#### 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 Theatreland 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 Theatreland 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 Theatreland 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 Theatreland 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 size<sup>1</sup>, 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.

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<sup>&</sup>lt;sup>1</sup> 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

#### **Capital Construction Cost Estimates**

professional fees. Fit Out (incl. Loose on costs, risks and CFA\* \$ per CFA\*\* Furniture)## inflation adjustment) Foundation# **Building Construction** (sq.m.) (HK\$ per sa.m.) (HK\$ per sq.m.) (HK\$ per sq.m.) (HK\$ per sq.m.) (million HK\$) (a) (b) (c)  $(d) = ((b) - (c)) \times 65\%$ (e) =  $((b) - (c)) \times 35\%$  $(f) = (a) \times (b)$ 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 Hall 32.760 \$29.200 \$4.200 \$16.250 \$8.750 \$957 4 Xigu Centre 29,162 \$27,200 \$4,200 \$14,950 \$8,050 \$793 5 Medium Theatre 1 \$27,200 \$4,200 \$14.950 \$8.050 \$358 13.163 \$4,200 6 Medium Theatre 2 and Black Box Theatre 1 18.486 \$26,200 \$14,300 \$7,700 \$484 \$22,200 \$4,200 \$6,300 \$225 7 Black Box Theatres 2 and 3 10,130 \$11,700 \$22,200 \$4.200 \$11,700 \$6.300 \$137 8 Black Box Theatre 4 6.162 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 \$60 12 Small Canopy 10.000 \$6.000

Construction Cost (excludes

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 Xigu 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

Note:

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

<sup>\*\* 2006 3</sup>Q estimates; see Annex D.6 for international comparators

III Major Repair and Renovation Costs (before inflation adjustment)			Carried out every 20 years for buildings
Mega Performance Venue     (a) Fitting Out     (b) M & E     (c) Major Repair and Renovation Costs     (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$551 \$409 \$961 51%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) = I 1 (a) x I 1 (e) / 1000000 (b) = I 1 (a) x I 1 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) / I 1 (f)
<ul> <li>2 Great Theatre 1</li> <li>(a) Fitting Out</li> <li>(b) M &amp; E</li> <li>(c) Major Repair and Renovation Costs</li> <li>(d) Major Repair and Renovation Costs as % of Total Construction Cost</li> </ul>	\$253 \$188 \$440 52%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) = I 2 (a) x I 2 (e) / 1000000 (b) = I 2 (a) x I 2 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) / I 2 (f)
3 Concert Hall and Chamber Music Hall (a) Fitting Out (b) M & E (c) Major Repair and Renovation Costs (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$287 \$213 \$500 52%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) = I 3 (a) x I 3 (e) / 1000000 (b) = I 3 (a) x I 3 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) / I 3 (f)
4 Xiqu Centre (a) Fitting Out (b) M & E (c) Major Repair and Renovation Costs (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$235 \$174 \$409 52%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) = I 4 (a) x I 4 (e) / 1000000 (b) = I 4 (a) x I 4 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) / I 4 (f)

5 Medium Theatre 1  (a) Fitting Out  (b) M & E  (c) Major Repair and Renovation Costs  (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$106 \$79 \$185 52%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) = I 5 (a) x I 5 (e) / 1000000 (b) = I 5 (a) x I 5 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) / I 5 (f)
6 Medium Theatre 2 and Black Box Theatre 1 (a) Fitting Out (b) M & E (c) Major Repair and Renovation Costs (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$142 \$106 \$248 51%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) =   6 (a) x   6 (e) / 1000000 (b) =   6 (a) x   6 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) /   6 (f)
7 Black Box Theatres 2 and 3 (a) Fitting Out (b) M & E (c) Major Repair and Renovation Costs (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$64 \$47 \$111 49%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) =   7 (a) x   7 (e) / 1000000 (b) =   7 (a) x   7 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) /   7 (f)
8 Black Box Theatre 4  (a) Fitting Out  (b) M & E  (c) Major Repair and Renovation Costs  (d) Major Repair and Renovation Costs as % of Total Construction Cost	\$39 \$29 \$68 49%	million million million [% to be applied to construction costs before on-costs to estimate major overhaul costs]	(a) =   8 (a) x   8 (e) / 1000000 (b) =   8 (a) x   8 (d) / 1000000 x 40% (c) = (a) + (b) (d) = (c) /   8 (f)

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) = $19$ (a) x $19$ (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) / 19 (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) / 1 10 (f)
11 Piazzas			Carried out every 30 years
(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		Remarks
	HK\$	
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
ourout restaurants (ood oq.m. or abovo)	1,000 per eq.m. reer // per armam	
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
VVIP Facilities	6,000 per sq.m. NOFA per annum	sq.m. per day for state functions; 58% utilisation
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

#### Performing Arts Venues Common Assumptions (PSC Base Case)

Overheads			Remarks
Building Maintenance	HK\$	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 annur	m estimated based on water consumption
Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	450 լ	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

#### 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 annui	m 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

#### Mega Performance Venue - PSC Base Case

**Hiring Charges** 

Assumptions		Remarks		
1 Physical Parameters				
1 . 1 Total NOFA 1 . 2 . 1 NOFA to GFA Ratio 1 . 2 . 2 GFA to CFA Ratio 1 . 3 Seating Capacity	36,710 1 : 1.5 1 : 1.3 15,000		HK Coliseum: 12,500	
<ol> <li>1.4 Restaurants NOFA</li> <li>1.5 Retail NOFA</li> <li>1.6 VVIP Facilities NOFA</li> <li>1.7 Resident Company Space NOFA</li> </ol>	1,130	sq.m.	excluding internal bars	
2 Utilisation				
2 . 1 Closure for Maintenance 2 . 2 Utilisation Rate 2 . 3 No. of Sessions Per Day 2 . 4 Utilisation	88 1	days per annum % sessions per annum	based on days = (365 - [2.1]) x [2.2] x [2.3]	HK Coliseum 2005/06: 98%
3 Ticket Price	000	Cocciono por annam	(000 [E.1]) X [E.2] X [E.0]	
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 4 . 2 Average Attendance	70 10,500		HK Coliseum 2005/06: 75%, 9,400 = [1.3] x [4.1]	people
5 Performance				
5 . 1 . 1 No. of Weekends / Public Holidays 5 . 1 . 2 Performances on Weekends / Public Holiday		days per annum No. of Performances per Day		
<ul><li>5 . 2 . 1 No. of Weekdays</li><li>5 . 2 . 2 Performances on Weekdays</li></ul>		days per annum No. of Performances per Day	= 365 - [5.1.1]	
5 . 3 Total	184	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2 HK Coliseum 2005/06: 187	]) x (365-[2.1]) / 365 x [2.2]
6 Usage				
6 . 1 . 1 Usage by Hirers (Arts) 6 . 1 . 2 Hirers' Arts Performances 6 . 1 . 3 Sessions Used for Hirers' Arts Performances 6 . 1 . 4 % of Performances also Hire Venue for Reh 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set u 6 . 1 . 6 % is Community Hire with Discounts	147 earsals 0 0 (Arts) 100	% Performances per annum Sessions per annum (performance) % Sessions per annum (rehearsal / set up) %	= [5.3] x [6.1.1] = [6.1.2] not applicable to MPV, only 1 sess = [6.1.3] x [6.1.4] + [2.4] x [6.1.1] - Discounts on performance / rehear	[6.1.3]
6 . 2 . 1 Usage by Hirers (Non-Arts) 6 . 2 . 2 Hirers' Non-Arts Performances / Activities 6 . 2 . 3 Sessions Used for Hirers' Non-Arts Performs 6 . 2 . 4 Sessions used for Hirers' Rehearsals / Set u	nces / Activities 37 o (Non-Arts) 25	Performances / Activities per annum Sessions per annum (performance / activities) Sessions per annum (rehearsal / set up)	= [5.3] x [6.2.1] = [6.2.3] = [2.4] x [6.2.1] - [6.2.3]	uct launches, graduation ceremonies
6 . 3 . 1 Usage for Venue's Own Programmes 6 . 3 . 2 Venue's Own Programmes 6 . 3 . 3 . Sessions Used for Venue's Own Programme	0	Performances per annum	= 1 - [6.1.1] - [6.2.1] = [5.3] x [6.3.1] = [2.4] x [6.3.1]	

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	HK Coliseum: \$4.4 = [7.1.1] x [1.3] HK Coliseum: \$55,100
	<ul><li>Hire Charge as % of Gross Ticket Sales</li><li>Hire Charge Based on Gross Ticket Sales</li></ul>		% of Gross Ticket Sales per session	HK Coliseum: 20% = [1.3] x [3.1] x [4.1] x [7.2.1]
	<ul><li>Discount Rate (Rehearsal Hire)</li><li>Rehearsal Hire Rate</li></ul>	<b>0</b> \$90,000	% per session	HK Coliseum: 0% = [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 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin		per ticket per ticket %	Urbtix: \$6.5 per ticket, max \$20 Urbtix: \$6.7 per ticket Now profit goes to operator (Cityline) only
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin		% per person % of turnover	
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin		% per person % of turnover	
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	1 Cafes / Restaurants (smaller than 500 sq.m.) 2 Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000	per sq.m. per annum 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			capacity of the consecution (more people who will see the activities from
12 . 1	Sponsorship as % of Earned / Venue Income	5	%	
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$669,396 \$429,372 \$289,128 \$215,112	per annum per annum per annum per annum per annum per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	4 13 10 15	staff staff staff staff staff staff	

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
	and Provision, Maintenance and Operation of Stage Lighting Services		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 %	

#### Mega Performance Venue - PSI Base Case

**Hiring Charges** 

Assumption	s			Remarks	
1	Physical Parameters				
1.1	Total NOFA	36,710	sq.m.		
1.2.1	NOFA to GFA Ratio 1 :	1.5	·		
	GFA to CFA Ratio 1 :	1.3	3		
1.3	Seating Capacity	15,000			
1.4	Restaurants NOFA	1 000	sq.m.	excluding internal bars	
1.5	Retail NOFA		sq.m.	excidential pare	
1.6	VVIP Facilities NOFA		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		%	based on days	slightly higher than PSC
2.3	No. of Sessions Per Day	1			g,g
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				
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays		days per annum No. of Performances per Day		
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]	
	Performances on Weekdays		No. of Performances per Day	1	
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	%		
	Hirers' Arts Performances		Performances per annum	= [5.3] x [6.1.1]	
	Sessions Used for Hirers' Arts Performances		Sessions per annum (performance)	= [6.1.2]	
	% of Performances also Hire Venue for Rehearsals		%	not applicable to MPV, only 1 sess	sion per day
	Sessions used for Hirers' Rehearsals / Set up (Arts)		Sessions per annum (rehearsal / set up)	= [6.1.3] x [6.1.4] + [2.4] x [6.1.1] -	
	% is Community Hire with Discounts		%	Discounts on performance / rehea	
621	Usage by Hirers (Non-Arts)	20	0/_	e a seminare civic functions proc	duct launches, graduation ceremonies
	Hirers' Non-Arts Performances / Activities		Performances / Activities per annum	= [5.3] x [6.2.1]	audi launones, graduation deremonies
	Sessions Used for Hirers' Non-Arts Performances / Activities		Sessions per annum (performance / activities)		
	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)		Sessions per annum (rehearsal / set up)	= [2.4] x [6.2.1] - [6.2.3]	
		_			
	Usage for Venue's Own Programmes		%	= 1 - [6.1.1] - [6.2.1]	
	Venue's Own Programmes		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]	
-	III Company				

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate		% 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 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9 . 1 9 . 2 9 . 3	% of Patrons Purchasing Average Spending Profit Margin	\$175	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin		% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000	per sq.m. per annum 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 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff Total Number of Staff	1 5 5 10 10	staff staff staff staff staff staff staff staff staff	45% lower than PSC due to streamlining of operation and casualisation of 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	
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 = sum of [15.1.1] to [18 \$547 per sq.m. CFA per annum	5.1.4]
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 %	

#### **Great Theatre 1 - PSC Base Case**

**Hiring Charges** 

Assumption	s		Remarks
1	Physical Parameters		
1.1	Total NOFA	14,800 sq.m.	
	NOFA to GFA Ratio 1 :	1.5	
	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	(005 10.41) 10.01 10.01
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	<b>70</b> %	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		
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	<ul><li>120 days per annum</li><li>1.5 No. of Performances per Day</li></ul>	
5.2.1	No. of Weekdays	245 days per annum	= 365 - [5.1.1]
	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]
6	Usage		Musicals at LCSD venues 2005/06: 25 performances HK Cultural Centre 3 venues 2005/06: 882 performances (average 294)
6 1 1	Usage by Hirers (Arts)	85 %	
	Hirers' Arts Performances	252 Performances per annum	= [5.3] x [6.1.1]
	Sessions Used for Hirers' Arts Performances	252 Sessions per annum (performance)	= [6.1.2]
	% 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
	Usage by Hirers (Non-Arts)	5 %	e.g. seminars, civic functions, product launches, graduation ceremonies
	Hirers' Non-Arts Performances / Activities	15 Performances / Activities per annum	= [5.3] x [6.2.1]
	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)	= [6.2.3]
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	$= [2.4] \times [6.3.1]$

	Basic Rate (per session per seat) Basic Rate (per session)	\$25.0 per session per seat \$55,000 per session	HK Cultural Centre Grand Theatre: \$19.8; HK Academy for Performing Arts Lyric Theatre: \$28.4  = [7.1.1] x [1.3] HK Cultural Centre Grand Theatre: \$34,300; HK Academy for Performing Arts Lyric Theatre: \$33,620
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales	20 % of Gross Ticket Sales \$107,800 per session	HK Cultural Centre Grand Theatre: 20% = [1.3] x [3.1] x [4.1] x [7.2.1]
	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate	60 % \$22,000 per session	HK Cultural Centre Grand Theatre: 66% = [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 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.5 per ticket \$6.7 per ticket 0 %	Urbtix: \$6.5 per ticket, max \$20 Urbtix: \$6.7 per ticket Now profit goes to operator (Cityline) only
9	Merchandise Sales		
9 . 1 9 . 2 9 . 3	% of Patrons Purchasing Average Spending Profit Margin	5 % \$150 per person 10 % of turnover	
10	Internal Bars		
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	10 % \$25 per person 15 % of turnover	
11	Rentals		
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 per sq.m. per annum \$4,000 per sq.m. per annum \$4,000 per sq.m. per annum \$6,000 per sq.m. per annum \$2,000 per sq.m. per annum per annum	
12	Sponsorship		
12 . 1	Sponsorship as % of Earned / Venue Income	10 %	
13	Staff Costs		
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
14	Staffing Schedule		
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff Total Number of Staff	1 staff 2 staff 8 staff 15 staff 25 staff 15 staff 66 staff	HK Cultural Centre: 125 staff at present

15	Overheads		HK Academy for Performing Arts venues: 23 permanent staff in total
	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 %	

#### **Great Theatre 1 - PSI Base Case**

**Hiring Charges** 

Assumptions	3			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.		
			- 1		
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		•	0 , 0
2.4	Utilisation	948	sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]	
				(*** 1 3/ 1 3 1 3	
3	Ticket Price				
3.1	Average Ticket Price	\$350	per performance		
4	Attendance				
4.1	Attendance Rate	72	0/.	slightly higher than PSC	
4.1	Average Attendance		people per performance	= [1.3] x [4.1]	
	•	1,004	people per periormanee	[1.0] x [4.1]	
5	Performance				
5 1 1	No. of Weekends / Public Holidays	120	days per annum		
	Performances on Weekends / Public Holidays		No. of Performances per Day		
0.1.2	Torrormanoso on trochenae, Fabric Henaaye	1.0	no. or renormances per Bay		
5.2.1	No. of Weekdays	245	days per annum	= 365 - [5.1.1]	
	Performances on Weekdays		No. of Performances per Day	000 [0.111]	
0.2.2	- Gromanood dri vroditaayo	0	no. or remained per Bay		
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	0/-		
	Hirers' Arts Performances		Performances per annum	= [5.3] x [6.1.1]	
	Sessions Used for Hirers' Arts Performances		Sessions per annum (performance)	= [6.1.2]	
	% of Performances also Hire Venue for Rehearsals	100		ro 4 07 - ro 4 47	
	Sessions used for Hirers' Rehearsals / Set up (Arts)		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 / rehears	al usage and other hire charges
6 2 4	Usage by Hirers (Non-Arts)	_	%	e.g. seminars, civic functions, produ	ot launches, graduation coromanies
	Hirers' Non-Arts Performances / Activities		% Performances / Activities per annum		ci iaunones, graduation ceremonies
				= [5.3] x [6.2.1]	
	Sessions Used for Hirers' Non-Arts Performances / Activities		Sessions per annum (performance / activities)		
6.2.4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15	Sessions per annum (rehearsal / set up)	= [6.2.3]	
631	Usage for Venue's Own Programmes	10	0/,	= 1 - [6.1.1] - [6.2.1]	
	Venue's Own Programmes		Performances per annum		
	Sessions Used for Venue's Own Programmes		Sessions per annum	= [5.3] x [6.3.1]	
0.3.3	Sessions Osed for Vehice's Own Programmes	95	dessions per annum	= [2.4] x [6.3.1]	
-	The second secon				

