

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1435/09-10  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/EDEV/1

**Panel on Economic Development**

**Minutes of meeting held on  
Monday, 22 February 2010, at 10:45 am  
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)  
Hon Paul TSE Wai-chun (Deputy Chairman)  
Hon Albert HO Chun-yan  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon Fred LI Wah-ming, SBS, JP  
Hon CHAN Kam-lam, SBS, JP  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon Starry LEE Wai-king  
Hon Paul CHAN Mo-po, MH, JP  
Dr Hon LEUNG Ka-lau  
Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
- Members absent** : Hon Vincent FANG Kang, SBS, JP  
Dr Hon Samson TAM Wai-ho, JP

- Public officers attending** : Agenda Item IV
- Mr Francis CHENG  
Principal Assistant Secretary for Transport and Housing  
(Transport)9
- Mr P F WONG  
Assistant Director-General of Civil Aviation (Air  
Traffic Management)
- Mr Simon LI  
Acting Assistant Director-General of Civil Aviation  
(Air Traffic Engineering and Standards)
- Mr K F CHEUNG  
Senior Operations Officer (Safety Oversight)1  
Civil Aviation Department
- Agenda Item V
- Mr Philip YUNG  
Commissioner for Tourism
- Miss Joey LAM  
Deputy Commissioner for Tourism
- Mr George LING  
Assistant Director / Gas and General Legislation  
Electrical and Mechanical Services Department
- Attendance by invitation** : Agenda Item V
- Ngong Ping 360 Limited
- Mr Y T LI  
Managing Director
- Clerk in attendance** : Ms Debbie YAU  
Chief Council Secretary (1)6
- Staff in attendance** : Ms Angel SHEK  
Senior Council Secretary (1)1

Mr Simon KAM  
Council Secretary (1)6

Ms Clara LO  
Legislative Assistant (1)3

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**I Confirmation of minutes and matters arising**

(LC Paper No. CB(1)1148/09-10 - Minutes of meeting held on 25 January 2010)

The minutes of the meeting held on 25 January 2010 were confirmed.

2. The Chairman informed members that the first research report in relation to the study on competition policy in selected countries conducted by the Research and Library Service Division (RLSD) of the Secretariat would be ready by the end of March 2010, instead of February 2010 as originally scheduled. In reply to Ms Emily LAU, the Clerk informed members that due to the scarcity of the required information for the research study in the public domain, RLSD had contacted regulators, government officials, legislatures, business associations and academics of the four selected places studied for such information. While awaiting replies from some of these bodies, RLSD would require some time to digest and assimilate the data received so far and hence it requested to extend the completion time of the first research report to the end of March.

**II Information papers issued since last meeting**

(LC Paper No. CB(1)1045/09-10(01) - Tables and graphs showing the import and retail prices of major oil products from January 2008 to December 2009 furnished by the Census and Statistics Department)

3. Members noted the above information paper issued since the last regular meeting.

**III Items for discussion at the next meeting**

(LC Paper No. CB(1)1146/09-10(01) - List of outstanding items for discussion

LC Paper No. CB(1)1146/09-10(02) - List of follow-up actions)

4. The Panel agreed to discuss the following items proposed by the Administration at the next meeting to be held on 29 March 2010:

- (a) Sea-going Training Incentive Scheme;
- (b) Proposals arising from review of Air Transport (Licensing of Air Services) Regulations (Cap. 448 sub. leg. A);
- (c) Cruise terminal building works of the new cruise terminal; and
- (d) Review of the operation of the Travel Industry Council of Hong Kong (TIC).

Members also agreed to advance the meeting time to 9:00 am to allow more time for deliberations of individual items.

*(Post-meeting note: The Administration has subsequently informed the Panel that it would not be ready to discuss items (a) and (d) at the forthcoming meeting, whereas the Chairman has agreed to discuss the item "Reduction in commission for travel agents by airlines" proposed by Hon Paul TSE. The Chairman has also instructed that the meeting be re-scheduled to start at 10:45 am on 29 March 2010, the revised agenda of which was issued to members on 23 March 2009 vide LC Paper No. CB(1)1439/09-10.)*

5. The Chairman referred members to a deputation's request to join the discussion of item 3(d) and suggested that the Panel should receive the Administration's briefing first before considering whether to meet with deputations on the subject at a separate meeting. Members agreed. Ms Emily LAU considered that the Panel might invite different parties to give views on the recommendations, if any, on the review report of the operation of TIC.

