of the cable car system of Ngong Ping 360 (Ngong Ping 360) on September 18, 2006 various kinds of incidents and suspension of services have occurred frequently, and the situation remains the same after its management has been changed. It has been reported that the cable car service was suspended again suddenly on the 25th of last month, causing 800 passengers to be stranded in the cabins for around two hours in extremely cold weather. There have been comments that the incident reflects the poor management of the Ngong Ping 360 Limited (the Company) which has seriously affected the reputation of Hong Kong's tourism industry. In this connection, will the Government inform this Council:

(a) given that the Company has announced that it would conduct a detailed investigation into the incident which occurred on the 25th of last month, whether the authorities will release the investigation report; if they will, when they will do so; if not, of the reasons for that;

(b) whether it knows the dates, causes, duration of stoppages and the number of passengers being affected by the service suspension incidents which have occurred since the commissioning of Ngong Ping 360; and among such incidents, the number of those involving negligence and whether any person should be held responsible, as well as the respective numbers, types and results of the complaints received, together with a breakdown in table form;

(c) given that some of the passengers stranded in the aforesaid incident have openly complained to the media that the passengers were anxious as the Company failed to explain the cause of the incident to them through public announcement during the incident, whether the Government knows if the Company has any mechanism in place to ensure that it can maintain proper communication with the passengers during an incident and inform the passengers clearly and accurately of the relevant details as soon as possible; and whether the Company will review the mechanism for providing compensation to the stranded passengers (including offering multiple free rides on the

cable cars again to local passengers and compensation for air tickets or hotel accommodation to overseas and mainland visitors); if so, the details; if not, the reasons for that;

(d) given that there have been complaints that the Company did not stop the sale of tickets immediately after the occurrence of the aforesaid incident, whether the Government knows the reason for that, and if the Company has put in place a set of contingency measures and notification arrangement for suspension of services in respect of unexpected incidents to facilitate comprehensive and proper coordination; if it has, the details; if not, the reasons for that;

(e) whether it knows if the Company has conducted regular reviews of and assessments on the daily operation and management of Ngong Ping 360, as well as on the technical support for the system, so as to ensure that its service standard is acceptable to the public; if it has, the details; if not, the reasons for that;

(f) whether it knows if the Company will provide any form of compensation for the suspension of services to all shop tenants in the Ngong Ping Village, including the provision of concession in the form of "rent-free day during service suspension"; and whether it will reduce the fares or provide different forms of concessions in view of the frequent occurrence of incidents, so as to attract more visitors and improve the business environment for the shop tenants in the Ngong Ping Village;

(g) whether it has assessed the impact of the various incidents on the image of Ngong Ping 360, the tourism industry of Hong Kong as well as the shop tenants in the Ngong Ping Village; and whether it has formulated any proposal to restore the image of Ngong Ping 360;

(h) whether it knows if the Board of the Company will introduce an "adjustment mechanism" to provide for both upward and downward adjustments for the remunerations of the management which are linked with the frequency of incidents (e.g. if incidents occur frequently, the entire management will be subject to pay reduction); if it will, the details concerned; if not, the reasons for that;

(i) whether it knows the various fare levels, rates of fare increase as well as the dates and justifications for fare increase since the commissioning of Ngong Ping 360, with a breakdown set out in table form; and whether the Government has assessed the reasons for the continuous lack of improvement in the service standard of Ngong Ping

360 despite the continuous increase in its fares; if it has, of such reasons;

(j) whether the MTR Corporation Limited or the authorities have assessed if the performance of the management of the Company is satisfactory, and under what situation in the operation of Ngong Ping 360 the authorities will consider changing the management;

(k) as quite a number of serious incidents which could endanger the safety of the passengers of Ngong Ping 360 (including the aforesaid incident and the cabin dislodgement incident in 2007, etc.) had occurred, whether the authorities have assessed if Ngong Ping 360 complies with the required safety standard; and how its safety standard compares with those of the cable cars in other places; and

(l) whether it knows if the Company has taken out insurance for the passengers; and the maximum amount of compensation to be paid by the Company or the relevant insurance companies in respect of casualties in incidents resulting in death or injury of the passengers of Ngong Ping 360?

Reply:

President,

The Government is very concerned about the recent spate of service suspension of the Ngong Ping 360 ropeway (Ngong Ping 360), particularly the latest incident of January 25 this year that led to visitors being stranded in car cabins for nearly two hours. The Government has asked the Ngong Ping 360 to maintain high safety standards, reliable services and give due regard for visitors' needs.

My reply to the various parts of the question is as follows:

(a) On February 3, the Ngong Ping 360 Limited (the Company) announced the preliminary investigation results of the incident that occurred on January 25. Together with cable car system experts, the Company has investigated the faulty bullwheel bearing, and found irregular scratches on the inside surface of the bearing. While the scratches will not impact on ropeway safety, it may affect the smooth operation of the cable car system and cause service interruptions. In view of this, the Company decided to extend the service suspension period for two months in order to replace the bearings of all seven sets of bullwheels and advance the annual examination for 2012.

