

Attachment 3 – Case Studies in theatre operations

Case Study 1

Mandurah Performing Arts Centre (MPAC) initially ran their own licence and then decided to let it to a third party. Below is an extract from the business case they presented in an effort to take back the operation of the bar. They have since done so and the bar services generate a good 30% return after costs.

Below are some of the problems being experienced with a contract provider:

- Inadequate staffing of the bar with often only one person serving before shows and at intermission, leaving queues of patrons wanting to purchase drinks but unable to do so;
- Regular complaints from patrons who are either not happy with the level of service or the prices in the bar;
- Casual staff who are not familiar with the bar, it's facilities, prices and procedures;
- The bar is not always open when required e.g. before and after shows;
- Restrictions on the type of usage we can get from the bar limiting the types of events we can offer to our patrons;
- Running of machinery when the bar is not in use e.g. coffee machines, ice cream freezers and drink fridges - we pay for this power with no return;
- Problems with hygiene standards – quite often the bar has been left in a messy state, with dirty tea-towels and bits and pieces laying around. As this is the first area that people see when entering the building it gives an immediate negative impression;
- The general public perception that as it is in the MPAC building, that MPAC run the bar and therefore are responsible for its problems – this reflects badly on MPAC as a business;
- **We are totally reliant on a third party to operate a vital part of our business with little or no control.**

Case Study 2

Contact was made with Araluen Arts Centre in Alice Springs as being a venue similar to REAP in situation, noting that the venue is owned by the Territory Government. The licence is held by an incorporated group "the Friends of Araluen" with the director of the Centre being the nominee. Doing so allows them to retain the profits for use at the Centre as they see fit.

Catering is handled on a case by case basis with external providers, allowing the function to dictate which caterer is most suitable for the job.

By running all the operations, the Centre is able to employ the staff they want and to ensure they are correctly and appropriately trained. They are able to make the rules that best suit the Centre and to address any negative feedback directly.

Case Study 3 - Historical

Walkington Theatre, Karratha

The licensee was the manager of the theatre but the bar was operated by the Friends of the Theatre with one paid Bar Manager and volunteer bar staff. All proceeds from the bar operation were returned to the theatre for specific projects and equipment purchase, e.g. the Friends paid approximately \$20,000 for the large outdoor projection.