

25 August 2008

Dear Councillors,

The Trust looks back at a successful year providing a broad range of high quality shows at both Theatres ranging from traditional Opera, Ballet, Drama and Musicals, both International and New Zealand, through to Pop, bands, Community, Comedy, Yoga and Church Services. The Trust achieved its mission of "Keeping the two historic theatres as viable working theatres, delivering high quality experiences (shows) to Wellingtonians and visitors and contributing to the Council's outcomes including Stronger Sense of Place, More Eventful, More Inclusive and More Actively Engaged".

Vital to the Trust's success is its relationship with its hirers, both overseas and local, to attract shows to Wellington. The Trust has worked hard to develop new hirers and has had some major achievements in this area developing new genre and markets in new music, bands, comedy and churches in particular. The trusts relationship with the Edge in Auckland, venues in Australia and the Taranaki and Christchurch Festivals have been important to the success in bringing shows to Wellington.

The Trust presented several Own Shows to fill gaps in both the booking calendar and theatre genre. The Trust is grateful for the collaborative and ongoing relationship with the Council Events team for helping assist with taking risk on shows at both theatres.

The Trust presented the International Winter Season (sponsored by the Museum Hotel) from 22 July – 22 August 2007 featuring four high calibre international shows including Aurelia's Oratorio (France), Ennio Marchetto (Italy), Royal Shakespeare Company (UK) and Circus OZ (Australia). The season created a major winter event in line with the Council's desire for broad appeal indoor winter events when outdoor events are not viable. Just under 14,000 attended the 4 shows.

Whilst the number of performances on stage did not quite match the KPI (209 against 223) once the events in both Theatres are taken into account the total is 387. Taking risk is not our core business which means that for performances it is up to the Promoters to hire the venues. Total utilisation days are 467 compared to the performance utilisation of 289 and a KPI of 302. In terms of the community using the facilities this is very positive and still does not take into account the free Art exhibitions and the daily patronage of the Jimmy Café and the Espresso Café.

Before Depreciation the profit of \$97k is a very good result and \$174k better than budget. Depreciation remains a challenge and the St James and the Council teams are working together on a condition assessment to assist with managing this.

The theatres maintained their established high level of reputation with hirers due to the skilled and dedicated technical (backstage) workforce. The Trust continued to be a leader in the industry with regard to OSH and the application of the theatre industry's Guide to Safe Working Practices.

During the year Westpac advised the Trust that it will not be renewing its sponsorship ending in October 2007. The Trust is exploring other Arts Partnership (sponsorship) options.

Food and Beverage continued to play a vital in the cash flow and profitability of the Trust. Jimmy's has grown in popularity and provides excellent community access to the Theatre on dark days as well as being financially important. The Espresso Café at the Opera House also keeps the "lights on" daily and is growing in popularity. The Opera House being open brings life into the link between Courtenay Place and Manners Mall.

The major capital project during the year was the installation of the Smoke Extract System, being the first stage of a complete upgrade of the fire protection system, at the Opera House.

The financials for the year 2007/2008 show the success of the Trust focussing on core business and on developing new initiatives for increased profit to support the core business.

Yours sincerely

Craig Goodall