6. Mr Fred LI asked about the timing of discussion for the items of "Competition Bill" and "Proposal to strengthen consumer protection legislation". The Clerk explained that she had checked with the Administration in early February whether the proposed timing for discussion for the two items as stated in the Panel's "List of outstanding items for discussion", i.e. "first quarter of 2010" and "early 2010" respectively, required any update. The Administration had advised on 10 February 2010 that the proposed timing for discussion for the two items remained unchanged. Nevertheless, the Secretariat would make further enquiry with the Administration to facilitate the Panel's early preparation.

*(Post-meeting note: The Clerk had written to the Commerce and Economic Development Bureau on 24 February 2010 requesting it to advise the Panel as soon as possible whether any of the two items would be included in the agenda of the March 2010 meeting.)*

**IV Safety Oversight Audit of the Hong Kong Civil Aviation System**  
(LC Paper No. CB(1)1146/09-10(03) - Administration's paper on safety oversight audit of the Hong Kong civil aviation system

LC Paper No. CB(1)1204/09-10(01) -- Administration's paper on safety oversight audit of the Hong Kong Civil Aviation System (power-point presentation materials))  
*(tabled at the meeting and subsequently issued on 22 February 2010)*

Briefing by the Administration

7. At the invitation of the Chairman, the Principal Assistant Secretary for Transport and Housing (Transport)<sup>9</sup> (PAS/TH(T)9) briefed members on the Universal Safety Oversight Audit Programme (USOAP) conducted by the International Civil Aviation Organization (ICAO) which aimed to audit the aviation authorities of 190 ICAO Contracting States (the Contracting States) to determine their effectiveness in discharging safety regulatory functions. In the final audit report for Hong Kong issued by ICAO in November 2009, the ICAO audit team had commented favourably on the aviation safety oversight system in Hong Kong and made a number of recommendations for improvement.

8. With the aid of power-point presentation, the Assistant Director-General of Civil Aviation (Air Traffic Management) (ADG/CA(ATM)) briefed members on the purpose of the audit programme, pre-audit preparations, on-site audit process, audit results and follow-up actions as detailed in the Administration's papers (LC Paper Nos. CB(1)1204/09-10(01) and CB(1)1146/09-10(03)). He highlighted that since 2005, ICAO had enlarged the scope of the USOAP to cover 16 out of 18 Annexes to the Chicago Convention, with a view to assessing more comprehensively the capability of the aviation authority concerned in providing safety oversight. While the whole audit programme for all the Contracting States spanned from 2005 to the end of 2010, the current audit on Hong Kong was conducted from 26 February to 6 March 2009, covering its aviation safety oversight system in a wide spectrum of activities, including personnel licensing, aircraft operation, airworthiness of aircraft, aerodrome licensing, air navigation services, meteorological service for international air navigation, search and rescue, and aircraft accident and incident investigation, etc. Hong Kong achieved an overall score of 94.47% in the effective implementation of a safety oversight system, representing the fifth highest amongst the aviation authorities audited thus far. ADG/CA(ATM) further briefed members on the ICAO audit team's recommendations and the Administration's follow-up action plan. He said that the Civil Aviation Department (CAD) would continue to commit to ensuring a safe and efficient air transport system for Hong Kong.

Discussion*Overall performance*

9. Ms Emily LAU commended the high overall score of 94.47% achieved in the audit which was far above the global average of 57.74% among the 136 Contracting States audited. She hoped that CAD would follow up the recommendations as soon as possible and continue its efforts to attain an even higher score in the next USOAP exercise. Noting that Hong Kong's score was currently the fifth highest, she enquired about the Contracting State(s) which ranked above Hong Kong and the performance of the Mainland in the audit. Mr CHAN Kam-lam remarked that direct comparison with other aviation safety oversight systems should not be drawn based on the score and rank as the scale of the airports in question were different. As a number of Contracting States had yet to be audited, the ranking of Hong Kong might fall when ICAO completed the entire audit programme. Nevertheless, as a leading centre of international and regional aviation, Hong Kong should maintain a relatively higher standard of aviation safety.

