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**SYDNEY  
OPERA  
HOUSE  
ANNUAL  
REPORT**

**2013  
2014**

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His Royal Highness  
Crown Prince Frederik  
and Her Royal Highness  
Crown Princess Mary  
of Denmark during the  
Sydney Opera House  
40th Anniversary  
celebrations in 2013.  
(Photographer:  
Prudence Upton)





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**“THIS STATE CANNOT GO ON WITHOUT PROPER FACILITIES FOR THE EXPRESSION OF TALENT AND THE STAGING OF THE HIGHEST FORMS OF ARTISTIC ENTERTAINMENT WHICH ADD GRACE AND CHARM TO LIVING AND WHICH HELP TO DEVELOP AND MOULD A BETTER, MORE ENLIGHTENED COMMUNITY...”**

**THE HON. JJ CAHILL, 1954**

The Sydney Opera House was, from the start, a collective act of dreaming in public. It was brought to life by people who believed in the power of imagination, inspiration and creativity to help mould a better, more enlightened nation, in the then NSW Premier Joe Cahill’s words.

It took all of us to realise that dream: visionaries and pragmatists, politicians and architects, engineers, artists and, fundamentally, the people of Australia.

Forty years after opening its doors, the Opera House has become the symbol of modern Australia. It encapsulates our dreams and ambitions as a nation and represents this country to the world.

A report by Deloitte Access Economics underlines the extraordinary return on investment reaped from the vision and boldness of successive generations and governments.

The report, released in October 2013 as part of our 40th Anniversary celebrations, valued the Opera House at \$4.6 billion. It contributes \$775 million each year to the economy through its activities and as a tourist attraction, and supports more than 8,400 full-time equivalent jobs.

The Opera House generates 86% of its operational funding through ticket sales, food and beverage, venue rental, retail, tourism and fundraising. The NSW Government provides the remaining 14% and also funds the building’s maintenance.

Since 2007, the Opera House has been formally recognised as a “masterpiece of human creative genius” and “a great urban sculpture set in a remarkable waterscape”, to quote UNESCO’s World Heritage listing. It is the youngest cultural site to be so honoured.

The building draws more than eight million people a year to Bennelong Point, part of traditional Gadigal land and named after Woollarawarre Bennelong (c 1784-1813). But the Opera House is much more than a giant work of art. It is one of the world’s busiest performing arts centres, presenting about 1,700 performances attended by 1.4 million people a year.

It is the proud home to seven flagship resident companies – Australian Chamber Orchestra, Bangarra Dance Theatre, Bell Shakespeare, Opera Australia, Sydney Symphony Orchestra, Sydney Theatre Company and The Australian Ballet. It also has its own programming arm, Sydney Opera House Presents, and hosts a wide range of other presenters.

Together, we combine to provide rich experiences of theatre, opera, contemporary and classical music, dance, Indigenous arts, talks and children’s programming.

In addition, the Opera House has an active and growing online presence with a Facebook reach estimated at 135 million. Increasingly, the digital realm is the Opera House’s eighth stage.

In his 1954 speech to a conference convened to discuss “the question of the establishment of an opera house in Sydney”, Joe Cahill said it should be “a credit to the State not only today but also for hundreds of years”.

“If we in our lifetime did nothing more than express our love of the arts by providing a building worthy of them, even when names are forgotten, the building will always remain as a testimony to what was done in the year 1954 by a group of citizens for the encouragement of talent and culture,” he said.

Those words seem particularly prescient as we enter our decade of renewal to prepare the Opera House for future generations of artists, audiences and visitors. Our responsibility is twofold: to preserve the integrity and beauty of this architectural marvel and to take advantage of 21st-century technology to ensure the living creature within the sails is as vibrant as possible.

These twin strands are inseparable – the outside and the inside, the great urban sculpture and the art within, reverence for the past and ambition for the future, the \$4.6 billion asset and the icon whose worth is incalculable. This is who we are.

**WHO  
WE  
ARE**

**THE HON. TROY GRANT MP**  
MINISTER FOR THE ARTS

We have the pleasure of presenting the Annual Report of the Sydney Opera House for the year ended 30 June 2014 for presentation to Parliament. This report has been prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Audit and Finance Act 1983*.



**JOHN SYMOND AM**  
CHAIRMAN



**LOUISE HERRON AM**  
CHIEF EXECUTIVE OFFICER



OUR  
MISSION

THE SYDNEY  
OPERA HOUSE  
EMBODIES  
**BEAUTY,**  
**INSPIRATION AND**  
**THE LIBERATING**  
**POWER OF ART**  
**AND IDEAS.**  
IT IS A  
MASTERPIECE  
THAT BELONGS TO  
ALL AUSTRALIANS.

WE WILL **TREASURE AND RENEW**  
THE OPERA HOUSE FOR FUTURE  
GENERATIONS OF ARTISTS,  
AUDIENCES AND VISITORS.

EVERYTHING WE DO WILL **ENGAGE**  
**AND INSPIRE** PEOPLE THROUGH ITS  
EXCELLENCE, AMBITION AND BREADTH.  
WE WILL STRENGTHEN OUR CENTRAL  
ROLE IN AUSTRALIA'S LIFE AND IDENTITY.

**01 OUR STAKEHOLDERS**  
Achieving our mission requires greater engagement with key stakeholders, including our customers and Resident Companies, government, private and corporate supporters, commercial partners, staff and the broader public. Strong, mutually beneficial relationships are crucial if the Opera House is to continue to evolve.

**02 THE BUILDING**  
As custodians we will do the building justice, honouring the Utzon Design Principles and its standing as one of the world's pre-eminent works of architecture and performing arts venues. To do this, we will work to conserve and renew the building, preparing it for future generations of artists, audiences and visitors.

**03 PERFORMING ARTS**  
The Opera House is charged with the development and promotion of artistic taste and achievement and the encouragement of innovation. The Opera House represents the peak of artistic ambition, yet is grounded in a uniquely Australian egalitarianism. As we steam into our fifth decade, we will ensure the Opera House remains a vibrant cultural landmark attracting, engaging and inspiring ever more people.

**04 VISITOR EXPERIENCES**  
People love coming to the Opera House. It is a special meeting place and an essential part of a visit to Australia. We want visitors and locals to increasingly see it as the heart of Sydney. We will offer a wide range of compelling reasons to come more often, to stay longer and to enjoy the Opera House more. It will be vibrant day and night, inside and outside.

**05 OUR PEOPLE AND BUSINESS AGILITY**  
We need the best and most appropriate people and systems to deliver our mission. We will focus on long-term growth, underpinned by sound financial management and cost-effective delivery of services and we will actively manage risk and safety.

## ELEMENTS OF OUR STRATEGY



### OUR ESSENTIAL VALUES



- **COLLABORATION**  
We will work together with a shared purpose and vision.
- **FOCUS**  
We will not deviate from our mission. We will learn from experience.
- **SAFETY**  
Underlying everything we do is our commitment to work safely.
- **COMMUNITY**  
We will be generous of spirit and welcoming.
- **CREATIVITY**  
We work with imagination.



# HIGHLIGHTS

## AWARDS

- **Eight 2013 Helpmann Awards for Resident Companies, six for Opera Australia and two for Bangarra Dance Theatre**
- **More than two dozen 2013 Helpmann Awards nominations for Resident Companies, Artistic Partners and Sydney Opera House Presents**
- **National Trust NSW Heritage Awards 2014: Highly Commended with GML Heritage and the Art of Multimedia for an interpretive film about lime kiln site remains discovered beneath the Sydney Opera House**
- **Gold Australasian Annual Reporting Award 2014**
- **Australian Security Medal for Valour awarded to Precinct Manager Ross Chapman**

## 01 OUR STAKEHOLDERS

40th Anniversary enriched existing relationships and inspired new partnerships (p.14)

Deloitte Access Economics report valued the Opera House at \$4.6 billion (p.14)

Corporate sponsorship increased 57% and private giving increased 28% (p.14)

New Reconciliation Action Plan launched (p.16)

## 02 THE BUILDING

Building renewal planning commenced (p.18)

Vehicle Access and Pedestrian Safety project excavation completed and good progress made on underground loading dock (p.18)

\$8.5 million Stage Management System delivered (p.18)

3D rendering of the Opera House by Scottish Ten delivered (p.19)

## 03 PERFORMING ARTS

1,388,922 people attended 1,738 performances (p.21)

743,026 people attended 725 performances by Resident Companies and Artistic Partners (p.21)

436,016 people attended 788 Sydney Opera House Presents performances (p.21)

More than 26,000 students saw productions at the Opera House (p.25)

## 04 VISITOR EXPERIENCES

\$25 tickets to selected Summer at the House shows (p.28)

2.1 million food and beverage transactions (p.28)

3.9% increase in the number of visitors taking Opera House tours (p.29)

18.8% increase in the number of Mandarin speakers taking Opera House tours (p.29)

## 05 OUR PEOPLE AND BUSINESS AGILITY

1,321 hours of safety training delivered (p.36)

54% decrease in Lost Time Injury Disease frequency rate in FY14 compared with FY10 (p.36)

Indigenous Trainee Program extended (p.37)

Increase of \$10.4 million or 10.1% in operating revenue on FY13 (p.40)





## OUR 40TH ANNIVERSARY

The Opera House reached its 40th Anniversary on 20 October 2013. We were honoured to have as Anniversary patrons Denmark's HRH Crown Prince Frederik and HRH Princess Mary. Celebrations included concerts, exhibitions, the announcement of scholarships, lectures, an open day and, on 17 October, the Australian premiere of John Weiley's long-lost 1968 film *Autopsy on a Dream*, about the building of the Opera House.

The NSW Government was our major 40th Anniversary supporter, providing \$1.5 million funding through a partnership with NSW Lotteries, our Celebration Partner, together with protocol support for the Royal visit through the Department of Premier and Cabinet. Destination NSW was Presenting Partner for the 40th Anniversary Concert and Leonard Cohen concert. City of Sydney and the Australian Broadcasting Corporation were partners in special events and existing corporate partners were integral to all aspects of the celebrations, including Major Partner Etihad Airways, which brought the Royal Couple to Australia and carried out a flyover of the Opera House.

