

POINT OF ENTRY BUSINESS CASE

Project initiation date: 1 July 2024
Project title: **RWOH Upgrade**
Hapū/iwi active partnership consideration: Active partnership does not apply
Note: your consideration for active partnership must take into account [Tupua te Kawa](#) – a set of indigenous values at law.

At this stage engagement with Hapu/iwi will not be required.

Business case prepared by: Dana Burnett

Business owner: General Manager Community & Customer Experience

[\[Link\] to guidelines "The PoE template explained..."](#)

PROBLEM / OPPORTUNITY STATEMENT

The Royal Whanganui Opera House (RWOH) is a landmark cultural icon built in 1899. In 1996, the theatre received a Historic Place Trust award gaining a Category 1 historical grading. The RWOH is the last wooden theatre operating in Australasia. While the theatre has seen a lot of love over the years there are aspects of the building that no longer meet requirements including being able to provide services suitable for some touring shows.

The RWOH has hosted a range of different events and shows and is the preferred venue for a number of community-based productions. The last 12 months has seen the RWOH host the NZ Opera School, school productions and prizegiving's, international comedians, tribute shows, dance competitions as well as community productions such as "Phantom of the Opera". All of these have different requirements with respect to stage production, lighting and sound.

In December 2022, a CHASNZ H&S audit was conducted which identified several H&S items and risks that needed urgent attention. The risk areas identified were:

- Fire risk & overall fire safety in building.
- Building structure (especially the structural integrity of the upper floor areas).
- Equipment – service and maintenance as well as safe working loads.
- Electrical systems.

The above resulted in the dismantling of the fly floor and hemp rope system not being operable moving forward as well as a full review of equipment and electrical systems (this work is ongoing). A "fly system" is a system of ropes, blocks, pulleys, and counterweights within a theatre that enables a stage crew to fly quickly, quietly, and safely components such as curtains, lights, scenery, stage effects, and people.

To ensure that the Royal Whanganui Opera House (RWOH) is fully operational in the future a feasibility study of the venue and solutions has been undertaken to identify **as a minimum** the replacement of the fly / theatrical rigging system. Other items identified as part of this feasibility study included replacement of lighting and sound equipment, new rigging system, review of ventilation (potentially new heating & cooling system), upgrade to fire alarm system and potential for further seismic strengthening work to be undertaken.

The feasibility study outlines three options:

1. Doing Nothing (Status Quo - including retaining scaffold)
2. Minimum Requirements (new counterweight flying system within existing building envelope)
3. New Stagehouse and Flying system (increases facilities and amenities for productions).

Each option identifies the potential costs, benefits, and impacts with all options requiring the scaffold to remain in place until project work commences.

There is an Option 4 which is to undertake a full upgrade of the RWOH including accessibility, hospitality areas, dressing rooms and bathrooms as well as other items to bring the theatre in line with similar theatres in New Zealand.

At a minimum the fly / theatrical rigging system will require replacement if the theatre is going to continue to be able to accommodate shows that require this service especially for international promoters. The current hemp rope system is no longer able to be serviced and requires a level of resource that the Friends of the Opera House are unable to manage. Information on a new system is fully outlined in the feasibility study.

It is important to note that scaffolding is currently in place around the perimeter of the stage to provide support to the fly floor and is being used to hang lighting. Scaffolding is being rented and is costing approximately \$3,000/month. The scaffold is having an impact for some shows who require the full stage and wings to effectively operate.

BENEFITS STATEMENT

Social Benefits:

- Community use and access of building and facilities including large community based shows (eg Phantom of the Opera).
- The local community being able to see shows in a local venue including performances that generally go to larger venues that have more modern facilities and equipment.
- Ability for community to socialise and enjoy range of events including a unique venue for private functions (eg wedding receptions, engagement parties).

Economic Benefits:

- The ability to operate RWOH with modern equipment and services will draw more promoters to bring their shows / events to Whanganui creating economic benefit not just from a venue perspective but also in other areas such as accommodation, cafes & restaurants, and shopping. Promoters are already identifying theatres outside of the larger centres as preferred venues due to costs in the larger cities becoming unaffordable.
- With larger shows and improved facilities, this may also generate more jobs both within Council and the larger community to provide maintenance and servicing work.
- More opportunities to increase usage of the RWOH will see a greater revenue stream.

