

For discussion
on 18 July 2006

Legislative Council Panel on Economic Services Update on the Ngong Ping 360 Project

Purpose

This paper seeks to update Members on the Ngong Ping 360 Project since the last report of 22 April 2006.

Background

2. In November 2003, the MTR Corporation Limited (MTRCL) was awarded a franchise of 30 years based on a Build-Operate-Transfer model to finance, design, construct, operate and maintain the Tung Chung Cable Car System (the Cable Car System) linking Tung Chung and Ngong Ping on Lantau. It was also granted 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. MTRCL has appointed Skyrail-ITM (Hong Kong) Limited (Skyrail) to operate and manage the Cable Car System and the Ngong Ping Village.

3. The design, manufacture, installation of the Cable Car System and its operation and maintenance are under the regulatory control of the Electrical and Mechanical Services Department (EMSD) in accordance with the Aerial Ropeways (Safety) Ordinance (the Ordinance). On completion of the cable car installation, testing and commissioning took place from early April to end May 2006. As part of this process, MTRCL submitted a certificate issued by a qualified Independent Ropeway Surveyor who witnessed the tests undertaken and certified that the system was safe to operate. EMSD attended specific tests during this period and certified on 27 May 2006 that the cableway operation could commence under Section 16 of the Ordinance. After obtaining all necessary approvals and permits required under relevant statutes, Skyrail conducted dummy runs without passengers and operational practice to enable staff to familiarize with the system; and thereafter commenced a trial run with invited guests from 8

June 2006. Skyrail invited guests from relevant organizations in Lantau, the travel trade, the media, its business partners, transport operators, relevant Government departments, and other stakeholders to take part in the trial run. The purpose was to identify and resolve possible technical and operational issues before opening the cable car system to the public on 24 June 2006. During the trial run, EMSD conducted frequent site inspections. Except for the stoppage due to strong wind on 8 June, there has not been any other prolonged service suspension, and no major technical or operational abnormality was observed before the incident on 17 June 2006.

Improvement Measures to Address Issues arising from Trial Run

4. During the trial run in the afternoon of 17 June 2006, the cable car service experienced a series of stoppages. Some passengers had to stay in the cable car cabins whilst Skyrail staff endeavoured to rectify the situation. Skyrail cancelled the rest of the trial run programme in order that a thorough investigation of the incident could be undertaken.

5. Subsequent to the incident, EMSD conducted site inspections and investigation and met with MTRCL and Skyrail with a view to ensuring the causes of the stoppages as well as identifying necessary improvement measures to ensure smooth and efficient operation of the Cable Car System.

6. According to the findings by Skyrail, the suspension of cable car service was caused by three technical issues that occurred closely together, namely –

- (a) an issue with the system that controls the spacing of cable cars in Ngong Ping Skyrail Terminal;
- (b) a friction-related issue with the conveyor rail system that transports cable cars around the contour of the Ngong Ping Skyrail Terminal; and
- (c) a failure of the gate leading into the cable car parking area at Ngong Ping Skyrail Terminal which blocked the parking of the cable cars.

7. In light of the above findings, the cable car manufacturer, Leitner GmbH (Leitner) has made adjustments to finetune the system. Skyrail, together with Leitner, have been conducting reliability tests using dummy

load. Only after these reliability tests are completed satisfactorily and other necessary preparatory work is ready will the trial run with invited guests.

8. The reliability tests covered both system and operational aspects. The system aspects are being tested using different load conditions and operating speeds to test system reliability. Tests on operational aspects are being conducted by simulating real life situations that could be expected to occur during actual operation (e.g. slowing down or stopping the cable car to cater for passenger flow). Both MTRCL and EMSD are closely monitoring these reliability tests. Both Skyrail and Leitner have to demonstrate that the reliability tests produce satisfactory results. EMSD will examine the test results, which are critical for the Government in reaching agreement with MTRCL on when the Cable Car System may be opened to the public.

9. Upon satisfactory completion of the reliability tests, Skyrail has indicated that it would require about two weeks to perform other preparatory tasks such as drills and contingency tests based on the operational procedures adjusted in the light of the issues identified during the previous trial run (paragraph 10 refers). This is important for its staff to familiarize themselves with the finetuned system and adjusted operational procedures. Skyrail also needs to complete necessary scheduled maintenance and rescue procedure work which was postponed after 17 June 2006. EMSD will closely observe Skyrail's performance during this preparatory period.

10. There are **other improvement measures** in the light of experience gathered during the previous trial run. Specifically, Skyrail has reviewed and adjusted certain handling procedures including –

- (a) the crowd control procedures for contingency transport arrangement have been modified to improve queue control;
- (b) procedures for handling mechanical problems of the cable car system have been tightened and finetuned with advice from Leitner; and
- (c) procedures are updated to provide clear guidance to the maintenance staff and system inspectors to ensure the rails remain clear, clean and free of undesirable friction.

