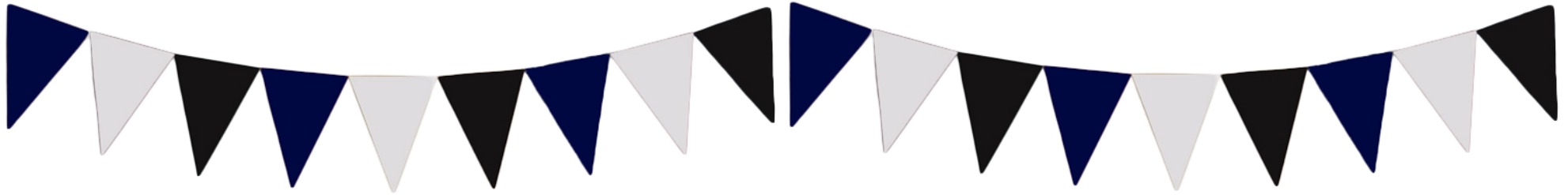


Moonrise Cinema Final Report

December 2013



Introduction



The Moonrise Cinema is an outdoor venue screening a variety of new-release movies at the Pilbara Institute Amphitheatre. It makes use of the regions natural environment, categorized by above average temperatures and below average rainfall, and projects onto an outdoor screen with a popular BYO picnic option for patrons.

The use of the outdoor Amphitheatre is a medium term solution to the permanent closure of the Walkington Theatre. In 2012 a brand and method of operation was developed for the cinema to ensure it is easily transferable to a more permanent facility in the future.

Consistent programing has seen the cinema experience an increase in general awareness and attendance throughout 2013. This growth can primarily be attributed to reliability, popularity and accessibility of the Moonrise Cinema—achieved through frequent programing and opening hours that are well known within the community.

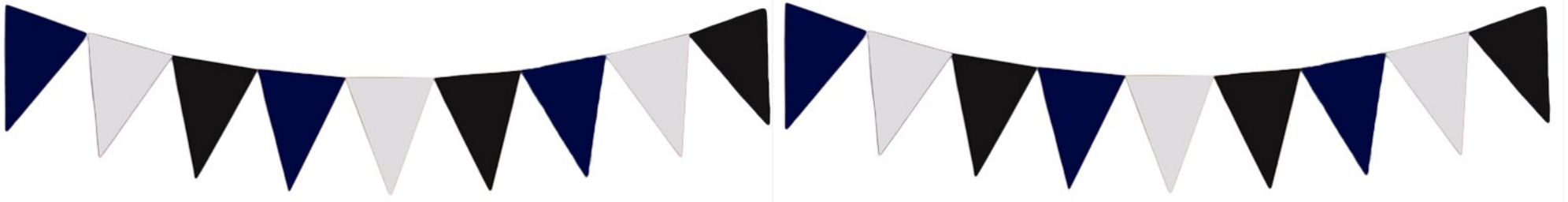
The cinema has throughout 2013 achieved a recognition within the community as a facility that offers a family friendly atmosphere which delivers a consistent program of kids entertainment.

The cinema is operated on a popular BYO food basis making it an affordable entertainment option. BYO was again highlighted by the community in the 2013 survey as the preferred catering option. In January 2012 the Shire of Roebourne took over the management of the Walkington Amphitheatre from the Pilbara Institute. This structure of management continued throughout 2013.

* For full survey results see Appendix One.

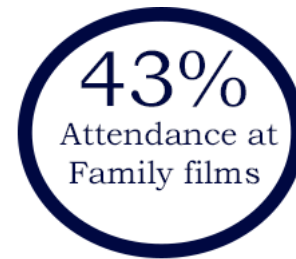


Program Overview



The Moonrise Cinema screens a variety of new-release films across two seasons all year round. The dry season operates from March—October operating Friday and Sundays every weekend at 7pm. During the wet season the cinema screens the holiday blockbusters every Saturday night at a later time of 7.30pm to allow for the longer daylight hours.

Continuing to screen during summer has proved popular in feedback with 91% of patrons surveyed indicating an appetite for screenings over this period. The weather and heat was the prominent factor for the 9%, unlikely to see a movie over that time.