10. PAS/TH(T)9 stressed that the USOAP aimed to assess the effective implementation of the critical elements of a safety oversight system and identify deficiencies which, if not properly addressed, might undermine the system's capability in maintaining a high standard of aviation safety in the long run. However, a relatively lower score did not imply imminent safety problems in individual safety oversight systems. It was noted that most of the aviation authorities in the major economies (e.g. the United States, the Mainland and the United Kingdom) had already completed the audit and were included in the ranking. However, as audits for the remaining Contracting States were still underway and expected to be completed by the end of 2010, the ranking of Hong Kong might be subject to change. PAS/TH(T)9 further said that at the advice of ICAO, the audit results of the Contracting States were put on the ICAO secure website for reference by other civil aviation authorities but were not meant to be disclosed. It would thus not be appropriate to disclose the scores and rankings without the consent of the States concerned. Nevertheless, upon members' enquiry, he shared that South Korea ranked top among all the States audited thus far while Hong Kong came second behind South Korea among the aviation authorities audited in the Asia-Pacific region. The position might be adjusted if those unaudited Contracting States, in particular Japan and Singapore which used to have a good track record, scored higher and overtook Hong Kong. As for the Mainland, it had attained an overall score of around 87% in the audit conducted in 2007 which had put China at the forefront of the list. At the request of Ms Emily LAU, the Administration agreed to provide further information on the final rank of Hong Kong when the audit programme for all the ICAO Contracting States had been completed with final scores released.

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11. In reply to Ms Emily LAU's further enquiry, ADG/CA(ATM) said that the ICAO had yet to draw up a specific timeframe for the next audit programme, pending discussion at the ICAO High-level Safety Conference in March 2010. It

was envisaged that the next round of audit would adopt a more focused approach targeting issues arising from ICAO's recommendations for respective civil aviation authorities in the current audit exercise.

*Follow-up actions to ICAO's recommendations*

12. Mr WONG Ting-kwong said that he was pleased to note the high score and enquired about the areas requiring improvements. PAS/TH(T)9 said that as summarized in the power-point presentation, there was a number of areas where the ICAO audit team had come up with recommendations for follow-up actions covering legislation, staffing, training and safety inspection aspects.

13. Ms Emily LAU enquired about the timeframe for introducing legislative proposals/amendments in the areas as recommended by the ICAO audit team. Mr CHAN Kam-lam noted that CAD would seek to introduce legislative amendments, where necessary, in phases from end 2013 to 2015, to establish a mechanism to expedite the process for the amendment of the enabling regulations and national standards to address the requirements of the latest Annexes to the Chicago Convention. Considering that Hong Kong should not lag behind in formulating legislation in line with the Convention, he enquired about the reason for the delay in introducing the amendments until end 2013 given that reference could be readily drawn from the provisions in the Convention.

14. PAS/TH(T)9 said that the Administration recognized the need to update the legislation to reflect the latest changes in the ICAO requirements, and it had introduced amendments to legislation relating to the carriage of dangerous goods by air biennially following the updates to the relevant Annex to the Chicago Convention. As the ICAO audit team's recommendations covered a broad spectrum of areas and involved a number of subsidiary legislation under the Civil Aviation Ordinance (Cap. 448), the Administration would carefully study the recommendations and accord priorities to different issues as appropriate. For those recommendations that might involve legislative changes, the Administration was studying the possible implications on the operation of the aviation industry of Hong Kong in the light of overseas experiences, and stakeholders would be consulted in stages from end 2010. If it was concluded that legislative amendments were required, they would be introduced into the Legislative Council (LegCo) as and when appropriate. Ms Emily LAU requested the Administration to expedite the consultation and legislative process as far as practicable.

