

ANNEX D.1: PHYSICAL AND CLUSTERING ASSUMPTIONS

1. The clustering assumptions in this assignment relate to which performing arts (PA) venues are intended to be accommodated within a single building structure (e.g. with common dock access and/or foyer). The second level of clustering of facilities, i.e. locating facilities or clusters of facilities in close proximity within WKCD, as well as the size and distribution of piazzas are subjects of the master planning of WKCD.
2. In this assignment, the Consultants assumed the PA venues proposed by PATAG will be developed in ten clusters (see Table 1). In consultation with HAB and relevant Government bureaux / departments, the Consultants have estimated the floor areas for the ten clusters of performing arts facilities based on the team's international experience in designing theatres and concert halls (see Table 1).
3. An NOFA to GFA ratio of 1:1.5 is assumed for PA venues, given these venues tend to have a lot more circulation – wider corridors in back-of-house area (for moving costume racks, instruments etc., more staircases, more soundlocks etc.), and for acoustic reasons there will often be a lot more structure and interstitial spaces that increase floor areas. For reference the Shanghai Grand Theatre has a NOFA to GFA ratio of about 1:1.5 and Singapore Esplanade has a ratio of about 1:1.7.

Table 1 Physical and Clustering Assumptions

Cluster	Components	Stand Alone Building (FA's Assumptions)	Rationale	PATAG Recommendations on Clustering	NOFA (sq.m.)	GFA (sq.m.)
Phase 1						
1	Mega Performance Venue (15,000 seats)	Yes	Stadium-style and scale – not suited for physical integration with other cultural facilities	Stand alone facility	36,710	55,065
2	Great Theatre I (2,200 seats)	Yes	Commercial dynamics, glamorous night out, ability to theme the venue without conflicting with other uses	Stand alone facility. Integration and clustering of theatres and commercial facilities to achieve the TheatreLand concept	14,800	22,200

Cluster	Components	Stand Alone Building (FA's Assumptions)	Rationale	PATAG Recommendations on Clustering	NOFA (sq.m.)	GFA (sq.m.)
3	Concert Hall (2,000 seats) and Chamber Music Hall (800 seats)	Yes	Similar access requirements, shared staffing skills, shared instruments, recording and broadcasting facilities, common identity	Concert Hall and Chamber Music Hall to be co-located in the same complex. Stand alone facility with iconic architectural design	16,800	25,200
4	Xiqu Centre (1,400 seat Theatre, 400 seat Small Theatre and a tea house type performance venue)	Yes	Distinctive identity and brand, possibly themed décor, a 'complete experience'	Stand alone facility with iconic architectural design	14,955	22,433
5	Medium Theatre 1 (800 seats)		Provides opportunity for a specific focus, e.g. long run dramas, and be customised backstage and onstage for that purpose	Integration and clustering of theatres and commercial facilities to achieve the TheatreLand concept	6,750	10,125
6	Medium Theatre 2 (800 seats) and Black Box Theatre 1 (250 seats)		Operational efficiencies through shared staffing and technical support, common front of house services, focus on small and middle scale producers; clustering also assists critical customer mass for catering and retail on-site, and establishes stronger brand and street presence	Integration and clustering of theatres and commercial facilities to achieve the TheatreLand concept	9,480	14,220

Cluster	Components	Stand Alone Building (FA's Assumptions)	Rationale	PATAG Recommendations on Clustering	NOFA (sq.m.)	GFA (sq.m.)
7	Black Box Theatre 2 (250 seats) and Black Box Theatre 3 (250 seats)		Operational efficiencies through shared staffing and technical support, common front of house services, focus on small scale producers; separate from previous clusters for flexibility, to avoid creating a monolithic cultural centre, to avoid complex back-stage access arrangements, and to enable these venues to run separate themed events (e.g. children's or youth arts festival)	Integration and clustering of theatres and commercial facilities to achieve the TheatreIreland concept	5,195	7,793
8	Black Box Theatre 4 (250 seats)		Emphasises independent character – could house, e.g. exclusively new work or amateur work or student work to fill a specific niche and build a distinctive identity. A 'fringe' venue, which may be deliberately located away from 'main street' area	Integration and clustering of theatres and commercial facilities to achieve the TheatreIreland concept	3,160	4,740
Phase II						
9	Great Theatre 2 (1,900 seats) and Medium Theatre 3 (800 seats)	Yes	Operational efficiencies through shared staffing and technical support, common front of house services, focus on middle and larger scale producers, and commercial work; clustering assists critical customer mass for catering and retail on-site	Integration and clustering of theatres and commercial facilities to achieve the TheatreIreland concept	20,325	30,488
10	Medium Theatre 4 (800 seats)		Provides opportunity for a specific focus and be customised backstage and onstage for that purpose	Integration and clustering of theatres and commercial facilities to achieve the TheatreIreland concept	6,750	10,125

ANNEX D.2: COST ESTIMATES, PA VENUES

1. Scope of Cost Estimates

- 1.1 The estimation of costs and revenues was one of the key tasks undertaken to provide input to the FA's financial model and analysis. The level of detail adopted in their estimation is appropriate to a financial assessment undertaken at this stage in the project cycle i.e. prior to master planning of the site and based on the broad recommendations of MAG and PATAG, the development parameters/requirements set under the October 2005 Package and the Invitation for Proposals (IFP). The level of detail is also appropriate given that the FA assignment was tasked with considering alternative PPP arrangements, financial viability and funding arrangements for the proposed statutory body; the purpose of which was to assist the government in the preparation of the institutional and funding arrangements for the WKCD.
- 1.2 It is important to appreciate, particularly for the estimation of capital and operation, maintenance and management (OMM) costs, that this FA assignment is not a feasibility study on individual facilities which would have involved detailed site and technical surveys, preliminary design, layout plans, etc. This assignment is not based on a master plan or design of engineering works or facilities, and site and technical surveys were not undertaken. Similarly, for the estimation of revenues, it is important to appreciate that demand for facilities is based on the recommendations of PATAG and MAG (high levels of demand and a target of 2.5 million visitors a year for M+). Independent market demand assessments were not undertaken as part of this assignment.
- 1.3 In consultation with relevant Government bureaux / departments, the FA developed a set of assumptions for a WKCD 'Base Case' in the level of detail required for the estimation of capital and OMM costs and revenues on an annual basis, based on the broad recommendations of PATAG and MAG and the development parameters/requirements of the October 2005 Package and the IFP, and making use of local and international experience and benchmarks where appropriate. This included the construction phasing and development programme of the facilities to be provided, their size¹, overhaul and maintenance requirements, collection acquisition costs, programming budget, annual attendance, number of performances, utilisation rates, admission charges, ticket price, hire charges, merchandise sales, rental income from resident company space, shops, restaurants and other uses, sponsorship and fundraising amongst others.

¹ The construction floor area (CFA) was estimated by the FA based on assumed gross floor area (GFA) and industry standards. GFA for M+ and the Exhibition Centre (EC) was provided by MAG. GFA for PA Venues was estimated by the FA based on the number of seats, provided by PATAG

Annex D.2: Cost Estimates, Performing Arts Venues

Capital Construction Cost Estimates

	CFA*	\$ per CFA**	Foundation#	Building Construction	Fit Out (incl. Loose Furniture)##	Construction Cost (excludes professional fees, on costs, risks and inflation adjustment)
	(sq.m.)	(HK\$ per sq.m.)	(HK\$ per sq.m.)	(HK\$ per sq.m.)	(HK\$ per sq.m.)	(million HK\$)
	(a)	(b)	(c)	(d) = ((b) - (c)) x 65%	(e) = ((b) - (c)) x 35%	(f) = (a) x (b)
1 Mega Performance Venue	71,585	\$26,200	\$4,200	\$14,300	\$7,700	\$1,876
2 Great Theatre 1	28,860	\$29,200	\$4,200	\$16,250	\$8,750	\$843
3 Concert Hall and Chamber Music Hal	32,760	\$29,200	\$4,200	\$16,250	\$8,750	\$957
4 Xiqu Centre	29,162	\$27,200	\$4,200	\$14,950	\$8,050	\$793
5 Medium Theatre 1	13,163	\$27,200	\$4,200	\$14,950	\$8,050	\$358
6 Medium Theatre 2 and Black Box Theatre 1	18,486	\$26,200	\$4,200	\$14,300	\$7,700	\$484
7 Black Box Theatres 2 and 3	10,130	\$22,200	\$4,200	\$11,700	\$6,300	\$225
8 Black Box Theatre 4	6,162	\$22,200	\$4,200	\$11,700	\$6,300	\$137
9 Great Theatre 2 and Medium Theatre 3	39,634	\$29,200	\$4,200	\$16,250	\$8,750	\$1,157
10 Medium Theatre 4	13,163	\$27,200	\$4,200	\$14,950	\$8,050	\$358
11 Piazzas	30,000	\$5,500				\$165
12 Small Canopy	10,000	\$6,000				\$60

Note:

* Floor area (instead of CFA) for Piazzas; GFA to CFA ratio of 1:1.3 for theatres and concert halls.

** 2006 3Q estimates; see Annex D.6 for international comparators

Higher unit cost for more complex theatres (e.g. Great Theatres higher than Xiqu Centre; Medium Theatres higher than Black Box Theatres) due to higher standards for structural requirements, acoustics requirements, technical equipment and other design considerations.

Higher unit cost for buildings with iconic design (Concert Hall and Chamber Music Hall and Xiqu Centre)

Higher than average foundation cost, see Annex A for details

Assumed all performing venues will be of world class standards; technical fit-out will be at a high level of international standards (see Annex D.6 for international benchmarks)

Assumed max. span of 80m for the Small Canopy, max. steel tonnage based on international stadium roof design is around 90kg / sq.m. structural steelworks. A wide range of cladding materials can be considered which include but not limited to glass, aluminum panel, louver, PTFE, ETFE etc.

II Other Capital Costs

Nil

Annex D.2: Cost Estimates, Performing Arts Venues

III Major Repair and Renovation Costs (before inflation adjustment)

Carried out every 20 years for buildings

1 Mega Performance Venue

(a) Fitting Out	\$551	million	(a) = I 1 (a) x I 1 (e) / 1000000
(b) M & E	\$409	million	(b) = I 1 (a) x I 1 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$961	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	51%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

2 Great Theatre 1

(a) Fitting Out	\$253	million	(a) = I 2 (a) x I 2 (e) / 1000000
(b) M & E	\$188	million	(b) = I 2 (a) x I 2 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$440	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	52%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

3 Concert Hall and Chamber Music Hall

(a) Fitting Out	\$287	million	(a) = I 3 (a) x I 3 (e) / 1000000
(b) M & E	\$213	million	(b) = I 3 (a) x I 3 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$500	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	52%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

4 Xiqu Centre

(a) Fitting Out	\$235	million	(a) = I 4 (a) x I 4 (e) / 1000000
(b) M & E	\$174	million	(b) = I 4 (a) x I 4 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$409	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	52%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

Annex D.2: Cost Estimates, Performing Arts Venues

5 Medium Theatre 1

(a) Fitting Out	\$106	million	(a) = 1 5 (a) x 1 5 (e) / 1000000
(b) M & E	\$79	million	(b) = 1 5 (a) x 1 5 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$185	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	52%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

6 Medium Theatre 2 and Black Box Theatre 1

(a) Fitting Out	\$142	million	(a) = 1 6 (a) x 1 6 (e) / 1000000
(b) M & E	\$106	million	(b) = 1 6 (a) x 1 6 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$248	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	51%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

7 Black Box Theatres 2 and 3

(a) Fitting Out	\$64	million	(a) = 1 7 (a) x 1 7 (e) / 1000000
(b) M & E	\$47	million	(b) = 1 7 (a) x 1 7 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$111	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	49%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

8 Black Box Theatre 4

(a) Fitting Out	\$39	million	(a) = 1 8 (a) x 1 8 (e) / 1000000
(b) M & E	\$29	million	(b) = 1 8 (a) x 1 8 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$68	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	49%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	

Annex D.2: Cost Estimates, Performing Arts Venues

9 Great Theatre 2 and Medium Theatre 3

(a) Fitting Out	\$347	million	(a) = I 9 (a) x I 9 (e) / 1000000
(b) M & E	\$258	million	(b) = I 9 (a) x I 9 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$604	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	52%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	
			(d) = (c) / I 9 (f)

10 Medium Theatre 4

(a) Fitting Out	\$106	million	(a) = I 10 (a) x I 10 (e) / 1000000
(b) M & E	\$79	million	(b) = I 10 (a) x I 10 (d) / 1000000 x 40%
(c) Major Repair and Renovation Costs	\$185	million	(c) = (a) + (b)
(d) Major Repair and Renovation Costs as % of Total Construction Cost	52%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]	
			(d) = (c) / I 10 (f)

11 Piazzas

(a) Major Repair and Renovation Costs as % of Total Construction Cost	50%	[% to be applied to construction costs before on-costs to estimate major overhaul costs]

12 Small Canopy

Covered by routine maintenance, major repair and renovation not required within 50 years period

Note: All numbers are rounded to 0 decimal places for presentational ease.

Performing Arts Venues Common Assumptions (PSC / PSI Base Case)

Rental	HK\$	Remarks
Cafes / Restaurants (smaller than 500 sq.m.)	4,000 per sq.m. NOFA per annum	HK Cultural Centre : \$4,900 per sq.m. per annum including storage
Cafes / Restaurants (500 sq.m. or above)	4,000 per sq.m. NOFA per annum	Rental is usually lower for hiring a larger area for F&B (food and beverage) but it is assumed that the large F&B area will be divided into small units to achieve the same rental as small F&B area
Retail Shops	4,000 per sq.m. NOFA per annum	HK Cultural Centre : \$4,500 per sq.m. per annum including storage HK Convention and Exhibition Centre : \$37 per sq.m. per day for state functions; 58% utilisation
VVIP Facilities	6,000 per sq.m. NOFA per annum	
Resident Companies Space	2,000 per sq.m. NOFA per annum	~\$15 per month per sq.m. NOFA, similar to low grade offices in Sheung Wan

Annex D.3: Base Case Operating Assumptions

Performing Arts Venues Common Assumptions (PSC Base Case)

Overheads		Remarks
	HK\$	
Building Maintenance	70 per sq.m. GFA	average for HK performing arts venues
Admin Overheads	15 % of Staff Costs	in line with M+ and Exhibition Centre assumptions
Cleaning and Security	200 per sq.m. CFA	2004/05 HK Coliseum: \$257; HK City Hall: \$166; HK Cultural Centre: \$161
Electricity	240 per sq.m. CFA	Electricity, Cleaning and Security HK Coliseum 2004/05: \$417 HK Cultural Centre 2004/05: \$281 HK City Hall 2004/05: \$466 Kwai Tsing Theatre 2004/05: \$270 Yuen Long Theatre 2004/05: \$243 Note: HK Cultural Centre excl. electricity consumption for seawater cooling
Water	36 per seat per annum estimated based on water consumption	
Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	450 per sq.m. CFA	HK Coliseum 2004/05: \$437 HK Cultural Centre 2004/05: \$238 HK City Hall 2004/05: \$474 Kwai Tsing Theatre 2004/05: \$559 Yuen Long Theatre 2004/05: \$439
Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	100 per sq.m. CFA	HK Coliseum 2004/05: \$93 HK Cultural Centre 2004/05: \$87 HK City Hall 2004/05: \$178 Kwai Tsing Theatre 2004/05: \$124 Yuen Long Theatre 2004/05: \$104
Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	200 per sq.m. CFA	HK Coliseum 2004/05: \$317 HK Cultural Centre 2004/05: \$134 Kwai Tsing Theatre 2004/05: \$230 Yuen Long Theatre 2004/05: \$210

Annex D.3: Base Case Operating Assumptions

Performing Arts Venues Common Assumptions (PSI Base Case)