The 40th Anniversary gift from the Scottish Government, the Scottish Ten project, gave us an exact 3D computer rendering of the Opera House that will provide, among other benefits, comprehensive conservation data. Another important 40th Anniversary project, the Multidisciplinary Australian Danish Exchange (MADE by the Opera House), was supported by a group of Danish and Australian companies and organisations.

The completion of *Autopsy on a Dream* was made possible with gifts from Suzy and Phillip Wolanski AM on behalf of the Wolanski Foundation and Catriona and Simon Mordant AM. We are indebted to Kim Williams AM, who made a generous contribution to the celebrations.



## CHAIRMAN'S MESSAGE

It was a great privilege to assume the chairmanship of the Sydney Opera House Trust on 4 October 2013, as the building was about to mark its 40th Anniversary. The celebrations generated significant local, national and international interest and goodwill. They reinforced the centrality of the Opera House to Australian identity and reaffirmed its international standing as a symbol of the nation.

We were honoured by the patronage of Denmark's HRH Crown Prince Frederik and HRH Princess Mary. Their attendance at all major birthday-related events strengthened the cultural and creative links between Australia and Denmark first forged by Jørn Utzon's masterpiece.

More than 30,000 people attended events during the Anniversary week, and the global audience reach was estimated at 260 million.

It was immensely gratifying to witness this demonstration of the enormous community goodwill the Opera House has built up over four decades. But as the custodians of this great public asset, we cannot be complacent. Renewal has become our most pressing duty. It will mitigate safety, reputational and operational risks; renew the old, obsolete and non-compliant in a methodical and cost-effective way; address present and future artistic, commercial and operational needs; and maximise the Opera House's economic and cultural contribution to the State.

## FINANCIAL AND OPERATING PERFORMANCE

The Opera House is one of the world's busiest performing arts centres. This year it attracted 8.2 million visitors while 1.39 million people attended more than 1,700 performances. The box office for Sydney Opera House Presents events was \$24.5 million and our Resident Companies (Australian Chamber Orchestra, Bangarra Dance Theatre, Bell Shakespeare, Opera Australia, Sydney Symphony Orchestra, Sydney Theatre Company and The Australian Ballet) and Artistic Partners (Sydney Festival and Sydney Philharmonia Choirs) brought nearly three quarters of a million people to the Opera House for more than 700 performances (p.21). I would particularly like to congratulate Bangarra Dance Theatre, which this year celebrated both its 25th anniversary as a company and 10th year as one of our Resident Companies.

With the Opera House at its centre, the Vivid Sydney festival attracted 800,000 people, a 60% increase on 2012. It contributed more than \$20 million in new money to the NSW economy and created significant business and opportunities for hotels, retail stores, cafes and restaurants. More than 50,000 visitors came from outside Sydney to attend Vivid, including 11,000 from overseas, 7,200 of whom were from China on specific Vivid travel packages.

In FY14, one in six Chinese visitors to Sydney took an Opera House tour. Mandarin tours, which have been running for five years, now account for nearly 25% of tours business (p.29). The Deloitte Access Economics report issued during our 40th Anniversary shows that more than 95% of Chinese visitors rate the Opera House more highly than do other visitors as either a factor or the main factor in their decision to come to Sydney.

At the request of the NSW Premier, we lit the sails red for Chinese New Year, as we did last year. In March, we lit the sails green for St Patrick's Day and drew a huge response from around the world.

The Opera House is a not-for-profit public trading enterprise that, in addition to its trading operations, relies on government, corporate partners and private donors for support. We rely on their backing for the creation and presentation of our many programs and events.

In FY14, operating revenue increased \$10.4 million or 10.1% on the previous year. Self-generated revenue across all areas of the business accounted for \$9.2m of this increase (p.40).

We experienced strong support from a greatly increased pool of donors in this 40th Anniversary year. Philanthropic income rose more than 28% in FY14, while sponsorship increased 57% (p.14).

## **BUILDING RENEWAL AND FUTURE OUTLOOK**

The future of the Opera House is tied inextricably to renewal. Progress in this area in the decade leading to the House's 50th Anniversary will be crucial to fulfilling our role as a leader in performance excellence, education, access for all Australians and digital engagement. We are grateful to the NSW Government for its approval of \$13.7 million to fund renewal analysis and evaluation. The first phase of the project began in the fourth quarter of FY14 and will identify needs and priorities (p.18).

An example of the complex projects required to bring the House into line with 21st-century practices is the \$152 million Vehicle Access and Pedestrian Safety project (VAPS), which commenced in 2011. When completed in FY15, it will redirect about 1,000 heavy-vehicle movements underground, allowing the public to more fully and safely enjoy the Opera House Forecourt and greatly enhancing the beauty of the site (p.18).

## **GOVERNANCE AND BOARD**

I was pleased to welcome new Trustees Chris Knoblanche AM (from October 2013) and Brenna Hobson, Jillian Segal AM and Phillip Wolanski AM (from January 2014), who joined Catherine Brenner, the Hon. Helen Coonan, Peter Mason AM and Robert Wannan in serving this great enterprise. I would like to acknowledge their exceptional commitment.

I would also like to farewell Renata Kaldor AO, Robert Leece AO RFD and Leo Schofield AM, whose third and final terms came to an end in December 2013, and to thank them for the expertise and passion they brought to their roles. It is with regret that I note the necessity for Wayne Blair to resign his Trusteeship during his first term due to increasing international demands.

My most profound thanks go to Kim Williams AM, my predecessor as Trust Chairman. Kim's contribution to the Opera House and more broadly to the cultural life of Australia is deserving of our deepest gratitude. He served for nearly nine years as Chairman and was also a generous donor, not least to our Anniversary celebrations. As he noted in his farewell message last year, his departure from the Opera House came after 40 years of active engagement with this remarkable place. His service has been inspirational.

## **THANKS**

My fellow Trustees and I thank the NSW Government for its continuing support. It provides the operational endowment and maintenance grants essential to achieving our mission. In April, we welcomed a new Minister for the Arts, the Hon. Troy Grant MP, and look forward to working with him to realise the Government's vision for the arts and cultural sector. We also thank his predecessor, the Hon. George Souris MP, for his support of the Opera House and the broader arts community.

Our many donors and corporate partners are also vital to this enterprise, and particular thanks go to the Opera House's Principal Partner Samsung, Major Partners Etihad Airways and Google, as well as Partners MasterCard and Zip Industries.

The 40th Anniversary, and particularly the Deloitte report that launched the celebrations, confirmed that Australians regard the Opera House with immense pride. Our task is to treasure and renew this unique building to ensure the Opera House lives up to the needs and expectations of current and future generations. I thank CEO Louise Herron, her management team and the entire Opera House staff for their dedication to this endeavour.



**MR JOHN SYMOND AM**  
CHAIRMAN



## CEO'S MESSAGE

As with any big birthday, the Opera House's 40th Anniversary year has been a time to reflect and take stock. Primarily though, it has been a call to action, launching us into a decade of renewal to prepare and secure the Opera House for the future.

We have made significant progress. With the support of the NSW Government, we began work earlier this year on a plan that identifies and prioritises the projects that will take us up to the Opera House's 50th Anniversary in 2023.

This 20th-century masterpiece, recognised as one of the greatest modern buildings in the world, has to be looked at afresh, with 21st-century eyes, to ensure it continues to meet the expectations of artists, audiences and visitors.

This is a once-in-a-generation opportunity, and the Deloitte Access Economics report released in October 2013 underlined the value of what we are protecting. Neither the \$4.6 billion figure Deloitte put on the national identity value of the Opera House, nor its estimated annual contribution of \$775 million to the Australian economy, are abstract numbers. They are animated by the millions of people who come to experience the many facets of the Opera House: to take in a performance or tour, enjoy a meal or simply marvel at the view.

The range and intensity of site activity could not have been anticipated when the Opera House was planned. Mass tourism, for example, was in its infancy. The building and precinct have evolved to meet their times over 40 years and as we enter our fifth decade, we need to tackle our next challenges head on. After all, our founding 1961 Act charges us not only with the "administration, care, control, management and maintenance of the building, brand and site", but also with "encouraging new and improved forms of entertainment and methods of presentations". Evolution and innovation are part of the Opera House's DNA, from its enabling legislation to this extraordinary building, itself a vast work of sculpture, and the art performed across its stages.

To continue the building's transformative role in the life of the nation and add to its already substantial economic and tourism contribution, we need to address key issues, particularly in the area of infrastructure, some of which has reached the end of its operational life.

### ARTISTIC COLLABORATION

Audiences expect the best of our wonderful Resident Companies, which need and deserve theatres in which they can astound and flourish. We are also mindful that the Opera House should not just be a building that hosts productions, but a place where creativity and artistic collaboration thrive and proliferate.

Nor is the Opera House only for those who can come to Bennelong Point. Technology unimaginable when the Opera House opened its doors can now take performances across Australia and around the world. Our digital education programs continue to expand and the reach of our streamed performances and talks to extend, nationally and internationally. This aspect of the business increasingly represents a whole new venue, the equivalent of an eighth stage. It will play a crucial role in making the Opera House relevant not only to those able to visit in person but to all, particularly children, those who live in the regions, and those who may experience social or physical barriers to participation.

We need to manage this precious asset in a way that not only matches its needs, but also realises its potential. In the fourth quarter of this year, we began work on a new initiative, Project One Voice, which will result in a unifying identity for the Opera House, one that crystallises a uniquely complex organisation in all our minds and unleashes its full power.

## PARTNERSHIPS

There was significant growth in sponsorship and philanthropy revenue in our Anniversary year. A new donor group, the Idealists, was established last year and has been a crucial element in increasing philanthropy revenue. The new Own Our House campaign gave a bigger group of supporters the chance to contribute on a smaller scale. An important project associated with the 40th Anniversary celebrations, the Multidisciplinary Australian Danish Exchange or MADE by Sydney Opera House, not only got under way but spurred the establishment of two more scholarships – the Lloyd Martin Travelling Scholarship for Emerging Arts Leaders and an opera scholarship.

The Lloyd Martin Scholarship honours the memory of the Opera House's longest-serving general manager and was created with the generous support of the Alexandra and Lloyd Martin Family Foundation. The scholarship funds a tour or residency for arts administrators in the formative stages of their careers, when overseas experience will most benefit their professional development, the organisation for which they work and the broader arts community. It is, like everything else we have aspired to this year, an inclusive, forward-looking project.

