

**立法會**  
**Legislative Council**

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**Panel on Economic Development**  
**Special meeting on 23 July 2009**

**Background brief on**  
**Ocean Park's ticket prices**

**Purpose**

This paper provides background information on the changes of Ocean Park's ticket prices in the past and summarizes views expressed by Members on relevant issues.

**Background**

Establishment of Ocean Park

2. Ocean Park was officially opened to the public in 1977. It was built at a cost of \$150 million funded by the Hong Kong Jockey Club (HKJC) with land provided by the Government at nominal premium. Between 1982 and 1984, HKJC allocated a further \$240 million to fund the Park's second phase of development. From 1 July 1987, Ocean Park ceased to be a subsidiary of HKJC and had since been managed by a non-profit-making body, the Ocean Park Corporation (OPC) incorporated under section 3(1) of the OPC Ordinance (Cap. 388) with the Board of OPC as the governing and executive body.

3. Under section 18 of the Ordinance, OPC is vested with the power to fix and collect fees, subscriptions and charges, and also specify conditions for the use of facilities and services provided by it.

Ticket prices

4. The following table shows the changes in Ocean Park's ticket prices since 1977. Relevant newspaper cuttings are in **Appendix I**.

Year and Month	Adult ticket			Children ticket		
	Old ticket price (HK\$)	New ticket price (HK\$)	% change	Old ticket price (HK\$)	New ticket price (HK\$)	% change
January/1977*	N/A	15	N/A	N/A	7	N/A
January/1991*	130	140	+8%	60	70	+17%
February/1993	140	130	-7%	70	65	-7%
1996	130	140	+8%	65	70	+8%
July 2000	140	150	+7%	70	75	+7%
July 2001	150	165	+10%	75	85	+13%
July 2002	165	180	+9%	85	90	+6%
April 2004	180	185	+3%	90	93	+3%
October 2007	185	208	+12%	93	103	+11%
August 2009	208	250	+20%	103	125	+21%

\*: information on changes of ticket prices during the period between 1977 and 1991 is not available

5. Ocean Park launched special promotions from time to time. OPC currently offers free admission for senior citizens over 65, children aged under three and holders of registration card for people with disabilities, while annual pass was offered at special price for full-time students at the age of 12 or above.

#### Redevelopment plans of the Ocean Park

6. In May 2002, an inter-departmental "Task Force on Redevelopment of Ocean Park and Tourist Attractions in Aberdeen" chaired by the Financial Secretary was set up to oversee the development of Ocean Park and the Aberdeen tourism node. In June 2003, a development group, led by the Chairman of OPC, was formed under the Task Force. In February 2005, the development group submitted the Redevelopment Plans for the Ocean Park, estimated to cost \$5.55 billion, to the Task Force for consideration. Under the Plans, Ocean Park would be redeveloped into a world-class marine themed attraction, featuring more than 70 attractions to be delivered in eight phases from 2007 to 2012-2013.

7. The Government had proposed to support OPC for 50% of the total project cost, i.e. 2,775 million, half of which (\$1,387.5 million) would be a commercial loan guaranteed by the Government. OPC would procure another commercial loan of \$2,775 million with no recourse to the Government to cover the other half of the project cost. In other words, 75% of the project cost were covered by commercial loans, and OPC was able to secure them with 25 banks. The Redevelopment Plans were based on an estimation that with the redevelopment, the number of visitors to Ocean Park would increase from 3.4 million in 2007-2008 to over 5 million by 2010-2011 and over 7 million by 2021-2022. OPC had anticipated that there should be sufficient cash from operating income to repay all the loans and the earliest repayment date would be 2020-2021.

## Attendance

8. The visitor figures of Ocean Park in recent years are as follows:

<b>Year</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Attendance (in million)</b>	3.38	2.96	3.7	4.03	4.38	4.92	5.03
<b>% change</b>	+23%	-12.4%	+25%	+8.9%	+8.7%	+12.3%	+2.2%

## **Previous discussions**

### Issues raised at the Panel on Economic Services<sup>1</sup>

9. The Panel on Economic Services generally supported the Redevelopment Plans when briefed on the funding arrangements to finance the Plans at the meeting on 27 June 2005. In response to some members' concern about the impact on the future ticket prices, OPC indicated that there would be a need to increase the ticket prices but these would be lower than that for the Hong Kong Disneyland (HKD).

10. When the Panel further discussed the issue on 28 November 2005, some members expressed concern that OPC would be unable to repay the loans as scheduled if its annual attendance fell below the target. OPC responded that even in the worst case in which the annual attendance fell short of the original target by 13% due to unforeseen circumstances, OPC would still be able to fully repay all loans by the 22<sup>nd</sup> year.

11. The Panel received updates on the progress of the Redevelopment Plans on 18 July 2007. Some members considered the projected visitor numbers to the Park conservative. OPC advised that the Park had been designed with a daily capacity of 35 000 visitors and it usually received 10 000 to 15 000 visitors per day. Besides, the projected patronage to the Park after re-development had discounted the effect of the South Island Line and the hotels within the Park which would be bonus bringing additional economic benefits to the Park.

12. During the discussions at the above meetings, Panel members urged Ocean Park to explore collaboration with HKD, such as offering concessionary admission tickets for those who visited both theme parks, launching joint annual pass and enhancing joint promotion.

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<sup>1</sup> The Panel on Economic Services was renamed as the Panel on Economic Development from the 2007-2008 session.