15. Mr Paul TSE enquired about Hong Kong's performance in the last USOAP exercise and whether any follow-up tasks previously recommended by the ICAO audit team still remained outstanding. PAS/TH(T)9 advised that in the first audit conducted on Hong Kong in 2000, the ICAO audit team concluded that Hong Kong maintained a high standard of aviation safety and commented favourably on its policies, regulations, procedures, organization and staffing in maintaining the high standard. The findings and recommendations of the audit were reported to the then LegCo Panel on Economic Services in 2001. Of the six recommendations from the ICAO audit team arising from the 2000 audit, all of them had been

followed up. As the current audit covered 16 out of the 18 Annexes to the Chicago Convention, compared with three Annexes in the previous exercise, the findings and recommendations were more illustrative of the safety oversight standard in Hong Kong.

16. Referring to the ICAO's recommendation to develop and implement a comprehensive flight standards safety surveillance programme that included all of the types and frequencies of inspections, the Chairman enquired about the main deficiency identified in comparison to other safety oversight systems. ADG/CA(ATM) advised that while the existing frequencies of inspection were deemed adequate, the ICAO audit team had recommended improvement by adopting a more strategic approach to adjust the frequencies in accordance with risk assessment based on the performance of the airlines and other organizations concerned.

*Personnel licensing and manpower resources*

17. Noting that one of the ICAO audit team's recommendations was to ensure a sufficient number of qualified inspectorate staff for safety oversight tasks, with formal and periodic training programme provided for them, Ms Emily LAU asked whether the manpower provision and training were adequate, in particular for air traffic control services which had experienced manpower shortage before. The Chairman expressed concern about the need to ensure adequate supply of qualified inspectorate staff to meet the rising demand from the increased number of flight movements at the Hong Kong International Airport in the next decade.

18. ADG/CA(ATM) advised that following the audit in March 2009 and with the support of the Transport and Housing Bureau (THB), CAD had strengthened the staffing provision for CAD's Air Traffic Management Standards Office for the safety oversight functions of air navigation services, and had formulated comprehensive training programmes for the inspectorate staff. CAD would duly consider future staffing requirements to meet the long-term demand in civil aviation. PAS/TH(T)9 said that to address the manpower demand arising from the increase in runway capacity and flight movements, CAD would devise long-term manpower plan encompassing staff establishment and related training.

19. Mr IP Wai-ming noted that CAD had, after reviewing its existing policy for granting CAD Authorizations to authorized examiners within designated organizations to administer aircraft maintenance licensing examinations, withdrawn the Authorizations and instructed the organizations concerned to assume the responsibility for the designation and oversight of their own examining staff. He enquired how CAD could ensure that the aircraft maintenance personnel being examined possessed the required qualifications.

20. The Senior Operations Officer (Safety Oversight)1, CAD (SOO/CAD) explained that it was an international practice to grant approvals to organizations to provide aircraft maintenance training, while the aviation authority concerned would exercise control and surveillance over the performance of the approved

organizations. The practical examinations administered by the authorized examiners were not related to the issue of an aircraft maintenance licence and the trainees would still have to sit for the actual licensing examinations organized separately by CAD. It was thus considered that surveillance by CAD over the responsibility of these organizations to designate and oversee their own examining staff was not necessary.

21. Stating his objection to the importation of trainees from the Mainland (e.g. Xiamen) in the aircraft maintenance industry, Mr IP Wai-ming requested CAD to train up more local people for the industry, instead of relying on external organizations. He was worried that local training and employment opportunities would be taken up by the Mainland/overseas trainees. The Chairman also enquired whether the Mainland/overseas trainees would seek employment in Hong Kong after the training.

22. SOO/CAD responded that in the current practice, the aircraft maintenance companies could train up aircraft maintenance engineers on their own or assign the task to external training organizations, while training for other technical staff would be arranged by the companies themselves. He said that the arrangement of Mainland trainees to undergo training in Hong Kong as mentioned by Mr IP Wai-ming was solely the decision of the companies concerned. Apart from pre-service training for licensing, the aircraft technicians would continue to receive regular in-service training throughout their employment to refresh and update their skills. He assured members that the training opportunities for local staff were adequate.

