

For discussion
on 24 April 2006

**Legislative Council Panel on Economic Services
Progress of the Ngong Ping 360 Project**

Purpose

This paper briefs Members on the progress of the Ngong Ping 360 Project (formerly known as the Tung Chung Cable Car Project).

Background

2. In November 2003, the Government entered into a Project Agreement with the Mass Transit Railway Corporation Limited (MTRCL) for a franchise of 30 years based on a Build-Operate-Transfer model to finance, design, construct, operate and maintain the Ngong Ping Skyrail (formerly known as the Tung Chung Cable Car System) linking Tung Chung and Ngong Ping on Lantau. MTRCL estimates that there will be about 1.5 million visitors in the first year of operation of the Ngong Ping Skyrail.

3. The Government also granted MTRCL a 30-year land lease for the development of complementary tourist facilities in the form of a themed village (viz. the Ngong Ping Village) leading from the Ngong Ping Terminal to the core area of Ngong Ping.

4. MTRCL has appointed the Skyrail-ITM (Hong Kong) Limited (Skyrail) to operate and manage the Facility. Skyrail has rich experience in operating similar projects, notably the Rainforest Cableway in Cairns, Australia. Upon completion, the Ngong Ping Skyrail will improve the accessibility of existing tourist attractions at Ngong Ping including the Po Lin Monastery, the Giant Statue of Buddha and the Wisdom Path. This will also encourage more local residents and overseas visitors to visit other attractions in Lantau.

The Facility

5. The Ngong Ping 360 Project comprises the Ngong Ping Skyrail and Ngong Ping Village. The Ngong Ping Skyrail is a 5.7km cableway linking Tung Chung and Ngong Ping which takes about 20 – 25 minutes per direction. The Skyrail is the largest cable car system in Asia in terms of carrying capacity.

6. The Ngong Ping Village has two distinct precincts, the Village Square and the Country Market which offer food and beverage outlets and a comprehensive range of tourist-related products. Other facilities in the Ngong Ping Village include Walking with Buddha, Monkey's Tale Theatre and Ngong Ping Tea House. Details are as follows –

- (a) Walking with Buddha: This is a walk-through attraction that tells the story of Buddha's life. Visitors will be moved through a series of experiential rooms that simulate the journey taken by Buddha;
- (b) Monkey's Tale Theatre: The Monkey's Tale Theatre presents a light-hearted, multimedia Buddhist Jataka story which is guaranteed to inform and entertain people of all ages; and
- (c) Ngong Ping Tea House: The tea house will showcase the culture and history of Chinese tea. Tea ceremony and tasting will be conducted for visitors.

Construction Progress

7. MTRCL commenced construction of the Ngong Ping Skyrail and the Ngong Ping Village in December 2003. The construction progress of the Skyrail is on schedule. All cabins have been delivered to the site. The pre-commissioning checks are progressing in all areas of the works. Full scale testing and commissioning will commence shortly and are targeted to complete by the end of May 2006.

8. MTRCL and Skyrail have maintained close liaison with the Po Lin Monastery on the project. The Monastery has all along been providing the project with constructive ideas regarding the design and other arrangements at the Ngong Ping Village. Construction of the Ngong Ping Village is progressing well and will be ready for operation by the end of May 2006. Fit out by tenants has commenced and final testing of the attractions is about to commence.

9. Works on supporting infrastructure in Ngong Ping entrusted to MTRCL are on schedule. Details are as follows –

- (a) the water supply system including 5km of fresh water mains from Tung Chung to Ngong Ping, a water pump house at Shek Mun Kap and a water service reservoir at Ngong Ping was completed and put into operation in August 2005;
- (b) the sewage system including a new sewage treatment plant at Ngong Ping, 5.5km effluent export pipeline and 270m trunk sewer has been completed and operating since August 2005; and
- (c) the new Public Transport Interchange cum car and coach parks (PTI) and road modification works at Ngong Ping have substantially been completed. The new PTI provides taxi stands, bus bays, car parking spaces and coach parking spaces (see Annex). It was partially opened to the public in February 2005 and will be fully opened upon the opening of Ngong Ping 360.

Operational Readiness

(a) Management of the Facility

10. The operation of Ngong Ping 360 will require about 180 staff members. About 150 of them are related to the operation of the facilities mentioned in paragraph 5 including customer service and technical maintenance staff. Over half of the 150 positions have been filled. The recruitment process is on-going. Skyrail expects to recruit the majority of its staff by the end of May 2006. All operational staff of the Skyrail and Ngong Ping Village will receive comprehensive training, in particular issues related to the safe operation of the Ngong Ping Skyrail. There will also be staff members who have received training in first-aid.

(b) Ticketing

11. Skyrail announced the opening hours and pricing structure of Ngong Ping 360 in June 2005. There are regular day tickets and Special Day tickets. The latter covers major local and Mainland holidays. The pricing structure comprises different packages allowing visitors to make individual itineraries to suit their needs and interests. Visitors can buy a ticket via on-line booking, at ticket booths at the Tung Chung or Ngong Ping

Terminals or through a travel agent. Group booking is also available on-line, through Skyrail's sale team and at the Tung Chung Terminal. The testing of the ticketing system, including its on-line booking function, is underway.

12. Skyrail has worked out the procedures for the notification of the ticketing situation. If tickets are sold out in advance or on any day, a notice will be posted on the Ngong Ping 360 website. Skyrail will notify MTRCL, New Lantau Bus Company Ltd (NLB), its key trading partners and the relevant Government departments such as the Hong Kong Police Force (HKPF) and the Transport Department (TD). Appropriate announcements/notices will be issued along the MTR Tung Chung Line. There will also be notices at the front entrances of the Terminals. Skyrail will issue a press release if tickets are sold out in advance.