Overheads

	HK\$		
Building Maintenance	70	per sq.m. GFA	same as PSC
Admin Overheads	12	% of Staff Costs	in line with M+ and Exhibition Centre assumptions
Cleaning and Security	200	per sq.m. CFA	same as PSC
Electricity	240	per sq.m. CFA	same as PSC
Water	36	per seat per annum	same as PSC
Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	360	per sq.m. CFA	20% lower than PSC given LCSD's current outsourcing experience
Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	80	per sq.m. CFA	20% lower than PSC given LCSD's current outsourcing experience
Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	280	per sq.m. CFA	higher than PSC due to increase in temp staff

Annex D.3: Base Case Operating Assumptions

Mega Performance Venue - PSC Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	36,710	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	15,000	seats	HK Coliseum: 12,500
1 . 4	Restaurants NOFA	1,000	sq.m.	excluding internal bars
1 . 5	Retail NOFA	500	sq.m.	
1 . 6	VVIP Facilities NOFA	1,130	sq.m.	
1 . 7	Resident Company Space NOFA	0	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	88	%	based on days HK Coliseum 2005/06: 98%
2 . 3	No. of Sessions Per Day	1		
2 . 4	Utilisation	309	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$300	per performance	HK Coliseum 2005/06: \$230 \$300 = (160 x \$230 + 10 x \$900 + 20 x \$500)/190
4	Attendance			
4 . 1	Attendance Rate	70	%	HK Coliseum 2005/06: 75%, 9,400 people
4 . 2	Average Attendance	10,500	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.0	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.40	No. of Performances per Day	
5 . 3	Total	184	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] HK Coliseum 2005/06: 187
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	80	%	
6 . 1 . 2	Hirers' Arts Performances	147	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	147	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	0	%	not applicable to MPV, only 1 session per day
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	100	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4] + [2.4] x [6.1.1] - [6.1.3]
6 . 1 . 6	% is Community Hire with Discounts	0	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	20	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	37	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	37	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	25	Sessions per annum (rehearsal / set up)	= [2.4] x [6.2.1] - [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	0	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	0	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	0	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$6.0	per session per seat		
7 . 1 . 2	Basic Rate (per session)	\$90,000	per session	= [7.1.1] x [1.3]	HK Coliseum: \$4.4 HK Coliseum: \$55,100
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	HK Coliseum: 20%	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$630,000	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]	
7 . 3 . 1	Discount Rate (Rehearsal Hire)	0	%	HK Coliseum: 0%	
7 . 3 . 2	Rehearsal Hire Rate	\$90,000	per session	= [7.1.2] x (1 - [7.3.1])	
7 . 4	Discount Rate (Community Hire)	0	%	not applicable to non-arts usage	
7 . 5	Other Hire Charges	15	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services	
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket	Urbtix: \$6.5 per ticket, max \$20	
8 . 2	Inside Charge Fee	\$6.7	per ticket	Urbtix: \$6.7 per ticket	
8 . 3	Profit Margin	0	%	Now profit goes to operator (Cityline) only	
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$150	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$6,500,000	per annum	HK Coliseum 2005/06: \$1.3 million aim at 5 times of HK Coliseum, given MPV is 4 times larger (more space for advertising) and 1.2 times the capacity of HK Coliseum (more people who will see the advertisement)	
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	5	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)	
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	1	staff		
14 . 2	Level 2 Staff	4	staff		
14 . 3	Level 3 Staff	13	staff		
14 . 4	Level 4 Staff	10	staff		
14 . 5	Level 5 Staff	15	staff		
14 . 6	Level 6 Staff	15	staff		

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	58 staff	HK Coliseum: 49 staff at present
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$410 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present 30% lower than the common assumptions adopted for PA venues given MPV is technically less sophisticated and a large venue - lower unit rate
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$56 per sq.m. GFA per annum	by Architectural Services Department at present 20% lower than the common assumptions adopted for PA venues given MPV is a large venue - lower unit cost
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$91 per sq.m. GFA per annum	by PCCW in 2004/05 30% lower than the common assumptions adopted for PA venues given MPV is technically less sophisticated and a large venue - lower unit rate
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$182 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given MPV is technically less sophisticated and a large venue - lower unit rate
15 . 1 . 5	Total Operating Costs	\$739 per sq.m. GFA per annum \$568 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK Cultural Centre 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$208 per sq.m. GFA per annum	20% lower than the common assumptions adopted for PA venues given MPV is a large venue - lower unit cost
15 . 3 . 1	Electricity	\$281 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given MPV is technically less sophisticated
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	2 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	0 %	

Annex D.3: Base Case Operating Assumptions

Mega Performance Venue - PSI Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	36,710	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	15,000	seats	
1 . 4	Restaurants NOFA	1,000	sq.m.	excluding internal bars
1 . 5	Retail NOFA	500	sq.m.	
1 . 6	VVIP Facilities NOFA	1,130	sq.m.	
1 . 7	Resident Company Space NOFA	-	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	90	%	based on days
2 . 3	No. of Sessions Per Day	1		slightly higher than PSC
2 . 4	Utilisation	316	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$300	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	10,800	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.0	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.40	No. of Performances per Day	
5 . 3	Total	189	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	80	%	
6 . 1 . 2	Hirers' Arts Performances	151	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	151	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	0	%	not applicable to MPV, only 1 session per day
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	102	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4] + [2.4] x [6.1.1] - [6.1.3]
6 . 1 . 6	% is Community Hire with Discounts	0	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	20	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	38	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	38	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	25	Sessions per annum (rehearsal / set up)	= [2.4] x [6.2.1] - [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	0	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	0	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	0	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$8.0 per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$120,000 per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20 % of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$648,000 per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	0 %	
7 . 3 . 2	Rehearsal Hire Rate	\$120,000 per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	0 %	not applicable to non-arts usage
7 . 5	Other Hire Charges	17 % of Total Hire Income	higher than PSC
8	Ticketing Services		
8 . 1	Box Office Fee	\$6.5 per ticket	
8 . 2	Inside Charge Fee	\$6.7 per ticket	
8 . 3	Profit Margin	0 %	
9	Merchandise Sales		
9 . 1	% of Patrons Purchasing	6 %	higher than PSC
9 . 2	Average Spending	\$175 per person	higher than PSC
9 . 3	Profit Margin	10 % of turnover	
10	Internal Bars		
10 . 1	% of Patrons Spending	12 %	higher than PSC
10 . 2	Average Spending	\$30 per person	higher than PSC
10 . 3	Profit Margin	15 % of turnover	
11	Rentals		
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000 per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000 per sq.m. per annum	
11 . 2	Retail Shops	\$4,000 per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000 per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000 per sq.m. per annum	
11 . 5	Advertising Space	\$7,800,000 per annum	20% higher than PSC
12	Sponsorship		
12 . 1	Sponsorship as % of Earned / Venue Income	6 %	higher than PSC
13	Staff Costs		
13 . 1	Level 1 Staff	\$1,200,000 per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000 per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000 per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000 per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000 per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000 per annum	lower than PSC
14	Staffing Schedule		
14 . 1	Level 1 Staff	1 staff	
14 . 2	Level 2 Staff	1 staff	
14 . 3	Level 3 Staff	5 staff	
14 . 4	Level 4 Staff	5 staff	
14 . 5	Level 5 Staff	10 staff	
14 . 6	Level 6 Staff	10 staff	
14	Total Number of Staff	32 staff	45% lower than PSC due to streamlining of operation and casualisation of staff

Annex D.3: Base Case Operating Assumptions

15		Overheads		
15 . 1	. 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$328 per sq.m. GFA per annum	
15 . 1	. 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$56 per sq.m. GFA per annum	
15 . 1	. 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$73 per sq.m. GFA per annum	
15 . 1	. 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$255 per sq.m. GFA per annum	
15 . 1	. 5	Total Operating Costs	\$711 per sq.m. GFA per annum \$547 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$208 per sq.m. GFA per annum	
15 . 3	. 1	Electricity	\$281 per sq.m. GFA per annum	
15 . 3	. 2	Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	2 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	0 %	

Annex D.3: Base Case Operating Assumptions

Great Theatre 1 - PSC Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	14,800	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	2,200	seats	HK Cultural Centre Grand Theatre: 1,734; HK Academy for Performing Arts Lyric Theatre: 1,181
1 . 4	Restaurants NOFA	1,000	sq.m.	excluding internal bars
1 . 5	Retail NOFA	190	sq.m.	
1 . 6	VVIP Facilities NOFA	0	sq.m.	
1 . 7	Resident Company Space NOFA	600	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	88	%	based on days HK Cultural Centre Grand Theatre 2005/06: 100%
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	927	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$350	per performance	Musicals at LCSD venues 2005/06: \$334
4	Attendance			
4 . 1	Attendance Rate	70	%	Musicals at LCSD venues 2005/06: 2,379 people
4 . 2	Average Attendance	1,540	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.7	No. of Performances per Day	
5 . 3	Total	297	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] Musicals at LCSD venues 2005/06: 25 performances HK Cultural Centre 3 venues 2005/06: 882 performances (average 294)
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	252	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	252	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	10	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	93	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$25.0	per session per seat		HK Cultural Centre Grand Theatre: \$19.8; HK Academy for Performing Arts Lyric Theatre: \$28.4
7 . 1 . 2	Basic Rate (per session)	\$55,000	per session	= [7.1.1] x [1.3]	HK Cultural Centre Grand Theatre: \$34,300; HK Academy for Performing Arts Lyric Theatre: \$33,620
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	HK Cultural Centre Grand Theatre: 20%	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$107,800	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]	
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	HK Cultural Centre Grand Theatre: 66%	
7 . 3 . 2	Rehearsal Hire Rate	\$22,000	per session	= [7.1.2] x (1 - [7.3.1])	
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage	
7 . 5	Other Hire Charges	10	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services	
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket	Urbtix: \$6.5 per ticket, max \$20	
8 . 2	Inside Charge Fee	\$6.7	per ticket	Urbtix: \$6.7 per ticket	
8 . 3	Profit Margin	0	%	Now profit goes to operator (Cityline) only	
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$150	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$0	per annum		
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)	
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	1	staff		
14 . 2	Level 2 Staff	2	staff		
14 . 3	Level 3 Staff	8	staff		
14 . 4	Level 4 Staff	15	staff		
14 . 5	Level 5 Staff	25	staff		
14 . 6	Level 6 Staff	15	staff		
14	Total Number of Staff	66	staff	HK Cultural Centre: 125 staff at present	

Annex D.3: Base Case Operating Assumptions

15	Overheads		HK Academy for Performing Arts venues: 23 permanent staff in total
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	by Architectural Services Department at present
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	by PCCW in 2004/05
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. GFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK Cultural Centre 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	5 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	100 %	

Annex D.3: Base Case Operating Assumptions

Great Theatre 1 - PSI Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	14,800	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	2,200	seats	
1 . 4	Restaurants NOFA	1,000	sq.m.	excluding internal bars
1 . 5	Retail NOFA	190	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	600	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	90	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	948	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$350	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	1,584	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.7	No. of Performances per Day	
5 . 3	Total	304	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	258	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	258	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	258	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	10	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	95	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$28.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$61,600	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$110,880	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$24,640	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	12	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$175	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	5	staff	
14 . 4	Level 4 Staff	10	staff	
14 . 5	Level 5 Staff	10	staff	
14 . 6	Level 6 Staff	10	staff	
14	Total Number of Staff	37	staff	46% lower than PSC

Annex D.3: Base Case Operating Assumptions

15		Overheads		
15 . 1	. 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1	. 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1	. 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1	. 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1	. 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3	. 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3	. 2	Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	5 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	90 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Concert Hall Chamber Music Hall - PSC Base Case (Concert Hall)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	16,800	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	2,000	seats	HK Cultural Centre Concert Hall: 2,019; HK City Hall Concert Hall: 1,448
1 . 4	Restaurants NOFA	1,000	sq.m.	excluding internal bars
1 . 5	Retail NOFA	190	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	1,300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days
2 . 3	No. of Sessions Per Day	3		HK Cultural Centre Concert Hall 2005/06: 100%; HK City Hall Concert Hall: 99%
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$300	per performance	LCSD music performances at HK Cultural Centre 2005/06: \$297
4	Attendance			
4 . 1	Attendance Rate	65	%	Music performances at LCSD venues 2005/06: 668 people
4 . 2	Average Attendance	1,300	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] Music performances at LCSD venues 2005/06: 1,301 people HK Cultural Centre 3 venues 2005/06: 882 performances (average 294)
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	70	%	
6 . 1 . 2	Hirers' Arts Performances	202	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	202	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	202	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	29	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	29	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	29	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	20	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	58	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	168	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat		
7 . 1 . 2	Basic Rate (per session)	\$40,000	per session	= [7.1.1] x [1.3]	HK Cultural Centre Concert Hall: \$15.4; HK City Hall Concert Hall: \$16.9 HK Cultural Centre Concert Hall: \$31,000; HK City Hall Concert Hall: \$24,500
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales		HK Cultural Centre Concert Hall and HK City Hall Concert Hall: 20%
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$78,000	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]	
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%		HK Cultural Centre Concert Hall and HK City Hall Concert Hall: 66%
7 . 3 . 2	Rehearsal Hire Rate	\$16,000	per session	= [7.1.2] x (1 - [7.3.1])	
7 . 4	Discount Rate (Community Hire)	30	%		not applicable to non-arts usage
7 . 5	Other Hire Charges	10	% of Total Hire Income		including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket		Urbtix: \$6.5 per ticket, max \$20
8 . 2	Inside Charge Fee	\$6.7	per ticket		Urbtix: \$6.7 per ticket
8 . 3	Profit Margin	0	%		Now profit goes to operator (Cityline) only
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$150	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$0	per annum		
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum		Based on average salaries / benefits of LCSD performing arts venues (2006/07)
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	1	staff		
14 . 2	Level 2 Staff	3	staff		
14 . 3	Level 3 Staff	12	staff		
14 . 4	Level 4 Staff	15	staff		
14 . 5	Level 5 Staff	25	staff		
14 . 6	Level 6 Staff	15	staff		

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	71 staff	HK Cultural Centre: 99 staff at present HK Academy for Performing Arts venues: 23 permanent staff in total
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	by Architectural Services Department at present
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	by PCCW in 2004/05
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK Cultural Centre 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	7 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	130 %	

Annex D.3: Base Case Operating Assumptions

Concert Hall Chamber Music Hall - PSC Base Case (Chamber Music Hall)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	0	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	0	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	0	sq.m.	
1 . 7	Resident Company Space NOFA	525	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$125	per performance	Music performances at LCSD venues 2005/06: \$139
4	Attendance			
4 . 1	Attendance Rate	65	%	
4 . 2	Average Attendance	520	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	60	%	
6 . 1 . 2	Hirers' Arts Performances	173	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	173	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	173	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	29	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	29	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	29	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	30	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	87	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	253	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$16,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$13,000	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$6,400	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$100	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14 . 8	Total Number of Staff	0 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	by Architectural Services Department at present
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	by PCCW in 2004/05
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK Cultural Centre 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	150 %	