11. Apart from finetuning the procedures, Skyrail has upgraded its hotline system with additional lines and connection to an external call centre

as well as more guest service officers. Additional signage will also be placed in the Ngong Ping Village for notifying visitors of a delay in the cable car service.

Progress Update on Other Facilities

(a) Management of the Ngong Ping Village

12. The Ngong Ping Village, including the two theatres and the shops, has been in operation since 1 July 2006. Due to the postponed opening of the cable car, Skyrail has been liaising closely with tenants of the Ngong Ping Village to work out mutually agreeable arrangements. Rent-free period has been provided to the date prior to the opening.

(b) Ticketing

13. In view of the postponement, Skyrail has advised that visitors with special day booking vouchers may retain their special day vouchers and reschedule with their travel agents for a visit to Ngong Ping 360 after the revised opening date has been announced. Visitors who have purchased normal day vouchers can use these vouchers anytime after the opening. For those who wish to have a refund instead can arrange so with their travel agents.

14. For tour groups, the travel agents may select to visit the Ngong Ping Village by coach, cancel the tour or alter their itinerary to visit other parts of Hong Kong. Refund applications by travel agents are being handled by Skyrail. Skyrail has also advised its trade partners to put on hold any promotions and stop accepting any tour involving a ride on the cable car until further notice.

15. Skyrail held a briefing session on 20 June 2006 to inform the Travel Industry Council of Hong Kong (TIC) and the trade of the above ticketing arrangements. Relevant information was also sent to TIC and the Hong Kong Tourism Board and uploaded to the websites of TIC and Ngong Ping 360. Skyrail will continue to liaise closely with the trade to keep them informed of the latest developments.

(c) Marketing and promotion

16. Skyrail has maintained close liaison with the travel industry. Before the trial run, it has conducted a seminar for the trade on such topics

as food and beverages and retail outlets, meetings, incentives, conventions and exhibitions, booking arrangements and online booking. The seminar was attended by around 200 travel trade representatives. Skyrail has an on-going dialogue with the trade in Hong Kong and overseas markets, and is keeping them informed of all aspects of its operation.

17. Skyrail has negotiated with various operators for a series of itineraries which combine Ngong Ping 360 with other attractions on Lantau. Upon the full opening of Ngong Ping 360, Skyrail will encourage travel agents to visit the Ngong Ping Village as part of their programme together with other attractions on Lantau. Skyrail's website, brochures and flyers also cover other tourist attractions on Lantau.

18. In addition, Skyrail has entered into an agreement with the New Lantao Bus Co. Ltd. for the provision of combo tickets. The package 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.

(d) Transport and Crowd Control

19. To facilitate visitors, the Transport Department (TD) has already published a leaflet on "Traffic and Transport Arrangements for Ngong Ping 360". Skyrail has also established a hyperlink in its website to TD's website on the related transport arrangements.

20. There have been concerns as to whether the Tung Chung Terminal Transport Interchange could provide sufficient loading/unloading spaces for coaches during peak hours. To address these concerns, additional measures have been formulated to provide back up service when necessary.

21. Skyrail and the Police will deploy additional manpower to implement necessary traffic and crowd management measures during the initial opening period.

(e) Contingency

22. Skyrail has put in place a comprehensive incident management plan that includes communication to visitors at definite intervals during stoppage in multi-languages and transportation by bus from Ngong Ping to Tung Chung. It has also formulated a rescue plan and a transport contingency plan to deal with suspension of the cable car service. Staff of the Fire Services Department (FSD) have already received intensive training under

the rescue plan. Upon the opening of Ngong Ping 360, Skyrail and FSD will undertake continuous job training on a regular basis for their staff to practise their skills for rescue operation.

23. During suspension of the cable car service, the MTRCL and Skyrail will post signage and notices in the MTR network and at the Tung Chung and Ngong Ping Skyrail Terminals. Skyrail will deploy its staff on site to explain the situation to visitors. It will also disseminate information through the Ngong Ping 360 hotline, its website, press statements and communication with the travel trade.

Work ahead

24. The Government, the MTRCL and Skyrail have been working closely together to ensure the smooth operation of the Cable Car System. The travel trade is also kept abreast of the latest developments. The Cable Car System may resume its trial run with invited guests after the aforementioned reliability tests have produced satisfactory results and Skyrail has completed the preparatory tasks. Once the trial run is resumed, Skyrail will work together with MTRCL and the Government to decide when to open the Cable Car System to the public. Details will be announced when ready.

Economic Development and Labour Bureau
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