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate	<mark>60</mark> \$24,640	% per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usa
7.5	Other Hire Charges	12	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9 . 1 9 . 2 9 . 3	% of Patrons Purchasing Average Spending Profit Margin	\$175	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin		% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 11 . 1 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Total Number of Staff	1 5 10 10 10	staff staff staff staff staff staff staff	46% 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	5 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	90 %	lower than PSC

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

7

**Hiring Charges** 

(Concert Assumption			Remarks	
1	Physical Parameters			
1.1 1.2.1 1.2.2 1.3		16,800 sq.m. 1.5 1.3 2,000 seats	HK Cultural Centre Concert Hall: 2,019; HK Ci	iv Hall Concert Hall: 1 448
				y Hall Concert Hall. 1,140
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	1,000 sq.m. 190 sq.m. - sq.m. 1,300 sq.m.	excluding internal bars	
2	Utilisation			
2 . 1 2 . 2 2 . 3 2 . 4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	14 days per annum 80 % 3 842 sessions per annum	based on days = (365 - [2.1]) x [2.2] x [2.3]	HK Cultural Centre Concert Hall 2005/06: 100%; HK City Hall Concert Hall: 99%
3	Ticket Price			
3.1	Average Ticket Price	\$300 per performance	LCSD music performances at HK Cultural Cen	tre 2005/06: \$297
4	Attendance			
4 . 1 4 . 2	Attendance Rate Average Attendance	65 % 1,300 people per performance	Music performances at LCSD venues 2005/06 = [1.3] x [4.1]	: 668 people
5	Performance			
5 . 1 . 1 5 . 1 . 2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	<ul><li>120 days per annum</li><li>1.5 No. of Performances per Day</li></ul>		
5 . 2 . 1 5 . 2 . 2	No. of Weekdays Performances on Weekdays	<ul><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	= 365 - [5.1.1]	
5.3	Total	289 Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2. Music performances at LCSD venues 2005/06 HK Cultural Centre 3 venues 2005/06 882 per	: 1,301 people
6 . 1 . 1	Usage by Hirers (Arts)	70 %	HK Cultural Centre 3 venues 2005/06: 882 per	formances (average 294)
6.1.4	Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals	<ul><li>202 Performances per annum</li><li>202 Sessions per annum (performance)</li><li>100 %</li></ul>	= [5.3] x [6.1.1] = [6.1.2]	
6.1.5 6.1.6	Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts	<ul><li>202 Sessions per annum (rehearsal / set up)</li><li>50 %</li></ul>	= [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage a	nd other hire charges
6.2.1 6.2.2 6.2.3 6.2.4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	10 % 29 Performances / Activities per annum 29 Sessions per annum (performance / activities 29 Sessions per annum (rehearsal / set up)	e.g. seminars, civic functions, product launche = [5.3] x [6.2.1] s) = [6.2.3] = [6.2.3]	s, graduation ceremonies
	Usage for Venue's Own Programmes Venue's Own Programmes Sessions Used for Venue's Own Programmes	20 % 58 Performances per annum 168 Sessions per annum	= 1 - [6.1.1] - [6.2.1] = [5.3] x [6.3.1] = [2.4] x [6.3.1]	

	Basic Rate (per session per seat) Basic Rate (per session)	\$20.0 per session per seat \$40,000 per session	HK Cultural Centre Concert Hall: \$15.4; HK City Hall Concert Hall: \$16.9 = [7.1.1] x [1.3] HK Cultural Centre Concert Hall: \$31,000; HK City Hall Concert Hall: \$24,500
	,	•	
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales	<ul><li>20 % of Gross Ticket Sales</li><li>\$78,000 per session</li></ul>	HK Cultural Centre Concert Hall and HK City Hall Concert Hall: 20% = $[1.3] \times [3.1] \times [4.1] \times [7.2.1]$
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate	60 % \$16,000 per session	HK Cultural Centre Concert Hall and HK City Hal Concert Hall: 66% = [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		
0.4	% of Patrons Purchasing	<b>5</b> %	
9.1 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		\$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	per amum	
12 12 . 1		10 %	
	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs	10 %	
12 . 1 13 13 . 1	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff	10 % \$999,852 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff	10 % \$999,852 per annum \$669,396 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 3 Staff	10 % \$999.852 per annum \$669,396 per annum \$429,372 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 2 Staff Level 4 Staff Level 4 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 3 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 4 Staff Level 5 Staff Level 6 Staff Staffing Schedule	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff Staffing Schedule Level 1 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 6 Staff Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14 14 . 1 14 . 2 14 . 3	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 5 Staff Level 6 Staff Staffing Schedule Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 6 Staff Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum	Based on average salaries / benefits of LCSD performing arts venues (2006/07)
12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14 14 . 1 14 . 1 14 . 2 14 . 3 14 . 4	Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 4 Staff	\$999,852 per annum \$669,396 per annum \$429,372 per annum \$289,128 per annum \$215,112 per annum \$161,988 per annum 1 staff 3 staff 12 staff 15 staff	Based on average salaries / benefits of LCSD performing arts venues (2006/07)

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		cadony for a coloring year reliable. 20 pointailors can in call
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 %	

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

Assumption	ns		Remarks
1	Physical Parameters		
1.1	Total NOFA	0 sq.m.	
1.2.1		1.5	
	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.	excluding internal bars
1.6	VVIP Facilities NOFA	0 sq.m.	
1.7	Resident Company Space NOFA	525 sq.m.	
2	Utilisation		
2.1 2.2	Closure for Maintenance Utilisation Rate	14 days per annum 80 %	based on days
2.2	No. of Sessions Per Day	3	based on days
2.4	Utilisation	842 sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
			(**** 1 3) 1 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	$= [1.3] \times [4.1]$
5	Performance		
5.1.1	No. of Weekends / Public Holidays	120 days per annum	
	Performances on Weekends / Public Holidays	1.5 No. of Performances per Day	
	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 %	
	Hirers' Arts Performances	173 Performances per annum	= [5.3] x [6.1.1]
	Sessions Used for Hirers' Arts Performances	173 Sessions per annum (performance)	= [6.1.2]
	% of Performances also Hire Venue for Rehearsals	100 %	ro 4 03 - ro 4 43
	Sessions used for Hirers' Rehearsals / Set up (Arts)	173 Sessions per annum (rehearsal / set up) 50 %	= [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]
	Sessions Used for Hirers' Non-Arts Performances / Activities	29 Sessions per annum (performance / activities	
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]
	Venue's Own Programmes	87 Performances per annum	= [5.3] x [6.3.1]
	Sessions Used for Venue's Own Programmes	253 Sessions per annum	$= [2.4] \times [6.3.1]$
7	Hiring Charges		



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 %	

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

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

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

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

6 . 3 . 1 Usage for Venue's Own Programmes

6.3.3 Sessions Used for Venue's Own Programmes

6 . 3 . 2 Venue's Own Programmes

**Hiring Charges** 

7

#### Concert Hall Chamber Music Hall - PSI Base Case (Chamber Music Hall) Assumptions Remarks **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 1.3 1.3 Seating Capacity 800 seats Restaurants NOFA 1.4 0 sa.m. excluding internal bars Retail NOFA 1.5 100 sq.m. VVIP Facilities NOFA 1.6 0 sq.m. Resident Company Space NOFA 525 sq.m. 1.7 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 = (365 - [2.1]) x [2.2] x [2.3] 2.4 Utilisation 863 sessions per annum 3 **Ticket Price** Average Ticket Price \$125 per performance 3.1 Attendance 4 4.1 Attendance Rate 67 % slightly higher than PSC Average Attendance 536 people per performance $= [1.3] \times [4.1]$ 4.2 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 245 days per annum 5.2.1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Usage 6 . 1 . 1 Usage by Hirers (Arts) 178 Performances per annum 6 . 1 . 2 Hirers' Arts Performances $= [5.3] \times [6.1.1]$ 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 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 178 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) 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]

89 Performances per annum

259 Sessions per annum

= 1 - [6.1.1] - [6.2.1]

= [5.3] x [6.3.1]

= [2.4] x [6.3.1]

	Basic Rate (per session per seat)		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	$= [1.3] \times [3.1] \times [4.1] \times [7.2.1]$
7.3.1	Discount Rate (Rehearsal Hire)	60	%	
	Rehearsal Hire Rate		per session	= [7.1.2] x (1 - [7.3.1])
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usag
7.4	Discount Nate (Community Fine)	30	70	not applicable to non-arts usag
7.5	Other Hire Charges	6	% of Total Hire Income	higher than PSC
8	Ticketing Services			
	-			
8 . 1	Box Office Fee		per ticket	
8.2	Inside Charge Fee		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		% of turnover	g .
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 1	Average Spending		per person	higher than PSC
10 . 3	Profit Margin		% of turnover	g 2 2
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum	
11 . 1 . 2			per sq.m. per annum	
11 . 2	Retail Shops		per sq.m. per annum	
11 . 3	VVIP Facilities		per sq.m. per annum	
11 . 4	Resident Company Space		per sq.m. per annum	
11 . 4	Advertising Space		per annum	
11.5	Advertising Opace	Ψ	por dimum	
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		per annum	higher than PSC
13 . 3	Level 3 Staff		per annum	slightly higher than PSC
13 . 4	Level 4 Staff		per annum	lower than PSC
13 . 5	Level 5 Staff		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	O	staff	
14 . 2	Level 2 Staff		staff	
14 . 3	Level 3 Staff		staff	
14 . 4	Level 4 Staff		staff	
14 . 5	Level 5 Staff		staff	
14 . 6	Level 6 Staff		staff	

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		\$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

Xigu Centre - PSC Base Case

7

**Hiring Charges** 

#### (Main Theatre) Assumptions Remarks **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 1.3 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 Restaurants NOFA 3.220 sg.m. 1.4 excluding internal bars 1.5 Retail NOFA 100 sq.m. VVIP Facilities NOFA 1.6 sq.m. Resident Company Space NOFA 300 sq.m. 1.7 2 Utilisation 2.1 Closure for Maintenance 14 days per annum 2.2 Utilisation Rate based on days HK City Hall Concert Hall: 99%; HK Cultural Centre Grand Theatre 2005/06: 100% 2.3 No. of Sessions Per Day Utilisation 927 sessions per annum = (365 - [2.1]) x [2.2] x [2.3] 2.4 3 **Ticket Price** Average Ticket Price \$200 per performance Cantonese Operas at LCSD venues 2005/06; \$128; 754 people 3.1 Cantonese Operatic Songs at LCSD venues 2005/06: \$100; 326 people Attendance Other Chinese Operas at LCSD venues 2005/06; \$153: 536 people 4 4.1 Attendance Rate 70 % Ko Shan Theatre: 57%; 591 people Average Attendance 980 people per performance = [1.3] x [4.1] 4.2 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 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] 5.3 Total Ko Shan Theatre 2005/06: 356 Usage 6.1.1 Usage by Hirers (Arts) = [5.3] x [6.1.1] 6 . 1 . 2 Hirers' Arts Performances 254 Performances per annum 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 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 508 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 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 = 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 $= [2.4] \times [6.3.1]$

	Basic Rate (per session per seat) Basic Rate (per session)	\$20.0 per session per seat \$28,000 per session	Ko Shan Theatre: \$8.3  HK Cultural Centre Grand Theatre: \$19.8; HK City Hall Concert Hall: \$16.9  = [7.1.1] x [1.3]  HK Cultural Centre Grand Theatre: \$34,300; City Hall CH: \$24,500
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales	<ul><li>20 % of Gross Ticket Sales</li><li>\$39,200 per session</li></ul>	Ko Shan Theatre: \$8,600 HK Cultural Centre Grand Theatre, HK City Hall Concert Hall and Ko Shan Theatre: 20% = $[1.3] \times [3.1] \times [4.1] \times [7.2.1]$
	Discount Rate (Rehearsal / Occupation Hire) Rehearsal / Occupation Hire Rate	75 % \$7,000 per session	HK Cultural Centre Grand Theatre and HK City Hall Concert Hall: 66%; Ko Shan Theatre: 56% = [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 8 . 3	Inside Charge Fee Profit Margin	\$6.7 per ticket 0 %	Urbtix: \$6.7 per ticket  Now profit goes to operator (Cityline) only
9	Merchandise Sales		
9.1	% of Patrons Purchasing	5 %	
9.2	Average Spending Profit Margin	\$150 per person 10 % of turnover	
9.3		% of turnover	
10	Internal Bars		
10 . 1 10 . 2	% of Patrons Spending Average Spending	10 % \$25 per person	
10 . 2	Profit Margin	15 % of turnover	
11	Rentals		
11 . 1 . 1		\$4,000 per sq.m. per annum	
11 . 1 . 2 11 . 2	Cafes / Restaurants (500 sq.m. or above) Retail Shops	\$4,000 per sq.m. per annum \$4,000 per sq.m. per annum	
11 . 2	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 13 . 4	Level 3 Staff Level 4 Staff	\$429,372 per annum \$289,128 per annum	
13 . 4	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 Level 3 Staff	2 staff 12 staff	
14.3 14.4	Level 4 Staff	12 staff	
14 . 5	Level 5 Staff	20 staff	
14 . 6	Level 6 Staff	15 staff	

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 %	

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**Hiring Charges** 

#### Xigu Centre - PSC Base Case (Small Theatre) Assumptions Remarks **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 1.3 1.3 Seating Capacity 400 seats HK City Hall Theatre: 463 Restaurants NOFA 1.4 0 sq.m. excluding internal bars 1.5 Retail NOFA 0 sq.m. VVIP Facilities NOFA 1.6 0 sq.m. Resident Company Space NOFA 1.7 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 927 sessions per annum = (365 - [2.1]) x [2.2] x [2.3] 2.4 Litilisation 3 **Ticket Price** Average Ticket Price \$100 per performance Cantonese Operas at LCSD venues 2005/06; \$128; 754 people 3.1 Cantonese Operatic Songs at LCSD venues 2005/06: \$100; 326 people Attendance Other Chinese Operas at LCSD venues 2005/06; \$153: 536 people 4 4.1 Attendance Rate 65 % Ko Shan Theatre: 57% Average Attendance 260 people per performance = [1.3] x [4.1] 4.2 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 245 days per annum 5 . 2 . 1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Ko Shan Theatre 2005/06: 356 Usage 6 . 1 . 1 Usage by Hirers (Arts) 223 Performances per annum = [5.3] x [6.1.1] 6 . 1 . 2 Hirers' Arts Performances 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 6.1.5 Sessions used for Hirers' Rehearsals / Set up (Arts) 223 Sessions per annum (rehearsal / set up) 6.1.6 % is Community Hire with Discounts 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 = 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 $= [2.4] \times [6.3.1]$

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat 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 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate	60 \$3,200	% per session	HK City Hall Theatre: 48% = [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, ca	sual staffing, equipment hire, other hire services
8	Ticketing Services				
8.1	Box Office Fee		per ticket	Urbtix: \$6.5 per ticket, max \$20	
8.2 8.3	Inside Charge Fee Profit Margin		per ticket %	Urbtix: \$6.7 per ticket Now profit goes to operator (Citylin	ne) only
	-	· ·	70	Now prom goes to operator (Oityin	ic, only
9	Merchandise Sales				
9.1	% of Patrons Purchasing		%		
9.2 9.3	Average Spending Profit Margin		per person % of turnover		
10	Internal Bars				
10 . 1 10 . 2	% of Patrons Spending Average Spending	10	% per person		
10 . 2	Profit Margin		% of turnover		
11	Rentals				
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum		
11 . 1 . 1 11 . 1 . 2	Cafes / Restaurants (500 sq.m. or above)	\$4,000	per sq.m. per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2	Cafes / Restaurants (500 sq.m. or above) Retail Shops	\$4,000 \$4,000	per sq.m. per annum per sq.m. per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities	\$4,000 \$4,000 \$6,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2	Cafes / Restaurants (500 sq.m. or above) Retail Shops	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship	\$4,000 \$4,000 \$6,000 \$2,000 \$0	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum		
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income	\$4,000 \$4,000 \$6,000 \$2,000 \$0	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum	Based on average salaries / bene	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum per annum	Based on average salaries / bene	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum per annum %	Based on average salaries / benef	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 2 13 . 3 13 . 4	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum  %  per annum	Based on average salaries / benef	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum per annum %	Based on average salaries / benef	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 2 13 . 3 13 . 4	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum  %  per annum	Based on average salaries / bene	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 2 Staff Level 4 Staff Level 5 Staff Level 6 Staff Level 6 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum  %  per annum	Based on average salaries / benef	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Level 6 Staff  Staffing Schedule	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum  %  per annum	Based on average salaries / benet	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 4 Staff Level 6 Staff Level 6 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 3 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum %  per annum	Based on average salaries / benet	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 4 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 4 Staff Level 5 Staff Level 4 Staff Level 4 Staff Level 3 Staff Level 4 Staff Level 4 Staff Level 4 Staff Level 4 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum %  per annum staff staff staff staff	Based on average salaries / benet	fits of LCSD performing arts venues (2006/07)
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 4 Staff Level 6 Staff Level 6 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 3 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum %  per annum	Based on average salaries / benet	fits of LCSD performing arts venues (2006/07)

