

For information
on 5 September 2005

Legislative Council
Subcommittee on Proposed Resolution Under
Section 22 of the Tung Chung Cable Car Ordinance (Cap. 577)

Purpose

At the Subcommittee meeting held on 21 July 2005, Members expressed concern about the impact of the Tung Chung to Ngong Ping Cable Car System (CCS) on the operational viability of the existing public transport services (mainly franchised bus and taxi services) having regard that this would in turn affect the provision of public transport services for local residents in Lantau. Members requested for the following information:

- (a) assessment on the impact of the future operation of the CCS on existing public transport services with relevant quantitative information to substantiate the assessment; and
- (b) assessment on whether upon completion of the Tung Chung Road widening project, the bus journey time between North and South Lantau would be reduced and if so, the extent of reduction in journey time.

2. This paper provides the relevant information.

Existing Public Transport Serving Ngong Ping

Franchised bus services

3. The New Lantao Bus Co. (1973) Ltd. (NLB) operates a total of 24 franchised bus routes on Lantau Island, comprising seven routes serving Ngong Ping (“Ngong Ping routes”) and 17 routes serving North and South Lantau and the Airport. Out of the seven Ngong Ping routes, four provide scheduled services to and from Ngong

Ping¹ as shown below:

Route No.	Termini	Single Adult Air-conditioned Fare	Journey Time (minutes)
1R	Hung Hom Ferry Concourse – Ngong Ping	\$40 (Sunday and public holiday only)	105
2	Mui Wo – Ngong Ping	\$16 (weekday) \$25 (Sunday and public holiday)	45
21	Tai O – Ngong Ping	\$6.3 (weekday) \$13 (Sunday and public holiday)	18
23	Tung Chung Town Centre – Ngong Ping	\$16 (weekday) \$25 (Sunday and public holiday)	48

4. Currently, the seven Ngong Ping routes carry an annual ridership of about 2.2 million passenger trips², accounting for about 40% of NLB's annual revenue.

Taxi services

5. At present, only Lantau taxis are permitted to operate in South Lantau serving areas of Mui Wo, Pui O, Cheung Sha, Tai O and Ngong Ping etc. The total number of Lantau taxis is 50.

Cable Car System (CCS)

6. The CCS is a tourism facility scheduled for completion by early 2006. With the commissioning of CCS and the completion of the tourism development in Ngong Ping, Skyrail (the operator of CCS) forecasts that annual visitors to Ngong Ping will be increased from the existing 1.02 million to about 2.31 million in 2006³. Of these 2.31 million visitors, Skyrail estimates that about 1.5 million visitors or 65% will use

¹ The other three of the seven bus routes serving Ngong Ping are special non-scheduled services for pre-booking arrangement by schools and local organizations.

² Passenger trips refer to the actual journey made by a visitor on a bus. A visitor to Lantau may make more than one trip by bus per day, or not use bus at all.

³ Updated forecast provided by Skyrail.

CCS.

7. Based on the latest available information from Skyrail, the adult fare and journey time of CCS will be as follows:

- Fares- \$58 (one-way daily)
\$88 (return daily)

- Journey time - approximately 20 minutes for one-way journey.

Assessment of impact on franchised bus and taxi

Franchised bus services

8. With reference to the data provided by Skyrail as mentioned in paragraph 6 above, development of the CCS is expected to bring a substantial increase in the number of visitors to Ngong Ping. Upon its commissioning, CCS will provide a linkage between Tung Chung New Town and Ngong Ping. Therefore, it is envisaged that CCS will have some impact on the market share of NLB's bus services, in particular Route 23 running between Tung Chung and Ngong Ping. Taking account of the increase in overall visitors to Ngong Ping, NLB has forecasted that the annual patronage of its Ngong Ping routes will drop by about 64%⁴ from the existing 2.2 million passenger trips per annum to about 0.8 million after the opening of CCS.