In response to community feedback indicating an appetite for less mainstream movies, the cinema held a number of alternative films. Unfortunately these screenings proved unpopular with only 13 attending French film "Armour". These low figures were experienced at a number of alternative films and as a result it was decided to discontinue screening these due to high cost plus low attendance.

The animation family films continue to represent a high percentage of overall attendance figures. Of the six films that sold out this year five of them were from this genre. Feedback suggests an appetite for kids movies to be screened mid-week during the school holidays. 68% of those surveyed were in favor of these additional screenings.

Attendance

| Genre | Total Attendance | Average | Total Films |
|------------------|------------------|---------|-------------|
| Animation Family | 5309 | 241 | 22 |
| Adventure Action | 2601 | 136 | 19 |
| Comedy | 1230 | 136 | 9 |
| Crime Thriller | 789 | 112 | 7 |
| Drama | 779 | 93 | 9 |
| Romance | 739 | 147 | 5 |
| Alternative | 506 | 86 | 7 |

5542

Tickets sold to
Friday films

4426

Tickets sold to
Sunday films

465

Tickets sold to
the highest
attended film:
The Hobbit

153

Tickets sold on
average in
2013

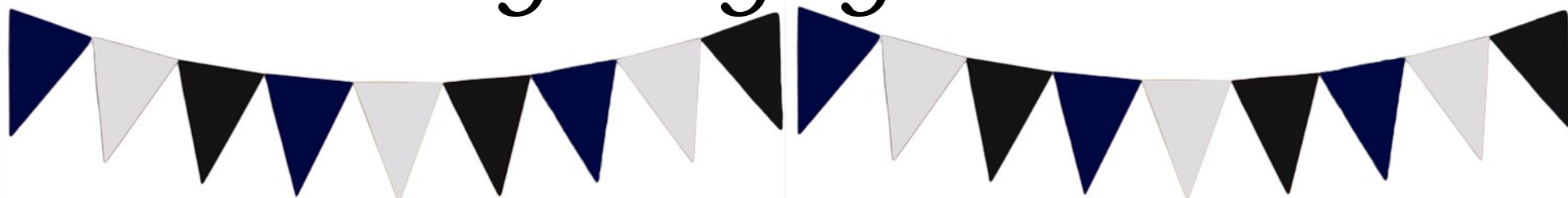
84

Tickets sold to
Thursday films

7

Tickets sold to
The Sessions

Community Engagement



During 2013 over 14 community groups have hosted fundraising BBQ's at the Moonrise Cinema. For many, the cinema serves as a recurring opportunity to raise funds. The Pegs Creek PTA was the most reliable group holding six fundraisers this year. BBQ's are well received by the community with 57% of feedback indicating a preference for this catering option in conjunction with BYO.

The cinema, as a venue has also supported a Movember fundraising campaign through hosting a screening of Anchorman with all proceeds going to the Movember foundation. In December YEP will be using the venue for a short film festival and four local schools will be utilizing it for their Christmas recitals.

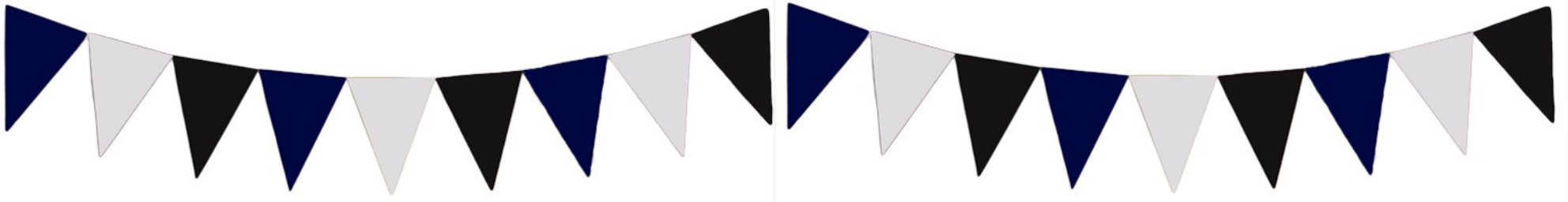
| Community Group | Role | Frequency during 2013 |
|------------------------------------|-----------------|-----------------------|
| Nicole Slade | Fundraiser | 2 |
| Ren | Fundraiser | 1 |
| Volunteer Fire Brigade | Community Group | 4 |
| Narelle | Fundraiser | 2 |
| Pegs Creek Primary School | School | 6 |
| St Lukes High School | School | 2 |
| Ovation Dance Company | Dancing Group | 2 |
| Tequiras | Sporting Group | 3 |
| St Paul's Primary School | School | 1 |
| Julia Garland: Trek to End Poverty | Fundraiser | 1 |
| Karratha Panthers | Sport | 3 |
| Westpac | Fundraiser | 2 |
| Karratha Soccer | Sport | 3 |
| Scouts | Community Group | 1 |