Annex D.3: Base Case Operating Assumptions

Concert Hall Chamber Music Hall - PSI Base Case (Concert Hall)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	16,800	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	2,000	seats	
1 . 4	Restaurants NOFA	1,000	sq.m.	excluding internal bars
1 . 5	Retail NOFA	190	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	1,300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	82	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$300	per performance	
4	Attendance			
4 . 1	Attendance Rate	67	%	slightly higher than PSC
4 . 2	Average Attendance	1,340	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	70	%	
6 . 1 . 2	Hirers' Arts Performances	207	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	207	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	207	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	30	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	30	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	30	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	20	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	59	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	173	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$46,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$80,400	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$18,400	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	12	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$175	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	7	staff	
14 . 4	Level 4 Staff	10	staff	
14 . 5	Level 5 Staff	10	staff	
14 . 6	Level 6 Staff	10	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	39 staff	45% lower than PSC
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	7 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	120 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Concert Hall Chamber Music Hall - PSI Base Case (Chamber Music Hall)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	0	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	0	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	0	sq.m.	
1 . 7	Resident Company Space NOFA	525	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	82	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$125	per performance	
4	Attendance			
4 . 1	Attendance Rate	67	%	slightly higher than PSC
4 . 2	Average Attendance	536	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	60	%	
6 . 1 . 2	Hirers' Arts Performances	178	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	178	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	178	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	30	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	30	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	30	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	30	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	89	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	259	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$18,400	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$13,400	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$7,360	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	6	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$125	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14 . 8	Total Number of Staff	0 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	140 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Xiqu Centre - PSC Base Case (Main Theatre)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	14,955	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	HK City Hall: 21,500 sq.m. CFA
1 . 3	Seating Capacity	1,400	seats	HK City Hall Concert Hall: 1,448; HK Cultural Centre Grand Theatre: 1,734; Ko Shan Theatre: 1,031
1 . 4	Restaurants NOFA	3,220	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	88	%	based on days
2 . 3	No. of Sessions Per Day	3		HK City Hall Concert Hall: 99%; HK Cultural Centre Grand Theatre 2005/06: 100%
2 . 4	Utilisation	927	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$200	per performance	Cantonese Operas at LCSD venues 2005/06: \$128; 754 people Cantonese Operatic Songs at LCSD venues 2005/06: \$100; 326 people Other Chinese Operas at LCSD venues 2005/06: \$153; 536 people
4	Attendance			
4 . 1	Attendance Rate	70	%	Ko Shan Theatre: 57%; 591 people
4 . 2	Average Attendance	980	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	318	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] Ko Shan Theatre 2005/06: 356
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	80	%	
6 . 1 . 2	Hirers' Arts Performances	254	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	254	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	508	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	10	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	32	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	32	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	32	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	32	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	93	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat		Ko Shan Theatre: \$8.3
7 . 1 . 2	Basic Rate (per session)	\$28,000	per session	= [7.1.1] x [1.3]	HK Cultural Centre Grand Theatre: \$19.8; HK City Hall Concert Hall: \$16.9 HK Cultural Centre Grand Theatre: \$34,300; City Hall CH: \$24,500 Ko Shan Theatre: \$8,600
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales		HK Cultural Centre Grand Theatre, HK City Hall Concert Hall and Ko Shan Theatre: 20%
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$39,200	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]	
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%		HK Cultural Centre Grand Theatre and HK City Hall Concert Hall: 66%; Ko Shan Theatre: 56%
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$7,000	per session	= [7.1.2] x (1 - [7.3.1])	
7 . 4	Discount Rate (Community Hire)	30	%		not applicable to non-arts usage
7 . 5	Other Hire Charges	10	% of Total Hire Income		including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket		Urbtix: \$6.5 per ticket, max \$20
8 . 2	Inside Charge Fee	\$6.7	per ticket		Urbtix: \$6.7 per ticket
8 . 3	Profit Margin	0	%		Now profit goes to operator (Cityline) only
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$150	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$0	per annum		
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum		Based on average salaries / benefits of LCSD performing arts venues (2006/07)
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	1	staff		
14 . 2	Level 2 Staff	2	staff		
14 . 3	Level 3 Staff	12	staff		
14 . 4	Level 4 Staff	15	staff		
14 . 5	Level 5 Staff	20	staff		
14 . 6	Level 6 Staff	15	staff		

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	65 staff	HK Cultural Centre: 125 staff at present HK Academy for Performing Arts venues: 23 permanent staff in total
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	by Architectural Services Department at present
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	by PCCW in 2004/05
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK Cultural Centre 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	7 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	100 %	

Annex D.3: Base Case Operating Assumptions

Xiqu Centre - PSC Base Case

(Small Theatre)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	0	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	400	seats	HK City Hall Theatre: 463
1 . 4	Restaurants NOFA	0	sq.m.	excluding internal bars
1 . 5	Retail NOFA	0	sq.m.	
1 . 6	VVIP Facilities NOFA	0	sq.m.	
1 . 7	Resident Company Space NOFA	0	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	88	%	based on days HK City Hall Theatre: 99%
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	927	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	Cantonese Operas at LCSD venues 2005/06: \$128; 754 people Cantonese Operatic Songs at LCSD venues 2005/06: \$100; 326 people Other Chinese Operas at LCSD venues 2005/06: \$153; 536 people
4	Attendance			
4 . 1	Attendance Rate	65	%	Ko Shan Theatre: 57%
4 . 2	Average Attendance	260	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	318	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] Ko Shan Theatre 2005/06: 356
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	70	%	
6 . 1 . 2	Hirers' Arts Performances	223	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	223	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	223	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	16	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	16	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	16	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	25	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	80	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	232	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat		
7 . 1 . 2	Basic Rate (per session)	\$8,000	per session	= [7.1.1] x [1.3]	HK City Hall Theatre: \$17.9 HK City Hall Theatre: \$8,300
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales		HK City Hall Theatre: 20%
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$5,200	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]	
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%		HK City Hall Theatre: 48%
7 . 3 . 2	Rehearsal Hire Rate	\$3,200	per session	= [7.1.2] x (1 - [7.3.1])	
7 . 4	Discount Rate (Community Hire)	50	%		not applicable to non-arts usage
7 . 5	Other Hire Charges	2	% of Total Hire Income		including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket		Urbtix: \$6.5 per ticket, max \$20
8 . 2	Inside Charge Fee	\$6.7	per ticket		Urbtix: \$6.7 per ticket
8 . 3	Profit Margin	0	%		Now profit goes to operator (Cityline) only
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$50	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$0	per annum		
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum		Based on average salaries / benefits of LCSD performing arts venues (2006/07)
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	0	staff		
14 . 2	Level 2 Staff	0	staff		
14 . 3	Level 3 Staff	0	staff		
14 . 4	Level 4 Staff	0	staff		
14 . 5	Level 5 Staff	0	staff		
14 . 6	Level 6 Staff	0	staff		

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	0 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	by Architectural Services Department at present
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	by PCCW in 2004/05
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK Cultural Centre 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	150 %	

Annex D.3: Base Case Operating Assumptions

Xiqu Centre - PSI Base Case (Main Theatre)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	14,955 sq.m.		
1 . 2 . 1	NOFA to GFA Ratio	1 : 1.5		
1 . 2 . 2	GFA to CFA Ratio	1 : 1.3		
1 . 3	Seating Capacity	1,400 seats		
1 . 4	Restaurants NOFA	3,220 sq.m.		excluding internal bars
1 . 5	Retail NOFA	100 sq.m.		
1 . 6	VVIP Facilities NOFA	- sq.m.		
1 . 7	Resident Company Space NOFA	300 sq.m.		
2	Utilisation			
2 . 1	Closure for Maintenance	14 days per annum		
2 . 2	Utilisation Rate	90 %	based on days	slightly higher than PSC
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	948 sessions per annum	$= (365 - [2.1]) \times [2.2] \times [2.3]$	
3	Ticket Price			
3 . 1	Average Ticket Price	\$200 per performance		
4	Attendance			
4 . 1	Attendance Rate	72 %	slightly higher than PSC	
4 . 2	Average Attendance	1,008 people per performance	$= [1.3] \times [4.1]$	
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120 days per annum		
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day		
5 . 2 . 1	No. of Weekdays	245 days per annum	$= 365 - [5.1.1]$	
5 . 2 . 2	Performances on Weekdays	0.8 No. of Performances per Day		
5 . 3	Total	325 Performances per annum	$= ([5.1.1] \times [5.1.2] + [5.2.1] \times [5.2.2]) \times (365 - [2.1]) / 365 \times [2.2]$	
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	80 %		
6 . 1 . 2	Hirers' Arts Performances	260 Performances per annum	$= [5.3] \times [6.1.1]$	
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	260 Sessions per annum (performance)	$= [6.1.2]$	
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200 %		
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	520 Sessions per annum (rehearsal / set up)	$= [6.1.3] \times [6.1.4]$	
6 . 1 . 6	% is Community Hire with Discounts	10 %	Discounts on performance / rehearsal usage and other hire charges	
6 . 2 . 1	Usage by Hirers (Non-Arts)	10 %	e.g. seminars, civic functions, product launches, graduation ceremonies	
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	33 Performances / Activities per annum	$= [5.3] \times [6.2.1]$	
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	33 Sessions per annum (performance / activities)	$= [6.2.3]$	
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	33 Sessions per annum (rehearsal / set up)	$= [6.2.3]$	
6 . 3 . 1	Usage for Venue's Own Programmes	10 %	$= 1 - [6.1.1] - [6.2.1]$	
6 . 3 . 2	Venue's Own Programmes	33 Performances per annum	$= [5.3] \times [6.3.1]$	
6 . 3 . 3	Sessions Used for Venue's Own Programmes	95 Sessions per annum	$= [2.4] \times [6.3.1]$	
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$32,200	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$40,320	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$8,050	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	12	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$175	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	5	staff	
14 . 4	Level 4 Staff	10	staff	
14 . 5	Level 5 Staff	10	staff	
14 . 6	Level 6 Staff	10	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	37 staff	43% lower than PSC
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	7 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	90 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Xiqu Centre - PSI Base Case

(Small Theatre)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	0	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	400	seats	
1 . 4	Restaurants NOFA	0	sq.m.	excluding internal bars
1 . 5	Retail NOFA	0	sq.m.	
1 . 6	VVIP Facilities NOFA	0	sq.m.	
1 . 7	Resident Company Space NOFA	0	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	90	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	948	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	
4	Attendance			
4 . 1	Attendance Rate	67	%	slightly higher than PSC
4 . 2	Average Attendance	268	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	325	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	70	%	
6 . 1 . 2	Hirers' Arts Performances	228	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	228	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	228	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	16	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	16	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	16	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	25	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	81	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	237	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$9,200	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$5,360	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$3,680	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	50	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$65	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	0 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	140 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 1 - PSC Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	6,750	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	Kwai Tsing Theatre: 190,00 sq.m. CFA
1 . 3	Seating Capacity	800	seats	Kwai Tsing Theatre: 905
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days Kwai Tsing Theatre 2005/06: 93%
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	Theatrical Arts Performances at LCSD Venues 2005/06: \$132
4	Attendance			
4 . 1	Attendance Rate	70	%	Kwai Tsing Theatre 2005/06: 60%, 545 people
4 . 2	Average Attendance	560	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] Kwai Tsing Theatre 2005/06: 280
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	246	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	246	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	492	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	20	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	29	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	84	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$25.0	per session per seat		
7 . 1 . 2	Basic Rate (per session)	\$20,000	per session	$= [7.1.1] \times [1.3]$	Kwai Tsing Theatre: \$19.7 Kwai Tsing Theatre: \$17,870
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	Kwai Tsing Theatre: 20%	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$16,800	per session	$= [1.3] \times [3.1] \times [4.1] \times [7.2.1]$	
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	Kwai Tsing Theatre: 65%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,000	per session	$= [7.1.2] \times (1 - [7.3.1])$	
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage	
7 . 5	Other Hire Charges	6	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services	
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket	Urbtix: \$6.5 per ticket, max \$20	
8 . 2	Inside Charge Fee	\$6.7	per ticket	Urbtix: \$6.7 per ticket	
8 . 3	Profit Margin	0	%	Now profit goes to operator (Cityline) only	
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$100	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$0	per annum		
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)	
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	1	staff		
14 . 2	Level 2 Staff	2	staff		
14 . 3	Level 3 Staff	8	staff		
14 . 4	Level 4 Staff	10	staff		
14 . 5	Level 5 Staff	15	staff		
14 . 6	Level 6 Staff	10	staff		
14	Total Number of Staff	46	staff	Kwai Tsing Theatre: 44 staff at present	

Annex D.3: Base Case Operating Assumptions

15	Overheads		HK Academy for Performing Arts venues: 23 permanent staff in total
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	by Electrical and Mechanical Services Department at present
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	by Architectural Services Department at present
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	by PCCW in 2004/05
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4] HK Coliseum 2004/05: \$890 per sq.m. CFA per annum HK CC 2004/05: \$545 per sq.m. CFA per annum HK City Hall 2004/05: \$917 per sq.m. CFA per annum Kwai Tsing Theatre 2004/05: \$954 per sq.m. CFA per annum Yuen Long Theatre 2004/05: \$772 per sq.m. CFA per annum
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	100 %	

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 1 - PSI Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	6,750	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	82	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	576	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	252	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	504	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	20	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	86	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$28.0 per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$22,400 per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20 % of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$17,280 per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75 %	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,600 per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30 %	not applicable to non-arts usage
7 . 5	Other Hire Charges	8 % of Total Hire Income	higher than PSC
8	Ticketing Services		
8 . 1	Box Office Fee	\$6.5 per ticket	
8 . 2	Inside Charge Fee	\$6.7 per ticket	
8 . 3	Profit Margin	0 %	
9	Merchandise Sales		
9 . 1	% of Patrons Purchasing	6 %	higher than PSC
9 . 2	Average Spending	\$125 per person	higher than PSC
9 . 3	Profit Margin	10 % of turnover	
10	Internal Bars		
10 . 1	% of Patrons Spending	12 %	higher than PSC
10 . 2	Average Spending	\$30 per person	higher than PSC
10 . 3	Profit Margin	15 % of turnover	
11	Rentals		
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000 per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000 per sq.m. per annum	
11 . 2	Retail Shops	\$4,000 per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000 per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000 per sq.m. per annum	
11 . 5	Advertising Space	\$0 per annum	
12	Sponsorship		
12 . 1	Sponsorship as % of Earned / Venue Income	12 %	higher than PSC
13	Staff Costs		
13 . 1	Level 1 Staff	\$1,200,000 per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000 per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000 per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000 per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000 per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000 per annum	lower than PSC
14	Staffing Schedule		
14 . 1	Level 1 Staff	0 staff	
14 . 2	Level 2 Staff	1 staff	
14 . 3	Level 3 Staff	3 staff	
14 . 4	Level 4 Staff	5 staff	
14 . 5	Level 5 Staff	5 staff	
14 . 6	Level 6 Staff	5 staff	
14	Total Number of Staff	19 staff	59% lower than PSC

Annex D.3: Base Case Operating Assumptions

15		Overheads		
15 . 1	. 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1	. 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1	. 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1	. 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1	. 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3	. 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3	. 2	Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	90 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 2 and Blackbox Theatre 1 - PSC Base Case (Medium-Sized Theatre 2)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	9,480 sq.m.		<u>See Medium-sized Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1	Attendance Rate	70	%	
4 . 2	Average Attendance	560	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	246	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	246	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	492	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	20	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	29	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	84	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$25.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$20,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$16,800	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,000	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	6	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$100	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	2	staff	
14 . 3	Level 3 Staff	10	staff	
14 . 4	Level 4 Staff	12	staff	
14 . 5	Level 5 Staff	18	staff	
14 . 6	Level 6 Staff	12	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	55 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$527 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$117 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$234 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$948 per sq.m. GFA per annum \$729 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1		Electricity	\$303 per sq.m. GFA per annum	3% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	15 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	100 %	

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 2 and Blackbox Theatre 1 - PSC Base Case