The Electrical and Mechanical Services Department (EMSD) will monitor closely the progress of repair works and tests of the Ngong Ping 360 during the suspension period. Approval for the resumption of cable car service will be contingent on satisfactory test results.

The Company has arranged the bearings manufacturer to further probe into the cause of the bearing erosion. An in-depth investigation into the breakdown of Ngong Ping 360 on January 25 by the EMSD is also underway. The results will be announced as soon as possible on conclusion of the investigation.

(b) Details of operation-related stoppages that occurred between the commencement of the Ngong Ping 360 in September 2006 and January 25, 2012 (when the above-mentioned incident occurred) are set out at Annex 1.

Of these incidents, the Skyrail-ITM (Hong Kong) Ltd (Skyrail-ITM), the then operating company, was held responsible for the incident that occurred on June 11, 2007 when a car cabin plunged to the ground. The Skyrail-ITM admitted that it had been negligent in performing the annual examination in breach of Section 23A of the Aerial Ropeways (Safety) Ordinance.

The number and types of complaints received since the Ngong Ping 360 resumed service on December 31, 2007 are set out at Annex 2. The Company has handled these complaints properly and replied to the complainants.

(c) The current emergency response mechanism of Ngong Ping 360 covers the arrangement for the dissemination of information to passengers. When the service halts for three minutes, the Company will broadcast the information to both passengers in cabins and guests waiting at Tung Chung and Ngong Ping termini.

At 2.49pm on January 25, after the cable car service had stopped for three minutes, a pre-recorded message about the stoppage was broadcast to both the passengers in cabins and the waiting guests. The Ngong Ping 360 also presented "appreciation packs" to affected guests at the Tung Chung Terminal as a token of apology for disrupting their itineraries. Each pack contained a written apology from the Company, a gift ticket for a round trip cable car ride and gift shop coupons. The Company also distributed bottled water and heat packs to the affected guests. The guests could also opt for a refund.

We considered the above arrangements not satisfactory and have instructed Ngong Ping 360 to make improvements, including substituting the broadcast of recorded messages with live broadcasts. The Company management has also been asked to disseminate news of incidents expeditiously to the media and visitors; and to ensure that notification to alert visitors heading for the cable car ride of suspension of service would not be delivered through print alone.

(d) According to the Company's report, its ticketing office had stopped selling tickets immediately when the ropeway service was suspended after the incident on January 25. But the transactions that were already underway when the ticketing system halted would continue to be completed with tickets issued. Cable car tickets are issued for time slots of 15 minutes. As such, when the ropeway service was suspended at 2.49pm on January 25, the service time slot affected was 3pm. Therefore, the "3pm" printed on the tickets referred to the ropeway service time slot instead of the time of ticket purchase.

The Company is reviewing ways to enhance internal communication and foster effective co-ordination in handling emergencies.

(e) The Company regularly reviews and assesses its daily operations, which cover the following:

- (i) maintenance of daily records of events and activities by the Cable Car Operations Department and the Guest Services & Village Operations Department;
- (ii) monthly performance review on cable car operations in respect of safety and service quality by the management committee, which comprises the Managing Director and department heads; and
- (iii) bi-annual provision of technical support by ropeway experts.

In light of the incident on January 25, the Company is reviewing its current maintenance programme and actively exploring ways to increase the frequency for regular maintenance and improve the maintenance practices.

(f) The Company stated that it had maintained close liaison with its shop tenants and discussed with them various assistance measures and joint promotions to draw people to visit and spend at the Ngong Ping Village during the suspension of ropeway service. A visitor who spends \$60 at the Ngong Ping Village will be entitled to a single journey MTR ticket for use on the same day.

(g) The thorough investigation and tests, complete replacement of all related parts, and improvements to contingency and communication arrangements implemented in the aftermath of the incident on January 25, all demonstrated the management company's commitment to maintaining service safety and reliability. It is doing all it can to ensure the reliability of the cable car system before the resumption of operation. We consider that the Ngong Ping 360 incident will not cause any long term impact on tourism.

(h) and (j) At present, our priority is to devote all energy to work on investigation, repair and tests to facilitate resumption of service of the ropeway system.

(i) The ticket prices of Ngong Ping 360 and rates of price increase since September 2006 are set out at Annex 3. The price adjustments are mainly due to rising operating costs caused by price increases for spare parts purchased from Europe over the past several years.

(k) According to the EMSD's assessment, the design of Ngong Ping ropeway conforms to international safety standards and practices. It is also in compliance with the safety standards as stipulated in the Code of Practice on the Design, Manufacture and Installation of Aerial Ropeways compiled by the EMSD. The design of the Ngong Ping 360 ropeway is safe.

(l) The Company has taken out insurance for its operations. The insurance policy covers passenger injuries and casualties caused by ropeway incidents. The insurance company concerned will make appropriate arrangements according to individual cases and circumstances.

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