“ I love the friendly,
community
atmosphere of the Moon-
rise Theatre. Thank you
and keep up the good
work.”

Linda, feedback from the survey.

Feedback



Overall the response to the Moonrise Cinema was very positive. The best attended films were unsurprisingly the children's and family genres.

In order to gain a better understanding of the feedback for 2013 an online survey was distributed to 2000 cinema attendees of which 320 responded. Feedback largely indicated a positive response to staff service, online ticketing, marketing and the Moonrise Cinema website.

One of the key performance measures of the Moonrise Cinema is delivery of a minimum of 64 film screenings per year. For this reporting year 86 films from multiple genres were screened.

97%

Found purchasing tickets via the online system easy.

81%

Were satisfied with the variety of films available.

75%

Did not make an enquiry to the Shire about the movies.

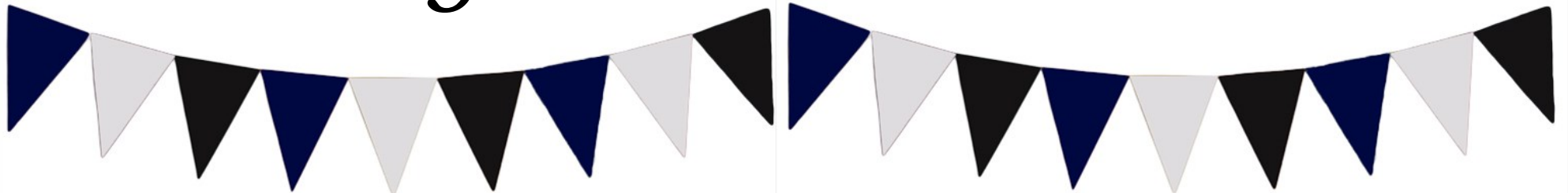
70%

Found the customer service of staff at the movies excellent.

Of the those who indicated they were not satisfied with the film selection they once again demonstrated an appetite for non-main stream movies including documentaries, horror and Art-house films. In 2014 more social media polls about the selection of upcoming movies could help to reduce the risk of screening less mainstream movies and give viewers an opportunity to buy into the program.

Of those who did make an enquiry to the Shire the vast majority were satisfied. As a way of reducing the number of unsatisfied responses the voicemail on the events phone should explain upcoming movies and ticketing information.

Marketing & Communication



The main avenue for advertising the Moonrise Cinema is through the Pilbara Echo and the Pilbara News. Three posters are also produced weekly that are used to advertise upcoming movies. These are displayed at the cinema and the Visitors Centre.

41%
Checked the
Newspaper for
additional
information

The Pilbara News

A “Whats on” 20 x 3 advert is placed in the Pilbara News each week. The average monthly spend for 2013 was \$1989.00.

Pilbara Echo

A “Whats on” 36 x 3 advert is placed in the Pilbara Echo each week. The average monthly spend for 2013 was \$2490.00