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 %	

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**Hiring Charges** 

#### Xigu Centre - PSI Base Case (Main Theatre) Assumptions Remarks **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 1.3 1.3 Seating Capacity 1,400 seats Restaurants NOFA 3.220 sg.m. 1.4 excluding internal bars Retail NOFA 1.5 100 sq.m. VVIP Facilities NOFA 1.6 sq.m. Resident Company Space NOFA 300 sq.m. 1.7 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 948 sessions per annum = (365 - [2.1]) x [2.2] x [2.3] 2.4 Utilisation 3 **Ticket Price** Average Ticket Price \$200 per performance 3.1 Attendance 4 4.1 Attendance Rate 72 % slightly higher than PSC Average Attendance 1.008 people per performance $= [1.3] \times [4.1]$ 4.2 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 245 days per annum 5 . 2 . 1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Usage 6 . 1 . 1 Usage by Hirers (Arts) 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 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 520 Sessions per annum (rehearsal / set up) 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] x [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 = 1 - [6.1.1] - [6.2.1] 6 . 3 . 2 Venue's Own Programmes 33 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]

7.1.1	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]
<b>7</b> 0 4	Him Character 9/ of Care Tisket Cale	20	0/ of Coope Tipling Color	
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
1.2.2	Tille Charge based on Cross Ticket Gales	ψ+0,520	per session	- [1.0] x [0.1] x [4.1] x [1.2.1]
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])
	Discount Bata (October 27, 117, a)	00	0/	Parkit it
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usaç
7.5	Other Hire Charges	12	% of Total Hire Income	higher than PSC
				3
8	Ticketing Services			
8.1	D Office F	to F		
8.2	Box Office Fee Inside Charge Fee		per ticket per ticket	
8.3	Profit Margin		%	
0.0	. Tonk margin	· ·	~	
9	Merchandise Sales			
			0.4	
9.1	% of Patrons Purchasing		%	higher than PSC
9.2 9.3	Average Spending Profit Margin		per person % of turnover	higher than PSC
9.3	Front Margin	10	% of turnover	
10	Internal Bars			
10 . 1	% of Patrons Spending	12	%	higher than PSC
10 . 1	Average Spending		per person	higher than PSC
10 . 3	Profit Margin		% of turnover	3
11	Rentals			
11 . 1 . 1	Cafes / Restaurants (smaller than 500 sq.m.)	\$4.000	per sq.m. per annum	
			per sq.m. per annum	
11 . 2	Retail Shops	\$4,000	per sq.m. per annum	
11 . 3	VVIP Facilities		per sq.m. per annum	
11 . 4	Resident Company Space		per sq.m. per annum	
11 . 5	Advertising Space	\$0	per annum	
12	Sponsorship			
	Ороноотопр			
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		per annum	lower than PSC
13 . 5	Level 5 Staff		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		staff	
14 . 3	Level 3 Staff		staff	
14 . 4	Level 4 Staff	10	staff	
14 . 5	Level 5 Staff		staff	
14 . 6	Level 6 Staff	10	staff	

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

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**Hiring Charges** 

#### Xigu Centre - PSI Base Case (Small Theatre) Assumptions Remarks **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 1.3 1.3 Seating Capacity 400 seats Restaurants NOFA 1.4 0 sq.m. excluding internal bars Retail NOFA 1.5 0 sq.m. VVIP Facilities NOFA 1.6 0 sq.m. Resident Company Space NOFA 1.7 0 sq.m. 2 Utilisation 2.1 Closure for Maintenance 14 days per annum 2.2 Utilisation Rate 90 % slightly higher than PSC based on days 2.3 No. of Sessions Per Day = (365 - [2.1]) x [2.2] x [2.3] 2.4 Utilisation 948 sessions per annum 3 **Ticket Price** Average Ticket Price \$100 per performance 3.1 Attendance 4 4.1 Attendance Rate 67 % slightly higher than PSC Average Attendance 268 people per performance $= [1.3] \times [4.1]$ 4.2 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 245 days per annum 5 . 2 . 1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Usage 6 . 1 . 1 Usage by Hirers (Arts) 228 Performances per annum 6 . 1 . 2 Hirers' Arts Performances $= [5.3] \times [6.1.1]$ 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 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 228 Sessions per annum (rehearsal / set up) 6.1.6 % is Community Hire with Discounts 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 = 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]

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate		% per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	50	%	not applicable to non-arts usag
7.5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin	\$65	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	\$30	% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5		\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum	higher than PSC slightly higher than PSC lower than PSC lower than PSC
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000 \$125,000	per annum per annum per annum per annum	higher than PSC slightly higher than PSC lower than PSC lower than PSC

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		\$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

#### Medium-Sized Theatre 1 - PSC Base Case

**Hiring Charges** 

Assumptions				Remarks	
1 Physic	al Parameters				
1 . 1 Total Notal	to GFA Ratio CFA Ratio	6,750 1 : 1.5 1 : 1.3		Kwai Tsing Theatre: 190,00 sq.m. (	CFA
1.3 Seating	g Capacity	800	seats	Kwai Tsing Theatre: 905	
1 . 5 Retail N 1 . 6 VVIP Fa	rants NOFA NOFA acilities NOFA nt Company Space NOFA	100	sq.m. sq.m. sq.m. sq.m.	excluding internal bars	
2 Utilisat	tion				
	e for Maintenance		days per annum		
	ion Rate Sessions Per Day	80	%	based on days	Kwai Tsing Theatre 2005/06: 93%
2 . 4 Utilisation			sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]	
3 Ticket I	Price				
3 . 1 Average	e Ticket Price	\$150	per performance	Theatrical Arts Performances at LC	SD Venues 2005/06: \$132
4 Attenda	ance				
	ance Rate e Attendance	<b>70</b> 560	% people per performance	Kwai Tsing Theatre 2005/06: 60%, = [1.3] x [4.1]	545 people
5 Perform	mance				
	Weekends / Public Holidays nances on Weekends / Public Holidays		days per annum No. of Performances per Day		
5 . 2 . 1 No. of V 5 . 2 . 2 Perform	Weekdays nances on Weekdays		days per annum No. of Performances per Day	= 365 - [5.1.1]	
<ul><li>5 . 3 Total</li><li>6 Usage</li></ul>		289	Performances per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2] Kwai Tsing Theatre 2005/06: 280	) x (365-[2.1]) / 365 x [2.2]
6 . 1 . 4 % of Pe	Arts Performances ns Used for Hirers' Arts Performances erformances also Hire Venue for Rehearsals	246 200	Performances per annum Sessions per annum (performance)	$= [5.3] \times [6.1.1]$ $= [6.1.2]$	
	ns used for Hirers' Rehearsals / Set up (Arts) community Hire with Discounts	20		= [6.1.3] x [6.1.4] Discounts on performance / rehear	sal usage and other hire charges
6 . 2 . 3 Session	by Hirers (Non-Arts) Non-Arts Performances / Activities ns Used for Hirers' Non-Arts Performances / Activities ns used for Hirers' Rehearsals / Set up (Non-Arts)	14	% Performances / Activities per annum Sessions per annum (performance / activities Sessions per annum (rehearsal / set up)	= [5.3] x [6.2.1]	uct launches, graduation ceremonies
6 . 3 . 2 Venue's	for Venue's Own Programmes s Own Programmes ns Used for Venue's Own Programmes		% Performances per annum Sessions per annum	= 1 - [6.1.1] - [6.2.1] = [5.3] x [6.3.1] = [2.4] x [6.3.1]	

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	= [7.1.1] x [1.3]	Kwai Tsing Theatre: \$19.7 Kwai Tsing Theatre: \$17,870
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	Kwai Tsing Theatre: 20% = [1.3] x [3.1] x [4.1] x [7.2.1]	
	Discount Rate (Rehearsal / Occupation Hire) Rehearsal / Occupation Hire Rate	75 \$5,000	% per session	Kwai Tsing Theatre: 65% = [7.1.2] × (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, cas	sual staffing, equipment hire, other hire services
8	Ticketing Services				
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin		per ticket per ticket %	Urbtix: \$6.5 per ticket, max \$20 Urbtix: \$6.7 per ticket Now profit goes to operator (Citylin	ne) only
9	Merchandise Sales				
9 . 1 9 . 2 9 . 3	% of Patrons Purchasing Average Spending Profit Margin		% per person % of turnover		
10	Internal Bars				
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin		% per person % of turnover		
11	Rentals				
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5		\$4,000   \$4,000   \$6,000   \$2,000	per sq.m. per annum per annum		
11 . 1 . 2 11 . 2 11 . 3 11 . 4	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000   \$4,000   \$6,000   \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum		
11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000   \$4,000   \$6,000   \$2,000	oer sq.m. per annum oer sq.m. per annum oer sq.m. per annum oer sq.m. per annum oer annum		
11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space Sponsorship	\$4,000   \$4,000   \$6,000   \$2,000	oer sq.m. per annum oer sq.m. per annum oer sq.m. per annum oer sq.m. per annum oer annum		
11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space Sponsorship Sponsorship as % of Earned / Venue Income	\$4,000   \$4,000   \$6,000   \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum per annum  %  Der annum per annum per annum per annum per annum per annum per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 5 Staff	\$4,000   \$4,000   \$6,000   \$2,000   \$0   \$0   \$999,852   \$669,396   \$429,372   \$289,128   \$215,112	per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum per annum  %  Der annum per annum per annum per annum per annum per annum per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship as % of Earned / Venue Income Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff	\$4,000   \$4,000   \$6,000   \$2,000   \$2,000   \$0   \$10   \$999,852   \$669,396   \$429,372   \$289,128   \$215,112   \$161,988   \$10   \$15   \$15   \$16	per sq.m. per annum per sq.m. per annum per sq.m. per annum	Based on average salaries / benefits benefits benefits and the salaries is a salaries of the salaries benefits and the salaries is a salaries of the salaries of the salaries is a salaries of the salaries of the salaries is a salaries of the salaries of t	

15	Overheads		HK Academy for Performing Arts venues: 23 permanent staff in total
	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 %	

#### Medium-Sized Theatre 1 - PSI Base Case

**Hiring Charges** 

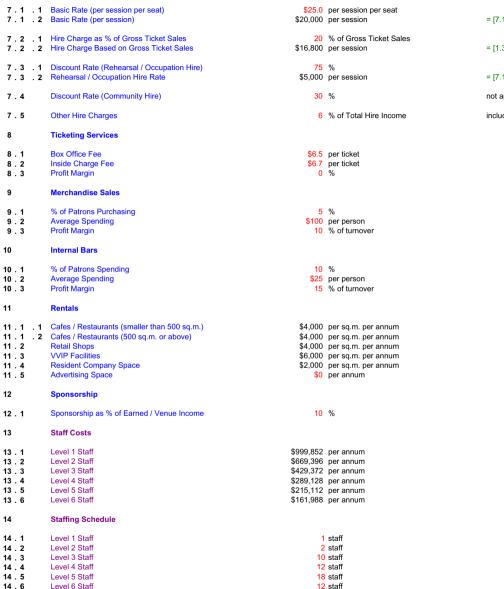
Assumptions		Remarks
1 Physical Parameters		
1 . 1       Total NOFA         1 . 2 . 1       NOFA to GFA Ratio       1 :         1 . 2 . 2       GFA to CFA Ratio       1 :         1 . 3       Seating Capacity	6,750 sq.m. 1.5 1.3 800 seats	
1 . 4 Restaurants NOFA 1 . 5 Retail NOFA 1 . 6 VVIP Facilities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

	<ul><li>Basic Rate (per session per seat)</li><li>Basic Rate (per session)</li></ul>		per session per seat per session	higher than PSC = [7.1.1] × [1.3]
7.2. 7.2.	<ul><li>Hire Charge as % of Gross Ticket Sales</li><li>Hire Charge Based on Gross Ticket Sales</li></ul>		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3. 7.3.	1 Discount Rate (Rehearsal / Occupation Hire) 2 Rehearsal / Occupation Hire Rate	75 \$5,600	% per session	= [7.1.2] x (1 - [7.3.1])
7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usa
7.5	Other Hire Charges	8	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9 . 1 9 . 2 9 . 3	% of Patrons Purchasing Average Spending Profit Margin	\$125	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin		% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1		\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Total Number of Staff	1 3 5 5 5 5	staff staff staff staff staff staff 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	90 %	lower than PSC

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

Assumption	s			Remarks
1	Physical Parameters			
	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio 1 Seating Capacity	: 1.3	sq.m.	See Medium-sized Theatre 1
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	100	sq.m. sq.m. sq.m. sq.m.	excluding internal bars
2 2 . 1	Utilisation  Closure for Maintenance	14	days per annum	
2.2 2.3 2.4	Utilisation Rate No. of Sessions Per Day Utilisation	80 3 842	% sessions per annum	based on days = (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price		·	
3 . 1	Average Ticket Price	\$150	per performance	
4	Attendance			
4 . 1 4 . 2	Attendance Rate Average Attendance	<b>70</b> 560	% people per performance	$= [1.3] \times [4.1]$
5	Performance			
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays		days per annum No. of Performances per Day	
	No. of Weekdays Performances on Weekdays		days per annum No. of Performances per Day	= 365 - [5.1.1]
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 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5	Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts	246 200	Performances per annum Sessions per annum (performance) % Sessions per annum (rehearsal / set up)	= $[5.3] \times [6.1.1]$ = $[6.1.2]$ = $[6.1.3] \times [6.1.4]$ Discounts on performance / rehearsal usage and other hire charges
6.2.2 6.2.3	Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14 14	% Performances / Activities per annum Sessions per annum (performance / activities) Sessions per annum (rehearsal / set up)	e.g. seminars, civic functions, product launches, graduation ceremonies = $[5.3] \times [6.2.1]$ = $[6.2.3]$ = $[6.2.3]$
6.3.2	Usage for Venue's Own Programmes Venue's Own Programmes Sessions Used for Venue's Own Programmes		% Performances per annum Sessions per annum	= 1 - [6.1.1] - [6.2.1] = [5.3] × [6.3.1] = [2.4] × [6.3.1]
7	Hiring Charges			



 $= [7.1.1] \times [1.3]$   $= [1.3] \times [3.1] \times [4.1] \times [7.2.1]$   $= [7.1.2] \times (1 - [7.3.1])$ not applicable to non-arts usage including hire of ancillary uses, casual staffing, equipment hire, other hire services

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	
	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 %	