(Blackbox Theatre 1)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	-	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	250	seats	HK Cultural Centre Studio Theatre: 534; HK City Hall Theatre: 463
1 . 4	Restaurants NOFA	70	sq.m.	excluding internal bars
1 . 5	Retail NOFA	50	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	225	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days
2 . 3	No. of Sessions Per Day	3		HK Cultural Centre Studio Theatre 2005/06: 100%; HK City Hall Theatre 2005/06: 99%
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	Theatrical arts performances at LCSD venues 2005/06: \$132
4	Attendance			
4 . 1	Attendance Rate	70	%	Theatrical arts performances at LCSD venues 2005/06: 256 people = [1.3] x [4.1]
4 . 2	Average Attendance	175	people per performance	
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] Theatrical arts performances at LCSD venues 2005/06: 1,382 performances HK Cultural Centre 3 venues 2005/06: 882 performances (average 294)
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	246	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	246	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	246	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	29	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	84	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat		
7 . 1 . 2	Basic Rate (per session)	\$5,000	per session	= [7.1.1] x [1.3]	HK Cultural Centre Studio Theatre: \$10.1; HK City Hall Theatre: \$17.9 HK Cultural Centre Studio Theatre: \$5,400; HK City Hall Theatre: \$8,300
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales		HK Cultural Centre Studio Theatre and HK City Hall Theatre: 20%
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,500	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]	
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%		HK Cultural Centre Studio Theatre and HK City Hall Theatre: 48%
7 . 3 . 2	Rehearsal Hire Rate	\$2,000	per session	= [7.1.2] x (1 - [7.3.1])	
7 . 4	Discount Rate (Community Hire)	30	%		not applicable to non-arts usage
7 . 5	Other Hire Charges	2	% of Total Hire Income		including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services				
8 . 1	Box Office Fee	\$6.5	per ticket		Urbtix: \$6.5 per ticket, max \$20
8 . 2	Inside Charge Fee	\$6.7	per ticket		Urbtix: \$6.7 per ticket
8 . 3	Profit Margin	0	%		Now profit goes to operator (Cityline) only
9	Merchandise Sales				
9 . 1	% of Patrons Purchasing	5	%		
9 . 2	Average Spending	\$50	per person		
9 . 3	Profit Margin	10	% of turnover		
10	Internal Bars				
10 . 1	% of Patrons Spending	10	%		
10 . 2	Average Spending	\$25	per person		
10 . 3	Profit Margin	15	% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 2	Retail Shops	\$4,000	per sq.m. per annum		
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum		
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum		
11 . 5	Advertising Space	\$0	per annum		
12	Sponsorship				
12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13	Staff Costs				
13 . 1	Level 1 Staff	\$999,852	per annum		Based on average salaries / benefits of LCSD performing arts venues (2006/07)
13 . 2	Level 2 Staff	\$669,396	per annum		
13 . 3	Level 3 Staff	\$429,372	per annum		
13 . 4	Level 4 Staff	\$289,128	per annum		
13 . 5	Level 5 Staff	\$215,112	per annum		
13 . 6	Level 6 Staff	\$161,988	per annum		
14	Staffing Schedule				
14 . 1	Level 1 Staff	0	staff		
14 . 2	Level 2 Staff	0	staff		
14 . 3	Level 3 Staff	0	staff		
14 . 4	Level 4 Staff	0	staff		
14 . 5	Level 5 Staff	0	staff		
14 . 6	Level 6 Staff	0	staff		

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	0 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$527 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$117 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$234 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$948 per sq.m. GFA per annum \$729 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1		Electricity	\$303 per sq.m. GFA per annum	3% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	15 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	120 %	

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 2 and Blackbox Theatre 1 - PSI Base Case (Medium-Sized Theatre 2)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	9,480 sq.m.		<u>See Medium-sized Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	82	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	576	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	252	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	504	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	20	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	86	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$28.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$22,400	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$17,280	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,600	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	8	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$125	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	4	staff	
14 . 4	Level 4 Staff	6	staff	
14 . 5	Level 5 Staff	6	staff	
14 . 6	Level 6 Staff	6	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	23 staff	58% lower than PSC
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$421 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$94 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$328 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 5	Total Operating Costs	\$912 per sq.m. GFA per annum \$702 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$303 per sq.m. GFA per annum	3% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	90 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 2 and Blackbox Theatre 1 - PSI Base Case (Blackbox Theatre 1)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	-	sq.m.	
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		250 seats	
1 . 4	Restaurants NOFA		70 sq.m.	excluding internal bars
1 . 5	Retail NOFA		50 sq.m.	
1 . 6	VVIP Facilities NOFA		- sq.m.	
1 . 7	Resident Company Space NOFA		225 sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	82	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	180	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	252	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	252	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	86	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$5,750	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,600	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,300	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$65	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	0 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$421 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$94 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$328 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$912 per sq.m. GFA per annum \$702 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1		Electricity	\$303 per sq.m. GFA per annum	3% lower than the common assumptions adopted for PA venues given blackbox of the complex is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	110 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Blackbox Theatre 2 and Blackbox Theatre 3 - PSC Base Case (Blackbox Theatre 2)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	5,195 sq.m.		<u>See Blackbox Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	250	seats	
1 . 4	Restaurants NOFA	70	sq.m.	excluding internal bars
1 . 5	Retail NOFA	50	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	225	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	
4	Attendance			
4 . 1	Attendance Rate	70	%	
4 . 2	Average Attendance	175	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	246	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	246	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	246	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	29	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	84	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$5,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,500	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,000	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	2	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$50	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	2	staff	
14 . 3	Level 3 Staff	7	staff	
14 . 4	Level 4 Staff	5	staff	
14 . 5	Level 5 Staff	8	staff	
14 . 6	Level 6 Staff	5	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	27 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$410 per sq.m. GFA per sq.m.	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per sq.m.	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$91 per sq.m. GFA per sq.m.	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$182 per sq.m. GFA per sq.m.	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$753 per sq.m. GFA per sq.m. \$579 per sq.m. CFA per sq.m.	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per sq.m.	
15 . 3 . 1		Electricity	\$281 per sq.m. GFA per sq.m.	10% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	15 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	120 %	

Annex D.3: Base Case Operating Assumptions

Blackbox Theatre 2 and Blackbox Theatre 3 - PSC Base Case (Blackbox Theatre 3)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	-	sq.m.	<u>See Blackbox Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		250 seats	
1 . 4	Restaurants NOFA		70 sq.m.	excluding internal bars
1 . 5	Retail NOFA		50 sq.m.	
1 . 6	VVIP Facilities NOFA		- sq.m.	
1 . 7	Resident Company Space NOFA		225 sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	based on days
2 . 2	Utilisation Rate	80	%	
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	
4	Attendance			
4 . 1	Attendance Rate	70	%	= [1.3] x [4.1]
4 . 2	Average Attendance	175	people per performance	
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	= 365 - [5.1.1]
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
5 . 3	Total	289	Performances per annum	
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	= [5.3] x [6.1.1]
6 . 1 . 2	Hirers' Arts Performances	246	Performances per annum	
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	246	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	= [6.1.3] x [6.1.4]
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	246	Sessions per annum (rehearsal / set up)	
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	29	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	84	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$5,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,500	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,000	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	2	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$50	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	0 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$410 per sq.m. GFA per sq.m.	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per sq.m.	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$91 per sq.m. GFA per sq.m.	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$182 per sq.m. GFA per sq.m.	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$753 per sq.m. GFA per sq.m. \$579 per sq.m. CFA per sq.m.	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per sq.m.	
15 . 3 . 1		Electricity	\$281 per sq.m. GFA per sq.m.	10% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	15 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	120 %	

Annex D.3: Base Case Operating Assumptions

Blackbox Theatre 2 and Blackbox Theatre 3 - PSI Base Case (Blackbox Theatre 2)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	5,195 sq.m.		<u>See Blackbox Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	250	seats	
1 . 4	Restaurants NOFA	70	sq.m.	excluding internal bars
1 . 5	Retail NOFA	50	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	225	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	82	%	based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	180	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	
6 . 1 . 2	Hirers' Arts Performances	252	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	252	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	86	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$5,750	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,600	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,300	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$65	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	3	staff	
14 . 4	Level 4 Staff	4	staff	
14 . 5	Level 5 Staff	4	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	12 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$328 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$73 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$255 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$725 per sq.m. GFA per annum \$558 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1		Electricity	\$281 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	110 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Blackbox Theatre 2 and Blackbox Theatre 3 - PSI Base Case (Blackbox Theatre 3)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	-	sq.m.	<u>See Black Box Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		250 seats	
1 . 4	Restaurants NOFA		70 sq.m.	excluding internal bars
1 . 5	Retail NOFA		50 sq.m.	
1 . 6	VVIP Facilities NOFA		- sq.m.	
1 . 7	Resident Company Space NOFA		225 sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	based on days slightly higher than PSC
2 . 2	Utilisation Rate	82	%	
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	863	sessions per annum	
				= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	180	people per performance	
				= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	= 365 - [5.1.1]
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85	%	= [5.3] x [6.1.1]
6 . 1 . 2	Hirers' Arts Performances	252	Performances per annum	
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100	%	= [6.1.3] x [6.1.4]
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	252	Sessions per annum (rehearsal / set up)	
6 . 1 . 6	% is Community Hire with Discounts	50	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	
6 . 3 . 1	Usage for Venue's Own Programmes	10	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	86	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$5,750	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,600	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,300	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$65	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	0 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$328 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$73 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$255 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 5		Total Operating Costs	\$725 per sq.m. GFA per annum \$558 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1		Electricity	\$281 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	110 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Blackbox Theatre 4 - PSC Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	3,160 sq.m.		<u>See Blackbox Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 : 1.5		
1 . 2 . 2	GFA to CFA Ratio	1 : 1.3		Sai Wan Ho Civic Centre: 5,000 sq.m. GFA
1 . 3	Seating Capacity	250 seats		
1 . 4	Restaurants NOFA	70 sq.m.		excluding internal bars
1 . 5	Retail NOFA	50 sq.m.		
1 . 6	VVIP Facilities NOFA	- sq.m.		
1 . 7	Resident Company Space NOFA	225 sq.m.		
2	Utilisation			
2 . 1	Closure for Maintenance	14 days per annum		
2 . 2	Utilisation Rate	80 %		based on days
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842 sessions per annum		= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100 per performance		
4	Attendance			
4 . 1	Attendance Rate	70 %		
4 . 2	Average Attendance	175 people per performance		= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120 days per annum		
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day		
5 . 2 . 1	No. of Weekdays	245 days per annum		= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8 No. of Performances per Day		
5 . 3	Total	289 Performances per annum		= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85 %		
6 . 1 . 2	Hirers' Arts Performances	246 Performances per annum		= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	246 Sessions per annum (performance)		= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100 %		
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	246 Sessions per annum (rehearsal / set up)		= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50 %		Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5 %		e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14 Performances / Activities per annum		= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14 Sessions per annum (performance / activities)		= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14 Sessions per annum (rehearsal / set up)		= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10 %		= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	29 Performances per annum		= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	84 Sessions per annum		= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$20.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$5,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,500	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,000	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	2	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$50	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	4	staff	
14 . 4	Level 4 Staff	3	staff	
14 . 5	Level 5 Staff	5	staff	
14 . 6	Level 6 Staff	3	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	16 staff	Sai Wan Ho Civic Centre: 23 staff at present
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$410 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$91 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$182 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 5	Total Operating Costs	\$753 per sq.m. GFA per annum \$579 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$281 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	120 %	

Annex D.3: Base Case Operating Assumptions

Blackbox Theatre 4 - PSI Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	3,160 sq.m.		<u>See Black Box Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		250 seats	
1 . 4	Restaurants NOFA	70 sq.m.		excluding internal bars
1 . 5	Retail NOFA	50 sq.m.		
1 . 6	VVIP Facilities NOFA	- sq.m.		
1 . 7	Resident Company Space NOFA	225 sq.m.		
2	Utilisation			
2 . 1	Closure for Maintenance	14 days per annum		
2 . 2	Utilisation Rate	82 %		based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863 sessions per annum		= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$100 per performance		
4	Attendance			
4 . 1	Attendance Rate	72 %		slightly higher than PSC
4 . 2	Average Attendance	180 people per performance		= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120 days per annum		
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day		
5 . 2 . 1	No. of Weekdays	245 days per annum		= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8 No. of Performances per Day		
5 . 3	Total	296 Performances per annum		= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	85 %		
6 . 1 . 2	Hirers' Arts Performances	252 Performances per annum		= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	252 Sessions per annum (performance)		= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	100 %		
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	252 Sessions per annum (rehearsal / set up)		= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	50 %		Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5 %		e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15 Performances / Activities per annum		= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15 Sessions per annum (performance / activities)		= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15 Sessions per annum (rehearsal / set up)		= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	10 %		= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	30 Performances per annum		= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	86 Sessions per annum		= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$23.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$5,750	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$3,600	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal Hire)	60	%	
7 . 3 . 2	Rehearsal Hire Rate	\$2,300	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$65	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	2	staff	
14 . 4	Level 4 Staff	2	staff	
14 . 5	Level 5 Staff	3	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	8 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$328 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$73 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$255 per sq.m. GFA per annum	30% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 1 . 5	Total Operating Costs	\$725 per sq.m. GFA per annum \$558 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$281 per sq.m. GFA per annum	10% lower than the common assumptions adopted for PA venues given blackbox is technically less sophisticated
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	110 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Great Theatre 2 Medium-Sized Theatre 3 - PSC Base Case (Great Theatre 2)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	20,325 sq.m.		<u>See Great Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		1,900 seats	
1 . 4	Restaurants NOFA	1,000 sq.m.		excluding internal bars
1 . 5	Retail NOFA	150 sq.m.		
1 . 6	VVIP Facilities NOFA	- sq.m.		
1 . 7	Resident Company Space NOFA	600 sq.m.		
2	Utilisation			
2 . 1	Closure for Maintenance	14 days per annum		
2 . 2	Utilisation Rate	80 %		based on days
2 . 3	No. of Sessions Per Day	3		lower than Great Theatre 1
2 . 4	Utilisation	842 sessions per annum		= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$250 per performance		lower than Great Theatre 1
4	Attendance			
4 . 1	Attendance Rate	70 %		lower than Great Theatre 1
4 . 2	Average Attendance	1,330 people per performance		= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120 days per annum		
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day		
5 . 2 . 1	No. of Weekdays	245 days per annum		= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8 No. of Performances per Day		
5 . 3	Total	289 Performances per annum		= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	60 %		
6 . 1 . 2	Hirers' Arts Performances	173 Performances per annum		= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	173 Sessions per annum (performance)		= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200 %		
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	346 Sessions per annum (rehearsal / set up)		= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	30 %		Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10 %		e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	29 Performances / Activities per annum		= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	29 Sessions per annum (performance / activities)		= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	29 Sessions per annum (rehearsal / set up)		= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	30 %		= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	87 Performances per annum		= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	253 Sessions per annum		= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$25.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$47,500	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$66,500	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$11,875	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	8	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$100	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	3	staff	
14 . 3	Level 3 Staff	12	staff	
14 . 4	Level 4 Staff	20	staff	
14 . 5	Level 5 Staff	25	staff	
14 . 6	Level 6 Staff	20	staff	

Annex D.3: Base Case Operating Assumptions

14		Total Number of Staff	81 staff	
15		Overheads		
15 . 1 . 1		Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	
15 . 1 . 2		Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3		Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	
15 . 1 . 4		Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5		Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1		Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2		Water	\$36 per seat per annum	
15 . 4		Admin Overheads	15 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	7 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	120 %	