Environmental Benefits:

- Ensuring the building reflects 21st century needs while preserving the distinctive heritage aspects of the RWOH.
- Appreciation and recognition of the City of Design (UNESCO) status that Whanganui has.

Cultural Benefits:

- Through this work we will be able to engage performances such as the Royal New Zealand ballet and New Zealand Symphony Orchestra which will provide increased performing art potential for Whanganui.
- Increasing the level and number of cultural events such as Kapa Haka performances.

STRATEGIC CASE

As outlined in the “Arts & Culture Strategic Plan” the RWOH has a role to play in several areas of the plan especially around playing a valuable role in enabling social cohesion and promoting the Whanganui Creative Sector regionally and nationally.

This is further endorsed within the Leading Edge strategy including becoming a district renowned for talent and creativity while also generating a buzz through events by supporting, creating and growing events.

FINANCIAL CASE

The feasibility study has provided estimates for Options 1-3 and these are outlined below. For work to be completed ideally it should be included within the first two years of the LTP to ensure the RWOH is fully operational by 2027. This timeframe will see the RWOH back up and operating fully prior to the theatre in Palmerston North closing for earthquake strengthening work.

Year of LTP for delivery:	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10
OPTION 3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$150k	\$8.5M	\$8.5M	\$	\$	\$	\$	\$	\$	\$
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34

Year 1 is cost to purchase scaffold and fix some of the H&S items - this will be required no matter which option is selected

Year of LTP for delivery:	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10
OPTION 4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$150k	\$10M	\$10M	\$12M	\$	\$	\$	\$	\$	\$
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34

Year 1 is cost to purchase scaffold and fix some of the H&S items - this will be required no matter which option is selected

Total cost for this option is an estimate only.

External funding contributions: To be explored

Capex \$	Opex \$	Funded by
Option 1: Do nothing – leave as is with scaffold and restricted level of operation		
\$150k (for scaffolding)	\$30,000 / year (cost to certify scaffold each month as well as additional resource costs to work within theatre - extra resources / time required to operate theatre)	
Option 2: Minimum Work – implement new fly system within existing structure		
\$14.2m	\$30,000 (year 1 only) (cost to certify scaffold each month as well as additional resource costs to work within theatre - extra resources / time required to operate theatre) \$10,000/year to replace equipment as it becomes older and needs replacing.	Funding opportunities will be investigated
Option 3: New Stagehouse & Flying System		
\$17m	\$30,000 (year 1 only) (cost to certify scaffold each month as well as additional resource costs to work within theatre - extra resources / time required to operate theatre)	Funding opportunities will be investigated
Option 4: Full Upgrade (back and front of house) - costs provided estimate only		
\$33m	\$30,000 (year 1 only) (cost to certify scaffold each month as well as additional resource costs to work within theatre - extra resources / time required to operate theatre)	Funding opportunities will be investigated
Option 5: Close Doors		
None	None	None

RISK EVALUATION

Item	Potential Risk Event	Likelihood	Consequence
1	Do nothing – inability to have shows that require flying of equipment or people. Costs also ongoing to keep scaffolding in place which is currently required to support items such as lighting and sound while also providing support to the fly floor.	Almost certain	Major
2	Do nothing – shows/events that want to utilise the full stage and wings will not book venue.	Almost certain	Moderate
3	Minimum work could trigger additional compliance work that will need to be done in order for the building to reopen (eg additional earthquake strengthening work, building code issues such as fire alarm systems)	Likely	Major
4	Option 1 - venue will not provide the level of facility required by promoters or national companies. Lack of flying system will limit types of shows coming to Whanganui. Does not address EWP access and working at heights that impact on time, resource and operational cost for venue.	Almost certain	Major
5	Option 2 - new flying system will impact on available functional area of the stage. Does not provide a comparative level of amenity in comparison to similar refurbished theatres around New Zealand. Batten drift and sightline remain an issue. Theatre systems reinstated, not replaced and upgraded. Construction within the existing building envelope raises the possibility of risk.	Almost certain	Moderate

OPTIONS APPRAISAL

Option 1: Do nothing – leave as is with scaffold and restricted level of operation

- Purchase of temporary scaffold structure.
- Completes work on health & safety issues identified.
- Retains the existing scaffold structure within existing stagehouse (no flying system)
- Establishes the loading capacity of the scaffold structure within existing stagehouse.
- Retains existing theatrical systems infrastructure.