NSW Lotteries reignited the fabled lottery connection with the Opera House, and the Balnaves Foundation renewed the pioneering Balnaves Foundation Open House program, which will assist up to 12,000 socially and economically disadvantaged adults and children to attend Opera House performances over the next three years.

The beating heart of our operations, our programming, came to the party too, with robust box office and audience numbers. The Opera House closes only on Good Friday and Christmas Day and this year hosted more than 1,700 performances in its six interior venues and external spaces. The Studio was exceptionally busy, presenting more performances – 378 – than there are days in the year. More people took tours of the Opera House and revenue from precinct businesses increased.

## ACCESS AND RENEWAL

The second year of our Access Strategic Plan 2013-15 delivered on key initiatives in each of its five focus areas, bringing benefits for our patrons, staff and performers with disabilities, as well as enhancing the Opera House's leadership and reputation in arts access. Our third Reconciliation Action Plan was launched this year, outlining commitments in Indigenous education, employment, training, programming and cultural awareness. Each year we want to come closer to closing the gap. This year's Annual Report includes many other initiatives of which we are proud. Some of them have been highlighted as defining projects for the year. I hope you will have a chance to read about them.

The scene for internal renewal was set last year with the development of a new Enterprise Strategy. The strategy groups our organisational planning and reporting around five key elements: Our Stakeholders; The Building; Performing Arts; Visitor Experiences; and Our People and Business Agility. We have had real successes in these areas and are poised for growth. However, our long-term goals can only be realised when paired with building renewal.

Quantitative and qualitative research from the first stage of Project One Voice tells us that the Opera House is revered as the nation's meeting place. It makes tangible who we are as a nation. It belongs to us all and its renewal is, correspondingly, our collective responsibility.

Finally, I would like to thank our Trustees for their support and guidance, all of the Opera House's staff for their dedicated professionalism, our donors and partners for their generosity and our greatest supporter, the NSW Government.



**LOUISE HERRON AM**  
CHIEF EXECUTIVE OFFICER

## ELEMENT 1

### OUR STAKEHOLDERS

#### COLLABORATIONS AND PARTNERSHIPS

The Sydney Opera House is a not-for-profit public trading enterprise that, in addition to its trading operations, relies on government, corporate partners and private individuals for support. These key stakeholders increase our capacity to create and present world-class performances and events, develop education and access programs for young Australians, offer free events to the public and enhance and expand Indigenous programming and activities.

The NSW Government supported the Opera House with an endowment of \$13.573 million in FY14, which represented 14% of our operational funding. Corporate sponsorship income totalled \$7.7 million, a 57% increase on FY13. Income from private giving was \$1.2 million, a 28% increase on FY13. We celebrated a successful first year with Principal Partner Samsung, and Zip Industries entered at the Partner level for three years.

Our 40th Anniversary inspired or enriched several important partnerships. NSW Lotteries rekindled the lottery connection with the Opera House with funding for our Anniversary celebrations in October and a proposed Welcome Centre. In the second year of its association with the Opera House, Major Partner Etihad Airways brought our Anniversary Patrons, Denmark's HRH Crown Prince Frederik and HRH Princess Mary, to Sydney for the celebrations. There was a significant outcome from Deloitte's sponsorship of our Ideas at the House program, including in-kind support that resulted in the report *How do you value an icon? The Sydney Opera House: economic, cultural and digital value*. The answer was \$4.6 billion.

Philanthropy revenue increased by more than \$250,000 over FY13, from \$921,000 to \$1,182,000. The Idealists group of donors, founded in FY13, grew from 56 to 110.

Own Our House gave a wider group of supporters the chance to contribute on a smaller scale – by owning a virtual tile – and deepen their sense of connection with the building.

We secured a \$450,000 commitment over three years from The Balnaves Foundation for a program to provide subsidised tickets, from FY15, for people who would otherwise be excluded through social or financial disadvantage. We received a \$100,000 commitment over five years from the Alexandra and Lloyd Martin Family Foundation for the Lloyd Martin Travelling Scholarship for Emerging Arts Leaders. The scholarship honours the memory of the Opera House's longest-serving general manager, Lloyd Martin. AMP Capital became the Opera House's first partner on Indigenous programming. The Getty Foundation awarded the Opera House a \$US200,000 grant for development of a concrete-asset-management strategy.

Connecting the past with the future, the first Australian and Danish winners in the Multidisciplinary Australian Danish Exchange (MADE by the Opera House) program were selected and the Australians travelled to Denmark in January. The first Danish students arrived in Australia in July 2014 and the second cohort of Australian participants was announced in August. The success of MADE by the Opera House spurred the establishment not only of the Lloyd Martin Travelling Scholarship, but also the Valerie North and Joy Lindsay opera award.

Project One Voice began in the fourth quarter of the year, when we undertook more than 100 interviews with key stakeholders, as well as qualitative and quantitative research involving more than 1,300 people in Sydney, Melbourne, the US and China. Their perceptions about the Opera House guided our first steps towards developing a more unified purpose and direction.

## DIGITAL REACH

Digital content is central to our vision for enhancing access to performances and experiences for the broadest possible audience. People are engaging with our content across all devices with significant growth via mobile and tablet. There was 70% growth in FY14 compared with FY13 in the number of visits to our website via mobile phone (from 906,313 to 1,540,491) and a 56% increase for tablets (from 543,626 to 847,348).

With Major Partner Google Australia, the Opera House streamed eight concerts on its Live at the House YouTube channel and produced another four, including three with the Sydney Symphony Orchestra. These delivered nearly two million views and the equivalent of 19 years of watch time. A total of 641,971 hours, equating to 73.28 years of watch time, was spent watching SOH videos on demand. Our social media channels have a total following of one million each month (an increase of 35%) and Facebook reach is estimated at 135 million.

Connected Classroom is the flagship of the Opera House's Digital Education Program, established in 2012. Now in its third year, the core program for primary schools, Discover the House and Discover the Stage, was supported with solid bookings and positive feedback.

The digital tour *Guwanyi Walama: To Tell and Return* was developed this year and received great acclaim for its content and the interactive nature of the experience. It explores the history of Bennelong Point and the Gadigal lands of Sydney Cove before 1788. The 45-minute tour combines live presentation from the Opera House with cutting-edge animation and has been designed to align with

the NSW schools curriculum. Demand is greater than can be met and the Opera House has identified this as a potential growth area.

## ACCESS STRATEGIC PLAN

All actions from Year 2 of the Access Strategic Plan 2013-15 were implemented or started. An exciting new partnership with the Museum of Contemporary Art, *Bella in the House*, was piloted, offering a full-day excursion that combines the MCA *Bella* Program with an Opera House tour tailored to the individual requirements of students aged five to 18 with a physical, intellectual, behavioural or sensory disability. An annual schedule of accessible performances for schools and families was integrated into our Kids at the House and House Education programs, including: audio-described and pre-show sensory touch tours; Auslan-interpretation; captioning; and autism-friendly performances accompanied by Meet Your Seat preparation excursions.

This year for the first time the Opera House offered audio-description of the Vivid LIVE festival centrepiece *Lighting of the Sails*, delivered by staff volunteers. We also incorporated designated accessible viewing areas and special customer transport accommodations to allow visitors with a disability to better enjoy major events such as New Year's Eve and Vivid LIVE.

Three final-year university students with a disability completed the Stepping Into paid internship program, two with the Building Development and Maintenance Team and one with the Safety Team.

# \$4.6B

VALUE OF SYDNEY  
OPERA HOUSE\*

# 70%

GROWTH IN WEBSITE VISITS  
VIA MOBILE PHONE

# \$250K

PHILANTHROPY  
REVENUE INCREASE

# 75%

CONCERT HALL ENERGY  
CONSUMPTION REDUCTION

## RECONCILIATION ACTION PLAN

The Opera House launched its third Reconciliation Action Plan (RAP) in July 2013. The RAP outlines the Opera House's commitment to closing the gap, embedding Indigenous programs into our core business activities and providing opportunities for Aboriginal and Torres Strait Islander people. This three-year RAP (2014-16) focuses on programming and education initiatives, employment and training, and broader cultural awareness.

Highlights and achievements this year include the new Homeground festival, participation in National Reconciliation Week 2013 and NAIDOC Week 2013, our completion of the first year as an accredited Bronze affiliated partner of the Aboriginal and Torres Strait Islander Arts Board of the Australia Council, and hosting a five-day cultural lab for Indigenous artists as part of the inaugural Corroboree Sydney festival.

## ENVIRONMENTAL SUSTAINABILITY

Our new three-year Environmental Sustainability Plan began this year. An energy saving of 10% was achieved, bettering the saving of 7% in FY13. The target is a 20% reduction in electricity use by the end of FY16 compared with FY01. New Concert Hall lighting will reduce its lighting energy consumption by about 75%. Paper use was reduced by 9% compared with FY09, well above the target of 5% by the end of FY16. Water use and waste reduction targets were not met, although usage has been affected by a significant increase in site activity compared to the baseline FY06 year. A water audit will be undertaken in FY15, along with initiatives to improve recycling. Concept designs for a new waste and recycling area in the VAPS project loading dock were prepared this year, with detailed planning to commence in FY15.

## THE FUTURE

- **Second group of Australian MADE by the Opera House participants travels to Denmark**
- **The Balnaves Foundation subsidised-tickets program commences**
- **Project One Voice implementation begins**
- **Career planning day for Aboriginal and Torres Strait Islander students to support preparation for workforce entry and showcase employment opportunities**
- **Inaugural winner of Lloyd Martin Travelling Scholarship for Emerging Arts Leaders, Carl Nilsson-Polias (Sydney Theatre Company Content Manager), undertakes international study tour**
- **Audit of water use**
- **Stormwater capture system under the Western Broadwalk approved and implemented**



## DEFINING PROJECT MADE BY THE OPERA HOUSE



Australian MADE alumni Laura Craft, Robert Martin, Jennifer McMaster, Matthew Wells and Olivia Savio-Matev. (Photographer: Prudence Upton)

**50 DANISH AND 50 AUSTRALIAN ARCHITECTURE, ENGINEERING AND DESIGN EXCHANGE STUDENTS**



Nothing better encapsulates the Opera House’s spirit of renewal than the Multidisciplinary Australian Danish Exchange, or MADE by the Opera House. This student exchange program pays homage to architect Jørn Utzon and the professional disciplines that collaborated in the Opera House’s construction. MADE extends to new generations the cultural links between Australia and Denmark forged by the Opera House. It expands the horizons of the brightest students of architecture, engineering and design. MADE each year gives five Australian and five Danish students the chance to work in each other’s country and, more importantly, to work collaboratively. When the Opera House turns 50 in 2023, there will be a living legacy of 100 alumni.