Annex D.3: Base Case Operating Assumptions

Great Theatre 2 Medium-Sized Theatre 3 - PSC Base Case (Medium-Sized Theatre 3)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	-	sq.m.	<u>See Medium-Sized Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		800 seats	
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	based on days lower than Medium-Sized Theatre 1
2 . 2	Utilisation Rate	80	%	
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	842	sessions per annum	
				= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1	Attendance Rate	70	%	lower than Medium-Sized Theatre 1
4 . 2	Average Attendance	560	people per performance	
				= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	= 365 - [5.1.1]
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	75	%	= [5.3] x [6.1.1]
6 . 1 . 2	Hirers' Arts Performances	217	Performances per annum	
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	217	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	= [6.1.3] x [6.1.4]
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	434	Sessions per annum (rehearsal / set up)	
6 . 1 . 6	% is Community Hire with Discounts	40	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	
6 . 3 . 1	Usage for Venue's Own Programmes	20	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	58	Performances per annum	
6 . 3 . 3	Sessions Used for Venue's Own Programmes	168	Sessions per annum	
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$25.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$20,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$16,800	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,000	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$100	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	0	staff	
14 . 3	Level 3 Staff	0	staff	
14 . 4	Level 4 Staff	0	staff	
14 . 5	Level 5 Staff	0	staff	
14 . 6	Level 6 Staff	0	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	0 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	150 %	

Annex D.3: Base Case Operating Assumptions

Great Theatre 2 Medium-Sized Theatre 3 - PSI Base Case (Great Theatre 2)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	20,325 sq.m.		<u>See Great Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		1,900 seats	
1 . 4	Restaurants NOFA	1,000 sq.m.		excluding internal bars
1 . 5	Retail NOFA	150 sq.m.		
1 . 6	VVIP Facilities NOFA	- sq.m.		
1 . 7	Resident Company Space NOFA	600 sq.m.		
2	Utilisation			
2 . 1	Closure for Maintenance	14 days per annum		
2 . 2	Utilisation Rate	82 %		based on days
2 . 3	No. of Sessions Per Day	3		slightly higher than PSC
2 . 4	Utilisation	863 sessions per annum		= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$250 per performance		
4	Attendance			
4 . 1	Attendance Rate	72 %		slightly higher than PSC
4 . 2	Average Attendance	1,368 people per performance		= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120 days per annum		
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day		
5 . 2 . 1	No. of Weekdays	245 days per annum		= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8 No. of Performances per Day		
5 . 3	Total	296 Performances per annum		= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	60 %		
6 . 1 . 2	Hirers' Arts Performances	178 Performances per annum		= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	178 Sessions per annum (performance)		= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200 %		
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	356 Sessions per annum (rehearsal / set up)		= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	30 %		Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	10 %		e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	30 Performances / Activities per annum		= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	30 Sessions per annum (performance / activities)		= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	30 Sessions per annum (rehearsal / set up)		= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	30 %		= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	89 Performances per annum		= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	259 Sessions per annum		= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$28.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$53,200	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$68,400	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$13,300	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	10	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$125	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	8	staff	
14 . 4	Level 4 Staff	10	staff	
14 . 5	Level 5 Staff	10	staff	
14 . 6	Level 6 Staff	10	staff	
14	Total Number of Staff	40	staff	51% lower than PSC due to streamlining of operation and casualisation of staff

Annex D.3: Base Case Operating Assumptions

15		Overheads		
15 . 1	. 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1	. 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1	. 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1	. 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1	. 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3	. 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3	. 2	Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	7 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	110 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Great Theatre 2 Medium-Sized Theatre 3 - PSI Base Case (Medium-Sized Theatre 3)

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	-	sq.m.	<u>See Medium-Sized Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	based on days slightly higher than PSC
2 . 2	Utilisation Rate	82	%	
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	863	sessions per annum	
				= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1	Attendance Rate	72	%	slightly higher than PSC
4 . 2	Average Attendance	576	people per performance	
				= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	296	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	75	%	= [5.3] x [6.1.1]
6 . 1 . 2	Hirers' Arts Performances	222	Performances per annum	
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	222	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	= [6.1.3] x [6.1.4]
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	444	Sessions per annum (rehearsal / set up)	
6 . 1 . 6	% is Community Hire with Discounts	40	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15	Performances / Activities per annum	
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15	Sessions per annum (performance / activities)	= [5.3] x [6.2.1]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	20	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	59	Performances per annum	
6 . 3 . 3	Sessions Used for Venue's Own Programmes	173	Sessions per annum	= [5.3] x [6.3.1]
				= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$28.0 per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$22,400 per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20 % of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$17,280 per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75 %	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,600 per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30 %	not applicable to non-arts usage
7 . 5	Other Hire Charges	6 % of Total Hire Income	higher than PSC
8	Ticketing Services		
8 . 1	Box Office Fee	\$6.5 per ticket	
8 . 2	Inside Charge Fee	\$6.7 per ticket	
8 . 3	Profit Margin	0 %	
9	Merchandise Sales		
9 . 1	% of Patrons Purchasing	6 %	higher than PSC
9 . 2	Average Spending	\$125 per person	higher than PSC
9 . 3	Profit Margin	10 % of turnover	
10	Internal Bars		
10 . 1	% of Patrons Spending	12 %	higher than PSC
10 . 2	Average Spending	\$30 per person	higher than PSC
10 . 3	Profit Margin	15 % of turnover	
11	Rentals		
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000 per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000 per sq.m. per annum	
11 . 2	Retail Shops	\$4,000 per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000 per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000 per sq.m. per annum	
11 . 5	Advertising Space	\$0 per annum	
12	Sponsorship		
12 . 1	Sponsorship as % of Earned / Venue Income	12 %	higher than PSC
13	Staff Costs		
13 . 1	Level 1 Staff	\$1,200,000 per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000 per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000 per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000 per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000 per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000 per annum	lower than PSC
14	Staffing Schedule		
14 . 1	Level 1 Staff	0 staff	
14 . 2	Level 2 Staff	0 staff	
14 . 3	Level 3 Staff	0 staff	
14 . 4	Level 4 Staff	0 staff	
14 . 5	Level 5 Staff	0 staff	
14 . 6	Level 6 Staff	0 staff	
14	Total Number of Staff	0 staff	

Annex D.3: Base Case Operating Assumptions

15		Overheads		
15 . 1	. 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1	. 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1	. 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1	. 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1	. 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2		Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3	. 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3	. 2	Water	\$36 per seat per annum	
15 . 4		Admin Overheads	12 % of Staff Costs	
16		Marketing Costs		
16 . 1		Marketing Costs	10 % of Total Hire Income	
17		Programming Costs		
17 . 1		Venue's Own Programmes: Budget as % of Ticket Sales	140 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 4 - PSC Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	6,750 sq.m.		<u>See Medium-Sized Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity	800	seats	
1 . 4	Restaurants NOFA	250	sq.m.	excluding internal bars
1 . 5	Retail NOFA	100	sq.m.	
1 . 6	VVIP Facilities NOFA	-	sq.m.	
1 . 7	Resident Company Space NOFA	300	sq.m.	
2	Utilisation			
2 . 1	Closure for Maintenance	14	days per annum	
2 . 2	Utilisation Rate	80	%	based on days
2 . 3	No. of Sessions Per Day	3		lower than Medium-Sized Theatre 1
2 . 4	Utilisation	842	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price			
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1	Attendance Rate	70	%	lower than Medium-Sized Theatre 1
4 . 2	Average Attendance	560	people per performance	= [1.3] x [4.1]
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120	days per annum	
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5	No. of Performances per Day	
5 . 2 . 1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]
5 . 2 . 2	Performances on Weekdays	0.8	No. of Performances per Day	
5 . 3	Total	289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	75	%	
6 . 1 . 2	Hirers' Arts Performances	217	Performances per annum	= [5.3] x [6.1.1]
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	217	Sessions per annum (performance)	= [6.1.2]
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200	%	
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	434	Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]
6 . 1 . 6	% is Community Hire with Discounts	40	%	Discounts on performance / rehearsal usage and other hire charges
6 . 2 . 1	Usage by Hirers (Non-Arts)	5	%	e.g. seminars, civic functions, product launches, graduation ceremonies
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	14	Performances / Activities per annum	= [5.3] x [6.2.1]
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	14	Sessions per annum (performance / activities)	= [6.2.3]
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14	Sessions per annum (rehearsal / set up)	= [6.2.3]
6 . 3 . 1	Usage for Venue's Own Programmes	20	%	= 1 - [6.1.1] - [6.2.1]
6 . 3 . 2	Venue's Own Programmes	58	Performances per annum	= [5.3] x [6.3.1]
6 . 3 . 3	Sessions Used for Venue's Own Programmes	168	Sessions per annum	= [2.4] x [6.3.1]
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$25.0	per session per seat	
7 . 1 . 2	Basic Rate (per session)	\$20,000	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$16,800	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,000	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	4	% of Total Hire Income	including hire of ancillary uses, casual staffing, equipment hire, other hire services
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	5	%	
9 . 2	Average Spending	\$100	per person	
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	10	%	
10 . 2	Average Spending	\$25	per person	
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	10	%	
13	Staff Costs			
13 . 1	Level 1 Staff	\$999,852	per annum	
13 . 2	Level 2 Staff	\$669,396	per annum	
13 . 3	Level 3 Staff	\$429,372	per annum	
13 . 4	Level 4 Staff	\$289,128	per annum	
13 . 5	Level 5 Staff	\$215,112	per annum	
13 . 6	Level 6 Staff	\$161,988	per annum	
14	Staffing Schedule			
14 . 1	Level 1 Staff	1	staff	
14 . 2	Level 2 Staff	2	staff	
14 . 3	Level 3 Staff	8	staff	
14 . 4	Level 4 Staff	10	staff	
14 . 5	Level 5 Staff	15	staff	
14 . 6	Level 6 Staff	10	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	46 staff	
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$585 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$130 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$260 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,045 per sq.m. GFA per annum \$804 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	15 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	150 %	

Annex D.3: Base Case Operating Assumptions

Medium-Sized Theatre 4 - PSI Base Case

Assumptions				Remarks
1	Physical Parameters			
1 . 1	Total NOFA	6,750 sq.m.		<u>See Medium-Sized Theatre 1</u>
1 . 2 . 1	NOFA to GFA Ratio	1 :	1.5	
1 . 2 . 2	GFA to CFA Ratio	1 :	1.3	
1 . 3	Seating Capacity		800 seats	
1 . 4	Restaurants NOFA	250 sq.m.		excluding internal bars
1 . 5	Retail NOFA	100 sq.m.		
1 . 6	VVIP Facilities NOFA	- sq.m.		
1 . 7	Resident Company Space NOFA	300 sq.m.		
2	Utilisation			
2 . 1	Closure for Maintenance	14 days per annum		
2 . 2	Utilisation Rate	82 %	based on days	slightly higher than PSC
2 . 3	No. of Sessions Per Day	3		
2 . 4	Utilisation	863 sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]	
3	Ticket Price			
3 . 1	Average Ticket Price	\$150 per performance		
4	Attendance			
4 . 1	Attendance Rate	72 %		slightly higher than PSC
4 . 2	Average Attendance	576 people per performance	= [1.3] x [4.1]	
5	Performance			
5 . 1 . 1	No. of Weekends / Public Holidays	120 days per annum		
5 . 1 . 2	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day		
5 . 2 . 1	No. of Weekdays	245 days per annum	= 365 - [5.1.1]	
5 . 2 . 2	Performances on Weekdays	0.8 No. of Performances per Day		
5 . 3	Total	296 Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]	
6	Usage			
6 . 1 . 1	Usage by Hirers (Arts)	75 %		
6 . 1 . 2	Hirers' Arts Performances	222 Performances per annum	= [5.3] x [6.1.1]	
6 . 1 . 3	Sessions Used for Hirers' Arts Performances	222 Sessions per annum (performance)	= [6.1.2]	
6 . 1 . 4	% of Performances also Hire Venue for Rehearsals	200 %		
6 . 1 . 5	Sessions used for Hirers' Rehearsals / Set up (Arts)	444 Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4]	
6 . 1 . 6	% is Community Hire with Discounts	40 %	Discounts on performance / rehearsal usage and other hire charges	
6 . 2 . 1	Usage by Hirers (Non-Arts)	5 %	e.g. seminars, civic functions, product launches, graduation ceremonies	
6 . 2 . 2	Hirers' Non-Arts Performances / Activities	15 Performances / Activities per annum	= [5.3] x [6.2.1]	
6 . 2 . 3	Sessions Used for Hirers' Non-Arts Performances / Activities	15 Sessions per annum (performance / activities)	= [6.2.3]	
6 . 2 . 4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15 Sessions per annum (rehearsal / set up)	= [6.2.3]	
6 . 3 . 1	Usage for Venue's Own Programmes	20 %	= 1 - [6.1.1] - [6.2.1]	
6 . 3 . 2	Venue's Own Programmes	59 Performances per annum	= [5.3] x [6.3.1]	
6 . 3 . 3	Sessions Used for Venue's Own Programmes	173 Sessions per annum	= [2.4] x [6.3.1]	
7	Hiring Charges			

Annex D.3: Base Case Operating Assumptions

7 . 1 . 1	Basic Rate (per session per seat)	\$28.0	per session per seat	higher than PSC
7 . 1 . 2	Basic Rate (per session)	\$22,400	per session	= [7.1.1] x [1.3]
7 . 2 . 1	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales	
7 . 2 . 2	Hire Charge Based on Gross Ticket Sales	\$17,280	per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7 . 3 . 1	Discount Rate (Rehearsal / Occupation Hire)	75	%	
7 . 3 . 2	Rehearsal / Occupation Hire Rate	\$5,600	per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage
7 . 5	Other Hire Charges	6	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1	Box Office Fee	\$6.5	per ticket	
8 . 2	Inside Charge Fee	\$6.7	per ticket	
8 . 3	Profit Margin	0	%	
9	Merchandise Sales			
9 . 1	% of Patrons Purchasing	6	%	higher than PSC
9 . 2	Average Spending	\$125	per person	higher than PSC
9 . 3	Profit Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 2	Average Spending	\$30	per person	higher than PSC
10 . 3	Profit Margin	15	% of turnover	
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities	\$6,000	per sq.m. per annum	
11 . 4	Resident Company Space	\$2,000	per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1	Level 1 Staff	\$1,200,000	per annum	higher than PSC
13 . 2	Level 2 Staff	\$800,000	per annum	higher than PSC
13 . 3	Level 3 Staff	\$450,000	per annum	slightly higher than PSC
13 . 4	Level 4 Staff	\$200,000	per annum	lower than PSC
13 . 5	Level 5 Staff	\$150,000	per annum	lower than PSC
13 . 6	Level 6 Staff	\$125,000	per annum	lower than PSC
14	Staffing Schedule			
14 . 1	Level 1 Staff	0	staff	
14 . 2	Level 2 Staff	1	staff	
14 . 3	Level 3 Staff	3	staff	
14 . 4	Level 4 Staff	5	staff	
14 . 5	Level 5 Staff	5	staff	
14 . 6	Level 6 Staff	5	staff	

Annex D.3: Base Case Operating Assumptions

14	Total Number of Staff	19 staff	59% lower than PSC
15	Overheads		
15 . 1 . 1	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	\$468 per sq.m. GFA per annum	
15 . 1 . 2	Building Maintenance, Planned Maintenance and Minor Improvement Works	\$70 per sq.m. GFA per annum	
15 . 1 . 3	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	\$104 per sq.m. GFA per annum	
15 . 1 . 4	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	\$364 per sq.m. GFA per annum	
15 . 1 . 5	Total Operating Costs	\$1,006 per sq.m. GFA per annum \$774 per sq.m. CFA per annum	= sum of [15.1.1] to [15.1.4]
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15 . 3 . 1	Electricity	\$312 per sq.m. GFA per annum	
15 . 3 . 2	Water	\$36 per seat per annum	
15 . 4	Admin Overheads	12 % of Staff Costs	
16	Marketing Costs		
16 . 1	Marketing Costs	10 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	140 %	lower than PSC