Option 2: Minimum Work – implement new fly system within existing structure

- Purchase of temporary scaffold structure.
- Completes work on health & safety issues identified.
- Retains the existing stagehouse external envelope
- Provides new foundations and structure within the existing envelope to support flying system.
- Provides vapour barrier, insulation and wall lining to stagehouse.
- Provides new counterweight flying system with 51 line sets.
- Retains existing theatrical systems infrastructure - modified to suit introduction of new flying system.

Option 3: New Stagehouse & Flying System

- Purchase of temporary scaffold structure.
- Completes work on health & safety issues identified.
- New larger stagehouse to replace existing stagehouse
- Provides counterweight flying system with 60 line sets plus two panorama bars.
- Installs new and expanded theatrical systems infrastructure.
- Delivers a larger stagehouse enabling current spatial constraints to be addressed.
- Level of facility and amenity increased to attract larger productions and more users.

Option 4: Full Upgrade (back and front of house)

- Includes all items listed under Option 3
- Ventilation - heating & cooling
- Addresses scene dock, green room and storage issues
- Orchestra Pit - resolves H&S issues and configuration
- Building wide issues - accessibility, fire egress/passive fire, sustainability
- Dressing rooms - strengthen and upgrade.
- Auditorium - improve seismic level, noise ingress, lighting and seating
- Front of House - amenities, hospitality areas, merchandise, access and ticketing.

Option 5: Close Doors

STAKEHOLDER ANALYSIS

Stakeholder	Influences	Key interests & issues
Friends of the Opera House	Low power/highly interested (Keep informed)	Back stage and front stage support
Shirley MacDoull School of Ballet	Low power/highly interested (Keep informed)	Regular user
WDC Facilities	High power/less interested (Keep satisfied)	Important in terms of ongoing maintenance requirements
AMDRAM	Low power/highly interested (Keep informed)	Regular user
Whanganui Performing Arts	Low power/highly interested (Keep informed)	Regular user
Local Schools (eg St Annes, WHS, Collegiate, Cullinane)	Low power/highly interested (Keep informed)	Regular user
National & International Promoters	Low power/interested (Monitor)	Regular user

ELT and stakeholders are aware of the current situation that the RWOH is in and the potential work required to fix the venue to continue to operate and bring back the shows that require facilities such as a fly floor and flying system.

KEY CONSTRAINTS, DEPENDENCIES AND ASSUMPTIONS

If Option 3 or 4 is chosen there is an assumption that the work will generate more users of the facility including performances that don't currently come to Whanganui. Having a hotel in Whanganui will also assist with this and make Whanganui a more convenient and desirable destination for this kind of activity.

Pricing is based on current costs - these may not be applicable in later years of the LTP.

NEXT STAGE

To confirm preferred option and what year in LTP project will commence. From here work will commence on finding potential funding streams and project timelines. If Option 4 is chosen a clear project scope will be undertaken and cost estimates obtained.

Team Leader/Project Manager Self-Review

Strategic Fit	4
Benefits	4
Economic Impact	4
Level of Service Improvements	5
Risk of doing nothing	4

Strategic Panel FINAL score

Strategic Fit	5
Benefits	4
Economic Impact	4
Level of Service Improvements	5
Risk of doing nothing	4

*Note a copy of the anchored scoring matrix is available at the end of this document.

PROJECT MANAGEMENT OFFICE TO COMPLETE

Communications team level of involvement: Choose an item. *(PMO to liaise with the Communications team)*

ELT REVIEW

Date: Click or tap to enter a date.

ELT Minutes Reference: Click or tap here to enter text.

Agreed next steps:

Click or tap here to enter text.

If this project is **approved for a detailed business case**, then –

Name and job title of **Project Sponsor**

Click or tap here to enter text.