The connections made by the students will be lasting and the skills they develop will shape the built environment of both nations. In January this year, the first five Australians travelled to Denmark. Laura Craft, Jennifer McMaster, Robert Martin, Olivia Savio-Matev and Matthew Wells worked on visions for the redevelopment of Refshaleøen, a dilapidated industrial peninsula in Copenhagen that was the site of the 2014 Eurovision Song Contest. Companies and organisations in both countries have contributed generously as supporters, hosts and mentors for this living bridge between past and future.

For more information on the project and its supporters, go to [sydneyoperahouse.com/whatson\\_MADE](http://sydneyoperahouse.com/whatson_MADE)

## DEFINING PROJECT THE IDEALISTS

**110 MEMBERS AT 30 JUNE 2014**



## THE ORIGINAL MISSION HAS BROADENED TO FOSTERING EXCELLENCE IN ALL OPERA HOUSE ENDEAVOURS

The Idealists are a passionate group of individuals whose financial support has been central to FY14 growth in the Opera House’s philanthropy program. But the group is much more than a fundraiser: these exceptional patrons provide us with invaluable advocacy, advice, mentoring and inspiration. Since the by-invitation group’s founding in March 2013 it has grown to 110 members at 30 June 2014.

The Idealists’ original mission was to deepen and extend the Ideas at the House program. That has now broadened to fostering excellence in all Opera House endeavours, particularly in the areas of youth, disadvantaged and Indigenous access and education. In this, they work with our other Major Donors to help make the Opera House open to everyone and to secure its future for all Australians.

## **CAPITAL WORKS PLAN**

Preparatory work began in the fourth quarter of FY14 on the development of the Sydney Opera House renewal plan, with funding of \$13.7 million for this purpose included in the FY15 NSW State budget. The first phase is a six-month period of review, analysis and evaluation of projects including theatre renewal, stage machinery safety, acoustics, accessibility, space allocation and large maintenance programs.

### **VEHICLE ACCESS AND PEDESTRIAN SAFETY (VAPS)**

Excavation for VAPS, the largest building construction project undertaken since the Opera House opened, was completed in FY14 and good progress was made on the concrete structure of the underground loading dock component. Work on the Forecourt paving and reconstruction of the entry roadway also progressed well. The Forecourt was partially opened in October 2013 and used for elements of the Opera House's 40th Anniversary celebrations and during the summer event season. VAPS construction work has continued without the loss of a single performance or any closure of precinct businesses. VAPS will greatly enhance visitor amenity and safety by relocating 1,000 weekly heavy-vehicle movements to an underground loading dock and provide efficiencies for the movement of sets, equipment and goods to and from the venues and precinct businesses.

## **OTHER MAJOR CAPITAL PROGRAMS**

The new \$8.5 million Stage Management System project – the biggest technical project in the history of the Opera House – was delivered this year. It replaced all show-critical paging and communications, video, archival and foyer sound systems. The system is an essential communications tool for performers and technicians and acts as mission control for stage managers across all venues.

Our new Recording and Broadcast Studio was completed and has commenced capturing and transmitting audio and video content from all venues and locations around the House. The upgrade doubles capacity in terms of audio and adds video to our capabilities. This is an important step in embedding digital content at the heart of the Opera House. The studio's activities mirror the Opera House business mix, and range from large commercial music events to small community ensembles. We film, record, mix and broadcast in high-quality HD Video and surround sound. Close collaboration with the Opera House's Resident Companies in this area supports their programming aspirations. One example is Head of Recording and Broadcast Tony David Cray's work to create the sound design for Opera Australia's Handa Opera on Sydney Harbour, translating the sound design for Opera Australia's films into live performance.

# **2**

## **ELEMENT 2**

### **THE BUILDING**

# **\$13.7M**

**NSW GOVERNMENT  
RENEWAL PLAN GRANT**

# **\$8.5M**

**STAGE MANAGEMENT  
SYSTEM PROJECT  
DELIVERED**

## OTHER PROJECTS

The \$1.1 million digital two-way radio system is nearing completion and is expected to go live in the first quarter of FY15. It involves the replacement of the old analog system with a digital trunked radio system using P25 technology and the Government Radio Network. The system will significantly improve communications for security, maintenance and production personnel across the precinct.

During FY14 LED lights were installed in the Concert Hall, delivering significant energy savings and providing much greater flexibility in lighting effects to the Sydney Symphony Orchestra and other Concert Hall hirers. We expect a 75% saving (more than \$70,000 a year) in the cost of electricity compared with the previous lighting system. Lamps will last nine to 10 years, instead of needing to be replaced up to five times a year. Staff safety will also be improved, with less frequent need for workers to access confined ceiling spaces.

High density Wi-Fi was introduced in the Concert Hall to improve audience engagement with Talks and Ideas events, including the Festival of Dangerous Ideas and TEDx Sydney.

## MAINTENANCE PROGRAM

The waterproofing project came close to completion this year. This multi-year program involves 8,000 sq m of waterproofing on the Monumental Steps and two podium levels to prevent water leakage into the Opera House and has been carried out with minimal disruption.

The three-year project to replace all lifts was close to completion, with the last replacement due in September 2014. All lifts from the 1960s have been replaced. The Lower Concourse escalators were also replaced.

## MANAGEMENT PLANS

The Getty Foundation awarded the Opera House a \$US200,000 grant for the development of a long-term concrete conservation strategy.

Development of a Building Information Model (BIM) continued with a visit by UK firm BIM Academy, which reviewed work to date and created a needs analysis and software specification. The BIM will ultimately integrate all asset management and other systems.

## CONSERVATION

The Scottish Ten report was delivered in December 2013. The project, an international collaboration funded by the Scottish Government, used cutting-edge laser mapping technology to deliver a 3D rendering of the Opera House exact to 2mm. The report found that Opera House staff would use the project data extensively for their own survey and conservation needs, including in relation to heritage management programs and the Building Information Model. Three-dimensional models derived from the scan data can be used as an education tool in telling the story of the site. The data may also be used as a remote and virtual access tool, allowing for web access to the site via animations and fly-throughs and the development of mobile applications.

**\$US200K**  
GETTY FOUNDATION GRANT

## THE FUTURE

- **Renewal Framework completed, including guidelines for allocation of funds**
- **The Forecourt re-opened fully to the public**
- **VAPS completed by the end of FY15**
- **Welcome Centre established on the Lower Concourse**
- **Digital two-way radio system goes live**
- **Development of concrete conservation strategy with critical analysis, investigations and testing**

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## DEFINING PROJECT DIGITAL REACH



The National plays to a sellout crowd. (Photographer: Daniel Boud)

**1 MILLION PEOPLE  
CONNECT WITH US  
VIA SOCIAL MEDIA  
EACH MONTH**



The numbers are impressive. The Opera House's live-streaming and online video views totalled 6.2 million this year; one million people connect with us via social media each month; and our total Facebook reach was 135 million this year. It's important, however, to see faces rather than facts. Digital innovation means children sitting in classrooms far from Sydney can learn about the history of Bennelong Point and interact with us through the digital excursion *Guwanyí Walama: To Tell and Return*; our Resident Companies can take advantage of the new world-class Recording and

Broadcast Studio to capture performances for patrons to see online or in cinemas around the country; music fans can be part of a vast international audience when a Forecourt concert such as that by The National is live-streamed; the provocations of the Festival of Dangerous Ideas or events such as TEDx can be shared with many thousands more people than can fit in the actual Opera House; and mobile devices expedite the everyday transaction of buying a ticket. Education, entertainment, enlightenment and much more are within reach for everyone.

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## DEFINING PROJECT COLLABORATION

**10,000 CHILDREN  
200,000 LEGO BRICKS**



When we developed our new Enterprise Strategy last year, we also defined our essential values. Collaboration headed the list, and every day we work to find ways of deepening the connections with our Resident Companies, Artistic Partners, audiences, visitors, corporate partners, donors and the wider community. A prime example is the Multidisciplinary Australian Danish Exchange, or MADE by the Opera House, the student exchange that honours our bond with Denmark and the many disciplines that combined to realise Jørn Utzon's vision. MADE by the Opera House would not have been possible without organisations and individuals in both countries willing to be hosts,

## WHEN WE DEFINED OUR ESSENTIAL VALUES, COLLABORATION HEADED THE LIST

teachers and mentors: in other words, true collaborators. Our view of collaboration is expansive. It can be a co-production with Sydney Theatre Company, marketing assistance for Bangarra Dance Theatre, partnering the Museum of Contemporary Art on a program for young people with a disability, or working with Vision Australia to train volunteers from our staff to provide audio-description for vision-impaired patrons. Or it can be as thrilling as 10,000 youngsters taking four weeks to create a huge communal artwork from 200,000 Lego bricks, used in different, imaginative ways. Whatever form they take, these partnerships enrich us all.

The Sydney Opera House is proud of its reputation as one of the world's busiest performing arts centres. However, it is even prouder of the art itself, which represents the beating heart of the House. There are three strands to the performing arts at the Opera House: seven flagship Resident Companies and two Artistic Partners; in-house presenting arm Sydney Opera House Presents (SOHP); and venue hirers, who include schools and leading popular music presenters.

Together they fill the Opera House's six theatres and external spaces for 363 days of the year with performances that include opera, ballet, theatre, contemporary music, Indigenous arts,

classical music, children and families programming, babies proms, talks and ideas events, education activities, rock concerts, cabaret, circus and schools concerts.

This year 1.39 million people attended more than 1,700 performances. The House's Resident Companies and Artistic Partners attracted nearly 750,000 people to 725 performances, while SOHP productions drew audiences totalling 436,016 to 788 performances. The box office for SOHP programming was \$24.5 million. Other hirers brought more than 200,000 people to the Opera House for 219 performances.