Ad hoc advertising

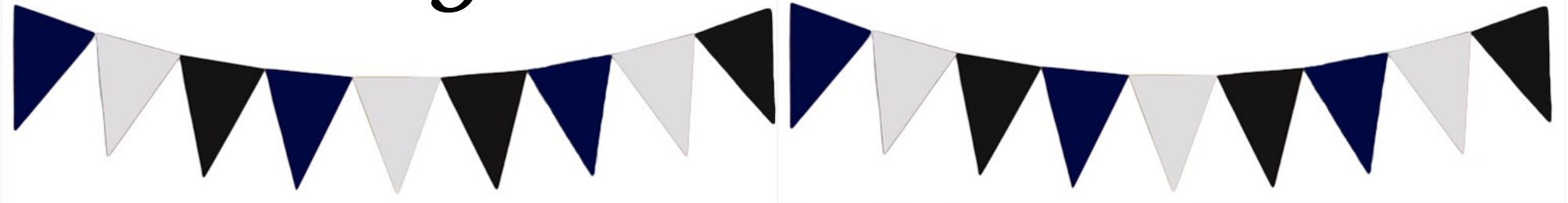
Opportunities often arise to advertise the Moonrise Cinema as a whole and to direct people to the website. During 2013 advertising was placed in the Karratha Visitors Centre Holiday Planner, The KDDCI Directory and the AiPol Police Journal.

Shopalite advertising

From February through to April this year the Moonrise Cinema featured as a permanent fixture in the Karratha Centro, the main shopping centre within the Shire. This form of advertising was mainly used to launch the new Moonrise Cinema brand.

*See Appendix two for artwork visuals.

Marketing & Communication



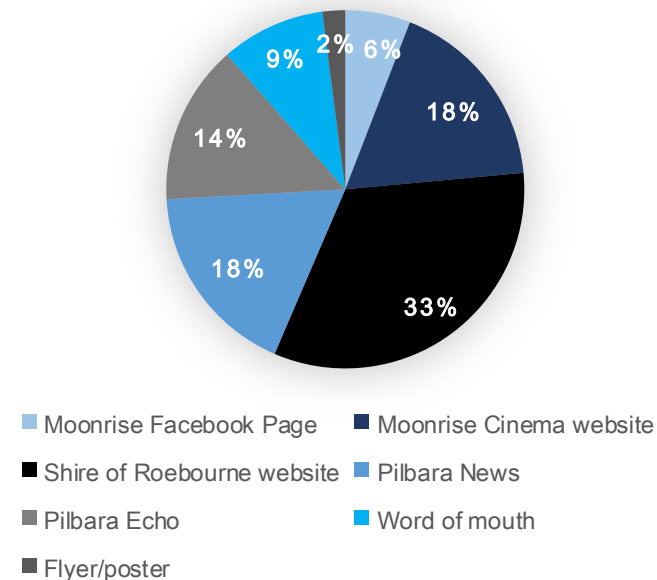
Social Media

The Moonrise Cinema Facebook page is a good source of up-to-date information about upcoming movies and fundraising BBQ's. As a result of weekly updates the page has increased to over 1100 likes. Sponsored posts would help to increase this further.

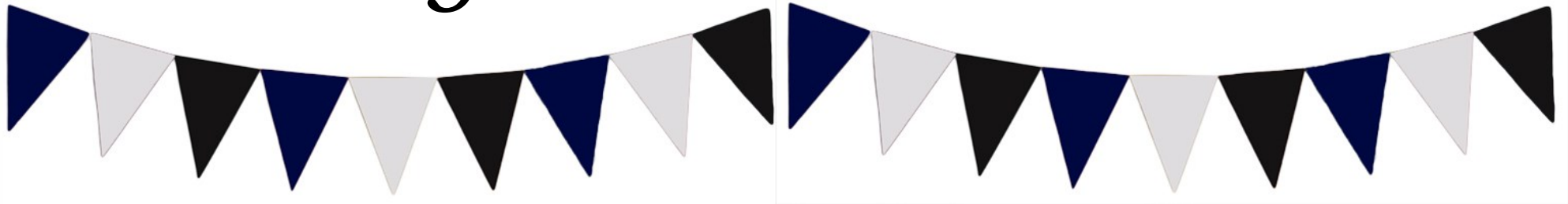
Website

The new website was launched in September this year with all patrons now directed to this site to purchase tickets, find out additional information and discover what is screening. The data represented here indicates that people turn to the Shire website for information however this is likely to decrease as the Moonrise Cinema webpage gains more familiarity.

Where did you find out about upcoming movies?