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

7

**Hiring Charges** 

Assumption	ox Theatre 1)		Remarks
1	Physical Parameters		
	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio 1: Seating Capacity	- sq.m. 1.5 1.3 250 seats	HK Cultural Centre Studio Theatre: 534; HK City Hall Theatre: 463
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	70 sq.m. 50 sq.m. - sq.m. 225 sq.m.	excluding internal bars
2	Utilisation		
2 . 1 2 . 2 2 . 3 2 . 4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	14 days per annum 80 % 3 842 sessions per annum	based on days HK Cultural Centre Studio Theatre 2005/06: 100%; HK City Hall Theatre 2005/06: 99% = (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price	042 GGGGGG per armain	(000 [E.:]] / [E.E] / [E.0]
3.1	Average Ticket Price	\$100 per performance	Theatrical arts performances at LCSD venues 2005/06: \$132
4	Attendance	per periormance	Thousands and politimistices at Except voludes 2000/00. \$102
4.1	Attendance Rate	70 %	Theatrical arts performances at LCSD venues 2005/06: 256 people
4.2	Average Attendance	175 people per performance	= [1.3] x [4.1]
5	Performance		
5 . 1 . 1 5 . 1 . 2		<ul><li>120 days per annum</li><li>1.5 No. of Performances per Day</li></ul>	
	No. of Weekdays Performances on Weekdays	<ul><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	= 365 - [5.1.1]
5 . 3 6	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 . 1 . 1 6 . 1 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5	Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals	85 % 246 Performances per annum 246 Sessions per annum (performance) 100 % 246 Sessions per annum (rehearsal / set up) 50 %	= [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges
6.2.3 6.2.4	Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	5 % 14 Performances / Activities per annum 14 Sessions per annum (performance / activities 14 Sessions per annum (rehearsal / set up)	= [6.2.3]
6.3.2	Usage for Venue's Own Programmes Venue's Own Programmes Sessions Used for Venue's Own Programmes	10 % 29 Performances per annum 84 Sessions per annum	= 1 - [6.1.1] - [6.2.1] = [5.3] $\times$ [6.3.1] = [2.4] $\times$ [6.3.1]

1.   1   Static facts (part season per seat)   \$10.0 per season per seaton						
7. 2   2   Hind Change Research of Control Ticket Sease					= [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.   Packetas Hire Rules   \$2,000   pression   =  T,12 x(-1,T,2.1)    7.   4   Discourt Rule (Community Hire)   30 %   not replicable to non-rate usage     7.   5   Other Hire Charges   2 % of Total Hire Income   including time of nordinary uses, assual staffing, equipment hire, other hire services     8.   Ticketing Services   \$6.5 per ticket   Urbitis: \$6.5 per ticket, max \$200     8.   2						and HK City Hall Theatre: 20%
Ticketing Services						and HK City Hall Theatre: 48%
B	7 . 4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usage	
8. 1   Box Office Fee   \$6.5 per ticket   Writin: \$6.5 per ticket, max \$20   Writin: \$6.7 per ticket   Writin: \$6.7 per	7.5	Other Hire Charges	2	% of Total Hire Income	including hire of ancillary uses, cas	sual staffing, equipment hire, other hire services
S. 2	8	Ticketing Services				
8. 3	8.1	Box Office Fee	\$6.5	per ticket	Urbtix: \$6.5 per ticket, max \$20	
9	8.2	Inside Charge Fee	\$6.7	per ticket		
9 . 1 % of Patrons Purchasing 50 per person 9 . 2 Avarage Spending 50 per person 10 Internal Bars  10 . 1 % of Patrons Spending 10 % of tumover  10 Internal Bars  10 . 1 % of Patrons Spending 10 % 10 . 2 Avarage Spending 10 % 10 . 2 Avarage Spending 15 % of tumover  11 Rentals  11 . 1 Cafes / Restaurants (smaller than 500 sq.m.) 15 % of tumover  11 A Rentals  11 . 1 . 1 Cafes / Restaurants (500 sq.m. or above) 34,000 per sq.m. per annum 11 . 2 Rental Shope 10 . 3 4,000 per sq.m. per annum 11 . 2 Rental Shope 10 . 3 4,000 per sq.m. per annum 11 . 2 Rental Shope 10 . 3 4,000 per sq.m. per annum 11 . 3 Rental Shope 10 . 3 4,000 per sq.m. per annum 11 . 4 Rental Shope 10 . 3 4,000 per sq.m. per annum 11 . 5 Rental S	8.3	Profit Margin	0	%	Now profit goes to operator (Citylin	e) only
9 . 2 Average Spending 10 % of furnover  10 Internal Bars  10 1 % of Patrons Spending 10 % of furnover  10 1. 2 Average Spending 522 per person 10 % of furnover  10 1. 3 Profit Margin 15 % of furnover  11 1 Cafes / Restaurants (smaller than 500 sq.m.) \$4,000 per sq.m. per annum 11 / 1 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 / 2 Retail Shops \$4,000 per sq.m. per annum 11 / 3 Valf Facilities \$4,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$8,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum	9	Merchandise Sales				
9 . 2 Average Spending 10 % of furnover  10 Internal Bars  10 1 % of Patrons Spending 10 % of furnover  10 1. 2 Average Spending 522 per person 10 % of furnover  10 1. 3 Profit Margin 15 % of furnover  11 1 Cafes / Restaurants (smaller than 500 sq.m.) \$4,000 per sq.m. per annum 11 / 1 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 / 2 Retail Shops \$4,000 per sq.m. per annum 11 / 3 Valf Facilities \$4,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$8,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Coagnay Space \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum 11 / 4 Resident Staff \$9,000 per sq.m. per annum	0 4	% of Patrona Burghasing	_	0/		
10						
Internal Bars						
10 . 1						
10 . 3	10	Internal Bars				
10	10 . 1					
11						
11	10 . 3	Profit Margin	15	% of turnover		
11	11	Rentals				
11 . 1	11 1 1	Cafes / Restaurants (smaller than 500 sq m.)	\$4,000	per sa m. per annum		
11						
11 . 3       VVIP Facilities       \$6,000 per sq.m. per annum         11 . 4       Resident Company Space       \$2,000 per sq.m. per annum         12       Sponsorship         12 . 1       Sponsorship as % of Earned / Venue Income       10 %         13 . 2       Level 1 Staff       \$999,852 per annum         13 . 2       Level 2 Staff       \$669,396 per annum         13 . 3       Level 2 Staff       \$669,396 per annum         13 . 4       Level 4 Staff       \$299,128 per annum         13 . 5       Level 4 Staff       \$299,128 per annum         13 . 6       Level 6 Staff       \$215,112 per annum         13 . 6       Level 6 Staff       \$215,112 per annum         14 . 1       Level 2 Staff       \$161,988 per annum         14 . 1       Level 2 Staff       \$161,988 per annum         14 . 2       Level 3 Staff       \$161,988 per annum         14 . 3       Level 3 Staff       \$161,988 per annum         14 . 4       Level 4 Staff       \$161,988 per annum         14 . 5       Level 5 Staff       \$161,988 per annum           14 . 1       Level 3 Staff       \$161,988 per annum          14 . 2       Level 3 Staff       \$162,982 per annum         14 . 5<						
11						
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 8 Based on average salaries / benefits of LCSD performing arts venues (2006/07)  13. 2 Level 2 Staff \$669,396 per annum 8 Based on average salaries / benefits of LCSD performing arts venues (2006/07)  13. 4 Level 4 Staff \$429,372 per annum 13. 5 Level 5 Staff \$289,128 per annum 13. 5 Level 5 Staff \$215,112 per annum 13. 6 Level 6 Staff \$215,112 per annum 13. 6 Level 6 Staff \$161,988 per annum 14. 1 Level 1 Staff \$0 staff 14. 2 Level 2 Staff \$0 staff 14. 4 Level 4 Staff \$0 staff 14. 4 Level 4 Staff \$0 staff 14. 5 Level 5 Staff 14. 5 L		Resident Company Space				
12 . 1 Sponsorship as % of Earned / Venue Income  10 %  13 Staff Costs  13 . 1 Level 1 Staff \$999,852 per annum \$869,396 per annum \$13 . 2 Level 2 Staff \$669,396 per annum \$429,372 per annum \$13 . 4 Level 4 Staff \$289,128 per annum \$13 . 4 Level 5 Staff \$215,112 per annum \$13 . 5 Level 5 Staff \$215,112 per annum \$14 Staffing Schedule  14 . 1 Level 1 Staff \$0 staff \$161,988 per annum \$151,000 staff \$161,988 per annum \$161,000 staff \$161,0	11 . 5		\$0	per annum		
13 . 1 Level 1 Staff	12	Sponsorship				
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 \$13 . 6 Level 2 Staff \$161,988 per annum \$14 Staffing Schedule \$14 . 1 Level 1 Staff \$0 staff \$161,988 per annum \$14 Level 2 Staff \$0 staff \$161,988 per annum \$16 . 2 Level 2 Staff \$0 staff \$161,988 per annum \$16 . 2 Level 2 Staff \$0 staff \$161,988 per annum \$16 . 2 Level 2 Staff \$0 staff \$161,988 per annum \$16 . 2 Level 3 Staff \$0 staff \$161,988 per annum \$16 . 3 Level 4 Staff \$161,988 per annum \$16 . 3 Level 4 Staff \$161,988 per annum \$16 . 3 Level 5 Staff \$161,988 per annum \$161,988 per annum \$16 . 3 Level 5 Staff \$161,988 per annum \$16 . 3 Level 5 Staff \$161,988 per annum \$161	12 . 1	Sponsorship as % of Earned / Venue Income	10	%		
13 . 2 Level 2 Staff \$669,396 per annum 13 . 3 Level 3 Staff \$429,372 per annum 13 . 4 Level 4 Staff \$229,372 per annum 13 . 5 Level 5 Staff \$2215,112 per annum 13 . 6 Level 6 Staff \$215,112 per annum 14 Staffing Schedule  14 . 1 Level 1 Staff 0 staff 14 . 2 Level 2 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 16 Level 5 Staff 0 staff 17 Level 5 Staff 0 staff 18 Level 6 Staff 0 staff 19 Level 8 Staff 0 staff 19 Level 9 Staff 0 staff 10 Staff 0 staff 11 Level 1 Staff 0 staff 12 Level 5 Staff 0 staff 13 Level 5 Staff 0 staff						
13 . 2 Level 2 Staff \$669,396 per annum 13 . 3 Level 3 Staff \$429,372 per annum 13 . 4 Level 4 Staff \$229,372 per annum 13 . 5 Level 5 Staff \$2215,112 per annum 13 . 6 Level 6 Staff \$215,112 per annum 14 Staffing Schedule  14 . 1 Level 1 Staff 0 staff 14 . 2 Level 2 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 16 Level 5 Staff 0 staff 17 Level 5 Staff 0 staff 18 Level 6 Staff 0 staff 19 Level 8 Staff 0 staff 19 Level 9 Staff 0 staff 10 Staff 0 staff 11 Level 1 Staff 0 staff 12 Level 5 Staff 0 staff 13 Level 5 Staff 0 staff	13	Staff Costs				
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			\$999.852	per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
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	13 . 1	Level 1 Staff			Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
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	13 . 1 13 . 2	Level 1 Staff Level 2 Staff	\$669,396	per annum	Based on average salaries / benefi	its of LCSD performing arts venues (2006/07)
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	13 . 1 13 . 2 13 . 3	Level 1 Staff Level 2 Staff Level 3 Staff	\$669,396 \$429,372	per annum per annum	Based on average salaries / benefi	its of LCSD performing arts venues (2006/07)
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	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff	\$669,396 \$429,372 \$289,128 \$215,112	per annum per annum per annum per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
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	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff	\$669,396 \$429,372 \$289,128 \$215,112	per annum per annum per annum per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
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	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$669,396 \$429,372 \$289,128 \$215,112	per annum per annum per annum per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
14 . 3     Level 3 Staff     0 staff       14 . 4     Level 4 Staff     0 staff       14 . 5     Level 5 Staff     0 staff	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Staffing Schedule	\$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per annum per annum per annum per annum per annum	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
14 . 5 Level 5 Staff 0 staff	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Level 6 Staff Level 1 Staff Level 1 Staff	\$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per annum per annum per annum per annum per annum staff	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Level 6 Staff Level 1 Staff Level 1 Staff Level 2 Staff	\$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per annum per annum per annum per annum per annum staff staff	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)
<b>14</b> . <b>6</b> Level 6 Staff	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14 14 . 1 14 . 2 14 . 3	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff	\$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per annum per annum per annum per annum per annum staff staff staff	Based on average salaries / benefi	its of LCSD performing arts venues (2006/07)
	13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6 14 14 . 1 14 . 2 14 . 3 14 . 3 14 . 4	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 5 Staff	\$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per annum per annum per annum per annum per annum staff staff staff staff staff	Based on average salaries / benef	its of LCSD performing arts venues (2006/07)

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 %	

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

Assumption	ns		Remarks
1	Physical Parameters		
1.1 1.2.1		9,480 sq.m. 1.5	See Medium-sized Theatre 1
1.2.2	GFA to CFA Ratio 1 : Seating Capacity	1.3 800 seats	
1 . 4 1 . 5	Restaurants NOFA Retail NOFA	250 sq.m. 100 sq.m.	excluding internal bars
1 . 6 1 . 7	VVIP Facilities NOFA Resident Company Space NOFA	- sq.m. 300 sq.m.	
2	Utilisation		
2 . 1 2 . 2	Closure for Maintenance Utilisation Rate	14 days per annum 82 %	based on days slightly higher than PSC
2.3 2.4	No. of Sessions Per Day Utilisation	3 863 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 4 . 2	Attendance Rate Average Attendance	<ul><li>72 %</li><li>576 people per performance</li></ul>	slightly higher than PSC = [1.3] × [4.1]
5	Performance		
5.1.1	Performance  No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	<ul><li>120 days per annum</li><li>1.5 No. of Performances per Day</li></ul>	
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1	No. of Weekends / Public Holidays		= 365 - [5.1.1]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li></ul>	= 365 - [5.1.1] = ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
5.1.1 5.1.2 5.2.1 5.2.2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	
5.1.1 5.1.2 5.2.1 5.2.2 5.3 6	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays Total Usage Usage by Hirers (Arts) Hirers' Arts Performances	<ul> <li>1.5 No. of Performances per Day</li> <li>245 days per annum</li> <li>0.8 No. of Performances per Day</li> <li>296 Performances per annum</li> <li>85 %</li> <li>252 Performances per annum</li> </ul>	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1]
5.1.1 5.1.2 5.2.1 5.2.2 5.3 6 6.1.1 6.1.2 6.1.3 6.1.4	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  296 Performances per annum  85 %  252 Performances per annum  252 Sessions per annum (performance)  200 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1] = [6.1.2]
5.1.1 5.1.2 5.2.1 5.2.2 5.3 6 6.1.1 6.1.2 6.1.3 6.1.4	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts)	<ul> <li>1.5 No. of Performances per Day</li> <li>245 days per annum</li> <li>0.8 No. of Performances per Day</li> <li>296 Performances per annum</li> <li>85 %</li> <li>252 Performances per annum</li> <li>252 Sessions per annum (performance)</li> </ul>	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1] = [6.1.2]
5.1.1 5.1.2 5.2.1 5.2.2 5.3 6 6.1.1 6.1.2 6.1.3 6.1.4 6.1.5 6.1.6	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts)	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  296 Performances per annum  85 % 252 Performances per annum 252 Sessions per annum (performance) 200 % 504 Sessions per annum (rehearsal / set up	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1] = [6.1.2] p) = [6.1.3] x [6.1.4]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2 5 . 3 6 6 . 1 . 1 6 . 1 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts  Usage by Hirers (Non-Arts)	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  296 Performances per annum  85 % 252 Performances per annum 252 Sessions per annum (performance) 200 % 504 Sessions per annum (rehearsal / set up 20 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2]  p) = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges  e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1]  ttivities) = [6.2.3]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2 5 . 3 6 6 . 1 . 1 6 . 1 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 3 6 . 2 . 4	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts  Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions used for Hirers' Rehearsals / Set up (Non-Arts) Usage for Venue's Own Programmes	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  296 Performances per annum  85 %  252 Performances per annum 252 Sessions per annum (performance) 200 %  504 Sessions per annum (rehearsal / set up 20 %  15 Performances / Activities per annum 15 Sessions per annum (performance / ac 15 Sessions per annum (rehearsal / set up 10 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2]  p) = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges  e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1]  tivities) = [6.2.3] p) = [6.2.3] = 1 - [6.1.1] - [6.2.1]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2 5 . 3 6 6 . 1 . 1 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 2 6 . 2 . 3 6 . 2 . 4	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts  Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Rehearsals / Set up (Non-Arts) Sessions Used for Hirers' Rehearsals / Set up (Non-Arts)	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  296 Performances per annum  85 % 252 Performances per annum 252 Sessions per annum (performance) 200 % 504 Sessions per annum (rehearsal / set up 20 %  5 % 15 Performances / Activities per annum 15 Sessions per annum (performance / ac 15 Sessions per annum (rehearsal / set up	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2]  p) = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1] ctivities) = [6.2.3] p) = [6.2.3]