## ELEMENT 3 PERFORMING ARTS

### PERFORMING ARTS RESIDENT COMPANIES

#### AUSTRALIAN CHAMBER ORCHESTRA

The Australian Chamber Orchestra deepened its relationship with the Opera House in FY14 through an expanded program of concerts, a major co-production and the Sydney unveiling of *ACO VIRTUAL*. There were 12 major ACO concerts in the Opera House, including Richard Tognetti's film and live-music project *The Crowd* and the Australian premiere of Maria Schneider's Grammy Award-winning song cycle *Winter Morning Walks*, written for the ACO and US soprano Dawn Upshaw. One of the most successful events was *Timeline*, a music-and-visual-projection performance spanning 40,000 years of music, in collaboration with The Presets and co-presented with Vivid LIVE. *Timeline* brought new audiences to the ACO and provided extensive marketing through channels rarely available to a chamber orchestra. In October 2013, the Studio hosted the Sydney exhibition of *ACO VIRTUAL*, an immersive, interactive digital installation that gave audiences the opportunity to manipulate an orchestral performance to highlight individual musicians, hear and see what they were playing, or even replace them with their own version of the music. More than 6,000 people got inside the music during *ACO VIRTUAL*'s five-day installation.



## BANGARRA DANCE THEATRE

Bangarra Dance Theatre's 25th anniversary year coincided with the company's 10th year of collaboration with the Opera House. Fittingly, Artistic Director Stephen Page's new work *Patyegarang* was Bangarra's best-selling production to date, telling an important story of Australia's First People history in a contemporary dance work. Described as "an absolute triumph", the work celebrated the people of the Eora Nation, telling how young Aboriginal girl Patyegarang shared her culture and language with early Sydney settler Lieutenant William Dawes. Dawes Point, named after him, sits directly in front of the Opera House, giving audiences the opportunity to see where this encounter took place just over 200 years ago. An exhibition of images from Bangarra's commemorative photographic book *Clan* was displayed during the *Patyegarang* season on the Opera House's Western Broadwalk. Bangarra's work at the Opera House was celebrated at the 2013 Helpmann Awards, receiving awards for Best Dance Work (*Terrain*) and Best Female Dancer in a Dance Work (Deborah Brown).

## BELL SHAKESPEARE

Bell Shakespeare Co-Artistic Director John Bell directed *The Winter's Tale* for an exclusive Sydney season in the Playhouse in March, featuring a magical set by Stephen Curtis. *The Sydney Morning Herald* praised the "creative and ultimately satisfying approach" and *Australian Stage* called the production "a fine rendition of one of Shakespeare's comparatively lesser-performed works, and well worth seeing for both curiosity value and the many excellent moments of high drama from this well-honed cast". In November 2013, Bell Shakespeare brought Imara Savage's bold, exuberant production of *The Comedy of Errors* to the Playhouse after its premiere in Adelaide as a co-production with State Theatre Company of South Australia. The crowd-pleasing comedy, raucously set in Sydney's Kings Cross red-light district, was the product of a tremendously satisfying collaborative process with a state theatre company. The Bell Shakespeare ensemble of eight actors known as The Players brought their schools performance of *A Midsummer Night's Dream* to the Opera House for a standout four-week season for secondary students. Bell Shakespeare continues to make Shakespeare accessible to all Australians, including with its new online resource with ABC Splash, *Shakespeare Unbound*, featuring a video series comprising 12 scenes plays from six of Shakespeare's best-known plays.

## OPERA AUSTRALIA

The year began powerfully with Verdi's *La Forza del Destino*, with young Brisbane-based director Tama Matheson making his mainstage debut with a new production. It starred fine international artists Svetla Vassileva, Rinat Shaham and Riccardo Massi and was designed by Mark Thompson. Bell Shakespeare's Co-Artistic Director John Bell was at the helm of a hugely successful new production of *Tosca*, designed by Michael Scott-Mitchell and set in Nazi-occupied Rome in 1943. The title role was shared between Greek soprano Alexia Voulgaridou and one of Australia's most admired stars, Cheryl Barker. Nicole Car established herself as one of the country's leading young singers when she made her debut as Tatiana in a new production of *Eugene Onegin* by Royal Opera House artistic director Kaspar Holten; and yet another Australian favourite, Emma Matthews, illuminated Elijah Moshinsky's evergreen and much-loved production of *La Traviata*.

## SYDNEY SYMPHONY ORCHESTRA

Australia's flagship orchestra, the Sydney Symphony Orchestra (SSO), gives more than 100 performances at the Opera House each year. Continuing its commitment to contemporary music, the SSO gave world premieres of *Compassion* by Nigel Westlake and singer-songwriter Lior, a saxophone concerto by John Adams, Mary Finsterer's *Lake Ice* and Zhao Jiping's *Pipa Concerto*. The SSO farewelled Principal Conductor and Artistic Adviser Vladimir Ashkenazy at the end of 2013 and welcomed new Chief Conductor and Artistic Director David Robertson. The orchestra released its final recording with Ashkenazy (Prokofiev: *Romeo and Juliet*) and first recording with Robertson (Stravinsky: *The Firebird*). Robertson led two acclaimed operas in concert performances: Wagner's *Flying Dutchman* (2013) and Strauss's *Elektra* (2014), which was nominated for a Helpmann Award. The complete cycle of Beethoven piano concertos with renowned US pianist Emanuel Ax and Robertson was live-streamed on the Opera House's YouTube channel. The SSO also gave the world premiere of Paul Stanhope and Steve Hawke's *Jandamarra – Sing for the Country*, a major choral commission that brought together Western classical music and Indigenous culture.

### Images (from the top):

The Australian Chamber Orchestra's *ACO VIRTUAL* (Photographer: Jack Saltmiras); Waangenga Blanco and Thomas Greenfield in *Patyegarang* (Photographer: Greg Barrett); Bell Shakespeare's *The Winter's Tale* (Photographer: Michele Mossop); John Bell's production of *Tosca* for Opera Australia (Photographer: Prudence Upton); David Robertson with the Sydney Symphony Orchestra (Photographer: Keith Saunders).

## SYDNEY THEATRE COMPANY

In Andrew Upton and Cate Blanchett's last year of programming as Co-Artistic Directors of Sydney Theatre Company, some of their earliest ideas and commissions came to fruition. The company presented 11 new Australian works and adaptations across its four venues, including two productions in the Opera House Drama Theatre, directed by the company's Co-Resident Directors. Sarah Goodes made her Drama Theatre debut with John Doyle's new work *Vere (Faith)*, a co-production between STC and State Theatre Company of South Australia. Paul Blackwell was nominated for a Sydney Theatre Critics Award for his portrayal of Vere, a physicist at the peak of his career who is diagnosed with rapid onset dementia. Kip Williams's contemporary interpretation of Shakespeare's *Romeo and Juliet* and its dramatically fluid design underlined the protagonists' struggle for an authentic existence within the collision of their opposing worlds. A major new partnership with Suncorp was announced in May 2013 to make a selection of \$20 tickets available for every STC performance.

## THE AUSTRALIAN BALLET

Australia's leading dance company continued to realise the vision for which it is internationally renowned: caring for tradition, daring to be different. Opera House audiences responded enthusiastically to both classic and new works. In November 2013, The Australian Ballet presented a stylish reimagining of the beloved classic *Cinderella* in a sold-out season. This lavish production is the first full-length work created for The Australian Ballet by Russian-born and New York-based choreographic star Alexei Ratmansky. In May, the electrifying mixed bill *Chroma* juxtaposed works by three multi-award-winning choreographers: Wayne McGregor, Jiří Kylián and resident choreographer Stephen Baynes. *Chroma* also enjoyed a sold-out season and received a 2014 Helpmann Award for Best Ballet or Dance Work. The Australian Ballet is excited by the high demand for its work in Sydney and eager to explore opportunities for expanding its Sydney season. In a significant moment for the dance world, Australia's longest-serving ballerina, Lucinda Dunn OAM, took her final bow at the end of the *Manon* season at the Opera House after an unprecedented 23-year career with The Australian Ballet.

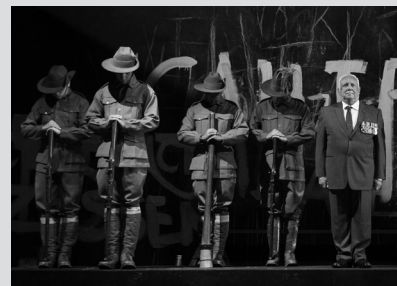
## ARTISTIC PARTNERS

### SYDNEY FESTIVAL

Sydney Festival once more enlivened the city during summer with an 18-day event directed by Lieven Bertels that presented 445 performances of 144 events. Among the festival's 10 world premieres were two important works co-presented with the Opera House, Shaun Parker's exciting dance piece *Am I* and the moving play *Black Diggers*, starring a group of Australia's finest Indigenous actors. *Am I*, co-produced with Shaun Parker & Company, featured a new world-music-inflected score by Nick Wales, played live at the Drama Theatre. Following its premiere, *Am I* was featured at the 2014 Adelaide Festival. *Black Diggers*, the revelatory story of Indigenous soldiers' experiences during World War I, was written by Tom Wright and directed by Wesley Enoch. It was co-produced with Queensland Theatre Company and was part of the 2014 Brisbane Festival program. The 2014 Sydney Festival also enjoyed new partnerships, record-breaking media coverage and growth in its relationship with Parramatta.

### SYDNEY PHILHARMONIA CHOIRS

Sydney's largest and finest choral organisation, the Sydney Philharmonia Choirs were regular visitors to the Opera House in FY14, not only through their many acclaimed performances with the SSO but through their own activities. Sydney Philharmonia Choirs presented two major productions at the Opera House in 2013. The first, *A Cole Porter Celebration Concert*, featured the 350-strong Festival Chorus singing a selection of classic songs by Cole Porter. To finish the year, they presented three sell-out performances of Handel's *Messiah*. This program, held every two years in the run-up to Christmas, offers members of the general public the opportunity to take part in this seminal work. This year *Chorus Oz*, which is one of Sydney Philharmonia Choirs' largest events, brought together almost 600 people from all over Australia to join in the joy of choral singing over an intensive weekend of rehearsals, culminating in a performance of Rutter's *Gloria* and Duruflé's *Requiem*.