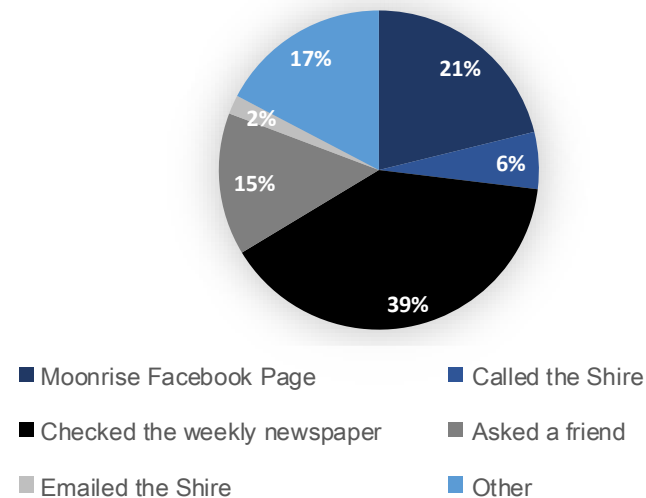
Marketing & Communication



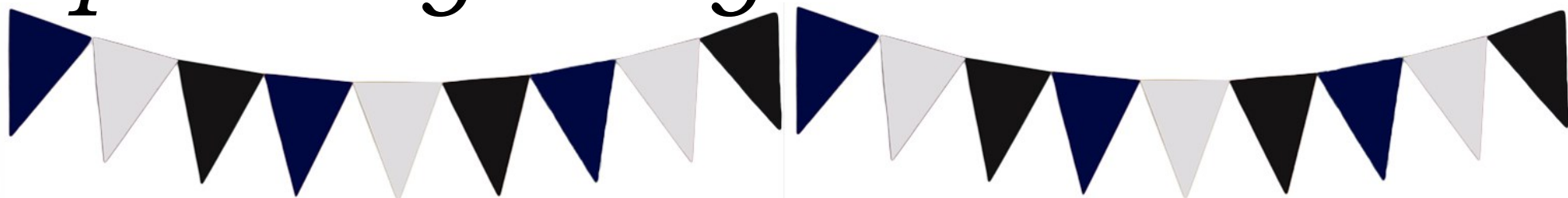
The newspaper and the Facebook page are important information channels for the community. The Facebook page is a great resource to provide up to date information and should continue to be used on a regular basis.

Of those who selected 'other' the large majority noted the Shire website as their key information channel. This can mainly be associated with the dedicated Moonrise Cinema webpage only been launched in September. After a full year of its operation this should become the communities main information portal.

Where did you go to find out additional information about the Moonrise Cinema?



Operating Budget

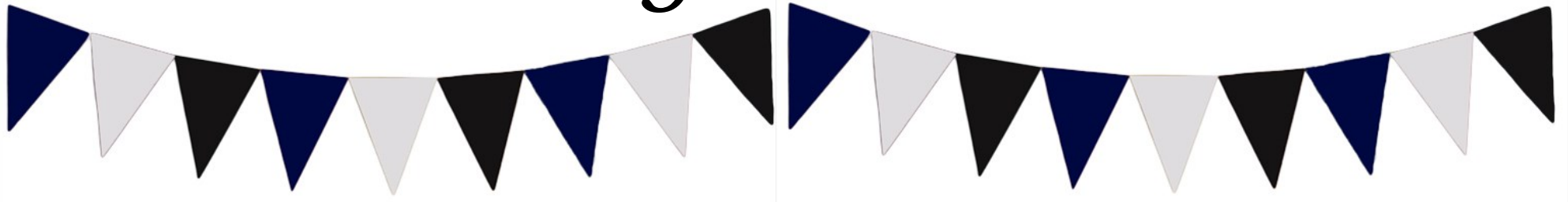


The average cost of each screening is \$3193.56 representing a need to sell approx. 194 full priced adults tickets per movie to break-even. The cinema throughout 2013 has reached a level of efficiency with experienced staff and a consistent operation and marketing expenditure.