23. Mr CHAN Kam-lam observed that some training for aviation staff was taking place outside Hong Kong, such as in Zhuhai, and he enquired whether the ICAO audit team had paid visits to these training facilities for on-site audit. ADG/CA(ATM) advised that the ICAO audit team had visited local training facilities, and duly inspected all relevant documents and records pertaining to staff training, personnel licensing and facilities, including related activities in the Mainland/overseas, and had given them due consideration in the audit process.

#### *Aviation safety and security measures*

24. Mrs Regina IP congratulated CAD on the high score achieved in the audit. Noting that some aviation safety and security measures, such as passenger check through body scanning at the immigration hall, and restriction on in-flight passengers' movement during the last hour before landing, had caused much inconvenience to passengers, she enquired whether ICAO's consent had already been sought for adopting the measures. The Chairman observed that the measures in question were applied only in some countries/regions but not worldwide. The Acting Assistant Director-General of Civil Aviation (Air Traffic Engineering and Standards) (Atg ADG/CAD(ATE&S)) said that representatives from all the Contracting States of ICAO met regularly to review universally accepted standards and recommended practices in civil aviation. While the Contracting States would consider whether certain safety or security-related requirements and procedures

should be applied on a universal basis, individual Contracting States could impose additional national/regional measures based on risk assessment to safeguard against unlawful interference to aviation safety and security, such as terrorist attacks and carriage of dangerous goods on board. In reply to Mrs Regina IP's further enquiry about the status of Hong Kong at the ICAO, Atg ADG/CAD(ATE&S) advised that Hong Kong, as part of the Chinese delegation, could express its views and suggestions on international aviation through coordination with the representatives of the Mainland which was a Contracting State.

Conclusion

25. In conclusion, the Chairman recapped members' concerns to ensure the provision of adequate training and job opportunities for local people in civil aviation, and maintain a high standard of air traffic management and aviation safety. He hoped that CAD would keep up with the good performance and, where possible, attain an even better result in the next USOAP exercise.

**V Issues relating to the operation of the Ngong Ping ropeway**

(LC Paper No. CB(1)1146/09-10(04) - Administration's paper on issues relating to the operation of the Ngong Ping ropeway

LC Paper No. CB(1)779/09-10(02) - Administration's paper on reporting mechanism of the Ngong Ping ropeway

LC Paper No. CB(1)1146/09-10(05) - Paper on operation of Ngong Ping 360 ropeway prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)1204/09-10(02) - Presentation materials provided (*tabled at the meeting and subsequently issued on 22 February 2010*) by Ngong Ping 360 Limited (power-point presentation materials) (Chinese version only))

Briefing by the Administration

26. At the invitation of the Chairman, the Commissioner for Tourism (C for Tourism) briefed members on issues relating to the operation of the Ngong Ping 360 ropeway (NP360), as set out in the Administration's papers CB(1)1146/09-10(04) and CB(1)779/09-10(02). He said that notwithstanding the impact of the global financial crisis and the outbreak of the human swine influenza in 2009, NP360 maintained a stable number of visitors and recorded a slight increase in the daily average patronage as compared to 2008. He also introduced the relevant improvement measures implemented after the Ngong Ping 360 Limited

(NP360 Ltd) had failed to report immediately to Electrical and Mechanical Services Department (EMSD) on the incident related to the damage of a rescue carrier of the ropeway system on 18 November 2009 (the Incident). He stressed that the Administration would continue to monitor NP360 Ltd in the operation and maintenance of the ropeway system to ensure reliable ropeway service. NP360 Ltd had undertaken to pay full regard to and comply with all statutory requirements at all times.

Presentation by NP360 Ltd

27. Mr Y T LI, Managing Director of NP360 Ltd gave an account of the overall performance of NP360 since its re-opening in December 2007. He said that NP360 Ltd, a subsidiary of the MTR Corporation Limited (MTRCL), took over the operation of the ropeway service in September 2007 and implemented a number of measures, including the enhancement of operation and maintenance of the ropeway system, and resources management and staff training in respect of the ropeway services. In 2008 and 2009, NP360 achieved a reliability rate of over 99%, which reflected a very high standard of performance internationally. The Cable Car Operations Department of NP360 Ltd received ISO Certificate in April 2009, which proved that the company had attained a high level of quality management. On marketing initiatives, Mr LI highlighted the launch of the Crystal Cabins and the recent introduction of "360 Year of the Tiger Pass". To celebrate the 100<sup>th</sup> Anniversary of International Women's Day, the first 3 800 female visitors holding a valid Hong Kong Identity Card visiting NP360 would enjoy free rides on 8 March 2010 and 38% discount on ticket price on the following four Wednesdays in March 2010. NP360 Ltd would also introduce eco-tours bundling NP360 with Tai O fishing village and beaches in South Lantau.