Annex D.3: Base Case Operating Assumptions

Summary of Assumptions - PSC Base Case

Cluster			1	2	3.1	3.2	4.1	4.2	5	6.1	6.2	7.1	7.2	8	9.1	9.2	10
			Mega Performance Venue	Great Theatre 1	Concert Hall Chamber Music Hall	Concert Hall Chamber Music Hall	Xiqu Centre	Xiqu Centre	Medium-Sized Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1	Blackbox Theatre 2 and Blackbox Theatre 3	Blackbox Theatre 2 and Blackbox Theatre 3	Blackbox Theatre 4	Great Theatre 2 Medium-Sized Theatre 3	Great Theatre 2 Medium-Sized Theatre 3	Medium-Sized Theatre 4
					(Concert Hall)	(Chamber Music Hall)	(Main Theatre)	(Small Theatre)		(Medium-Sized Theatre 2)	(Blackbox Theatre 1)	(Blackbox Theatre 2)	(Blackbox Theatre 3)		(Great Theatre 2)	(Medium-Sized Theatre 3)	
Physical Parameters	Total NOFA	sq.m.	36,710	14,800	16,800	-	14,955	-	6,750	9,480	-	5,195	-	3,160	20,325	-	6,750
	NOFA to GFA Ratio 1:		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	Seating Capacity	seats	15,000	2,200	2,000	800	1,400	400	800	800	250	250	250	250	1,900	800	800
	Restaurants NOFA	sq.m.	1,000	1,000	1,000	-	3,220	-	250	250	70	70	70	70	1,000	250	250
	Retail NOFA	sq.m.	500	190	190	100	100	-	100	100	50	50	50	50	150	100	100
	VVIP Facilities NOFA	sq.m.	1,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Resident Company Space NOFA	sq.m.	0	600	1300	525	300	0	300	300	225	225	225	225	600	300	300
Utilisation	Closure for Maintenance	days per annum	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
	Utilisation Rate	%	88	88	80	80	88	88	80	80	80	80	80	80	80	80	80
	No. of Sessions Per Day		1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Ticket Price	Average Ticket Price	per performance	\$300	\$350	\$300	\$125	\$200	\$100	\$150	\$150	\$100	\$100	\$100	\$100	\$250	\$150	\$150
Attendance	Attendance Rate	%	70	70	65	65	70	65	70	70	70	70	70	70	70	70	70
Performance	No. of Weekends / Public Holidays	days per annum	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
	Performances on Weekends / Public Holidays	No. of Performances per Day	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	Performances on Weekdays	No. of Performances per Day	0.4	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Usage	Usage by Hirers (Arts)	%	80	85	70	60	80	70	85	85	85	85	85	85	60	75	75
	% of Performances also Hire Venue for Rehearsals	%	0	100	100	100	200	100	200	200	100	100	100	100	200	200	200
	% is Community Hire with Discounts	%	0	10	50	50	10	50	20	20	50	50	50	50	30	40	40
	Usage by Hirers (Non-Arts)	%	20	5	10	10	10	5	5	5	5	5	5	5	10	5	5
Hiring Charges	Basic Rate (per session per seat)	per session per seat	\$6.0	\$25.0	\$20.0	\$20.0	\$20.0	\$20.0	\$25.0	\$25.0	\$20.0	\$20.0	\$20.0	\$20.0	\$25.0	\$25.0	\$25.0
	Hire Charge as % of Gross Ticket Sales	% of Gross Ticket Sales	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Discount Rate (Rehearsal Hire)	%	0	60	60	60	75	60	75	75	60	60	60	60	75	75	75
	Discount Rate (Community Hire)	%	0	30	30	30	30	50	30	30	30	30	30	30	30	30	30
	Other Hire Charges	% of Total Hire Income	15	10	10	4	10	2	6	6	2	2	2	2	8	4	4
Ticketing Services	Box Office Fee	per ticket	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5
	Inside Charge Fee	per ticket	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7
	Profit Margin	%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise Sales	% of Patrons Purchasing	%	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	Average Spending	per person	\$150	\$150	\$150	\$100	\$150	\$50	\$100	\$100	\$50	\$50	\$50	\$50	\$100	\$100	\$100
	Profit Margin	% of turnover	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Internal Bars	% of Patrons Spending	%	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
	Average Spending	per person	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
	Profit Margin	% of turnover	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Rentals	Cafes / Restaurants (smaller than 500 sq.m.)	per sq.m. per annum	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
	Cafes / Restaurants (500 sq.m. or above)	per sq.m. per annum	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
	Retail Shops	per sq.m. per annum	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
	VVIP Facilities	per sq.m. per annum	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Resident Company Space	per sq.m. per annum	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
	Advertising Space	per annum	\$6,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sponsorship	Sponsorship as % of Earned / Venue Income	%	5	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Staff Costs	Level 1 Staff	per annum	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852	\$999,852
	Level 2 Staff	per annum	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396	\$669,396
	Level 3 Staff	per annum	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372	\$429,372
	Level 4 Staff	per annum	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128	\$289,128
	Level 5 Staff	per annum	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112	\$215,112
	Level 6 Staff	per annum	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988	\$161,988
Staffing Schedule	Level 1 Staff	staff	1	1	1	0	1	0	1	1	0	0	0	0	1	0	1
	Level 2 Staff	staff	4	2	3	0	2	0	2	2	0	2	0	1	3	0	2
	Level 3 Staff	staff	13	8	12	0	12	0	8	10	0	7	0	4	12	0	8
	Level 4 Staff	staff	10	15	15	0	15	0	10	12	0	5	0	3	20	0	10
	Level 5 Staff	staff	15	25	25	0	20	0	15	18	0	8	0	5	25	0	15
	Level 6 Staff	staff	15	15	15	0	15	0	10	12	0	5	0	3	20	0	10
Overheads	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	per sq.m. GFA per annum	\$410	\$585	\$585	\$585	\$585	\$585	\$585	\$527	\$527	\$410	\$410	\$410	\$585	\$585	\$585
	Building Maintenance, Planned Maintenance and Minor Improvement Works	per sq.m. GFA per annum	\$56	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70
	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	per sq.m. GFA per annum	\$91	\$130	\$130	\$130	\$130	\$130	\$130	\$117	\$117	\$91	\$91	\$91	\$130	\$130	\$130
	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	per sq.m. GFA per annum	\$182	\$260	\$260	\$260	\$260	\$260	\$260	\$234	\$234	\$182	\$182	\$182	\$260	\$260	\$260
	Cleaning and Security Costs	per sq.m. GFA per annum	\$208	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260
	Electricity	per sq.m. GFA per annum	\$281	\$312	\$312	\$312	\$312	\$312	\$312	\$303	\$312	\$281	\$281	\$281	\$312	\$312	\$312
	Water	per seat	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36
	Admin Overheads	% of Staff Costs	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Marketing Costs	Marketing Costs	% of Total Hire Income	2	5	7	10	7	10	10	10	10	10	10	10	7	10	10
Programming Costs	Venue's Own Programmes: Budget as % of Ticket Sales	%	0	100	130	150	100	150	100	100	120	120	120	120	120	150	150

Annex D.3: Base Case Operating Assumptions

Summary of Revenue and Expenditure - PSC Base Case

HK\$ Million	Mega Performance Venue	Great Theatre 1	Concert Hall Chamber Music Hall	Xiqu Centre	Medium-Sized Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1	Blackbox Theatre 2 and Blackbox Theatre 3	Blackbox Theatre 4	Great Theatre 2 Medium- Sized Theatre 3	Medium-Sized Theatre 4
Revenue										
1 Hire Income / Admissions	123.3	36.7	24.7	18.6	7.9	9.6	3.3	1.6	24.9	6.5
2 Retail / Catering / Tenant Income	21.5	6.5	9.4	14.3	2.1	3.1	1.9	1.0	8.3	2.1
3 Programmes	0.0	16.2	28.3	8.4	2.4	2.9	1.0	0.5	33.8	4.9
4 Fundraising	7.2	5.9	6.2	4.1	1.3	1.6	0.6	0.3	6.7	1.4
5 Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	152.0	65.3	68.6	45.3	13.8	17.2	6.8	3.4	73.6	14.9
Expenditure										
1 Staff Cost	17.8	17.9	20.3	18.6	13.5	15.9	8.3	4.8	22.6	13.5
2 Admin Overheads	2.7	2.7	3.0	2.8	2.0	2.4	1.2	0.7	3.4	2.0
3 Building Maintenance	3.1	1.6	1.8	1.6	0.7	1.0	0.5	0.3	2.1	0.7
4 Cleaning and Security	11.5	5.8	6.6	5.8	2.6	3.7	2.0	1.2	7.9	2.6
5 Utilities	16.0	7.0	8.0	7.1	3.2	4.3	2.2	1.3	9.6	3.2
6 Marketing	2.5	1.8	1.9	1.4	0.8	1.0	0.3	0.2	1.9	0.7
7 Programmes	0.0	16.2	37.9	9.4	2.4	3.0	1.2	0.6	42.0	7.3
8 Other Costs	37.6	21.6	24.6	21.9	9.9	12.5	5.3	3.2	29.7	9.9
Total	91.1	74.6	103.9	68.4	35.2	43.8	21.2	12.4	119.3	39.9
Net	60.9	(9.3)	(35.4)	(23.1)	(21.4)	(26.6)	(14.4)	(9.0)	(45.7)	(25.0)

Notes:

Hire income is based on market rental and discount for community hire has been accounted for

All numbers are rounded to 1 decimal place (nearest \$ million) for presentational ease

Expenditure excl. depreciation, major refurbishment, equipment update and insurance

Annex D.3: Base Case Operating Assumptions

Summary of Assumptions - PSI Base Case

Cluster			1	2	3.1	3.2	4.1	4.2	5	6.1	6.2	7.1	7.2	8	9.1	9.2	10
			Mega Performance Venue	Great Theatre 1	Concert Hall Chamber Music Hall	Concert Hall Chamber Music Hall	Xiqu Centre	Xiqu Centre	Medium-Sized Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1	Blackbox Theatre 2 and Blackbox Theatre 3	Blackbox Theatre 2 and Blackbox Theatre 3	Blackbox Theatre 4	Great Theatre 2 Medium-Sized Theatre 3	Great Theatre 2 Medium-Sized Theatre 3	Medium-Sized Theatre 4
					(Concert Hall)	(Chamber Music Hall)	(Main Theatre)	(Small Theatre)		(Medium-Sized Theatre 2)	(Blackbox Theatre 1)	(Blackbox Theatre 2)	(Blackbox Theatre 3)		(Great Theatre 2)	(Medium-Sized Theatre 3)	
Physical Parameters	Total NOFA	sq.m.	36,710	14,800	16,800	-	14,955	-	6,750	9,480	-	5,195	-	3,160	20,325	-	6,750
	NOFA to GFA Ratio 1:		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	Seating Capacity	seats	15,000	2,200	2,000	800	1,400	400	800	800	250	250	250	250	1,900	800	800
	Restaurants NOFA	sq.m.	1,000	1,000	1,000	-	3,220	-	250	250	70	70	70	70	1,000	250	250
	Retail NOFA	sq.m.	500	190	190	100	100	-	100	100	50	50	50	50	150	100	100
	VVIP Facilities NOFA	sq.m.	1,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Resident Company Space NOFA	sq.m.	0	600	1300	525	300	0	300	300	225	225	225	225	600	300	300
Utilisation	Closure for Maintenance	days per annum	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
	Utilisation Rate	%	90	90	82	82	90	90	82	82	82	82	82	82	82	82	82
	No. of Sessions Per Day		1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Ticket Price	Average Ticket Price	per performance	\$300	\$350	\$300	\$125	\$200	\$100	\$150	\$150	\$100	\$100	\$100	\$100	\$250	\$150	\$150
Attendance	Attendance Rate	%	72	72	67	67	72	67	72	72	72	72	72	72	72	72	72
Performance	No. of Weekends / Public Holidays	days per annum	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
	Performances on Weekends / Public Holidays	No. of Performances per Day	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	Performances on Weekdays	No. of Performances per Day	0.4	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Usage	Usage by Hirers (Arts)	%	80	85	70	60	80	70	85	85	85	85	85	85	60	75	75
	% of Performances also Hire Venue for Rehearsals	%	0	100	100	100	200	100	200	200	100	100	100	100	200	200	200
	% Is Community Hire with Discounts	%	0	10	50	50	10	50	20	20	50	50	50	50	30	40	40
	Usage by Hirers (Non-Arts)	%	20	5	10	10	10	5	5	5	5	5	5	5	10	5	5
Hiring Charges	Basic Rate (per session per seat)	per session per seat	\$8.0	\$28.0	\$23.0	\$23.0	\$23.0	\$23.0	\$28.0	\$28.0	\$23.0	\$23.0	\$23.0	\$23.0	\$28.0	\$28.0	\$28.0
	Hire Charge as % of Gross Ticket Sales	% of Gross Ticket Sales	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Discount Rate (Rehearsal Hire)	%	0	60	60	60	75	60	75	75	60	60	60	60	75	75	75
	Discount Rate (Community Hire)	%	0	30	30	30	30	50	30	30	30	30	30	30	30	30	30
	Other Hire Charges	% of Total Hire Income	17	12	12	6	12	4	8	8	4	4	4	4	10	6	6
Ticketing Services	Box Office Fee	per ticket	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5
	Inside Charge Fee	per ticket	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7
	Profit Margin	%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise Sales	% of Patrons Purchasing	%	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Average Spending	per person	\$175	\$175	\$175	\$125	\$175	\$65	\$125	\$125	\$65	\$65	\$65	\$65	\$125	\$125	\$125
	Profit Margin	% of turnover	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Internal Bars	% of Patrons Spending	%	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
	Average Spending	per person	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30
	Profit Margin	% of turnover	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Rentals	Cafes / Restaurants (smaller than 500 sq.m.)	per sq.m. per annum	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
	Cafes / Restaurants (500 sq.m. or above)	per sq.m. per annum	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
	Retail Shops	per sq.m. per annum	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
	VVIP Facilities	per sq.m. per annum	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Resident Company Space	per sq.m. per annum	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
	Advertising Space	per annum	\$7,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sponsorship	Sponsorship as % of Eamed / Venue Income	%	6	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Staff Costs	Level 1 Staff	per annum	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
	Level 2 Staff	per annum	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
	Level 3 Staff	per annum	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
	Level 4 Staff	per annum	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
	Level 5 Staff	per annum	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
	Level 6 Staff	per annum	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Staffing Schedule	Level 1 Staff	staff	1	1	1	0	1	0	0	0	0	0	0	0	1	0	0
	Level 2 Staff	staff	1	1	1	0	1	0	1	1	0	1	0	1	1	0	1
	Level 3 Staff	staff	5	5	7	0	5	0	3	4	0	3	0	2	8	0	3
	Level 4 Staff	staff	5	10	10	0	10	0	5	6	0	4	0	2	10	0	5
	Level 5 Staff	staff	10	10	10	0	10	0	5	6	0	4	0	3	10	0	5
	Level 6 Staff	staff	10	10	10	0	10	0	5	6	0	0	0	0	10	0	5
Overheads	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	per sq.m. GFA per annum	\$328	\$468	\$468	\$468	\$468	\$468	\$468	\$421	\$421	\$328	\$328	\$328	\$468	\$468	\$468
	Building Maintenance, Planned Maintenance and Minor Improvement Works	per sq.m. GFA per annum	\$56	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70
	Provision of Technical Sound Services, Telecommunication Equipment and Systems	per sq.m. GFA per annum	\$73	\$104	\$104	\$104	\$104	\$104	\$104	\$94	\$94	\$73	\$73	\$73	\$104	\$104	\$104
	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	per sq.m. GFA per annum	\$255	\$364	\$364	\$364	\$364	\$364	\$364	\$328	\$328	\$255	\$255	\$255	\$364	\$364	\$364
	Cleaning and Security Costs	per sq.m. GFA per annum	\$208	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260
	Electricity	per sq.m. GFA per annum	\$281	\$312	\$312	\$312	\$312	\$312	\$312	\$303	\$303	\$281	\$281	\$281	\$312	\$312	\$312
	Water	per seat	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36
	Admin Overheads	% of Staff Costs	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Marketing Costs	Marketing Costs	% of Total Hire Income	2	5	7	10	7	10	10	10	10	10	10	10	7	10	10
Programming Costs	Venue's Own Programmes: Budget as % of Ticket Sales	%	0	90	120	140	90	140	90	90	110	110	110	110	110	140	140