(c) Marketing and promotion

13. Skyrail has launched a marketing campaign since April 2005 to promote the brand 'Ngong Ping 360' to highlight the panoramic views of the North Lantau Country Park, Tung Chung Bay, the Hong Kong International Airport and the Giant Statue of Buddha at Ngong Ping that visitors will enjoy from the Ngong Ping Skyrail. Skyrail is also liaising closely with the local community and other transport operators in leveraging on Ngong Ping 360 to promote other tourist attractions in the region, such as the Po Lin Monastery, the Wisdom Path, Tai O and Mui Wo.

14. The marketing focus is on building awareness and trade distribution partnerships. These promotion activities have been ongoing for over a year. A series of media and trade functions will soon be launched in Hong Kong, Guangzhou, Beijing and Shanghai. On-going marketing activities to South and Southeast Asia, US West Coast and Canada have recently been rolled out.

(d) Environmental measures

15. Ngong Ping Skyrail is a designated project defined under the Environmental Impact Assessment Ordinance. An Environmental Impact Assessment was completed in June 2003 and an Environmental Permit (EP) was issued by the Environmental Protection Department (EPD) in November 2003. The construction of Ngong Ping Skyrail has proceeded in accordance with the conditions set out in the EP, e.g., no roadway or temporary material rope way is built and no water is taken from local streams. Temporary drainage systems and erosion control measures are

installed prior to commencement of works as appropriate. MTRCL has also implemented a comprehensive Environmental Management System for this project.

16. The EP also requires MTRCL to implement an environmental monitoring and auditing (EM&A) programme. From the monitoring results obtained so far, no exceedance of the relevant limits has been recorded. EPD staff have also conducted a total of 29 field inspections. Whilst there are some irregularities of minor nature and appropriate advice/warning has been given, no major non-compliance leading to prosecution action is spotted.

17. There is also a Sustainability Advisory Board (SAB) under the project. The SAB is independently led by the University of Hong Kong and fully funded by MTRCL.

18. An Environment Management Plan (EMP) is being prepared by MTRCL for the operation of Ngong Ping Skyrail. The EMP will contain measures to be taken to protect and enhance the environment surrounding the operation. It will also include emergency response to issues such as an oil spill and other planned initiatives such as recycling, management of the areas inside the country park as well as the transportation of non-environmentally-friendly goods.

(e) Transport

19. TD is working closely with NLB to provide adequate and efficient bus services for passengers between Ngong Ping and other major attractions on Lantau Island, such as Tai O and Mui Wo. TD has also recently consulted the Islands District Council on the bus routing arrangements after the opening of Ngong Ping 360. The District Council is agreeable to TD's proposal.

20. To meet the demand of Ngong Ping 360, parking and loading/unloading facilities for franchised bus, taxis, coaches and private cars will be provided in the new PTI at Ngong Ping and the Tung Chung Terminal Interchange and its vicinity area. Details are provided at the **Annex**.

(f) Contingency

21. The Ngong Ping Skyrail itself has been designed with multiple power systems to minimise the risk of total system failure. The Skyrail can be operated with any set of systems. The power system is supported by two electricity supply systems. If any one of them fails, the other can be utilized immediately. There is also a diesel rescue drive system that works independently from the power system. A rescue plan has been produced following discussions with relevant Government departments. The rescue plan has been submitted to the Government for approval. A Contingency Transport Plan has also been produced which outlines the steps to be taken and the special bus route to be provided should Ngong Ping Skyrail be unable to take guests back to Tung Chung.

22. During the testing and commissioning phase commencing in mid May 2006, the operator will conduct a rescue exercise involving Skyrail personnel and various Government departments. There will also be a contingency transport evacuation trial at Ngong Ping during the trial run period.

(g) Trial-run

23. Before the grand opening which is tentatively scheduled for late June 2006, there will be a trial run in early June 2006 to fine-tune the procedures and operational aspects. The trial run will involve all staff and operations and receive invited guests from relevant organizations in Lantau, the travel trade, the media, Skyrail's business partners, transport operators, relevant Government departments, and other stakeholders.

Looking ahead

24. Ngong Ping 360 will provide tourists with a unique experience in a natural environment with cultural and religious setting and should become one of the most popular tourism attractions in Hong Kong. The Government will continue to work with the travel trade to promote this and other new tourism attractions in order to position Hong Kong as the premier destination for tourists in the region.

Provision of Parking and Loading/Unloading Facilities

The provision of parking and loading/unloading facilities in the new Public Transport Interchange cum car and coach parks at Ngong Ping includes five franchised bus bays plus 15 stacking spaces, 17 coach parking spaces, one taxi stand (which can hold 7 taxis) plus 2 drop-off spaces, 22 private car parking spaces, and five motor cycle parking spaces.

2. Parking and loading/unloading facilities are also provided at the Tung Chung Terminal Interchange and its vicinity for visitors to Ngong Ping 360, including –

- (a) about 270m long kerb in the vicinity of the Tung Chung MTR Station with loading/unloading spaces for coaches and other vehicles;
- (b) some on-street metered parking spaces at Fu Tung Street and Mei Tung Street for short-term parking of private cars and coaches;
- (c) an open air car parking site at Chung Mun Road with a capacity of accommodating about 200 coaches or 600 private cars, or a combination of both; and
- (d) a private car park at One CityGate Plaza (with about 500 private car parking spaces).

3. At the Tung Chung Terminal Interchange, Skyrail plans to provide 15 coach loading/unloading spaces, two taxi stands holding five taxis each and two parking spaces for the disabled. During non-peak hours, short-term parking may be allowed at some of the coach loading/unloading spaces.