28. With the aid of power-point presentation, Mr Y T LI of NP360 Ltd then briefed members on NP360's recent suspension of service on the First Day of the Chinese New Year. He said that due to persistent heavy fog and low wind speed in Tung Chung and Ngong Ping on that day, the condensing vapour gathering along the cable had affected the transmission of signals through the hauling rope. In accordance with the operational safety requirements, NP360 Ltd had acted in response to the warning given out by the safety monitoring system and suspended the ropeway service. In order not to disappoint visitors who had come deliberately to take the ride, NP360 Ltd announced the resumption of service at around noon when the weather conditions had improved. However, the weather turned bad again shortly afterwards, and NP360 Ltd had to suspend the service again. Mr LI apologized for the inconvenience caused to visitors affected by the suspension. As a remedy, NP360 Ltd had arranged free coach services for delivering visitors between Tung Chung and Ngong Ping, in addition to refunding the ticket holders. Mr LI said that NP360 Ltd would learn from the experience and consider resuming the ropeway service only when the weather had become more stable.

Discussion

*Reporting mechanism of ropeway incidents*

29. Noting that NP360 Ltd had failed to follow the established mechanism and did not report the Incident to EMSD until after two days, Mr Fred LI enquired about the reason for the delay in reporting, and whether the ropeway controller or the company should be responsible for notifying EMSD of the incidents. He was also concerned about the penalty to be imposed for repeating the same mistake.

30. Highlighting passengers' safety as the primary concern of NP360 Ltd in operating ropeway system, C for Tourism stressed that the Tourism Commission and EMSD would continue to work closely with the company to ensure the safe and reliable operation of the ropeway service. He said that the Incident had not affected ropeway safety. In view of NP360 Ltd's failure to follow the reporting mechanism, EMSD had issued a warning letter to the company reiterating the need to comply with the reporting requirements.

31. Mr CHAN Kam-lam was concerned that the reporting mechanism had been in place for a long time and it was unacceptable to him that NP360 Ltd had failed to comply with the reporting requirements.

32. Mr Y T LI of NP360 Ltd explained that according to the company's understanding of the Aerial Ropeways (Operation and Maintenance) Regulations (the Regulations), the controller of an aerial ropeway was required to notify any major incident happened within the site of the ropeway, e.g. incident involving the death of or injury to any person occurring within the site of ropeway, failure of the main drive, etc.

33. The Assistant Director/Gas and General Legislation of EMSD (AD/GGL) said that before the NP360 ropeway commenced service in September 2006, EMSD had established a reporting mechanism with the then operator to monitor the operation and maintenance of the ropeway. In accordance with the established reporting mechanism, NP360 Ltd was required to, within 30 minutes of occurrence, inform EMSD verbally of any incident stipulated in the Regulations, as well as other incidents due to equipment breakdown that might affect the safe operation of the ropeway system, including breakdown of rescue carrier. The verbal report should be followed by a written report within 24 hours. Having reviewed the reporting mechanism implemented through administrative measures since 2006, the Director of Electrical and Mechanical Services, in exercise of his power under the Regulations, had now clearly spelt out that the ropeway controller (or if reported, NP360 Ltd) should notify EMSD of any incident relating to the operation of NP360. Any person who contravened the requirement would be legally liable for the non-compliance, and subject to a maximum fine of \$2,000 and imprisonment of three months.

34. C for Tourism remarked that as EMSD had now specified the scope and timing of the reporting requirements in a written guideline, there was no question of ambiguity and NP360 Ltd should follow the established mechanism in the guideline.