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

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

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

Assumption	ıs		Remarks
1	Physical Parameters		
1.1 1.2.1 1.2.2 1.3	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio 1 : Seating Capacity	- sq.m. 1.5 1.3 250 seats	
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	70 sq.m. 50 sq.m. - sq.m. 225 sq.m.	excluding internal bars
2	Utilisation		
2.1 2.2 2.3 2.4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	<ul><li>14 days per annum</li><li>82 %</li><li>3</li><li>863 sessions per annum</li></ul>	based on days slightly higher than PSC = $(365 - [2.1]) \times [2.2] \times [2.3]$
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	Performance  No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	120 days per annum 1.5 No. of Performances per Day	
5.1.1 5.1.2 5.2.1	No. of Weekends / Public Holidays		= 365 - [5.1.1]
5.1.1 5.1.2 5.2.1	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li></ul>	= 365 - [5.1.1] = ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	
5.1.1 5.1.2 5.2.1 5.2.2 5.3 6 6.1.1 6.1.2 6.1.3 6.1.4	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays Total	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1] = [6.1.2]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2 5 . 3 6 6 . 1 . 1 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances Sessions Used for Hirers' Arts Performances Sessions Used for Hirers' Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts)	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  296 Performances per annum  85 %  252 Performances per annum 252 Sessions per annum (performance) 100 % 252 Sessions per annum (rehearsal / sei	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2]  et up) = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies n = [5.3] x [6.2.1] / activities) = [6.2.3]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2 5 . 3 6 6 . 1 . 1 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 2 6 . 2 . 3 6 . 2 . 4	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts  Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  296 Performances per annum  85 %  252 Performances per annum  252 Sessions per annum (performance)  100 %  252 Sessions per annum (rehearsal / set  50 %  15 Performances / Activities per annum  15 Sessions per annum (performance /	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2]  et up) = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies n = [5.3] x [6.2.1] / activities) = [6.2.3]

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate		% per session	= [7.1.2] x (1 - [7.3.1])
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usag
7.5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin	\$65	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	\$30	% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	0 0 0 0	staff staff staff staff staff staff	

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

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

	ns		Remarks
1	Physical Parameters		
1.1	Total NOFA	5,195 sq.m.	See Blackbox Theatre 1
1.2.1	NOFA to GFA Ratio 1:	1.5	<u> </u>
	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		
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	120 days per annum 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
	Hirers' Non-Arts Performances / Activities	14 Performances / Activities per annum	= [5.3] x [6.2.1]
6.2.3		14 Sessions per annum (performance / activit	
	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	14 Sessions per annum (rehearsal / set up)	= [6.2.3]
	Usage for Venue's Own Programmes	10 %	= 1 - [6.1.1] - [6.2.1]
6.3 1		·- ,v	
	Venue's Own Programmes	29 Performances per annum	= [5 3] x [6 3 1]
6.3.2	Venue's Own Programmes Sessions Used for Venue's Own Programmes	<ul><li>29 Performances per annum</li><li>84 Sessions per annum</li></ul>	$= [5.3] \times [6.3.1]$ $= [2.4] \times [6.3.1]$



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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		\$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 %	

Blackbox Theatre 2 and Blackbox Theatre 3 - PSC Base Case

7

**Hiring Charges** 

#### (Blackbox Theatre 3) Assumptions Remarks **Physical Parameters** 1.1 See Blackbox Theatre 1 sq.m. 1.2.1 NOFA to GFA Ratio 1: 1.5 1 . 2 . 2 GFA to CFA Ratio 1.3 1.3 Seating Capacity 250 seats Restaurants NOFA 70 sq.m. 1.4 excluding internal bars Retail NOFA 1.5 50 sq.m. VVIP Facilities NOFA 1.6 sq.m. Resident Company Space NOFA 225 sq.m. 1.7 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 = (365 - [2.1]) x [2.2] x [2.3] 2.4 Litilisation 842 sessions per annum 3 **Ticket Price** Average Ticket Price \$100 per performance 3.1 Attendance 4 4.1 Attendance Rate 70 % Average Attendance 175 people per performance = [1.3] x [4.1] 4.2 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 245 days per annum 5.2.1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Usage 6 . 1 . 1 Usage by Hirers (Arts) 246 Performances per annum 6 . 1 . 2 Hirers' Arts Performances $= [5.3] \times [6.1.1]$ 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 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 = 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]



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		\$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 %	

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

Assumption	ns		Remarks
1	Physical Parameters		
1.1	Total NOFA	5,195 sq.m.	See Blackbox Theatre 1
1.2.1		1.5	
	GFA to CFA Ratio 1 :	1.3	
1.3	Seating Capacity	250 seats	
	Restaurants NOFA	70 sq.m.	excluding internal bars
1 . 4 1 . 5	Retail NOFA	70 sq.m.	excluding internal bars
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 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	\$100 per performance	
4	Attendance		
4.1	Attendance Rate	<b>72</b> %	slightly higher than PSC
4.2	Average Attendance	180 people per performance	= [1.3] x [4.1]
5	Performance		
- 4 4	No. of Manhanda / Dublic Halidaya	400 davia a a a a a a a a a a a a a a a a a a	
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	<ul><li>120 days per annum</li><li>1.5 No. of Performances per Day</li></ul>	
3.1.2	1 chomanoco di Wedkondo / Lubile Holladyo	1.0 No. of Politicalides per Bay	
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		
	Usage by Hirers (Arts)	85 %	
	Hirers' Arts Performances	252 Performances per annum	= [5.3] x [6.1.1]
	Sessions Used for Hirers' Arts Performances	252 Sessions per annum (performance)	= [6.1.2]
	% of Performances also Hire Venue for Rehearsals	100 %	79.4.03.79.4.03
	Sessions used for Hirers' Rehearsals / Set up (Arts)	252 Sessions per annum (rehearsal / set up) 50 %	= [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
	Hirers' Non-Arts Performances / Activities	15 Performances / Activities per annum	= [5.3] x [6.2.1]
	Sessions Used for Hirers' Non-Arts Performances / Activities	15 Sessions per annum (performance / activitie	
6.2.4	Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	15 Sessions per annum (rehearsal / set up)	= [6.2.3]
	Harry fra Vancala Occur December	40.0/	- 4 [0.4.4] [0.0.4]
	Usage for Venue's Own Programmes	10 %	= 1 - [6.1.1] - [6.2.1] = [6.1.1] - [6.2.1]
0.3.2	Venue's Own Programmes	30 Performances per annum	= [5.3] x [6.3.1]
		86 Sessions per annum	= [2.4] x [6.3.1]
	Sessions Used for Venue's Own Programmes	86 Sessions per annum	= [2.4] x [6.3.1]

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate		% per session	= [7.1.2] x (1 - [7.3.1])
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usaç
7.5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin	\$65	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	\$30	% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5		\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff	1 3 4 4	staff staff staff staff staff staff	

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

Blackbox Theatre 2 and Blackbox Theatre 3 - PSI Base Case

7

**Hiring Charges** 

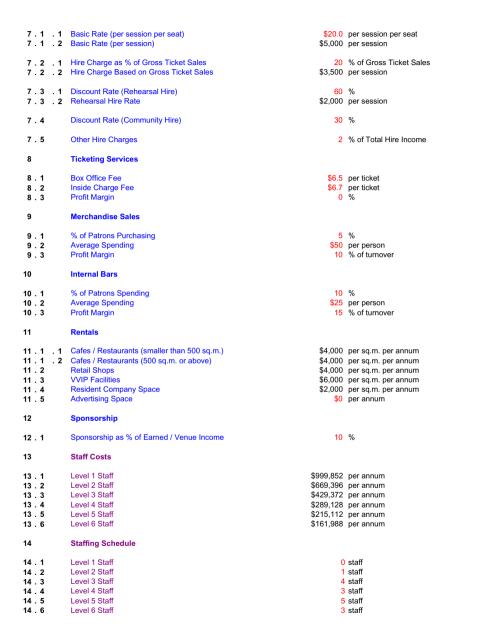
#### (Blackbox Theatre 3) Assumptions Remarks **Physical Parameters** 1.1 See Black Box Theatre 1 sq.m. 1.2 .1 NOFA to GFA Ratio 1: 1.5 1 . 2 . 2 GFA to CFA Ratio 1.3 1.3 Seating Capacity 250 seats Restaurants NOFA 70 sq.m. 1.4 excluding internal bars Retail NOFA 1.5 50 sq.m. VVIP Facilities NOFA 1.6 sq.m. Resident Company Space NOFA 225 sq.m. 1.7 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 = (365 - [2.1]) x [2.2] x [2.3] 2.4 Utilisation 863 sessions per annum 3 **Ticket Price** Average Ticket Price \$100 per performance 3.1 Attendance 4 4.1 Attendance Rate 72 % slightly higher than PSC Average Attendance 180 people per performance $= [1.3] \times [4.1]$ 4.2 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 245 days per annum 5.2.1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Usage 6 . 1 . 1 Usage by Hirers (Arts) 252 Performances per annum 6 . 1 . 2 Hirers' Arts Performances $= [5.3] \times [6.1.1]$ 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 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 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 = 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]

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate		% per session	= [7.1.2] x (1 - [7.3.1])
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usaç
7.5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin	\$65	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	\$30	% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5		\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	( ( (	staff staff staff staff staff staff staff	

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

### **Blackbox Theatre 4 - PSC Base Case**

Assumptions		Remarks
1 Physical Parameters		
1 . 1 Total NOFA 1 . 2 . 1 NOFA to GFA Ratio 1 :	3,160 sq.m. 1.5	See Blackbox Theatre 1
1. 2 . 2 GFA to CFA Ratio 1 :	1.3	Sai Wan Ho Civic Centre: 5,000 sg.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.	<b>.</b>
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 2 . 4 Utilisation	3 842 sessions per annum	= (365 - [2.1]) x [2.2] x [2.3]
2.4 Ouisauon	042 Sessions per annum	- (000 - [2.1]) × [2.2] × [2.0]
3 Ticket Price		
3 . 1 Average Ticket Price	\$100 per performance	
4 Attendance		
4 . 1 Attendance Rate	<b>70</b> %	
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	
	<ul><li>120 days per annum</li><li>1.5 No. of Performances per Day</li></ul>	
5 . 1 . 1 No. of Weekends / Public Holidays		= 365 - [5.1.1]
<ul><li>5 . 1 . 1 No. of Weekends / Public Holidays</li><li>5 . 1 . 2 Performances on Weekends / Public Holidays</li></ul>	1.5 No. of Performances per Day	= 365 - [5.1.1]
<ul> <li>5.1 .1 No. of Weekends / Public Holidays</li> <li>5.1 .2 Performances on Weekends / Public Holidays</li> <li>5.2 .1 No. of Weekdays</li> </ul>	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li></ul>	= 365 - [5.1.1] = ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> </ul>	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	
<ul> <li>5.1.1 No. of Weekends / Public Holidays</li> <li>5.1.2 Performances on Weekends / Public Holidays</li> <li>5.2.1 No. of Weekdays</li> <li>5.2.2 Performances on Weekdays</li> <li>5.3 Total</li> </ul>	<ul><li>1.5 No. of Performances per Day</li><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	
<ul> <li>5.1.1 No. of Weekends / Public Holidays</li> <li>5.1.2 Performances on Weekends / Public Holidays</li> <li>5.2.1 No. of Weekdays</li> <li>5.2.2 Performances on Weekdays</li> <li>5.3 Total</li> <li>Usage</li> <li>6.1.1 Usage by Hirers (Arts)</li> <li>6.1.2 Hirers' Arts Performances</li> </ul>	<ul> <li>1.5 No. of Performances per Day</li> <li>245 days per annum</li> <li>0.8 No. of Performances per Day</li> <li>289 Performances per annum</li> <li>85 %</li> <li>246 Performances per annum</li> </ul>	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> </ul>	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance)	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> <li>6 . 1 . 4 % of Performances also Hire Venue for Rehearsals</li> </ul>	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance)  100 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1] = [6.1.2]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> <li>6 . 1 . 4 % of Performances also Hire Venue for Rehearsals</li> <li>6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts)</li> </ul>	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum 246 Sessions per annum (performance) 100 %  246 Sessions per annum (rehearsal / set up)	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2] = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> <li>6 . 1 . 4 % of Performances also Hire Venue for Rehearsals</li> <li>6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts)</li> <li>6 . 1 . 6 % is Community Hire with Discounts</li> </ul>	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance)  100 %  246 Sessions per annum (rehearsal / set up)  50 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges
<ul> <li>5.1 .1 No. of Weekends / Public Holidays</li> <li>5.1 .2 Performances on Weekends / Public Holidays</li> <li>5.2 .1 No. of Weekdays</li> <li>5.2 .2 Performances on Weekdays</li> <li>5.3 Total</li> <li>6 Usage</li> <li>6.1 .1 Usage by Hirers (Arts)</li> <li>6.1 .2 Hirers' Arts Performances</li> <li>6.1 .3 Sessions Used for Hirers' Arts Performances</li> <li>6.1 .4 % of Performances also Hire Venue for Rehearsals</li> <li>6.1 .5 Sessions used for Hirers' Rehearsals / Set up (Arts)</li> <li>6.1 .6 % is Community Hire with Discounts</li> <li>6.2 .1 Usage by Hirers (Non-Arts)</li> </ul>	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum 246 Sessions per annum (performance) 100 %  246 Sessions per annum (rehearsal / set up) 50 %	$= ([5.1.1] \times [5.1.2] + [5.2.1] \times [5.2.2]) \times (365-[2.1]) / 365 \times [2.2]$ $= [5.3] \times [6.1.1]$ $= [6.1.2]$ $= [6.1.3] \times [6.1.4]$ Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies
5 . 1 . 1 No. of Weekends / Public Holidays 5 . 1 . 2 Performances on Weekends / Public Holidays 5 . 2 . 1 No. of Weekdays 5 . 2 . 2 Performances on Weekdays 5 . 3 Total 6 Usage 6 . 1 . 1 Usage by Hirers (Arts) 6 . 1 . 2 Hirers' Arts Performances 6 . 1 . 3 Sessions Used for Hirers' Arts Performances 6 . 1 . 4 % of Performances also Hire Venue for Rehearsals 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 6 . 1 . 6 % is Community Hire with Discounts 6 . 2 . 1 Usage by Hirers (Non-Arts) 6 . 2 . 2 Hirers' Non-Arts Performances / Activities	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance) 100 %  246 Sessions per annum (rehearsal / set up) 50 %  14 Performances / Activities per annum	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1]
5 . 1 . 1 No. of Weekends / Public Holidays 5 . 1 . 2 Performances on Weekends / Public Holidays 5 . 2 . 1 No. of Weekdays 5 . 2 . 2 Performances on Weekdays 5 . 3 Total 6 Usage 6 . 1 . 1 Usage by Hirers (Arts) 6 . 1 . 2 Hirers' Arts Performances 6 . 1 . 3 Sessions Used for Hirers' Arts Performances 6 . 1 . 4 % of Performances also Hire Venue for Rehearsals 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 6 . 1 . 6 % is Community Hire with Discounts 6 . 2 . 1 Usage by Hirers (Non-Arts) 6 . 2 . 2 Hirers' Non-Arts Performances / Activities 6 . 2 . 3 Sessions Used for Hirers' Non-Arts Performances / Activities	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance)  100 %  246 Sessions per annum (rehearsal / set up)  50 %  14 Performances / Activities per annum  14 Sessions per annum (performance / activities)	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1] s) = [6.2.3]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> <li>6 . 1 . 4 % of Performances also Hire Venue for Rehearsals</li> <li>6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts)</li> <li>6 . 1 . 6 % is Community Hire with Discounts</li> <li>6 . 2 . 1 Usage by Hirers (Non-Arts)</li> <li>6 . 2 . 2 Hirers' Non-Arts Performances / Activities</li> <li>6 . 2 . 3 Sessions Used for Hirers' Non-Arts Performances / Activities</li> <li>6 . 2 . 4 Sessions used for Hirers' Rehearsals / Set up (Non-Arts)</li> </ul>	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum 246 Sessions per annum (performance) 100 %  246 Sessions per annum (rehearsal / set up) 50 %  14 Performances / Activities per annum 14 Sessions per annum (performance / activities 14 Sessions per annum (rehearsal / set up)	$= ([5.1.1] \times [5.1.2] + [5.2.1] \times [5.2.2]) \times (365-[2.1]) / 365 \times [2.2]$ $= [5.3] \times [6.1.1]$ $= [6.1.2]$ $= [6.1.3] \times [6.1.4]$ Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies $= [5.3] \times [6.2.1]$ $= [6.2.3]$ $= [6.2.3]$
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> <li>6 . 1 . 4 % of Performances also Hire Venue for Rehearsals</li> <li>6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts)</li> <li>6 . 1 . 6 % is Community Hire with Discounts</li> <li>6 . 2 . 1 Usage by Hirers (Non-Arts)</li> <li>6 . 2 . 2 Hirers' Non-Arts Performances / Activities</li> <li>6 . 2 . 3 Sessions Used for Hirers' Rehearsals / Set up (Non-Arts)</li> <li>6 . 3 . 1 Usage for Venue's Own Programmes</li> </ul>	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance)  100 %  246 Sessions per annum (rehearsal / set up)  50 %  14 Performances / Activities per annum  14 Sessions per annum (performance / activitie  15 Sessions per annum (rehearsal / set up)  10 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1] s) = [6.2.3] = [6.2.3] = 1 - [6.1.1] - [6.2.1]
5 . 1 . 1 No. of Weekends / Public Holidays 5 . 1 . 2 Performances on Weekends / Public Holidays 5 . 2 . 1 No. of Weekdays 5 . 2 . 2 Performances on Weekdays 5 . 3 Total 6 Usage 6 . 1 . 1 Usage by Hirers (Arts) 6 . 1 . 2 Hirers' Arts Performances 6 . 1 . 3 Sessions Used for Hirers' Arts Performances 6 . 1 . 4 % of Performances also Hire Venue for Rehearsals 6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts) 6 . 1 . 6 % is Community Hire with Discounts 6 . 2 . 1 Usage by Hirers (Non-Arts) 6 . 2 . 2 Hirers' Non-Arts Performances / Activities 6 . 2 . 3 Sessions Used for Hirers' Non-Arts Performances / Activities 6 . 2 . 4 Sessions used for Hirers' Rehearsals / Set up (Non-Arts) 6 . 3 . 1 Usage for Venue's Own Programmes 6 . 3 . 2 Venue's Own Programmes	1.5 No. of Performances per Day  245 days per annum 0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance) 100 %  246 Sessions per annum (rehearsal / set up) 50 %  5 %  14 Performances / Activities per annum 14 Sessions per annum (performance / activitie 14 Sessions per annum (rehearsal / set up)  10 % 29 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]  = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1] s) = [6.2.3] = [6.2.3] = 1 - [6.1.1] - [6.2.1] = [5.3] x [6.3.1]
<ul> <li>5 . 1 . 1 No. of Weekends / Public Holidays</li> <li>5 . 1 . 2 Performances on Weekends / Public Holidays</li> <li>5 . 2 . 1 No. of Weekdays</li> <li>5 . 2 . 2 Performances on Weekdays</li> <li>5 . 3 Total</li> <li>6 Usage</li> <li>6 . 1 . 1 Usage by Hirers (Arts)</li> <li>6 . 1 . 2 Hirers' Arts Performances</li> <li>6 . 1 . 3 Sessions Used for Hirers' Arts Performances</li> <li>6 . 1 . 4 % of Performances also Hire Venue for Rehearsals</li> <li>6 . 1 . 5 Sessions used for Hirers' Rehearsals / Set up (Arts)</li> <li>6 . 1 . 6 % is Community Hire with Discounts</li> <li>6 . 2 . 1 Usage by Hirers (Non-Arts)</li> <li>6 . 2 . 2 Hirers' Non-Arts Performances / Activities</li> <li>6 . 2 . 3 Sessions Used for Hirers' Rehearsals / Set up (Non-Arts)</li> <li>6 . 3 . 1 Usage for Venue's Own Programmes</li> </ul>	1.5 No. of Performances per Day  245 days per annum  0.8 No. of Performances per Day  289 Performances per annum  85 %  246 Performances per annum  246 Sessions per annum (performance)  100 %  246 Sessions per annum (rehearsal / set up)  50 %  14 Performances / Activities per annum  14 Sessions per annum (performance / activitie  15 Sessions per annum (rehearsal / set up)  10 %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]) x (365-[2.1]) / 365 x [2.2]  = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1] s) = [6.2.3] = [6.2.3] = 1 - [6.1.1] - [6.2.1]