#### Images (from the top):

Paul Blackwell (left) in STC's *Vere (Faith)* (Photographer: Matt Nettheim); The Australian Ballet in Wayne McGregor's *Chroma* (Photographer: Lynette Wills); *Black Diggers*, which premiered at the Sydney Festival (Photographer: Jamie Williams); Sydney Philharmonia's *Chorus Oz 2014* (Photographer: Keith Saunders).

## THE FUTURE

- **Australian Chamber Orchestra**  
Double birthday: 40 years of the ACO and 25 years of Richard Tognetti as Artistic Director; 100-year anniversary of Gallipoli event, directed by Neil Armfield (March); *The Four Seasons* (February)
- **Bangarra Dance Theatre**  
Free outdoor performance on the Forecourt in November 2014 to celebrate the company's quarter-century
- **Bell Shakespeare**  
Celebration of its 25-year history, from circus tent to the Opera House
- **Opera Australia**  
More than 60 performances of award-winning musical *The King and I* (September-November); new production of *Faust* with tenor of the moment Michael Fabiano and Teddy Tahu Rhodes (February-March)
- **Sydney Symphony Orchestra**  
Concert version of Wagner's *Tristan und Isolde* with Stuart Skelton and Christine Brewer (June); SSO and New Zealand Symphony Orchestra to commemorate Gallipoli centenary with simultaneous concerts featuring two world premieres (April)
- **Sydney Theatre Company**  
Continuation of \$20 tickets for all performances of STC Drama Theatre shows as part of STC and Suncorp's commitment to increasing access to theatre
- **The Australian Ballet**  
American Ballet Theatre prima ballerina Gillian Murphy makes her guest artist debut in Stanton Welch's *La Bayadère* (November); Peter Wright's beloved *Nutcracker* returns (November-December)
- **Sydney Festival**  
*Masquerade*, a new play for young people by Kate Mulvaney, produced by Griffin Theatre Company and State Theatre Company of South Australia and co-presented by the Opera House and Sydney Festival in the Drama Theatre (January); the Concert Hall hosts a screening of silent film *The Artist* with the score played by Sydney Symphony Orchestra (January)
- **Sydney Philharmonia Choirs**  
*Carols at the House* with Emma Matthews and John Bell (December); planning for the 100th anniversary in 2020



# PERFORMING ARTS

## SYDNEY OPERA HOUSE PRESENTS

### EDUCATION

Live performances and workshops were available to schools across the Sydney region and we reached regional and interstate schools via the digital education program. In FY14, the program engaged 32,163 students and 417 schools. Professional development programs involved 231 teachers.

More than 26,000 students from 320 schools attended Sydney Opera House Presents productions and SOHP co-productions with Resident Companies Bell Shakespeare and Sydney Theatre Company. They included contemporary Indigenous cautionary tale *Wulamanayuwi and the Seven Pamanui*, which was nominated for a 2014 Helpmann Award, and STC's acclaimed *Pinocchio* for Years 4-6 students. Swedish company Teater Pero gave junior students a charming musical introduction to theatre with *Aston's Stones*.

The digital program includes drama and storytelling workshops, tours of the building, live-streamed performances and *Guwany Walama: To Tell and Return*, which tells the story of Bennelong Point and Sydney Harbour starting with the Indigenous presence. In FY14, the Opera House held 116 digital education workshops, reaching 5,906 students from 97 schools. Of that number, 1,529 students from 36 schools were from regional and remote NSW.

The Opera House underlined the importance of its education program by hosting the Arts Conference for Educators and the Interactive Technology in Education Conference (ITEC), which brings together the digital education sector, including museums, cultural institutions, arts organisations, teachers and educators. More than 120 delegates attended ITEC and feedback from attendees and presenters was overwhelmingly positive. The Opera House was invited to present a paper and is an active member on the ITEC advisory committee.

### CHILDREN AND FAMILIES

A highlight of the year's activity was the exceptionally successful Children and Families programming. Under the banner of Kids at the House, more than 170 performances attracted close to sell-out houses. There was also lively participation in free Creative Play activities during school holidays, with an estimated 20,000 children and carers taking part. There were 132 Babies Proms in four programs that attracted a total of 34,000 attendees.

One of the biggest hits of the year was *13-Storey Tree House* by Andy Griffiths and Terry Denton, which had two sell-out seasons. An increasing emphasis on collaborations with Resident Companies led to a highly praised season of *Pinocchio*, co-presented with STC. A new partnership with Flying Fruit Fly Circus led to the world premiere of a show commissioned by the Opera House, *Circus Under My Bed*.

### CONTEMPORARY MUSIC

Vivid LIVE curator Fergus Linehan delivered his final program, during which 35,000 people attended concerts by artists including The Pixies, James Vincent McMorrow, Lauryn Hill, the Australian Chamber Orchestra with The Presets and the Astral People. *The Music of Giorgio Moroder* surveyed this influential figure's body of work and filled the Concert Hall. The *Lighting of the Sails* by 59 Productions received worldwide attention.

In February, The National performed two sell-out concerts on the Forecourt and one was live-streamed on YouTube, attracting 900,000 views. There was also live-streaming of concerts by Nile Rodgers, The Jezebels and Grizzly Bear. Concerts by Marcel Khalife and Chick Corea introduced world and jazz music strands to Music at the House.

The Opera House commission of Art Spiegelman and Philip Johnston's *WORDLESS!* for the GRAPHIC festival was picked up by the Brooklyn Academy of Music.

### INDIGENOUS

This year the Opera House launched a new Indigenous festival, Homeground, to celebrate First People music, dance and culture. The inaugural event attracted 10,000 people and featured the international debut of the Tri-Nations *Boomerang* concert, a unique collaboration of Aboriginal and Torres Strait Islander, Maori and Gaelic/Celtic Indigenous people. The Opera House was the lead producer on the project, which was developed in collaboration with Active Events (Scotland) and Taranaki Arts Festival (New Zealand). Support was provided by the Australia Council for the Arts, the Department of Foreign Affairs and Trade, Creative Scotland and Creative New Zealand. In addition to Homeground, the concert was presented at the New Zealand World of Music, Arts and Dance Festival (WOMAD) in March; the Hebridean Celtic festival, Isle of Lewis; and the Queen's Baton Relay Glasgow. *Boomerang* also featured at the Glasgow Commonwealth Games arts festival.

Homeground culminated in the Opera House's Songrites Project, which involved three prominent Indigenous musicians, Casey Donovan, Abe Wright and Troy Brady, working with Playwriting Australia to explore their personal stories.

### INTERNATIONAL

Once again, *La Soiree* was a huge success in January and February with 80 performances of cabaret playing to 34,200 people. International programming highlights included Jordi Savall's *The Jerusalem Project*, *The Illusionists 2.0* (more than 29,000 patrons), Akram Khan's *iTMOi*, the Brodsky Quartet's Shostakovich cycle and the Royal Concertgebouw Orchestra. Shaun Parker & Company's *Am I*, co-presented with Sydney Festival, was given its world premiere at the Opera House.

## TALKS AND IDEAS

A record audience of almost 25,000 attended the fifth Festival of Dangerous Ideas, headlined by David Simon, creator of *The Wire*. Presented in partnership with co-founder St James Ethics Centre, the festival is part of the year-round Ideas at the House program. Over one weekend, leading thinkers and culture creators from around the world take to the stage to bring contentious ideas to the fore and challenge mainstream thought and opinion. Other highlights in the FY14 Ideas at the House program included Daw Aung San Suu Kyi, satirist David Sedaris, popular philosopher Alain de Botton, comedian Jennifer Saunders and artist Yoko Ono (in collaboration with the Museum of Contemporary Art). There was keen interest in the *Four Thought: Your Brain and the Future* event led by renowned US psychologist Martin Seligman; and the second All About Women festival included talks on international politics, human rights, parenting and fashion. Ideas at the House events attracted more than 56,000 people in FY14.

## VENUE HIRERS

The Concert Hall was the venue for appearances by many high-profile stars who performed before packed houses, including Leonard Cohen, Eddie Vedder, folk royalty Joan Baez, comedian Dave Chappelle, singer John Legend and Broadway stars Faith Prince and Anthony Warlow. Jack Johnson performed on the Forecourt to a capacity crowd.

There was also a fervent response to children's show *Peppa Pig Live! Treasure Hunt*, which played to more than 16,000 patrons after selling a record-breaking number of tickets in a single day.

We also hosted a range of community celebrations and performances for our public and private schools. Choral and instrumental festivals under the auspices of the NSW Department of Education and Communities Arts Unit gave primary and secondary students a chance to make their Concert Hall debut and explore music-making with hundreds of others. For many parents, attendance at these concerts is their introduction to the Opera House.