35. Mr IP Wai-ming was concerned whether the controller of the ropeway would still be held liable for non-compliance if the company failed to report the incident to EMSD after he had informed the company about it.

36. AD/GGL responded that licensed ropeway controllers should be familiar with the requirements under the Regulations, including the reporting requirements. He assured members that EMSD would consider the evidence of the case of non-compliance before ascertaining whether the ropeway controller or the company had failed to comply with the reporting requirements and contravene the Regulations.

37. Ms Miriam LAU enquired whether EMSD had conducted a comprehensive review to see whether any of the existing administrative measures in regulating the operation of NP360 should be made statutory. AD/GGL said that for minor incidents, NP360 Ltd should notify EMSD under the existing administrative requirements.

#### *Ropeway maintenance*

38. Mr Fred LI expressed concern about the suspension of NP360 ropeway service for about six weeks in August and September 2009. Mr CHAN Kam-lam shared the concern and remarked that this might affect inbound tourists' plan to visit the Giant Buddha despite it was necessary to ensure ropeway safety.

39. AD/GGL said that according to the ropeway manufacturer's maintenance plan, the 40-day track rope shifting works should be carried out once every three to four years. Mr Y T LI of NP360 Ltd added that the track rope would need to be shifted forward to avoid the same sections of the rope being under constant stress on the rope towers. NP360 Ltd was liaising with the ropeway manufacturer to see whether the duration could be shortened. C for Tourism advised that to minimize inconvenience to visitors, consideration would be given by NP360 Ltd to carrying out the track rope shifting works at a shortened duration during low season and off-peak hours. In any case, NP360 Ltd would notify the public and visitors of the works well in advance through various channel.

#### *Suspension of service and notification system*

40. Ms Miriam LAU stressed the need to strengthen the notification system about the suspension of the ropeway service in order not to disappoint and cause inconvenience to those visitors who were unaware of the suspension and made a special trip to Tung Chung. She suggested that NP360 Ltd should notify visitors of the ropeway suspension in advance or as soon as practicable, through broadcasts, written notices and electronic display inside the cabins along the MTR's Tung

Chung Line and at transfer stations, in addition to routine television and radio broadcasts.

41. Mr Y T LI of NP360 Ltd said that for planned maintenance works, the company would announce the suspension arrangement through its homepage and notify travel agents at least one month beforehand. For unplanned temporary suspensions, NP360 Ltd would inform the public through the electronic media and in the MTR stations, as well as via the NP360 service enquiry hotline. NP360 Ltd would strive to provide updated information regarding its ropeway service more efficiently and effectively.

42. Mr WONG Ting-kwong said that the public was dissatisfied about the chaotic arrangements about the suspension of the ropeway service on the First Day of Chinese New Year. He considered that NP360 Ltd should maintain close communication with the Hong Kong Observatory (HKO) with a view to ascertaining the weather conditions in advance, especially during foggy season.

43. Mr Y T LI of NP360 Ltd assured members that NP360 Ltd had kept a close watch of HKO's weather reports round-the-clock, particularly about information on the local weather conditions of Ngong Ping and Tung Chung. In reply to Mr WONG Ting-kwong's further enquiry, Mr LI said that NP360 Ltd had attained break-even just recently.

44. Mr Paul TSE opined that NP360 Ltd might consider working out a humidity index with HKO for its weather reports in the mornings, so that the general public and visitors might decide whether or not to visit the attraction on a particular day.

45. Mr Y T LI of NP360 Ltd said that the ropeway system would be suspended under bad weather, such as thunder and typhoon, in Tung Chung. NP360 Ltd sought to notify the public and visitors as soon as practicable. However, for gust wind which might die down shortly, NP360 Ltd would assess the situation to see whether or not to announce the suspension of the ropeway service which might resume soon in order to avoid confusion. In reply to Mr Paul TSE's further enquiry, Mr LI said that in 2009, there were about 10 occasions which the ropeway service was suspended due to bad weather with a duration of half an hour or longer.