= [7.1.1] x [1.3] = [1.3] x [3.1] x [4.1] x [7.2.1]  $= [7.1.2] \times (1 - [7.3.1])$ not applicable to non-arts usage including hire of ancillary uses, casual staffing, equipment hire, other hire services

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 %	

### Blackbox Theatre 4 - PSI Base Case

Assumption	s		Remarks
1	Physical Parameters		
	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio Seating Capacity  1:	3,160 sq.m. 1.5 1.3 250 seats	See Black Box Theatre 1
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	70 sq.m. 50 sq.m. - sq.m. 225 sq.m.	excluding internal bars
2	Utilisation		
2 . 1 2 . 2 2 . 3 2 . 4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	14 days per annum 82 % 3 863 sessions per annum	based on days slightly higher than PSC = $(365 - [2.1]) \times [2.2] \times [2.3]$
3	Ticket Price		
3 . 1	Average Ticket Price	\$100 per performance	
4	Attendance		
4 . 1 4 . 2	Attendance Rate Average Attendance	<ul><li>72 %</li><li>180 people per performance</li></ul>	slightly higher than PSC = [1.3] x [4.1]
5	Performance		
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	<ul><li>days per annum</li><li>No. of Performances per Day</li></ul>	
	No. of Weekdays Performances on Weekdays	<ul><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	= 365 - [5.1.1]
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		
6.1.2 6.1.3 6.1.4 6.1.5	Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts	85 % 252 Performances per annum 252 Sessions per annum (performance) 100 % 252 Sessions per annum (rehearsal / set up) 50 %	= [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges
6 . 1 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 2 6 . 2 . 3	Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts)	<ul> <li>252 Performances per annum</li> <li>252 Sessions per annum (performance)</li> <li>100 %</li> <li>252 Sessions per annum (rehearsal / set up)</li> </ul>	= [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges e.g. seminars, civic functions, product launches, graduation ceremonies = [5.3] x [6.2.1]
6 . 1 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 2 6 . 2 . 3 6 . 2 . 4 6 . 3 . 1 6 . 3 . 2	Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts  Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities	252 Performances per annum 252 Sessions per annum (performance) 100 % 252 Sessions per annum (rehearsal / set up) 50 % 5 % 15 Performances / Activities per annum 15 Sessions per annum (performance / activities	= [6.1.2]  = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges  e.g. seminars, civic functions, product launches, graduation ceremonies  = [5.3] x [6.2.1]  ps = [6.2.3]

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal Hire) Rehearsal Hire Rate		% per session	= [7.1.2] x (1 - [7.3.1])
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usaç
7.5	Other Hire Charges	4	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin	\$65	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	\$30	% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5		\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	1 2 2 3	staff staff staff staff staff staff	

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

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

Assumption	s			Remarks	
1	Physical Parameters				
	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio Seating Capacity  1:	20,325 1.5 1.3 1,900		See Great Theatre 1	
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	-	sq.m. sq.m. sq.m. sq.m.	excluding internal bars	
2	Utilisation				
2 . 1 2 . 2 2 . 3 2 . 4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	80 3	days per annum % sessions per annum	based on days = (365 - [2.1]) x [2.2] x [2.3]	lower than Great Theatre 1
3	Ticket Price				
3.1	Average Ticket Price	\$250	per performance	lower than Great Theatre 1	
4	Attendance				
4 . 1 4 . 2	Attendance Rate Average Attendance	70 1,330	% people per performance	lower than Great Theatre 1 = [1.3] x [4.1]	
5	Performance				
5.1.1	Performance  No. of Weekends / Public Holidays Performances on Weekends / Public Holidays		days per annum No. of Performances per Day		
5.1.1 5.1.2 5.2.1	No. of Weekends / Public Holidays	1.5 245		= 365 - [5.1.1]	
5.1.1 5.1.2 5.2.1	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays	1.5 245 0.8	No. of Performances per Day days per annum	= 365 - [5.1.1] = ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]	]) × (365-[2.1]) / 365 × [2.2]
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays	1.5 245 0.8	No. of Performances per Day days per annum No. of Performances per Day		]) × (365-[2.1]) / 365 × [2.2]
5.1 .1 5.1 .2 5.2 .1 5.2 .2 5.3 6 6.1 .1 6.1 .2 6.1 .3 6.1 .4 6.1 .5	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays No. of Weekdays Performances on Weekdays Total	1.5 245 0.8 289 60 173 173 200	No. of Performances per Day days per annum No. of Performances per Day Performances per annum  % Performances per annum Sessions per annum (performance) % Sessions per annum (rehearsal / set up)		
5 . 1 . 1 5 . 1 . 2 5 . 2 . 1 5 . 2 . 2 5 . 3 6 6 . 1 . 1 6 . 1 . 2 6 . 1 . 3 6 . 1 . 4 6 . 1 . 5 6 . 1 . 6 6 . 2 . 1 6 . 2 . 2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts)	1.5 245 0.8 289 60 173 173 200 346 30 10 29 29	No. of Performances per Day days per annum No. of Performances per Day Performances per annum  % Performances per annum Sessions per annum (performance) % Sessions per annum (rehearsal / set up) %	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2] = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehear e.g. seminars, civic functions, prod = [5.3] x [6.2.1]	
5.1 .1 5.1 .2 5.2 .1 5.2 .2 5.3 6 6.1 .1 6.1 .2 6.1 .3 6.1 .4 6.1 .5 6.1 .6 6.2 .1 6.2 .2 6.2 .3 6.2 .3 6.3 .1 6.3 .2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays  No. of Weekdays Performances on Weekdays  Total  Usage  Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts  Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities	1.5 245 0.8 289 60 173 173 200 346 30 10 29 29 29 29	No. of Performances per Day days per annum No. of Performances per Day Performances per annum  % Performances per annum Sessions per annum (performance) % Sessions per annum (rehearsal / set up) % Performances / Activities per annum Sessions per annum (performance / activities) Sessions per annum (performance / activities) Sessions per annum (rehearsal / set up)	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2] = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehear e.g. seminars, civic functions, prod = [5.3] x [6.2.1] = [6.2.3]	sal usage and other hire charges

		Basic Rate (per session per seat)		per session per seat
7.1	. 2	Basic Rate (per session)	\$47,500	per session
7 2	4	Hire Charge as % of Gross Ticket Sales	20	% of Gross Ticket Sales
		Hire Charge Based on Gross Ticket Sales		per session
			****	F
7.3	. 1	Discount Rate (Rehearsal / Occupation Hire)	75	%
7.3	. 2	Rehearsal / Occupation Hire Rate	\$11,875	per session
- ·		Discount Bate (Community Hire)	30	0/
7.4		Discount Rate (Community Hire)	30	70
7.5		Other Hire Charges	8	% of Total Hire Income
		-		
8		Ticketing Services		
8.1		Box Office Fee	\$6.5	per ticket
8.2		Inside Charge Fee		per ticket
8.3		Profit Margin		%
9		Merchandise Sales		
		0/ of Detroin Durchasian	-	0/
9.1		% of Patrons Purchasing Average Spending		% per person
9.2		Profit Margin		% of turnover
3.3		T TOTAL WALIGHT	10	70 OI turnover
10		Internal Bars		
10 . 1		9/ of Datrona Chanding	10	0/
10 . 1		% of Patrons Spending Average Spending		per person
10 . 2		Profit Margin		% of turnover
			.0	
11		Rentals	.0	
11	1	Rentals		
11		Rentals Cafes / Restaurants (smaller than 500 sq.m.)	\$4,000	per sq.m. per annum
11 11 . 1	. 2	Rentals	\$4,000 \$4,000	per sq.m. per annum per sq.m. per annum
11 11 . 1 11 . 1	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.)  Cafes / Restaurants (500 sq.m. or above)	\$4,000 \$4,000 \$4,000	per sq.m. per annum
11 11 . 1 11 . 1 11 . 2	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.)  Cafes / Restaurants (500 sq.m. or above)  Retail Shops	\$4,000 \$4,000 \$4,000 \$6,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum
11 11 . 1 11 . 1 11 . 2 11 . 3	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.)  Cafes / Restaurants (500 sq.m. or above)  Retail Shops  VVIP Facilities	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum
11 . 1 11 . 1 11 . 2 11 . 3 11 . 4 11 . 5	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum
11 . 1 . 1 . 1 . 1 . 1 . 1 . 2 . 11 . 3 . 11 . 4	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.)  Cafes / Restaurants (500 sq.m. or above)  Retail Shops  VVIP Facilities  Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum
11 . 1 11 . 1 11 . 2 11 . 3 11 . 4 11 . 5	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum
11 11 . 1 11 . 1 11 . 2 11 . 3 11 . 4 11 . 5	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.)  Cafes / Restaurants (500 sq.m. or above)  Retail Shops  VVIP Facilities  Resident Company Space  Advertising Space  Sponsorship	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$0	per sq.m. per annum per sq.m. per annum per sq.m. per annum per sq.m. per annum per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$0	per sq.m. per annum per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$0 10 10	per sq.m. per annum per annum per annum %
11 11 . 1 11 . 1 11 . 2 11 . 3 11 . 4 11 . 5 12 12 . 1 13 . 1 13 . 2 13 . 3	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372	per sq.m. per annum per annum per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 4 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128	per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 5 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$1 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112	per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 4 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$1 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112	per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 5 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$1 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112	per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 2 Staff Level 4 Staff Level 5 Staff Level 6 Staff Level 6 Staff  Staffing Schedule	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$1 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship Sponsorship Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 2 Staff Level 4 Staff Level 4 Staff Level 6 Staff Level 6 Staff Level 6 Staff Level 6 Staff Level 1 Staff Level 1 Staff Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 1 Staff Level 1 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 2 Staff Level 5 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 2 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per annum per annum staff staff
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 4 Staff Level 6 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 3 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$1 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per annum  %  per annum
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 6 Staff Level 6 Staff Level 6 Staff Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 4 Staff Level 3 Staff Level 4 Staff Level 3 Staff Level 4 Staff Level 4 Staff Level 5 Staff Level 4 Staff	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$1 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per annum per annum  %  per annum staff staff staff staff
11	. 2	Rentals  Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space  Sponsorship  Sponsorship as % of Earned / Venue Income  Staff Costs  Level 1 Staff Level 2 Staff Level 3 Staff Level 3 Staff Level 4 Staff Level 6 Staff Level 6 Staff  Staffing Schedule  Level 1 Staff Level 2 Staff Level 2 Staff Level 3 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 5 Staff Level 3 Staff	\$4,000 \$4,000 \$6,000 \$2,000 \$0 10 \$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988	per sq.m. per annum per annum  %  per annum

 $= [7.1.1] \times [1.3]$   $= [1.3] \times [3.1] \times [4.1] \times [7.2.1]$   $= [7.1.2] \times (1 - [7.3.1])$  not applicable to non-arts usage including hire of ancillary uses, casual staffing, equipment hire, other hire services

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 15.3.2		\$312 per sq.m. GFA per annum \$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 %	

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

7

**Hiring Charges** 

#### (Medium-Sized Theatre 3) Assumptions Remarks **Physical Parameters** 1.1 See Medium-Sized Theatre 1 sq.m. 1.2.1 NOFA to GFA Ratio 1: 1.5 1 . 2 . 2 GFA to CFA Ratio 1.3 1.3 Seating Capacity 800 seats Restaurants NOFA 250 sg.m. 1.4 excluding internal bars Retail NOFA 1.5 100 sq.m. VVIP Facilities NOFA 1.6 sq.m. Resident Company Space NOFA 300 sq.m. 1.7 2 Utilisation 2.1 Closure for Maintenance 14 days per annum 2.2 Utilisation Rate 80 % based on days lower than Medium-Sized Theatre 1 2.3 No. of Sessions Per Day = (365 - [2.1]) x [2.2] x [2.3] 2.4 Utilisation 842 sessions per annum 3 **Ticket Price** Average Ticket Price \$150 per performance 3.1 Attendance 4 4.1 Attendance Rate 70 % lower than Medium-Sized Theatre 1 Average Attendance 560 people per performance = [1.3] x [4.1] 4.2 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 245 days per annum 5.2.1 No. of Weekdays = 365 - [5.1.1] 5 . 2 . 2 Performances on Weekdays 0.8 No. of Performances per Day 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] 5.3 Total Usage 6 . 1 . 1 Usage by Hirers (Arts) 217 Performances per annum 6 . 1 . 2 Hirers' Arts Performances $= [5.3] \times [6.1.1]$ 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 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 = [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 = 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]



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]
45 0	Classics and County Costs	0000 OFA	
15 . 2	Cleaning and Security Costs	\$260 per sq.m. GFA per annum	
15.3.1		\$312 per sq.m. GFA per annum \$36 per seat per annum	
13.3.2	YVOLUI	goo per sear per amum	
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 %	