- Commencement of three-year partnership with the Australian World Orchestra, to perform annually at the Opera House from 2015-17
- The Opera House nominated outright for eight 2014 Helpmann Awards and as co-presenter for three others; Head of Recording and Broadcast Tony David Cray nominated for Best Sound Design for Handa Opera on Sydney Harbour
- Head of Contemporary Music Ben Marshall to program Vivid LIVE 2015
- Sixth Festival of Dangerous Ideas (August 30-31, 2014)
- Successful Four Thought concept extended
- Homeground to join forces with Corroboree Sydney festival in November

## SYDNEY OPERA HOUSE PRESENTS PROGRAMMING STREAMS

### Children and Families

413 performances  
126,298 attendees

### Education

49 performances  
10,926 attendees

### Indigenous

15 performances  
3,225 attendees

### Talks and Ideas

62 performances  
58,330 attendees

### Contemporary music

62 performances  
102,807 attendees

### Entertainment

144 performances  
107,159 attendees

### International

43 performances  
27,271 attendees

## DEFINING PROJECT ONE VOICE

FIRST RESEARCH PHASE IN MARCH TO JULY 2014



## DEFINING PROJECT INDIGENOUS ENGAGEMENT

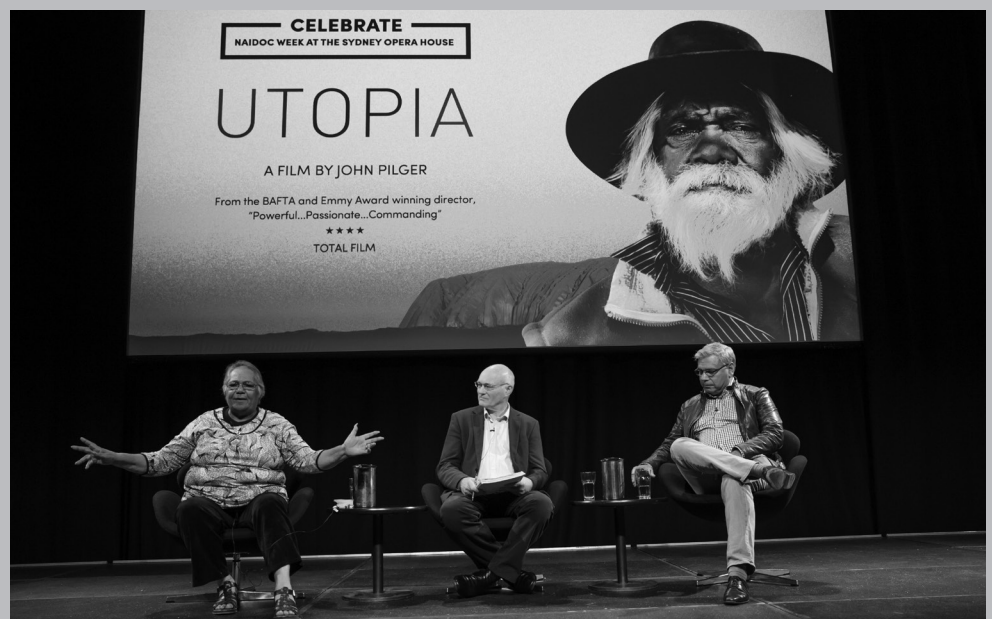
10,000 HOMEGROUND FESTIVAL ATTENDEES



## KEY STAKEHOLDERS' ATTITUDES AND BELIEFS WILL HELP SHAPE OUR STRATEGY

The Opera House's 40th Anniversary was a time to celebrate past achievements, but it also acted as a springboard to the future. Our approach is multi-faceted: to renew this glorious building, so it is a dynamic, superbly functioning 21st-century performing arts centre; to engage more powerfully with our customers, so that the building is activated vibrantly inside and out; to collaborate more effectively with our Resident Companies and other presenting partners to deliver the finest performances and events; and to foster key relationships with government, sponsors,

donors and other supporters. To pull those ideas and more together, we instigated Project One Voice to help define a more unified purpose and direction. In the discovery phase, which took place from March to July 2014, we talked to more than 1,300 people here and abroad about the Opera House and the challenges and opportunities it faces. The attitudes and beliefs of these key stakeholders, customers and the general public will help shape the project's next moves, as we progress from discovery to strategy.



*Utopia* screening and Q&A at the Opera House during NAIDOC Week. (Photographer: Daniel Boud)

Bangarra Dance Theatre, the country's leading Indigenous dance company and a Resident Company of the Opera House, this year celebrated its quarter-century and did so with *Patyegarang*, a new work by Artistic Director Stephen Page. It was based on a touching episode of early colonial history in which young Indigenous woman Patyegarang taught her language to Lieutenant William Dawes and formed a close friendship with him. The season was Bangarra's most successful yet.

The relationships with Bangarra, other Indigenous artists, Indigenous students and staff members present and future are deeply important to the Opera House. This year we began our third Reconciliation Action Plan (RAP), launched the new Homeground festival – it attracted 10,000 attendees – and extended opportunities for trainees and work experience students, among other initiatives. Education, employment, broader cultural awareness and, above all, support for Indigenous artists are a fundamental part of our mission.

## SUMMER PLAYGROUND

The summer holidays offer a special opportunity for the Opera House to connect with the community, particularly families, and expand their experience of the precinct through dining and other activities, as well as performances. This was the fourth year of the highly successful Summer at the House branding of Opera House activities between December and March, and January's Summer Playground played a key role.

Patrons enjoyed Garden Bar, a pop-up restaurant outside the Western Foyer run by well-known Bondi restaurant The Corner House. It offered family fun during the day, including free activities, and a more grown-up atmosphere after dark.

Garden Bar complemented a busy program of Summer Playground activities, including Architect of Air's Exxopolis inflatable labyrinth; an introduction to native Australian animals by Taronga Zoo; theatre company Erth's dinosaur experience; \$25 tickets to selected Summer at the House shows; Lego at the House free outdoor workshops; and artisanal popsicles by Liana Raine.

As part of a dedicated activity area for families called Creative Play, the Opera House joined with Lego to encourage children to build the Lego Wall, a cumulative public artwork.

The Flying Fruit Fly Circus held circus workshops, giving children a chance to work with the cast and director of the popular show *Circus Under My Bed*. The workshops culminated in a circus parade around the Summer Playground.

## FOOD AND BEVERAGE

Dining and enjoying a drink with friends are important parts of the Opera House experience and it is vital that we provide a variety of experiences at different price points. Demand is high across the 11 theatre bars and six food and beverage venues on site, with more than two million food and beverage transactions across the precinct this year.

On the Lower Concourse, Opera Bar and Opera Kitchen had a highly successful year, helped by mild weather and the Lions rugby tour. Opera Bar recorded its highest-ever monthly trading figure in December and experienced very strong trading during the Vivid Sydney festival in May-June. From February to mid-July, The Corner House at the House provided delicious food outside the Western Foyers.

However, the missing element was Bennelong Restaurant, which was unavailable to the general public for the second half of FY14. After a public tender process, Melbourne's Van Haandel Group was announced as the preferred tenderer in November. However, after the destruction by fire of the group's flagship Melbourne restaurant in January, the Opera House and the Van Haandel Group announced in March that Bennelong by Stokehouse would not proceed. Reassessment of the desired direction for Bennelong followed and a new call for expressions of interest was issued on 30 July 2014.

We are conducting a two-stage public tender process in line with NSW Government procurement policy and expect a new long-term operator to be in place in the first half of 2015. We are seeking a restaurant concept that suits the venue, a cuisine that embraces Australia's distinctive and diverse produce and culinary heritage, and an offering that meets the needs of the Opera House's patrons and its Resident Companies, as well as the many visitors to the precinct, including tourists.

While the tender is conducted, Opera House food and beverage partner Aria Catering will run Bennelong as a premium functions venue as part of its onsite operations. Aria is also interim operator of Bistro Mozart.

In April, the George Gregan Group was named operator of our in-house cafeteria, the Green Room. The GG team took over in May and has created an enlivened space for the Opera House community.

# 4 | ELEMENT 4 VISITOR EXPERIENCES

## TOUR EXPERIENCES

The number of visitors who experienced Opera House tours in FY14 was 3.9% higher than FY13, with a total of 325,180 people taking tours and tour packages that included show tickets or a meal. Improvements in terms of staffing, tour times and sales methods, made last year, continued to bear fruit in FY14. Further enhancements incorporating improved technology are planned.

In October 2013, more than 1,700 people took tours that focused on the Opera House's 40th Anniversary celebrations. In November, Bennelong Walk tours supported the Corroboree Sydney and Homeground festivals, concentrating on the Indigenous heritage of the Opera House site.

Asian-language tours (Japanese, Korean and Mandarin) were a key focus, with Mandarin dominating. More than 77,000 Mandarin speakers took an Opera House tour, an 18.8% increase on FY13.

The importance of Chinese visitors to the Opera House was flagged in the Deloitte report *How do you value an icon? The Sydney Opera House: economic, cultural and digital value*, issued during our 40th Anniversary celebrations, as well as in early research for Project One Voice.

December was strong and January tours as a whole achieved their highest revenue in seven years, exceeding \$1 million. A successful Chinese New Year period, which fell mainly in February, was a factor in that month's good result.

## RETAIL

Our merchandise stores had a successful year, with income from retail activities increasing by 20% over FY13. Tours customers were the key driver, making 91% of purchases. The average spend per head also increased compared with FY13. Opera House-licensed products were among the most popular, including Opera House-shaped salt and pepper shakers, the Lego Architect and Lego Creator Opera House models, and Opera House Barbie, whose attire is based on the sails. Other retail items include CDs and DVDs of Resident Company performances and traditional Australiana. The latter is particularly popular with those taking Mandarin tours.

## THE FUTURE

- The Forecourt fully re-opened for public use
- Further enhancement of the tour experience
- Successful tenderer for Opera Bar named
- New Bennelong restaurant operator in place in the first half of 2015
- The House Eatery by George takes over from The Corner House at the House outside the Western Foyer
- Theatre Bars and Western Foyer food and beverage operations go to tender
- Welcome Centre established on the Lower Concourse