46. Mr Abraham SHEK declared that he was an Independent Non-executive Director of MTRCL. He considered it difficult for NP360 Ltd to notify the visitors in advance for suspension due to sudden weather changes in Tung Chung. He asked about the remedial measures to compensate affected visitors. Mr Y T LI of NP360 Ltd said that if the ropeway service was suspended, free coach service would be provided between Ngong Ping and Tung Chung for ticket holders. The company would consider the feasibility of Mr SHEK's request of arranging compensation for visitors affected by the suspension, including refunding the fares for the MTR rides to the Tung Chung station.

47. Noting rides on Crystal Cabin of NP360 which offered better view was more expensive than Standard Cabin, the Chairman enquired whether compensation would be made to visitors who travelled on Crystal Cabins under heavy fog or rain. The Chairman was concerned about the maintenance of the Crystal Cabins as they could easily be hit or scratched by hard objects.

48. Mr Y T LI of NP360 Ltd replied that some of the visitors might find the view in the Crystal Cabins romantic under heavy fog or rain, and related compensation would be handled flexibly. Regarding the safety of the Crystal Cabins, Mr LI said that they were made of three layers of glass, with a total thickness of 2.5 inches. The Crystal Cabin glass had undergone stringent testing which remained intact after five million hits and could support heavy weight. Mr LI further advised that the inner surface of the Crystal Cabin was lined by plastic film to prevent scratching which would be replaced if considered necessary during the daily inspection.

49. Mr Fred LI pointed out that humid weather was very common from March to May in Hong Kong, and expressed concern on how NP360 Ltd could overcome the situation to avoid frequent suspension. The Chairman suggested installing ventilation devices at the Terminals and Angle Stations to lower the humidity.

50. Mr Y T LI of NP360 Ltd stressed that NP360 Ltd had studied with the ropeway manufacturer several measures for improving its operation during heavy fog, such as reducing signal lost during transmission. Various measures had also been implemented to lower the humidity in the vicinity of the signal transmission equipment. NP360 Ltd would continue to explore possible improvement measures with the ropeway manufacturer.

#### *Marketing strategies*

51. Mr CHAN Kam-lam suggested that all female residents of Hong Kong, rather than the first 3 800, should be offered free rides of NP360 on 8 March 2010 for celebrating the 100<sup>th</sup> Anniversary International Women's Day. Mr Y T LI of NP360 Ltd responded that it was the company's intention to offer free rides to all female visitors on 8 March 2010, and the NP360 Ltd would flexibly administer the initiative for female visitors as far as practicable having regard to crowd management.

52. Mr IP Wai-ming suggested that the free ride promotion should instead be launched on Sunday, 7 March 2010 with a view to attracting more visitors. Mr Y T LI of NP360 Ltd took note of Mr IP's suggestion for consideration. In response to Ms Miriam LAU's observation that passengers had to queue up for about 45 minutes for taking the ride, Mr LI said that where feasible, the company would entertain the waiting passengers with different shows.

53. Mr Paul TSE noted that Mainland visitors constituted 13% of the total number of visitors to NP360 vis-à-vis 60% of that to Hong Kong. He enquired about the reason of such discrepancy and measures to attract more Mainland

tourists to visit NP360. C for Tourism advised that the Administration would discuss with NP360 Ltd ways of attracting more Mainland visitors to NP360.

*Transfer of management*

54. Mr Paul TSE noted that MTRCL took over the management and operation of NP360 through the acquisition of Skyrail-ITM (Hong Kong) Limited (Skyrail). He enquired about the arrangements relating to the transfer of management of NP360, including the relevant terms and conditions in the acquisition of Skyrail by MTRCL.

Admin 55. C for Tourism and the Deputy Commissioner for Tourism said that the commercial agreement made between Skyrail and MTRCL was protected by a confidentiality clause. They agreed to provide the relevant information available in the public domain. At the request of Mr Fred LI, C for Tourism agreed to provide a comparison of the number of operation-related incidents of NP360 under the management of Skyrail and the current NP360 Ltd after the meeting.

Conclusion

56. The Chairman concluded that Panel members were concerned about the safe and efficient operation of NP360. They also urged NP360 Ltd to improve the reporting mechanism and notification system in case of incidents.

**VI Any other business**

57. There being no other business, the meeting ended at 12:45 pm.