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

(Great The Assumption				Remarks	
1	Physical Parameters				
1.1 1.2.1 1.2.2 1.3	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio Seating Capacity  1:	20,325 sq.m. 1.5 1.3 1,900 seats		See Great Theatre 1	
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	1,000 sq.m. 150 sq.m. - sq.m. 600 sq.m.		excluding internal bars	
2	Utilisation				
2.1 2.2 2.3 2.4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	82 % 3		based on days = (365 - [2.1]) x [2.2] x [2.3]	slightly higher than PSC
3	Ticket Price				
3 . 1	Average Ticket Price	\$250 per pe	erformance		
4	Attendance				
4 . 1 4 . 2	Attendance Rate Average Attendance	72 % 1,368 people		slightly higher than PSC = [1.3] x [4.1]	
5	Performance				
	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	120 days p 1.5 No. of	per annum f Performances per Day		
	No. of Weekdays Performances on Weekdays	245 days p 0.8 No. of	per annum f Performances per Day	= 365 - [5.1.1]	
5.3	Total	296 Perfor	rmances 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				
6.1.2 6.1.3 6.1.4 6.1.5	Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts	178 Session 200 %	ons per annum (performance) ons per annum (rehearsal / set up)	= [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehear	sal usage and other hire charges
6 . 2 . 2 6 . 2 . 3	Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	30 Session	rmances / Activities per annum ons per annum (performance / activities)	= [5.3] x [6.2.1]	uct launches, graduation ceremonies
6.3.2	Usage for Venue's Own Programmes Venue's Own Programmes Sessions Used for Venue's Own Programmes		rmances per annum	= 1 - [6.1.1] - [6.2.1] = [5.3] x [6.3.1] = [2.4] x [6.3.1]	
7	Hiring Charges				

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	= [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2	Discount Rate (Rehearsal / Occupation Hire) Rehearsal / Occupation Hire Rate	75 \$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 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9 . 1 9 . 2 9 . 3	% of Patrons Purchasing Average Spending Profit Margin	\$125	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin		% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Total Number of Staff	1 8 10 10 10	staff staff staff staff staff staff staff	51% lower than PSC due to streamlining of operation and casualisation of 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	7 % of Total Hire Income	
17	Programming Costs		
17 . 1	Venue's Own Programmes: Budget as % of Ticket Sales	110 %	lower than PSC

7

**Hiring Charges** 

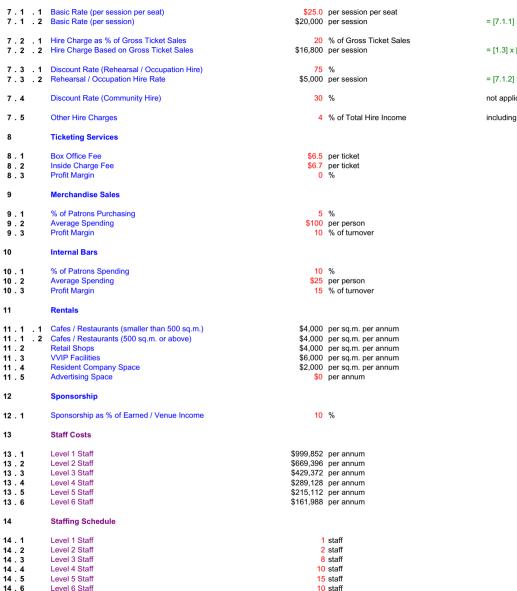
#### Great Theatre 2 Medium-Sized Theatre 3 - PSI Base Case (Medium-Sized Theatre 3) Assumptions Remarks 1 **Physical Parameters** 1.1 Total NOFA sq.m. See Medium-Sized Theatre 1 1.2 .1 NOFA to GFA Ratio 1: 1.5 1 . 2 . 2 GFA to CFA Ratio 1.3 Seating Capacity 800 seats Restaurants NOFA 250 sq.m. 1.4 excluding internal bars Retail NOFA 100 sq.m. 1.5 VVIP Facilities NOFA 1.6 sq.m. Resident Company Space NOFA 300 sa.m. 1.7 2 Utilisation 2.1 Closure for Maintenance 14 days per annum Utilisation Rate 82 % slightly higher than PSC 2.2 based on days No. of Sessions Per Day 2.3 2.4 Utilisation 863 sessions per annum $= (365 - [2.1]) \times [2.2] \times [2.3]$ 3 **Ticket Price** 3.1 Average Ticket Price \$150 per performance **Attendance** 4 Attendance Rate 72 % slightly higher than PSC Average Attendance 576 people per performance = [1.3] x [4.1] 4.2 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] Usage 6 . 1 . 1 Usage by Hirers (Arts) 6.1.2 Hirers' Arts Performances 222 Performances per annum $= [5.3] \times [6.1.1]$ 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 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) 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 = 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 $= [2.4] \times [6.3.1]$

	Basic Rate (per session per seat) Basic Rate (per session)		per session per seat per session	higher than PSC = [7.1.1] x [1.3]
	Hire Charge as % of Gross Ticket Sales Hire Charge Based on Gross Ticket Sales		% of Gross Ticket Sales per session	= [1.3] x [3.1] x [4.1] x [7.2.1]
7.3.1 7.3.2			% per session	= [7.1.2] x (1 - [7.3.1])
7.4	Discount Rate (Community Hire)	30	%	not applicable to non-arts usag
7 . 5	Other Hire Charges	6	% of Total Hire Income	higher than PSC
8	Ticketing Services			
8 . 1 8 . 2 8 . 3	Box Office Fee Inside Charge Fee Profit Margin	\$6.7	per ticket per ticket %	
9	Merchandise Sales			
9.1 9.2 9.3	% of Patrons Purchasing Average Spending Profit Margin	\$125	% per person % of turnover	higher than PSC higher than PSC
10	Internal Bars			
10 . 1 10 . 2 10 . 3	% of Patrons Spending Average Spending Profit Margin	\$30	% per person % of turnover	higher than PSC higher than PSC
11	Rentals			
11 . 1 . 1 11 . 1 . 2 11 . 2 11 . 3 11 . 4 11 . 5	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	\$4,000 \$4,000 \$6,000 \$2,000	per sq.m. per annum per annum	
12	Sponsorship			
12 . 1	Sponsorship as % of Earned / Venue Income	12	%	higher than PSC
13	Staff Costs			
13 . 1 13 . 2 13 . 3 13 . 4 13 . 5 13 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	\$800,000 \$450,000 \$200,000 \$150,000	per annum per annum per annum per annum per annum per annum	higher than PSC higher than PSC slightly higher than PSC lower than PSC lower than PSC lower than PSC
14	Staffing Schedule			
14 . 1 14 . 2 14 . 3 14 . 4 14 . 5 14 . 6	Level 1 Staff Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff Total Number of Staff	( ( ( (	staff staff staff staff staff staff 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

### Medium-Sized Theatre 4 - PSC Base Case

Assumptions				Remarks	
1 Physi	sical Parameters				
1 . 2 . 1 NOFA 1 . 2 . 2 GFA to		1 : 1.5 1 : 1.3		See Medium-Sized Theatre 1	
1 . 5 Retail 1 . 6 VVIP I	aurants NOFA II NOFA Facilities NOFA Jent Company Space NOFA	100 -	sq.m. sq.m. sq.m. sq.m.	excluding internal bars	
2 Utilisa	sation				
2 . 2 Utilisa	ure for Maintenance ation Rate of Sessions Per Day ation	80 3	days per annum % sessions per annum	based on days = (365 - [2.1]) x [2.2] x [2.3]	lower than Medium-Sized Theatre 1
3 Ticket	et Price				
3 . 1 Avera	age Ticket Price	\$150	per performance		
4 Attend	ndance				
	dance Rate age Attendance	<b>70</b> 560	% people per performance	lower than Medium-Sized Theatre = [1.3] x [4.1]	1
5 Perfor	ormance				
5 . 1 . 1 No. of	ormance of Weekends / Public Holidays ormances on Weekends / Public Holidays		days per annum No. of Performances per Day		
5 . 1 . 1 No. of 5 . 1 . 2 Perfor 5 . 2 . 1 No. of	of Weekends / Public Holidays ormances on Weekends / Public Holidays	1.5 245		= 365 - [5.1.1]	
5 . 1 . 1 No. of 5 . 1 . 2 Perfor 5 . 2 . 1 No. of	of Weekends / Public Holidays ormances on Weekends / Public Holidays of Weekdays ormances on Weekdays	1.5 245 0.8	No. of Performances per Day days per annum	= 365 - [5.1.1] = ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2	<sup>2</sup> ]) x (365-[2.1]) / 365 x [2.2]
5 . 1 . 1 No. of 5 . 1 . 2 Perfor 5 . 2 . 1 No. of 5 . 2 . 2 Perfor	of Weekends / Public Holidays ormances on Weekends / Public Holidays of Weekdays ormances on Weekdays	1.5 245 0.8	No. of Performances per Day days per annum No. of Performances per Day		?]) x (365-[2.1]) / 365 x [2.2]
5 . 1 . 1 No. of 5 . 1 . 2 Perfor 5 . 2 . 1 No. of 5 . 2 . 2 Perfor 5 . 3 Total 6 Usage 6 . 1 . 1 Usage 6 . 1 . 2 Hirers 6 . 1 . 3 Sessic 6 . 1 . 4 % of F 6 . 1 . 5 Sessic	of Weekends / Public Holidays rmances on Weekends / Public Holidays of Weekdays ormances on Weekdays	1.5 245 0.8 289 75 217 217 200 434	No. of Performances per Day days per annum No. of Performances per Day Performances per annum  % Performances per annum Sessions per annum (performance)		
5 . 1 . 1 No. of 5 . 1 . 2 Perfor 5 . 2 . 1 No. of 5 . 2 . 2 Perfor 5 . 3 Total 6 Usage 6 . 1 . 1 Usage 6 . 1 . 3 Sessic 6 . 1 . 4 % of F 6 . 1 . 5 Sessic 6 . 1 . 6 % is C 6 . 2 . 2 Hirers 6 . 2 . 2 Hirers 6 . 2 . 3 Sessic	of Weekends / Public Holidays ormances on Weekends / Public Holidays of Weekdays ormances on Weekdays  ge ge by Hirers (Arts) s' Arts Performances ions Used for Hirers' Arts Performances Performances also Hire Venue for Rehearsals ions used for Hirers' Rehearsals / Set up (Arts)	1.5 245 0.8 289 75 217 217 200 434 40 5 14	No. of Performances per Day  days per annum No. of Performances per Day  Performances per annum  %  Performances per annum Sessions per annum (performance) %  Sessions per annum (rehearsal / set up)	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2] = [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / reheal e.g. seminars, civic functions, proce = [5.3] x [6.2.1]	
5 . 1 . 1 No. of 5 . 1 . 2 Perfor 5 . 2 . 1 No. of 5 . 2 . 2 Perfor 5 . 3 Total 6 Usage 6 . 1 . 1 Usage 6 . 1 . 3 Sessic 6 . 1 . 4 % of F 6 . 1 . 5 Sessic 6 . 1 . 6 % is C 6 . 2 . 1 Usage 6 . 2 . 2 Hirers 6 . 2 . 3 Sessic 6 . 2 . 4 Sessic 6 . 3 . 1 Usage 6 . 3 . 1 Usage 6 . 3 . 2 Venue	of Weekends / Public Holidays formances on Weekends / Public Holidays of Weekdays formances on Weekdays  ge ge ge by Hirers (Arts) ge 'Arts Performances ions Used for Hirers' Arts Performances Performances also Hire Venue for Rehearsals ions used for Hirers' Rehearsals / Set up (Arts) Community Hire with Discounts ge by Hirers (Non-Arts) ge by Hirers (Non-Arts Performances / Activities ions Used for Hirers' Non-Arts Performances / Activities	1.5 245 0.8 289 75 217 217 200 434 40 5 14 14 14 14	No. of Performances per Day  days per annum No. of Performances per Day  Performances per annum  %  Performances per annum Sessions per annum (performance) % Sessions per annum (rehearsal / set up) %  %  Performances / Activities per annum Sessions per annum (performance / activities)	= ([5.1.1] x [5.1.2] + [5.2.1] x [5.2.2]  = [5.3] x [6.1.1]  = [6.1.2]  = [6.1.3] x [6.1.4] Discounts on performance / rehea  e.g. seminars, civic functions, proceedings of the control o	rsal usage and other hire charges



 $= [7.1.1] \times [1.3]$   $= [1.3] \times [3.1] \times [4.1] \times [7.2.1]$   $= [7.1.2] \times (1 - [7.3.1])$ not applicable to non-arts usage
including hire of ancillary uses, casual staffing, equipment hire, other hire services

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 %	

### Medium-Sized Theatre 4 - PSI Base Case

Assumption	s		Remarks
1	Physical Parameters		
1 . 1 1 . 2 . 1 1 . 2 . 2 1 . 3	Total NOFA NOFA to GFA Ratio GFA to CFA Ratio GFA to CFA Ratio Seating Capacity	6,750 sq.m. 1.5 1.3 800 seats	See Medium-Sized Theatre 1
1 . 4 1 . 5 1 . 6 1 . 7	Restaurants NOFA Retail NOFA VVIP Facilities NOFA Resident Company Space NOFA	250 sq.m. 100 sq.m. - sq.m. 300 sq.m.	excluding internal bars
2	Utilisation		
2 . 1 2 . 2 2 . 3 2 . 4	Closure for Maintenance Utilisation Rate No. of Sessions Per Day Utilisation	14 days per annum 82 % 3 863 sessions per annum	based on days slightly higher than PSC = (365 - [2.1]) x [2.2] x [2.3]
3	Ticket Price		
3 . 1	Average Ticket Price	\$150 per performance	
4	Attendance		
4 . 1 4 . 2	Attendance Rate Average Attendance	<ul><li>72 %</li><li>576 people per performance</li></ul>	slightly higher than PSC = [1.3] x [4.1]
5	Performance		
5 . 1 . 1 5 . 1 . 2	No. of Weekends / Public Holidays Performances on Weekends / Public Holidays	<ul><li>days per annum</li><li>No. of Performances per Day</li></ul>	
	No. of Weekdays Performances on Weekdays	<ul><li>245 days per annum</li><li>0.8 No. of Performances per Day</li></ul>	= 365 - [5.1.1]
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 . 3 6 . 1 . 4	Usage by Hirers (Arts) Hirers' Arts Performances Sessions Used for Hirers' Arts Performances % of Performances also Hire Venue for Rehearsals Sessions used for Hirers' Rehearsals / Set up (Arts) % is Community Hire with Discounts	75 % 222 Performances per annum 222 Sessions per annum (performance) 200 % 444 Sessions per annum (rehearsal / set up) 40 %	= [5.3] x [6.1.1] = [6.1.2] = [6.1.3] x [6.1.4] Discounts on performance / rehearsal usage and other hire charges
6.2.2 6.2.3	Usage by Hirers (Non-Arts) Hirers' Non-Arts Performances / Activities Sessions Used for Hirers' Non-Arts Performances / Activities Sessions used for Hirers' Rehearsals / Set up (Non-Arts)	5 % 15 Performances / Activities per annum 15 Sessions per annum (performance / activitie 15 Sessions per annum (rehearsal / set up)	e.g. seminars, civic functions, product launches, graduation ceremonies = $[5.3] \times [6.2.1]$ es) = $[6.2.3]$ = $[6.2.3]$
6.3.2	Usage for Venue's Own Programmes Venue's Own Programmes Sessions Used for Venue's Own Programmes	<ul><li>20 %</li><li>59 Performances per annum</li><li>173 Sessions per annum</li></ul>	= 1 - [6.1.1] - [6.2.1] = [5.3] x [6.3.1] = [2.4] x [6.3.1]
7	Hiring Charges		