Of the total 2013 expenses, \$197,076.90 was spent with local businesses. Key local business who benefit from the consistence income generated by the cinema are Signature Music and Pilbara Echo.

| Category | Inc GST |
|----------------------|----------------------|
| Film Licenses | \$ 64,278.93 |
| Venue Hire | \$ 45,447.50 |
| Technical | \$ 35,372.00 |
| Staff | \$ 55,000.00 |
| Pilbara Echo | \$ 29,880.00 |
| Pilbara News | \$ 23,877.40 |
| Poster Print | \$ 1,560.00 |
| Additional Marketing | \$ 3,600.00 |
| Freight | \$ 3,000.00 |
| Seat Advisor | \$ 6,757.85 |
| Misc | \$ 2,622.80 |
| Security | \$ 2,340.00 |
| Secure Pay | \$ 909.96 |
| TOTAL | \$ 274,646.44 |

Revenue Budget



The average ticketing income per screening is \$1491.29. In 2013, July was the most profitable month. This can largely be associated with above average attendance during the school holidays. The large majority of all tickets are purchased online.

Income is derived from sponsorship from Rio Tin- to as part of the Arts and Culture program and Woodside. Income from ticket sales cannot be relied on as the sole source of income yet. However the gap continues to close.

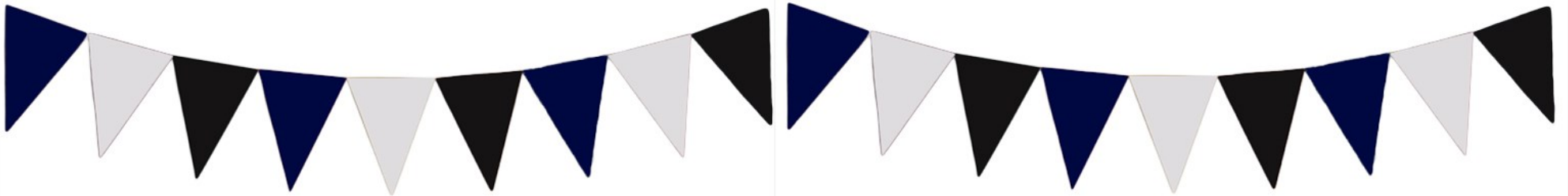
| Ticket | Number | Value |
|------------------------|--------|---------------|
| Adult | 4589 | \$ 73,484.00 |
| Child | 1690 | \$ 16,900.00 |
| Family4 | 2982 | \$ 31,311.00 |
| Concession | 384 | \$ 4992.00 |
| Complimentary | 158 | \$ Free |
| Group10 | 115 | \$ 1656.00 |
| Total online sales | 83.76% | \$ 107,425.00 |
| Total box office sales | 16.24% | \$ 20,826.00 |

Objectives for 2014

“To create innovative and vibrant hubs of artistic and cultural excellence that entertains, inspires and engages our diverse community”

- ⇒ Reduce the number of movies with attendance below 50 people from 20 screenings to 10 screenings.
- ⇒ Increase the average yearly attendance by 5%.
- ⇒ Review the economic feasibility of re-screening non-family films.
- ⇒ Introduce a mid week movie in the family genre during the school holidays.
- ⇒ Use social media polls to encourage patron buy in to the programming.
- ⇒ Increase conversation on social media sites with the goal of providing up to date information about sold out sessions, changes in programming and the availability of BBQ's.
- ⇒ Continue to engage with community groups.
- ⇒ Have a voice message on the events phone explaining where to find information for people who call over the weekend.
- ⇒ Explore the option of themed nights e.g. ladies night at the movies.

Conclusion



Overall 2013 has been a successful year for the Moonrise Cinema categorized by brand development, stabilization of programming and consistency of customer service.

The average attendance has increased as has the number of screenings, the professionalism of delivery and the consistency of programming.

The cinema now has a sound operational structure and brand that can be easily transferable to future locations.

The media and marketing campaign is working and consistent advertising should continue.

The online ticketing system works well for the cinema and the community has now developed an understanding of the print at home system.

A small number of people still question this system based on their limited access to a printer however we will continue to communicate the ability for box office staff to check patrons at the door.

The introduction of scanning technology will reduce the likelihood of tickets being duplicated and will continue to be used throughout 2014.

The structure and variety of films available has been a huge success for 2013. As a way of maintaining this positive variety, feedback will be sought via Facebook polls regarding upcoming film choices.

The cinema will continue to offer stable programming which is key to audience development and looks forward to another successful year in 2014.