Annex D.3: Base Case Operating Assumptions

Summary of Revenue and Expenditure - PSI Base Case

HK\$ Million	Mega Performance Venue	Great Theatre 1	Concert Hall Chamber Music Hall	Xiqu Centre	Medium-Sized Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1	Blackbox Theatre 2 and Blackbox Theatre 3	Blackbox Theatre 4	Great Theatre 2 Medium-Sized Theatre 3	Medium-Sized Theatre 4
Revenue										
1 Hire Income / Admissions	137.6	40.1	27.9	20.9	9.3	11.3	3.9	2.0	28.1	7.7
2 Retail / Catering / Tenant Income	23.8	6.7	9.6	14.5	2.2	3.2	2.0	1.0	8.5	2.2
3 Programmes	0.0	16.6	29.7	8.8	2.6	3.1	1.1	0.5	35.5	5.1
4 Fundraising	9.7	7.6	8.1	5.3	1.7	2.1	0.8	0.4	8.7	1.8
5 Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	171.2	71.0	75.3	49.5	15.8	19.7	7.8	3.9	80.8	16.8
Expenditure										
1 Staff Cost	8.0	9.0	9.9	9.0	4.5	5.5	3.6	2.6	10.4	4.5
2 Admin Overheads	1.0	1.1	1.2	1.1	0.5	0.7	0.4	0.3	1.2	0.5
3 Building Maintenance	3.1	1.6	1.8	1.6	0.7	1.0	0.5	0.3	2.1	0.7
4 Cleaning and Security	11.5	5.8	6.6	5.8	2.6	3.7	2.0	1.2	7.9	2.6
5 Utilities	16.0	7.0	8.0	7.1	3.2	4.3	2.2	1.3	9.6	3.2
6 Marketing	2.8	2.0	2.1	1.5	0.9	1.1	0.4	0.2	2.2	0.8
7 Programmes	0.0	15.0	36.8	9.0	2.3	2.9	1.2	0.6	40.6	7.1
8 Other Costs	36.1	20.8	23.6	21.0	9.5	12.0	5.1	3.1	28.5	9.5
9 Insurance	0.4	0.3	0.4	0.3	0.1	0.2	0.1	0.0	0.5	0.1
10 Rates and Government Rents	6.0	0.9	1.1	0.7	0.3	0.4	0.2	0.1	1.1	0.3
Total	84.7	63.4	91.4	57.1	24.8	31.7	15.7	9.8	104.2	29.4
Net	86.4	7.7	(16.2)	(7.6)	(9.0)	(12.0)	(7.9)	(5.9)	(23.4)	(12.7)

Notes:

Insurance incl. general and building insurance (assumed 0.5% of expenditure)

Rates and government rents estimated based on the rates of the HK Academy for Performing Arts venues [assumed \$400 per seat per annum for all WKCD PA venues]

Rates and government rents will increase substantially if the contractor method is employed by Rating and Valuation Department for rating valuation

Hire income is based on market rental and discount for community hire has been accounted for

All numbers are rounded to 1 decimal place (nearest \$ million) for presentational ease

Expenditure excl. depreciation, major refurbishment and equipment update

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Mega Performance Venue PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	88	93	78 %
Average Ticket Price	\$300	\$350	\$250 per performance
Attendance Rate	70	80	60 %
Basic Rate (per session per seat)	\$6	\$7	\$5 per session per seat
Merchandise Sales Average Spending	\$150	\$150	\$120 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	5	6	3 %
Cleaning and Security Costs	\$208	\$229	\$187 per sq.m. GFA per annum
Electricity	\$281	\$309	\$253 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Mega Performance Venue PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	90	95	80 %
Average Ticket Price	\$300	\$350	\$250 per performance
Attendance Rate	72	82	62 %
Basic Rate (per session per seat)	\$8	\$9	\$7 per session per seat
Merchandise Sales Average Spending	\$175	\$175	\$145 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	6	7	4 %
Cleaning and Security Costs	\$208	\$229	\$187 per sq.m. GFA per annum
Electricity	\$281	\$309	\$253 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Great Theatre 1 PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	88	93	78 %
Average Ticket Price	\$350	\$400	\$300 per performance
Attendance Rate	70	80	60 %
Basic Rate (per session per seat)	\$25	\$27	\$23 per session per seat
Merchandise Sales Average Spending	\$150	\$150	\$120 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Great Theatre 1 PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	90	95	80 %
Average Ticket Price	\$350	\$400	\$300 per performance
Attendance Rate	72	82	62 %
Basic Rate (per session per seat)	\$28	\$30	\$26 per session per seat
Merchandise Sales Average Spending	\$175	\$175	\$145 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Concert Hall PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	80	85	70 %
Average Ticket Price	\$300	\$350	\$250 per performance
Attendance Rate	65	70	60 %
Basic Rate (per session per seat)	\$20	\$22	\$18 per session per seat
Merchandise Sales Average Spending	\$150	\$150	\$120 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Concert Hall PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	82	87	72 %
Average Ticket Price	\$300	\$350	\$250 per performance
Attendance Rate	67	72	62 %
Basic Rate (per session per seat)	\$23	\$25	\$21 per session per seat
Merchandise Sales Average Spending	\$175	\$175	\$145 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Chamber Music Hall PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	80	85	70 %
Average Ticket Price	\$125	\$150	\$100 per performance
Attendance Rate	65	70	60 %
Basic Rate (per session per seat)	\$20	\$22	\$18 per session per seat
Merchandise Sales Average Spending	\$100	\$100	\$80 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Chamber Music Hall PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	82	87	72 %
Average Ticket Price	\$125	\$150	\$100 per performance
Attendance Rate	67	72	62 %
Basic Rate (per session per seat)	\$23	\$25	\$21 per session per seat
Merchandise Sales Average Spending	\$125	\$125	\$105 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Xiqu Centre Main Theatre PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	88	93	78 %
Average Ticket Price	\$200	\$250	\$150 per performance
Attendance Rate	70	80	60 %
Basic Rate (per session per seat)	\$20	\$22	\$18 per session per seat
Merchandise Sales Average Spending	\$150	\$150	\$120 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Xiqu Centre Main Theatre PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	90	95	80 %
Average Ticket Price	\$200	\$250	\$150 per performance
Attendance Rate	72	82	62 %
Basic Rate (per session per seat)	\$23	\$23	\$21 per session per seat
Merchandise Sales Average Spending	\$175	\$175	\$145 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Xiqu Centre Small Theatre PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	88	93	78 %
Average Ticket Price	\$100	\$125	\$75 per performance
Attendance Rate	65	70	60 %
Basic Rate (per session per seat)	\$20	\$22	\$18 per session per seat
Merchandise Sales Average Spending	\$50	\$50	\$40 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Xiqu Centre Small Theatre PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	90	95	80 %
Average Ticket Price	\$100	\$125	\$75 per performance
Attendance Rate	67	72	62 %
Basic Rate (per session per seat)	\$23	\$25	\$21 per session per seat
Merchandise Sales Average Spending	\$65	\$65	\$50 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Medium Sized Theatres 1 to 2 PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	80	85	70 %
Average Ticket Price	\$150	\$200	\$100 per performance
Attendance Rate	70	80	60 %
Basic Rate (per session per seat)	\$25	\$27	\$23 per session per seat
Merchandise Sales Average Spending	\$100	\$100	\$80 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Medium Sized Theatres 1 to 2 PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	82	87	72 %
Average Ticket Price	\$150	\$200	\$100 per performance
Attendance Rate	72	82	62 %
Basic Rate (per session per seat)	\$28	\$30	\$26 per session per seat
Merchandise Sales Average Spending	\$125	\$125	\$105 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Black Box Theatres 1 to 4 PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	80	85	70 %
Average Ticket Price	\$100	\$125	\$75 per performance
Attendance Rate	70	75	65 %
Basic Rate (per session per seat)	\$20	\$22	\$18 per session per seat
Merchandise Sales Average Spending	\$50	\$50	\$40 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$303	\$333	\$272 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Black Box Theatres 1 to 4 PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	82	87	72 %
Average Ticket Price	\$100	\$125	\$75 per performance
Attendance Rate	72	77	67 %
Basic Rate (per session per seat)	\$23	\$25	\$21 per session per seat
Merchandise Sales Average Spending	\$65	\$65	\$50 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$303	\$333	\$272 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Great Theatre 2 PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	80	85	70 %
Average Ticket Price	\$250	\$300	\$200 per performance
Attendance Rate	70	80	60 %
Basic Rate (per session per seat)	\$25	\$27	\$23 per session per seat
Merchandise Sales Average Spending	\$100	\$100	\$80 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Great Theatre 2 PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	82	87	72 %
Average Ticket Price	\$250	\$300	\$200 per performance
Attendance Rate	72	82	62 %
Basic Rate (per session per seat)	\$28	\$30	\$26 per session per seat
Merchandise Sales Average Spending	\$125	\$125	\$105 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Medium Sized Theatres 3 to 4 PSC

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	80	85	70 %
Average Ticket Price	\$150	\$200	\$100 per performance
Attendance Rate	70	80	60 %
Basic Rate (per session per seat)	\$25	\$27	\$23 per session per seat
Merchandise Sales Average Spending	\$100	\$100	\$80 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

Annex D.4: Optimistic Case and Pessimistic Case Operating Assumptions

Medium Sized Theatres 3 to 4 PSI

	Base Case	Optimistic Case	Pessimistic Case
Utilisation Rate	82	87	72 %
Average Ticket Price	\$150	\$200	\$100 per performance
Attendance Rate	72	82	62 %
Basic Rate (per session per seat)	\$28	\$30	\$26 per session per seat
Merchandise Sales Average Spending	\$125	\$125	\$105 per person
Rentals			
Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Cafes / Restaurants (500 sq.m. or above)	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
Retail Shops	\$4,000	\$4,500	\$3,000 per sq.m. NOFA per annum
VVIP Facilities	\$6,000	\$6,500	\$5,000 per sq.m. NOFA per annum
Resident Company Space	\$2,000	\$2,500	\$1,500 per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7 %
Cleaning and Security Costs	\$260	\$286	\$234 per sq.m. GFA per annum
Electricity	\$312	\$343	\$281 per sq.m. GFA per annum
Water	\$36	\$40	\$32 per seat

ANNEX D.5 OTHER OPERATING ASSUMPTIONS

Build Up / Phasing Assumptions:

- Base case to happen in year 10, build up period from year 1 to year 9
- Utilisation rate to increase by 2% for Mega Performance Venue / Great Theatre 1 / Xiqu Centre and 5% for other performing arts venues from year 10 to year 30
- Attendance rate for all performing arts venues to increase by 2% from year 10 to year 30
- Ticket price to increase by 1% per annum in real terms from year 10 to year 30
- No further growth after year 30

Operator Assumptions:

Venue	Operators Under PSI Scenarios	Management Fee to Operators Under PSI Scenarios
Mega Performance Venue	Commercial operator	8% of revenue
Great Theatre 1	Commercial operator	8% of revenue
Concert Hall and Chamber Music Hall	Not-for-profit operator	Nil
Xiqu Centre	Commercial operator	8% of revenue
Medium Theatre 1	Not-for-profit operator	Nil
Medium Theatre 2 and Black Box Theatre 1	Not-for-profit operator	Nil

Venue	Operators Under PSI Scenarios	Management Fee to Operators Under PSI Scenarios
Black Box Theatre 2 and Black Box Theatre 3	Not-for-profit operator	Nil
Black Box Theatre 4	Not-for-profit operator	Nil
Great Theatre 2 and Medium Theatre 3	Commercial operator	8% of revenue
Medium Theatre 4	Not-for-profit operator	Nil

Note: assumed a simple profit-sharing arrangement to provide incentives for revenue maximizing and a reasonable share (8%) of revenue as management fee to commercial operators; in reality there are many different and individualistic arrangements

Piazzas :

- Assumed breakeven, i.e. revenue from hire income and sponsorships and donations will cover operating cost which has been estimated on operational requirements (in the order of \$20 million (2006 prices), staff and programming costs are covered by the cost of area planning and management):

Maintenance (including the maintenance of technical facilities)	\$8 million per annum	Estimated based on maintenance requirements of piazzas including small canopy (45% for canopy and associated lightings and technical equipment)
Marketing and promotion	\$5 million per annum	For promoting the venues to potential hirers as well as promoting cultural and entertainment programmes and other events to audience / visitors
Cleaning and security	\$3 million per annum	Estimated based on operational requirements
Utility	\$3 million per annum	Estimated based on electricity and water consumption
Rates and government rents	\$1 million per annum	Estimated based on open carpark use (best alternative use of the site)

Note: 2006 prices

Annex D.6: International Comparators - Capital Costs

Performing Venue	Location	Primary Auditorium	Secondary Auditorium	Third Auditorium	Ancillary Spaces	Source	Floor Area (sq.m.)	Remarks	Grossing Factor	GFA to CFA Ratio	Building Footprint (sq.m.)	Source	Architect	Source	Cost	Remarks	Source	Opening Year	Construction Period	Source	Unit Construction Cost (incl. fit out) per CFA (Converted to HK\$ in 2006 prices) See Note	Comparators of
Shanghai Grand Theatre	PRC	1,800 seat lyric theatre	600 seat drama theatre	300 seat studio theatre	rehearsal rooms, retail and catering uses	2 & 3	42,087 (excl. open areas and carparks)	GFA	1:1.5	1:1.3 (not including outdoor areas and carparks)	10,973	estimated by Consultants based on floor area data provided by venue manager	Jean-Maire Charpentier	1	RMB 1 billion	assumed to be construction cost (including fit out cost)	2	1998	1994 to 1998	3	32,600	Great Theatres 1 and 2
The Esplanade - Theatres on the Bay	Singapore	1,942 seat opera house	1,811 seat concert hall (incl. audience seating in their choir stalls)	245 seat recital studio	220 seat theatre studio, hospitality spaces, rehearsal and practice rooms, exhibition spaces and a retail mall	3	101,970	GFA	1:1.7	na	66,177	2	Michael Wilford and DP Architects	3	SGD 562 million	construction cost (including fit out cost)	2	2002	1996 to 2002	2	23,900	Great Theatres 1 and 2; Concert Hall
Melbourne Recital Centre / MTC Theatre	Australia	1,001 seat recital hall	150 seat space for small concerts and recording	500 seat theatre	na	3	na	na	na	na	na	na	Ashton Raggatt McDougall	3	AUD 99 million	contract sum for a design and build contract	4	2009	2006 to 2009	3	na (GFA not available)	Chamber Music Hall, Medium Theatres
Sydney Theatre at Walsh Bay	Australia	896 seat theatre for drama and dance	na	na	rehearsal space, scenic workshop, function room, retail and catering uses	2	na	na	na	na	na	na	Peddle Thorpe & Walker	3	AUD 42 million	assumed to be construction cost (including fit out cost) for converting a cargo storage to a theatre	4	2004	na	2	not applicable (conversion project)	Medium Theatres
Theater am Potsdamer Platz, Berlin	Germany	1,800 seat theatre for musicals	na	na	na	1	15,000	GFA	na	na	na	1	Renzo Piano	1	DM108 million	assumed to be construction cost (including fit out cost)	1	2000	na	1	26,100	Great Theatres 1 and 2
Casa Da Musica, Porto	Portugal	1,238 seat concert hall	300 seat space	na	space for workshop, education, rehearsal, retail and catering uses	2	15,137	GFA	1:3.9	na	na	2	Rem Koolhaas	4	Euro 100 million (43% for building construction, 57% for fitting out)	construction cost (including fit out cost)	2	2005	2001 to 2005	2	37,800	Concert Hall
The Sage, Gateshead	UK	1,700 seat concert hall + 200 standing / dance places	400 seat flexible space for music performances	na	spaces for rehearsal, workshop, education, practice, studio, information centre, exhibition, convention, retail, dining, entertainment uses	2	20,000	GFA	na	na	8,584	2	Norman Foster	1	GBP 70 million	construction cost (including fit out cost)	2	2004	3 years	2	28,000	Concert Hall
The Lowry, Salford	UK	1,730 seat lyric theatre	466 seat studio space	180 seat studio space	exhibition, convention, retail and catering facilities	3	27,000	GFA	na	na	na	2	James Stirling and Michael Wilford	3	GBP 63 million	construction cost (including fit out cost); excl. professional fee of GBP 9 million	2	2000	1997 to 2000	2	23,700	Great Theatres 1 and 2
Milton Keynes Theatre	UK	1,376 seat theatre for musicals to drama	na	na	retail and catering uses	2	25,000	GFA	na	na	13,500	2	Blonski-Heard	3	GBP 30 million	construction cost (including fit out cost)	2	1999	1998 to 1999	2	10,800	Medium Theatres
Wales Millennium Centre, Cardiff	UK	1,896 seat lyric theatre	250 seat studio	na	rehearsal rooms, function rooms	3	33,000 (excl. outdoor spaces)	assumed to be GFA	na	na	na	4	Percy Thomas	4	GBP 106 million	assumed to be construction cost (including fit out cost)	4	2004	2002 to 2004	4	25,500	Great Theatres 1 and 2
Walt Disney Concert Hall, LA	USA	2,265 seat concert hall	250 seat multi-use theatre	na	300 seat amphitheatre, 120 seat amphitheatre, space for pre-concert events, urban park	3	27,220	assumed to be GFA	na	na	na	3	Frank Gehry	3	USD 274 million	assumed to be construction cost (including fit out cost)	3	2003	1998 to 2003	1 & 3	41,500	Concert Hall