9. In August 2005, NLB and the Skyrail have reached a cooperation agreement on an integrated transport and tourism package to tie in with the operation of CCS. The package includes the following key components:

- (i) NLB and Skyrail to jointly provide and promote a "Combo" ticket, which comprises a ride on the CCS, multiple rides on NLB routes and enjoyment of the two new theatre attractions of Skyrail at Ngong Ping;
- (ii) NLB to provide a "contingency" service to Skyrail with standby buses during the scheduled maintenance period of CCS, service suspension of CCS due to the untoward situation of system breakdowns or inclement weather; and
- (iii) NLB to provide service for employees of Skyrail.

⁴ Route 23 (Tung Chung to Ngong Ping) is forecast to drop by 78% in ridership after opening of CCS.

10. In overall terms, with the above cooperation package, NLB expects to complement the CCS in providing integrated public transport services for visitors to Ngong Ping as well as to other tourist attractions in South Lantau. The “Combo” ticket is expected to generate about 1.05 million passenger trips⁵ for NLB’s Ngong Ping routes. In sum, NLB forecasts that patronage of its Ngong Ping route group before and after opening of CCS is as follows:

NLB’s patronage forecast of its Ngong Ping routes
(in million passenger trips)

	Before CCS	After CCS
Ngong Ping routes	2.2	0.8
“Combo” ticket	-	1.05
Total	2.2	1.85

11. Transport Department’s assessment is that overall, CCS would adversely abstract patronage from NLB’s Ngong Ping route group in spite of the increase in visitation to Ngong Ping which would be brought about by the CCS tourism development. The “Combo” ticket package, together with the improvement in operating condition on Tung Chung Road after completion of its improvement (para. 15 below), would reduce the adverse impact. Whether NLB’s services will have an edge over CCS with a faster bus service after Tung Chung Road improvement would depend on other factors such as the attractiveness of CCS and the marketing strategy of NLB. Since the fare of CCS is higher than that of NLB Route 23, the impact of CCS on NLB Route 23 may become less significant when the patronage of CCS levels off in the long run. NLB as a franchised bus operator provides bus services particularly in the more remote part of Lantau island. TD would encourage Skyrail to appreciate this role of NLB and reach cooperation packages of mutual benefits which would help NLB overcome the adverse impact of the CCS particularly during the initial period.

12. Transport Department will closely monitor NLB’s services and work out appropriate service adjustment measures to meet changes in demand after opening of

⁵ NLB assumes that 35% of 1.5 million visitors using the CCS will buy the “Combo” ticket and ticket holder is assumed to make about 2 trips on NLB, i.e., 0.525 million x 2 trips = 1.05 million trips.

the CCS, and will consult the Islands District Council if service adjustments are required.

Taxi services

13. With the commissioning of the CCS, Transport Department expects that taxi service would still be competitive for those passengers travelling between Tung Chung and Ngong Ping. This is because taxis offer a more flexible and personalized service, and a group of 3 or more passengers would travel cheaper on a taxi than on CCS on a per head basis⁶. Since the commissioning of the CCS and other tourist developments at Ngong Ping will also generate new passenger demand to Ngong Ping and other parts of South Lantau, it is envisaged that the overall impact to the demand for Lantau taxi service will not be substantial.

14. Further, with the opening of new economic and transport infrastructures in Lantau including the Hong Kong Disneyland and the Asia World Expo / SkyCity Development at Chek Lap Kok, some Lantau taxis may shift to operate in these new areas in North Lantau which may help offset the impact due to CCS.

Tung Chung Road Improvement Project

15. Upon completion of the Tung Chung Road improvement project around mid 2007, the bus journey time between Tung Chung New Town and Ngong Ping may be reduced by about 10 to 15 minutes, depending on the traffic flow, vehicle composition and prevailing traffic management method.

Way Forward

16. Transport Department and NLB will continue to closely monitor NLB's services and work out appropriate service adjustment plans to meet changes in demand after opening of the CCS with a view to providing an efficient and viable integrated public transport system for Lantau.

17. Members are requested to note the content of the paper.

⁶ The taxi fare for single trip between Tung Chung Town Centre and Ngong Ping is about \$125. The single fare for CCS is \$58 per head. Three persons travelling on a taxi would cost about \$42 per head.

Transport Department
31 August 2005