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

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

### Summary of Assumptions - PSC Base Case

Cluster			1 Mega Performance Venue	2 Great Theatre 1 Cor	3.1 ncert Hall Chamber Conc Music Hall	3.2 eert Hall Chamber Music Hall	4.1 Xiqu Centre	4.2 Xiqu Centre Mediu		6.1 edium-Sized Theatre 2 Med nd Blackbox Theatre 1 and				8 Blackbox Theatre 4 Grea	9.1 at Theatre 2 Medium- Sized Theatre 3 Med	9.2 Great Theatre 2 Med um-Sized Theatre 3	10 ium-Sized Theatre 4
					(Concert Hall) (Cha	amber Music Hall)	(Main Theatre)	(Small Theatre)	(M	Medium-Sized Theatre 2)	(Blackbox Theatre 1)	(Blackbox Theatre 2)	(Blackbox Theatre 3)		(Great Theatre 2) (Me	dium-Sized Theatre	
Physical Parameters	NOFA to GFA Ratio Seating Capacity Restaurants NOFA Retail NOFA VVIP Facilities NOFA	sq.m. 1: seats sq.m. sq.m.	36,710 1.5 15,000 1,000 500 1,130	14,800 1.5 2,200 1,000 190	16,800 1.5 2,000 1,000 190	- 1.5 800 - 100	14,955 1.5 1,400 3,220 100	- 1.5 400 - -	6,750 1.5 800 250 100	9,480 1.5 800 250 100	- 1.5 250 70 50	5,195 1.5 250 70 50	1.5 250 70 50	3,160 1.5 250 70 50	20,325 1.5 1,900 1,000 150	1.5 800 250 100	6,750 1.5 800 250 100
Utilisation	Resident Company Space NOFA  Closure for Maintenance	sq.m. days per annum	0 14	600 14	1300 14	525 14	300 14	0 14	300 14	300 14	225 14	225 14	225 14	225 14	600 14	300 14	300 14
	Utilisation Rate No. of Sessions Per Day	%	88 1	88 3	80 3	80 3	88 3	88 3	80 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  Performances on Weekends / Public Holidays	days per annum	120 1.0	120 1.5													
	Performances on Weekdays	No. of Performances per Day  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) % of Performances also Hire Venue for Rehearsals	%	80	85 100	70 100	60 100	80 200	70 100	85 200	85 200	85 100	85 100	85 100	85 100	60 200	75 200	75 200
	% is Community Hirer with Discounts Usage by Hirers (Non-Arts)	% %	0 20	100 10 5	50 10	50 10	10 10	50 5	200 20 5	200 20 5	50 5	50 5	50 5	50 5	30 10	40 5	40 5
Hiring Charges	Basic Rate (per session per seat) Hire Charge as % of Gross Ticket Sales Discount Rate (Rehearsal Hire) Discount Rate (Community Hire) Other Hire Charges	per session per seat % of Gross Ticket Sales % % % of Total Hire Income	\$6.0 20 0 0 15	\$25.0 20 60 30 10	\$20.0 20 60 30 10	\$20.0 20 60 30 4	\$20.0 20 75 30 10	\$20.0 20 60 50 2	\$25.0 20 75 30 6	\$25.0 20 75 30 6	\$20.0 20 60 30 2	\$20.0 20 60 30 2	\$20.0 20 60 30 2	\$20.0 20 60 30 2	\$25.0 20 75 30 8	\$25.0 20 75 30 4	\$25.0 20 75 30 4
Ticketing Services	Box Office Fee Inside Charge Fee Profit Margin	per ticket per ticket %	\$6.5 \$6.7 0														
Merchandise Sales	% of Patrons Purchasing Average Spending Profit Margin	% per person % of turnover	5 \$150 10	5 \$150 10	5 \$150 10	5 \$100 10	5 \$150 10	5 \$50 10	5 \$100 10	5 \$100 10	5 \$50 10	5 \$50 10	5 \$50 10	5 \$50 10	5 \$100 10	5 \$100 10	5 \$100 10
Internal Bars	% of Patrons Spending Average Spending Profit Margin	% per person % of turnover	10 \$25 15	10 <b>\$</b> 25 15	10 \$25 15												
Rentals	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space Advertising Space	per sq.m. per annum per annum	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$6,500,000	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000 \$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 Level 2 Staff Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	per annum per annum per annum per annum per annum per annum	\$999,852 \$669,396 \$429,372 \$289,128 \$215,112 \$161,988														
Staffing Schedule	Level 1 Staff Level 2 Staff	staff staff	1 4	1 2	1 3	0	1 2	0	1 2	1 2	0	0 2	0	0 1	1 3	0	1 2
	Level 3 Staff Level 4 Staff Level 5 Staff Level 6 Staff	staff staff staff staff	13 10 15 15	8 15 25 15	12 15 25 15	0 0 0 0	12 15 20 15	0 0 0 0	8 10 15 10	10 12 18 12	0 0 0 0	7 5 8 5	0 0 0 0	4 3 5 3	12 20 25 20	0 0 0 0	8 10 15 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 Electricity Water Admin Overheads	per sq.m. GFA per annum per sq.m. GFA per annum per seat % of Staff Costs	\$208 \$281 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 15	\$260 \$303 \$36 15	\$260 \$303 \$36 15	\$260 \$281 \$36 15	\$260 \$281 \$36 15	\$260 \$281 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 15	\$260 \$312 \$36 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

### **Summary of Revenue and Expenditure - PSC Base Case**

						Medium-Sized	Blackbox		Great Theatre	
	Mega		Concert Hall			Theatre 2 and	Theatre 2 and		2 Medium-	
	Performance	Great Theatre	Chamber		Medium-Sized	Blackbox	Blackbox	Blackbox	Sized Theatre	Medium-Sized
HK\$ Million	Venue	1	Music Hall	Xiqu Centre	Theatre 1	Theatre 1	Theatre 3	Theatre 4	3	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

### Summary of Assumptions - PSI Base Case

Cluster			1 Mega Performance Venue	2 Great Theatre 1 Con	3.1 ncert Hall Chamber Con Music Hall	3.2 cert Hall Chamber Music Hall	4.1 Xiqu Centre	4.2 Xiqu Centre Mediu		6.1 Medium-Sized Theatre 2 Me and Blackbox Theatre 1 ai		Blackbox Theatre 2 and E		8 Blackbox Theatre 4 Gre		9.2 Great Theatre 2 Me edium-Sized Theatre 3	10 dium-Sized Theatre 4
					(Concert Hall) (Ch	amber Music Hall)	(Main Theatre)	(Small Theatre)		(Medium-Sized Theatre 2)	(Blackbox Theatre 1)	(Blackbox Theatre 2)	(Blackbox Theatre 3)		(Great Theatre 2) (I	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	800 250	800
	Restaurants NOFA Retail NOFA	sq.m. sq.m.	1,000 500	1,000 190	1,000 190	100	3,220 100	-	250 100	250 100	70 50	70 50	70 50	70 50	1,000 150	100	250 100
	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
	Performances on Weekdays	No. of Performances per Day	0.4	0.7	0.8	0.8	0.8	8.0	0.8	0.8	0.8	0.8	0.8	0.8	8.0	0.8	8.0
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 % is Community Hire with Discounts	%	0	100 10	100 50	100 50	200 10	100 50	200 20	200 20	100 50	100 50	100 50	100 50	200 30	200 40	200 40
	Usage by Hirers (Non-Arts)	% %	20	5	10	10	10	5	5	5	50	5	5	5	10	5	5
Hiring Charges	Basic Rate (per session per seat) Hire Charge as % of Gross Ticket Sales	per session per seat % of Gross Ticket Sales	\$8.0 20	\$28.0 20	\$23.0 20	\$23.0 20	\$23.0 20	\$23.0 20	\$28.0 20	\$28.0 20	\$23.0 20	\$23.0 20	\$23.0 20	\$23.0 20	\$28.0 20	\$28.0 20	\$28.0 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
	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 Profit Margin	per ticket	\$6.7	\$6.7 0	\$6.7 0	\$6.7 0	\$6.7 0	\$6.7	\$6.7 0	\$6.7	\$6.7 0	\$6.7 0	\$6.7	\$6.7 0	\$6.7 0	\$6.7 0	\$6.7 0
	From wargin	76	U	U	Ü	U	U	Ü	0	U	· ·	Ü	0	U	Ü	· ·	Ü
Merchandise Sales	% of Patrons Purchasing	%	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Average Spending Profit Margin	per person % of turnover	\$175 10	\$175 10	\$175 10	\$125 10	\$175 10	\$65 10	\$125 10	\$125 10	\$65 10	\$65 10	\$65 10	\$65 10	\$125 10	\$125 10	\$125 10
	Tone wargin	, or tarriore.															
Internal Bars	% of Patrons Spending	%	12	12	12	12	12	12	12	12	12		12	12	12	12	12
	Average Spending Profit Margin	per person % of turnover	\$30 15	\$30 15	\$30 15	\$30 15	\$30 15	\$30 15	\$30 15	\$30 15	\$30 15		\$30 15	\$30 15	\$30 15	\$30 15	\$30 15
Rentals	Cafes / Restaurants (smaller than 500 sq.m.) Cafes / Restaurants (500 sq.m. or above)	per sq.m. per annum 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 \$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 Advertising Space	per sq.m. per annum per annum	\$2,000 \$7,800,000	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0	\$2,000 \$0
		F						•									
Sponsorship	Sponsorship as % of Earned / Venue Income	%	6	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 Level 3 Staff	per annum per annum	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$450,000	\$800,000 \$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 Level 6 Staff	per annum per annum	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000	\$150,000 \$125,000
			ψ125,000	ψ.20,000	¥.20,000	Ų.20,000	Ų.20,000	Ų.20,000	¥120,000	Ψ120,000	ψ120,000	ψ120,000	ψ123,000	Q.20,000	¥120,000	\$120,000	¥120,000
Staffing Schedule	Level 1 Staff Level 2 Staff	staff staff	1	1	1	0	1	0	0	0	0	0	0	0	1	0	0
	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 Level 6 Staff	staff staff	10 10	10 10	10 10	0	10 10	0	5	6	0	4	0	3	10 10	0	5 5
	Estat a stati	otali.				· ·		Ü	ŭ	· ·	· ·	ŭ	· ·	· ·		· ·	Ü
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,	per sq.m. GFA per annum	\$73	\$104	\$104	\$104	\$104	\$104	\$104	\$94	\$94	\$73	\$73	\$73	\$104	\$104	\$104
	Maintenance and Operation of Electrical, Mechanical, Electronic,																
	Telecommunication Equipment and Systems Other Operating Costs (Stores, Equipment, Professional Services,	per sq.m. GFA per annum	\$255	\$364	\$364	\$364	\$364	\$364	\$364	\$328	\$328	\$255	\$255	\$255	\$364	\$364	\$364
	Materials, Supplies, Temp Staff etc.)	po. oq.m. or A por annum	پر حص	φυσ		φυ <del>υ4</del>	<b>4004</b>	φυυ <del>4</del>	PUCQ			<i>\$255</i>	φ233			<b>4</b> ОО <del>4</del>	
	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 Water	per sq.m. GFA per annum per seat	\$281 \$36	\$312 \$36	\$312 \$36	\$312 \$36	\$312 \$36	\$312 \$36	\$312 \$36	\$303 \$36	\$303 \$36		\$281 \$36	\$281 \$36	\$312 \$36	\$312 \$36	\$312 \$36
	Admin Overheads	% of Staff Costs	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

### **Summary of Revenue and Expenditure - PSI Base Case**

	Mega		Concert Hall			Medium-Sized Theatre 2 and	Blackbox Theatre 2 and		Great Theatre 2 Medium-	
	Performance	<b>Great Theatre</b>	Chamber		Medium-Sized	Blackbox	Blackbox	Blackbox	Sized Theatre	Medium-Sized
HK\$ Million	Venue	1	Music Hall	Xiqu Centre	Theatre 1	Theatre 1	Theatre 3	Theatre 4	3	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	8.0	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	8.0
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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$6,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	5	6	3	%
Cleaning and Security Costs Electricity Water	\$208 \$281 \$36	\$229 \$309 \$40	\$187 \$253 \$32	per sq.m. GFA per annum

## 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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	6	7	4	%
Cleaning and Security Costs Electricity Water	\$208 \$281 \$36	\$229 \$309 \$40	\$187 \$253 \$32	per sq.m. GFA per annum

## 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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$6,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

### 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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$6,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$234 \$281 \$32	

### 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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$6,500	\$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

### 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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$6,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$303 \$36	\$286 \$333 \$40	\$272	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$303 \$36	\$286 \$333 \$40		per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$6,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$343	\$234 \$281 \$32	per sq.m. GFA per annum

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$5,000	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$234 \$281 \$32	per sq.m. GFA per annum

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	10	12	5	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum per seat

#### **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.) Cafes / Restaurants (500 sq.m. or above) Retail Shops VVIP Facilities Resident Company Space	\$4,000 \$4,000 \$4,000 \$6,000 \$2,000	\$4,500 \$4,500 \$4,500 \$6,500 \$2,500	\$3,000 \$3,000 \$3,000 \$5,000 \$1,500	per sq.m. NOFA per annum per sq.m. NOFA per annum per sq.m. NOFA per annum
Sponsorship as % of Earned / Venue Income	12	14	7	%
Cleaning and Security Costs Electricity Water	\$260 \$312 \$36	\$286 \$343 \$40	\$281	per sq.m. GFA per annum per sq.m. GFA per annum 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	1,811 seat concert hall (incl. audience seating in their choir stalls)	245 seat	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		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	Australia	1,001 seat	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	2002	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	466 seat studio	180 seat studio space	exhibition, convention, retai		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
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 Source	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

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

Source
1 www.structurae.de
2 Venue manager
3 Official website
4 Other websites

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)	
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)	
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	Operator of arenas, stadiums, convention & exhibition centres, performing arts	Harvey Lister (Group	16 October 2006
Facilities	theatres in Australia and Asia – 202,100 seats and 87,000 sq.m. of exhibition	Chief Executive)	
Corporation	space in total, including three indoor arenas (21,000 / 14,000 / 6,300 seats), a	Lyndall Purcell (Manager,	
	concert hall (1,700 seats), a lyric theatre (1,400 seats), and two drama theatres	Venue Development)	
	(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.		
Really Useful	fully owned subsidiary of the London based The Really Useful Group Ltd	Tim McFarlane	17 October 2006
Company Asia	(RUG), which is owned by Andrew Lloyd Webber	(Managing Director)	
Pacific Pty Ltd	<ul> <li>based in Sydney, responsible for RUG's activities in Australia, New Zealand,</li> </ul>		
	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		

Theatre Operator	Background Information	Contact	Interview Date
The Ambassador	<ul> <li>the largest theatre group in the West End and the second largest in the UK</li> </ul>	Rosemary Squire	18 October 2006
Theatre Group	regions, with a total of 22 venues (two thirds in central or suburban London, one	(Executive Director)	
	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		
Pegasus Venue	<ul> <li>Operator of two concert halls in Sydney (1,238 / 1,550 seats)</li> </ul>	Michael (Jack) Frost	24 October 2006
Management Pty		(Group General Manager	
Ltd.		/ Director)	
Hong Kong Arts	<ul> <li>operator of a complex of visual and performing arts facilities, including an art</li> </ul>	Louis Yu (Executive	3 November 2006
Centre	school	Director)	
Live Nation	the world's leading live entertainment company, annually connecting more than	Carl Pernow (President of	10-11 November
	67 million fans with their favorite performers at over 33,000 events; the largest	International Music)	2006
	producer of live concerts in the world		
	<ul> <li>the second-largest venue management company; owns, operates and/or has</li> </ul>		
	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		
IMG Artists	offices in the Americas, Europe and Asia	Ian Smallbone (Senior	14 November 2006
	<ul> <li>delivers an array of international capabilities including the management and</li> </ul>	Vice President and	
	touring of the finest musicians, dance companies, orchestras, and attractions;	Managing Director / Asia	

Theatre Operator	Background Information	Contact	Interview Date
	development and operation of music and arts festivals; consulting, advisory and	and Arts Projects)	
	event management work for governments, arts institutions, concert halls and		
	corporations; and production of critically acclaimed audio/visual projects		
	<ul> <li>do not operate any venues at present</li> </ul>		
Broadway Asia	a New York based company which specializes in producing and licensing	Simone Gennatt	29 November 2006
Company	shows in Asia (manages and presents 15 titles across Asia)	(Co-Founder)	
	■ linked to the Broadway producers, Richard Frankel Productions (RFP) (one of		
	RFP partners, Marc Routh, is the co-founder of Broadway Asia)		
	<ul> <li>limited experience in running venues: at present the only venue which</li> </ul>		
	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)		
Hong Kong United	operator of the Sunbeam Theatre (1,033 seats, main venue for Cantonese	Li Jian Min (Director	30 November 2006
Arts Entertainment	opera performances in HK)	Chairman and General	
Co. Ltd.	<ul> <li>presenter of a variety of Mainland performances (from Chinese operas, military</li> </ul>	Manager)	
	bands to acrobats), including a limited number of performances at the Sunbeam		
	Theatre		
Spring-Time Group	an entertainment group engaged in a wide range of entertainment programmes	Clifton Ko (CEO and	5 March 2007
Ltd.	(e.g. theatres, films, concerts and television productions)	Producer)	
	the only privately funded theatre company in Hong Kong, providing high quality		
	cultural entertainment programmes based on a commercial business model		

Theatre Operator	Background Information	Contact	Interview Date
	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