Source
1 [www.structurae.de](#)
2 Venue manager
3 Official website
4 Other websites

Note:
construction cost data have been converted to the current price level using the published regional Tender Price Index (TPI) in different countries and to local construction cost data by making reference to the published construction costs for different countries worldwide

Annex D.7: International Comparators - Operating Costs

Performing Venue	Location	Primary Auditorium	Secondary Auditorium	Third Auditorium	Ancillary Spaces	Source	Gross Floor Area (sq.m.)	Source	No. of Performances	Performance and Public Programme Attendance	Source	No. of Staff	Source	Annual Operating Costs - excl. depreciation, amortisation, interest and tax (HK\$ million)	Programming Expenditure as a % of Operating Costs	Staff Cost as a % of Operating Costs	Marketing Expenditure as a % of Hire Income	Admin Overheads as a % of Staff Cost	Self-generated Income as a % of Operating Costs	Source
Shanghai Grand Theatre	PRC	1,800 seat lyric theatre	600 seat drama theatre	300 seat studio theatre	rehearsal rooms, retail and catering uses	1 & 2	42,087 (excl. open areas and carparks)	estimated by Consultants based on floor area data provided by venue manager	938 - 230 Lyric Theatre	na	2	296 - 30 permanent staff and 266 contract staff	2	\$36 - incl. administration and overheads	na	na	na	na	over 100% - profit of \$120 million in the first 7 years of operation (before loan repayment and depreciation)	2
The Esplanade - Theatres on the Bay	Singapore	1,942 seat opera house	1,811 seat concert hall (incl. audience seating in their choir stalls)	245 seat recital studio	220 seat theatre studio, hospitality spaces, rehearsal and practice rooms, exhibition spaces and a retail mall	1	101,970	2	637 (05/06 - ticketed activities only)	438,726 (05/06 - ticketed activities only)	5	184 full time staff and 550 part time / casual staff	2	\$261 (2005/06 - incl. employee benefits, property maintenance and utilities, rental of property, programming, marketing and communications, presentation services and relations, and other operating costs)	17%	22%	75%	na	38% (2005/06 - incl. venue hire and event services, mall and other rentals, ticketing, sponsorships and donations, carparking and other income)	5
Sydney Opera House	Australia	2,769 seat concert hall	1,507 seat opera theatre	544 seat drama theatre	398 seat playhouse, 324 seat studio, rehearsal studios, retail and catering uses	1	450,000 usable floor area	4	1,543 (04/05) - 233 Concert Hall, 293 Opera Theatre, 306 Drama Theatre, 308 Playhouse	1,134,881 (04/05)	5	397 full time equivalent - 294 permanent staff, 333 non-permanent staff	5	\$332 (2004/05 - incl. salaries and related cost, presentations, administration, facility, marketing, fees for service, merchandising, tourism, consumables and minor equipment, repairs and maintenance, training and other expenditure)	11%	64%	22%	8%	74% (2004/05 - incl. self-generated commercial and recoveries and fundraising)	5
Queensland Performing Arts Complex, Brisbane	Australia	2,000 seat lyric theatre	1,800 seat concert hall	850 seat drama theatre	320 seat flexible space for creative productions, 2 studios, retail and catering uses	1	na		920	587,400	2	226 full time equivalent	5	\$153 (2005/06 - incl. employee expenses, supplies and services, facilities costs, audit fees, bad debts, insurance premiums and other expenses)	na	48%	2%	na	62% (2005/06 - incl. rental income, inside charges, box office, sales, recoveries, project income, other service revenue and sponsorship)	5
Perth Theatre Trust (4 performing venues in Perth)	Australia	1,729 seat concert hall	1,200 seat lyric theatre	427 seat drama theatre	304 seat multipurpose space and 116 seat studio (closed during 2005/06)	1	na		678 performances / events (2005/06) - 236 concert hall, 232 lyric theatre, 210 drama theatre	381,090 (2005/06)	5	33 full time equivalent - 11 permanent full time staff, 1 permanent part time staff, 1 fixed term full time staff, 1 fixed term part time staff and 24 casual staff	5	\$88 (2005/06 - incl. employee benefits, supplies and services, accommodation expenses, cost of sales, and other expenses)	3%	57%	4%	na	86% (2005/06 - incl. user charges and fees, sales, sponsorship, and other revenue)	5
La Boite Theatre	Australia	400 seat flexible space	na	na	a rehearsal room	1	na		na	na		12.5 full time staff and 46 casual staff	2	\$12	60%	na	na	na	na	2

Annex D.7: International Comparators - Operating Costs

Performing Venue	Location	Primary Auditorium	Secondary Auditorium	Third Auditorium	Ancillary Spaces	Source	Gross Floor Area (sq.m.)	Source	No. of Performances	Performance and Public Programme Attendance	Source	No. of Staff	Source	Annual Operating Costs - excl. depreciation, amortisation, interest and tax (HK\$ million)	Programming Expenditure as a % of Operating Costs	Staff Cost as a % of Operating Costs	Marketing Expenditure as a % of Hire Income	Admin Overheads as a % of Staff Cost	Self-generated Income as a % of Operating Costs	Source
The Sage, Gateshead	UK	1,700 seat concert hall + 200 standing / dance places	400 seat flexible space for music performances	na	spaces for rehearsal, workshop, education, practice, studio, information centre, exhibition, convention, retail, dining, entertainment uses	2	20,000	2	na	na		220 full time equivalent - 480 full time staff (550 incl. associated employers dealing with security, cleaning and information centre)	2	\$182 (2006/07 - gross expenditure)	na	na	na	na	na	2
The Lowry, Salford	UK	1,730 seat lyric theatre	466 seat studio space	180 seat studio space	exhibition, convention, retail and catering facilities	1	27,000	2	na	na		350 full time equivalent, plus 300 volunteers (incl. 75 full time staff)	2	\$201 gross expenditure	45%	18%	na	na	na	2
Milton Keynes Theatre	UK	1,376 seat theatre for musicals to drama	na	na	retail and catering uses	2	25,000	2	na	na		35 full time staff and 65 part time / casual staff	2	\$26	11%	36%	na	na	na	2
South Bank Centre	UK	2,900 seat concert hall	917 seat concert hall	370 concert hall	na	1	na		888 (2004/05)	704,604 (2004/05)	5	345 full time staff and 170 part time / casual staff (2004/05)	5	\$492 (2004/05 - incl. costs of fundraising, memberships, retail and training, and artistic activity and governance)	na	34%	130%	na	43% (2004/005 - incl. donations and sponsorship, activities for generating funds and income from artistic activity)	5
Kimmel Centre	USA	2,900 seat concert hall	2,547 seat concert hall	651 seat recital hall	studios and event spaces	1	41,800 (assumed to be GFA), including the 2,547 and 651 seaters only	1	636 (2004/05)	741,620 (2004/05)	5	105 full time staff, 300 part time staff and 150 volunteers (2003/04)	5	\$223 (2004/05 - incl. programming and education, facilities operations, marketing and communications, management, administration and general expenses and fundraising)	29%	na	46%	na	93% (2004/05 - incl. programming and education, ticket surcharges, rentals and charges, contributions, sponsorships and memberships, and other revenue)	5

Source

1 Official Website

2 Venue manager

3 Other websites

4 Ove Arups & Partners

5 Annual Report

Exchange Rate:

1 SGD = 5.1 HKD

1 USD = 7.8 HKD

1 GBP = 15.1 HKD

1 AUD = 6.2 HKD

1 RMB = 1 HKD

ANNEX D.8: CONSULTATION WITH THEATRE OPERATORS

List of Theatre Operators / Potential Theatre Operators Consulted

Theatre Operator	Background Information	Contact	Interview Date
Ogden International Facilities Corporation	<ul style="list-style-type: none"> Operator of arenas, stadiums, convention & exhibition centres, performing arts theatres in Australia and Asia – 202,100 seats and 87,000 sq.m. of exhibition space in total, including three indoor arenas (21,000 / 14,000 / 6,300 seats), a concert hall (1,700 seats), a lyric theatre (1,400 seats), and two drama theatres (350 and 450 seats) Conducted over 100 consulting projects for public and private clients including feasibility studies, preparation of design briefs from an operational point of view, technical services and concept design advice, management and operational reviews etc. 	Harvey Lister (Group Chief Executive) Lyndall Purcell (Manager, Venue Development)	16 October 2006
Really Useful Company Asia Pacific Pty Ltd	<ul style="list-style-type: none"> fully owned subsidiary of the London based The Really Useful Group Ltd (RUG), which is owned by Andrew Lloyd Webber based in Sydney, responsible for RUG's activities in Australia, New Zealand, Asia and South Africa, including producing, co-production and licensing RUG owns and operates seven of London's prime lyric theatres (2,273 / 2,196 / 1,500 1,400 / 1,250 / 1,148 / 960 seats); do not operate others' venues 	Tim McFarlane (Managing Director)	17 October 2006

Theatre Operator	Background Information	Contact	Interview Date
The Ambassador Theatre Group	<ul style="list-style-type: none"> the largest theatre group in the West End and the second largest in the UK regions, with a total of 22 venues (two thirds in central or suburban London, one third in English regional locations) one of UK's foremost theatre producers and has been behind some of the most successful and innovative productions in Britain and internationally 	Rosemary Squire (Executive Director)	18 October 2006
Pegasus Venue Management Pty Ltd.	<ul style="list-style-type: none"> Operator of two concert halls in Sydney (1,238 / 1,550 seats) 	Michael (Jack) Frost (Group General Manager / Director)	24 October 2006
Hong Kong Arts Centre	<ul style="list-style-type: none"> operator of a complex of visual and performing arts facilities, including an art school 	Louis Yu (Executive Director)	3 November 2006
Live Nation	<ul style="list-style-type: none"> the world's leading live entertainment company, annually connecting more than 67 million fans with their favorite performers at over 33,000 events; the largest producer of live concerts in the world the second-largest venue management company; owns, operates and/or has booking rights for more than 170 venues (across the US and UK), such as San Francisco's Fillmore Auditorium, Nikon at Jones Beach in New York, London's Apollo Theatre and Dominion theatre, Wembley Arena and Liverpool Empire Theatre 	Carl Pernow (President of International Music)	10-11 November 2006
IMG Artists	<ul style="list-style-type: none"> offices in the Americas, Europe and Asia delivers an array of international capabilities including the management and touring of the finest musicians, dance companies, orchestras, and attractions; 	Ian Smallbone (Senior Vice President and Managing Director / Asia	14 November 2006

Theatre Operator	Background Information	Contact	Interview Date
	<p>development and operation of music and arts festivals; consulting, advisory and event management work for governments, arts institutions, concert halls and corporations; and production of critically acclaimed audio/visual projects</p> <ul style="list-style-type: none"> do not operate any venues at present 	and Arts Projects)	
Broadway Asia Company	<ul style="list-style-type: none"> a New York based company which specializes in producing and licensing shows in Asia (manages and presents 15 titles across Asia) linked to the Broadway producers, Richard Frankel Productions (RFP) (one of RFP partners, Marc Routh, is the co-founder of Broadway Asia) limited experience in running venues: at present the only venue which Broadway Asia is linked with is through RFP which has the lease on the Arts Theatre in London (a small 340 seat commercial venue in the West End of London) 	Simone Gennatt (Co-Founder)	29 November 2006
Hong Kong United Arts Entertainment Co. Ltd.	<ul style="list-style-type: none"> operator of the Sunbeam Theatre (1,033 seats, main venue for Cantonese opera performances in HK) presenter of a variety of Mainland performances (from Chinese operas, military bands to acrobats), including a limited number of performances at the Sunbeam Theatre 	Li Jian Min (Director Chairman and General Manager)	30 November 2006
Spring-Time Group Ltd.	<ul style="list-style-type: none"> an entertainment group engaged in a wide range of entertainment programmes (e.g. theatres, films, concerts and television productions) the only privately funded theatre company in Hong Kong, providing high quality cultural entertainment programmes based on a commercial business model 	Clifton Ko (CEO and Producer)	5 March 2007

Theatre Operator	Background Information	Contact	Interview Date
	<ul style="list-style-type: none"> no experience in venue operation 		

Summary of Views:

- most respondents have expressed an interest in the operation of WKCD venues, particularly large venues such as the Mega Performance Venue, the Great Theatre 1 and the Concert Hall, depending on financial arrangement
- some operators would consider operating a cluster of facilities (larger and smaller venues) provided that they would not be required to shoulder the losses of smaller venues
- the Hong Kong Arts Centre is however interested in the operation of small and/or medium scale venues
- none of them have invested in the construction of venues owned by others, and it is unlikely they would contribute up front capital to WKCD venues under any PPP arrangement given return on a theatre / entertainment facility is too uncertain over a long timescale, especially in Hong Kong where the market is not yet developed (unlike Broadway) and in the case of WKCD where the operation of facilities will be closely guided by the proposed statutory body and investors may not have a free hand in running their facilities
- commercial operators have engaged in a variety of financial arrangements, including licensing, receipt of management fee, and receipt of subsidy for specific programme elements. Generally they prefer to take a reasonable level of risk in expectation of also sharing in profits rather than be confined to a fixed management fee (which provides little incentive to optimize performance)
- operators need to be able to gauge the business before assuming risk, and it takes time, especially for a new venue, for the venue's revenue potential and profitability to be evident. An implication is that different terms and conditions may be appropriate during the early years of operation
- commercial managements operate with small full time staff teams and seek further efficiencies through spreading staff across a cluster of facilities where possible
- operators stressed the value of being involved in early planning of the facilities, to ensure maximum functionality and profitability
- operators believed that it is difficult to separate out general building maintenance from technical operations in performing arts venues
- operators expressed a preference for having sole responsibility for operation of a building