### Issues raised by the Finance Committee

13. At the meeting of the Finance Committee on 16 December 2005 when funding approval was sought for the creation of a loan<sup>2</sup> for implementing the Redevelopment Plans, Members had expressed concern about the financial outlay of the Park if the patronage and revenue fell below the estimates. The Administration advised that under such a scenario, the loan repayment period would be extended. In response to the suggestion from Members that OPC should grant more concessions to the underprivileged, OPC pointed out that while it would need to operate on prudent financial principles to ensure repayment of the loans, it would continue to find ways to subsidize the underprivileged.

### **Latest developments**

14. Ocean Park announced on 1 July 2009 of its plan to increase the park's ticket prices by 20%, i.e. from \$208 to \$250 for an adult ticket and from \$103 to \$125 for children. According to the management of OPC, the current plan to increase ticket prices is to cover the rising operating costs and to finance the redevelopment project of Ocean Park and repayment of interest. In response to some members' concerns about the increase in Ocean Park's ticket prices and its impact on the tourism industry, the Panel has scheduled a special meeting for 23 July 2009 to discuss the item.

### **References**

15. A list of relevant papers is in **Appendix II**.

Council Business Division 1  
Legislative Council Secretariat  
21 July 2009

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<sup>2</sup> A loan for the Ocean Park Redevelopment Plans under Head 274 Tourism of the Loan Fund was approved at the Finance Committee meeting on 16 December 2005 for the provision of a \$1,387.5 million subordinated loan to the Ocean Park Corporation, together with the guarantee by the Government of a \$1,387.5 million commercial loan of the Ocean Park Corporation and interest of not exceeding \$700 million arising therefrom for the Corporation to proceed with the Redevelopment Plans.

報章剪輯  
Newspaper cuttings

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For the personal use of Legislative Council Members for the  
purposes of the proceedings of the Legislative Council

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Legislative Council Secretariat

## List of relevant papers

Committee	Paper	LC Paper No.
Council Meeting on 8 December 1993	Tabling of Ocean Park Corporation's Annual Report 1992-93 before the Legislative Council	Hansard (Pages 7-8) <a href="http://www.legco.gov.hk/yr93-94/english/lc_sitg/hansard/h931208.pdf">http://www.legco.gov.hk/yr93-94/english/lc_sitg/hansard/h931208.pdf</a>
Meeting of the Panel on Economic Services on 27 June 2005	Administration's paper on "Redevelopment Plans for the Ocean Park"  Minutes of meeting (paragraphs 14 to 42)	CB(1)1855/04-05(03) <a href="http://www.legco.gov.hk/yr04-05/english/panels/es/papers/es0627cb1-1855-3e.pdf">http://www.legco.gov.hk/yr04-05/english/panels/es/papers/es0627cb1-1855-3e.pdf</a>  CB(1)2095/04-05 <a href="http://www.legco.gov.hk/yr04-05/english/panels/es/minutes/es050627.pdf">http://www.legco.gov.hk/yr04-05/english/panels/es/minutes/es050627.pdf</a>
--	Legislative Council Brief on "Redevelopment Plans for the Ocean Park"	EDB CR 1/6/2091/02 <a href="http://www.legco.gov.hk/yr05-06/english/panels/es/papers/edb_cr_1_6_2091_02-e.pdf">http://www.legco.gov.hk/yr05-06/english/panels/es/papers/edb_cr_1_6_2091_02-e.pdf</a>
Meeting of the Panel on Economic Services on 28 November 2005	Administration's paper on "Proposed Funding Arrangement for Ocean Park's Redevelopment Plans"  Minutes of meeting (paragraphs 5 to 50)	CB(1)339/05-06(03) <a href="http://www.legco.gov.hk/yr05-06/english/panels/es/papers/es1128cb1-339-3e.pdf">http://www.legco.gov.hk/yr05-06/english/panels/es/papers/es1128cb1-339-3e.pdf</a>  CB(1)609/05-06 <a href="http://www.legco.gov.hk/yr05-06/english/panels/es/minutes/es051128.pdf">http://www.legco.gov.hk/yr05-06/english/panels/es/minutes/es051128.pdf</a>
Meeting of the Finance Committee on 16 December 2005	Administration's paper on the "Loan for the Ocean Park Redevelopment Plans"  Minutes of meeting (paragraphs 3 to 25)	FCR(2005-06)35 <a href="http://www.legco.gov.hk/yr05-06/english/fc/fc/papers/f05-35e.pdf">http://www.legco.gov.hk/yr05-06/english/fc/fc/papers/f05-35e.pdf</a>  FC45/05-06 <a href="http://www.legco.gov.hk/yr05-06/english/fc/fc/minutes/fc051216.pdf">http://www.legco.gov.hk/yr05-06/english/fc/fc/minutes/fc051216.pdf</a>
Meeting of the Panel on Economic Services on 18 July 2007	Administration's paper on "Progress Update on Redevelopment Plans for the Ocean Park"  Minutes of meeting (paragraphs 66 to 88)	CB(1)2090/06-07(03) <a href="http://www.legco.gov.hk/yr06-07/english/panels/es/papers/es0718cb1-2090-3-e.pdf">http://www.legco.gov.hk/yr06-07/english/panels/es/papers/es0718cb1-2090-3-e.pdf</a>  CB(1)179/07-08 <a href="http://www.legco.gov.hk/yr06-07/english/panels/es/minutes/es070718.pdf">http://www.legco.gov.hk/yr06-07/english/panels/es/minutes/es070718.pdf</a>