# 77K

MANDARIN SPEAKERS  
TOOK A TOUR

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# 2.1M

FOOD AND BEVERAGE  
TRANSACTIONS

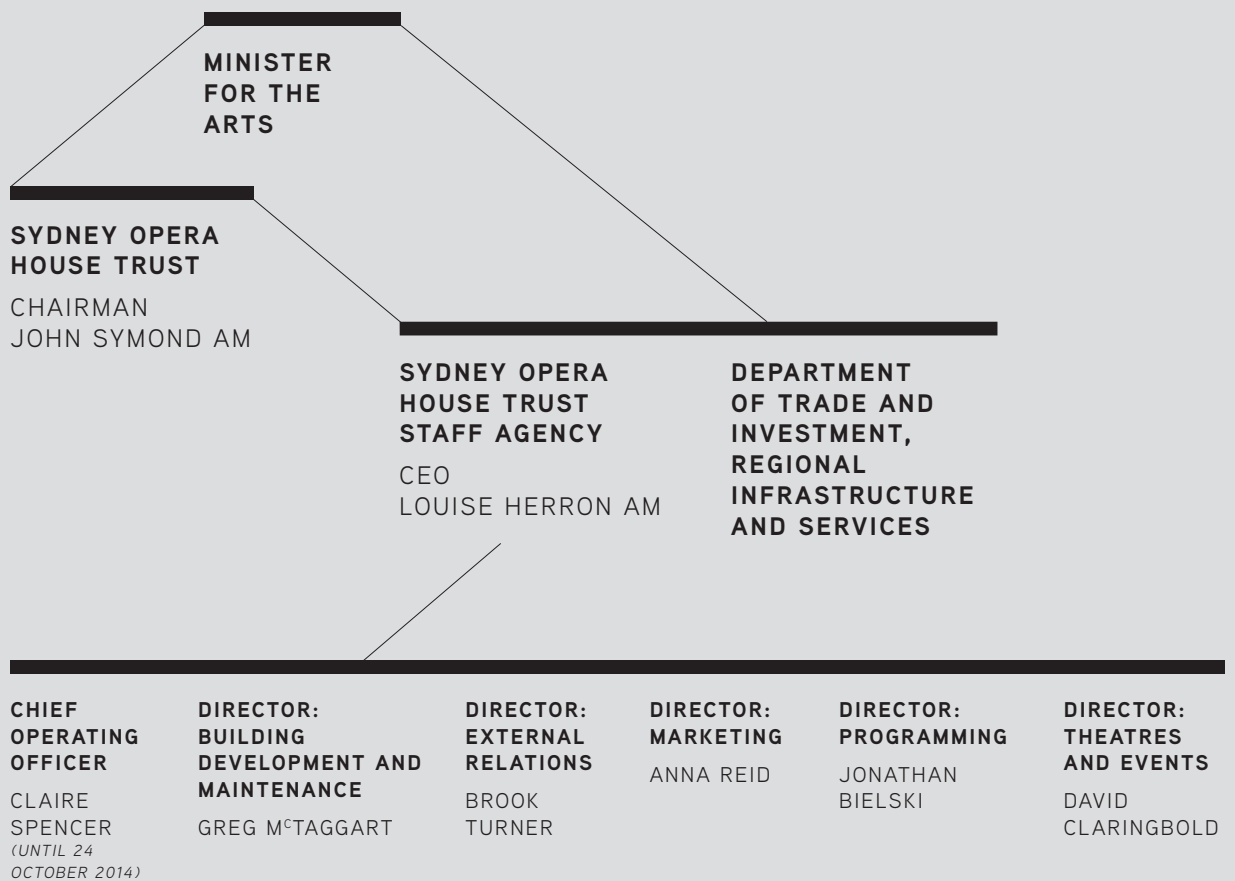
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# 05

## ELEMENT 5

### OUR PEOPLE AND BUSINESS AGILITY

#### ORGANISATION CHART



#### EXECUTIVE TEAM

Bios available at [sydneyoperahouse.com/About/Our\\_People\\_Executive](http://sydneyoperahouse.com/About/Our_People_Executive)

# CORPORATE GOVERNANCE

Sydney Opera House is operated and maintained for the Government of New South Wales by the Sydney Opera House Trust (the Trust), which is constituted as a body corporate under the Sydney Opera House Trust Act 1961.

## THE TRUST'S OBJECTIVES AND CONDUCT

The Trust's objectives are to: administer, care for, control, manage and maintain the Sydney Opera House building and site; manage and administer the site as an arts centre and meeting place; promote artistic taste and achievement in all branches of the performing arts; foster scientific research into and encourage the development of new forms of entertainment and presentation.

The seven core performance requirements for the Board of Trustees in providing effective leadership are:

- To agree core artistic, entrepreneurial, financial and operational policies and objectives on an annual basis and to set all the short-, medium- and long-term delivery priorities for the enterprise;
- To set and appraise the performance of the CEO and management team;
- To monitor and assist in the maintenance of reliable and effective relationships with key presenting companies;
- To manage the financial affairs and various supporting systems and reporting frameworks commensurate with best international standards and practice;
- To maintain the best possible working relationship with the Minister for the Arts in an environment where there is a secure trust from Parliament and a good working relationship with the media;
- To maintain the landmark site and building and its amenity to ensure that it is always presented as a vibrant, contemporary performing arts venue which changes and evolves over time;
- To promote directly and indirectly the performing arts with a view to maximising engagement and enthusiasm from diverse audiences for a range of exceptional experiences.

The Trust review and individually sign a Code of Conduct for Trustees (p.113).

## TRUST COMMITTEES, MEMBERSHIPS, ATTENDANCES

### THE TRUST

The Trust consists of ten members appointed by the Governor on the nomination of the Minister. A Trustee holds office for three years and is eligible for re-appointment for no more than three consecutive terms. The Trust must include at least two persons who have knowledge of, or experience in, the performing arts.

Four new Trustees, Ms Brenna Hobson, Mr Chris Knoblanche AM, Ms Jillian Segal AM and Mr Phillip Wolanski AM were appointed to 31 December 2016 (Mr Chris Knoblanche AM from 4 October 2013 and the other three from 1 January 2014), replacing Ms Renata Kaldor AO, Mr Robert Leece AO RFD, Mr Leo Schofield AM and Mr Kim Williams AM (p.11).

Agenda items for the seven Trust meetings held during the period included: a governance review; an annual review of Trust committee charters and membership; discussion of Opera House renewal plans; overall business performance monitoring; approval of FY15-18 Budget and Four-Year Business Plan; approval of the Recurrent Asset Maintenance Program; review of the Vehicle Access and Pedestrian Safety project (VAPS); workplace health and safety performance; performing arts projects; food and beverage and commercial projects.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee oversees: the adequacy of the accounting system, internal control environment, and compliance with relevant laws, standards and codes; the effectiveness of risk management systems; the integrity and quality of financial information; internal and external audit functions and the effectiveness of financial delegations, including event approval delegations and commercial business cases.

Six meetings were held this year with key agenda items including: review of business performance; eight internal audit reports; review of draft FY15-18 Budget and Four-Year Business Plan; strategic and operational risk

review; delegations approval; security review; workplace health and safety performance; commercial precinct; philanthropy; 40th Anniversary; car park; information systems security; programming risk; review and approval of performing arts, food and beverage, and commercial and corporate systems business cases.

### BUILDING COMMITTEE

The Building Committee oversees: facilities planning and development; direction for the VAPS project and other capital works programs; design and construction consistency with the character and integrity of the building; the exercise of proper controls and management practices.

Four meetings were held this year, with key agenda items including: VAPS; environmental risk and Environmental Sustainability Plan, Strategic Building Plan; Opera House renewal plans; risk management plans; Recurrent Asset Management Program; workplace health and safety; stage machinery; Fire Hydrant Upgrade Stage 4 and Fire Pump Rooms Upgrade; Security Maintenance Contract; Eminent Architects Panel; updates on the financial status and progress of building works.

### CONSERVATION COUNCIL

The Conservation Council provides specialist advice to the Trust on conservation and heritage matters. This includes monitoring and reporting on national heritage and World Heritage values.

Four meetings were held this year, with key agenda items including: conservation management; Conservation Management Plan; Heritage Awareness Training; VAPS; Eminent Architects Panel; MADE by the Opera House; Green Room refurbishment; Site Activation Development Application; heritage training; Summer at the House; Concert Hall sawtooth walls; outdoor events; and the Visitor Experience Project.

## TRUSTEES

	TRUST	AUDIT AND RISK COMMITTEE	BUILDING COMMITTEE	CONSERVATION COUNCIL
John Symond AM	5/7	4/5	4/4	-
Wayne Blair	1/5	-	-	-
Catherine Brenner	7/7	6/6	-	-
The Hon. Helen Coonan	6/7	-	-	4/4
Brenna Hobson	1/2	3/3	-	-
Renata Kaldor AO	5/5	3/3	-	-
Chris Knoblanche AM	5/5	4/5	-	-
Robert Leece AO RFD	5/5	-	4/4	-
Peter Mason AM	5/7	3/3	-	1/2
Jillian Segal AM	2/2	-	-	2/2
Leo Schofield AM	4/5	-	-	-
Robert Wannan	7/7	-	4/4	-
Kim Williams AM	2/2	0/1	1/1	-
Phillip Wolanski AM	1/2	-	1/2	-
Louise Herron AM	-	-	4/4	2/4
Jonathan Bielski	-	-	-	1/1
Kya Blondin	-	-	-	3/4
Greg McTaggart	-	-	4/4	4/4
Claire Spencer	-	-	3/4	
Sheridan Burke	-	-	-	4/4
Tanya Koeneman	-	-	-	2/4
Rajeev Maini	-	-	-	2/4
Peter Mould	-	-	-	3/4
John Nutt AM	-	-	-	3/4
Peter Poulet	-	-	-	4/4
Josephine Wing	-	-	-	3/4

## MANAGEMENT\*

## EXTERNAL SPECIALISTS

The figure directly following the person's name is the number of meetings attended during the year and the second figure indicates the number of possible attendances.

\* Management are not members of the Trust or Audit and Risk Committee and attend as appropriate.



# TRUST MEMBERS

AS AT 30 JUNE 2014



**JOHN  
SYMOND  
AM**

#### **Joined the Trust 1 January 2012**

Member of Building Committee and Audit and Risk Committee. He is currently serving his first term to 31 December 2014 and has undertaken the role of Chairman of the Trust since 4 October 2013.

#### **Background**

Founder and Executive Chairman, Aussie Home Loans, since 1992 (Managing Director 1992-2008). John was inducted into the Australian Banking and Finance Magazine's Hall of Fame in 2004 and was awarded Personality of the Decade, Banking and Financial Awards 1999. John was also named Australian Lebanese Businessman of the Year by the Australian Lebanese Chamber Commission in 1995.

#### **Government and Community Involvement**

2002 Member of the Order of Australia; Australian Property Institute (Fellow); Mortgage and Finance Association of Australia (Honorary Life Member); Art Gallery of New South Wales (President's Council); Australian Business Arts Foundation (Founding Councillor); Shepherd Centre Australian Father of the Year (2012); Life Education Gold Harold Humanitarian Award (2013).



**CATHERINE  
BRENNER**

#### **Joined the Trust 13 May 2009**

Chair of Audit and Risk Committee. She is currently serving her second term to 31 December 2015.

#### **Qualifications**

BEC, LLB, MBA

#### **Background**

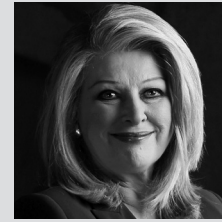
Former Managing Director in the investment banking division of ABN AMRO. Prior to becoming an investment banker, Catherine was a corporate lawyer.

#### **Other Directorships**

Coca-Cola Amatil Limited (Non-Executive Director), AMP Limited (Non-Executive Director), Boral Limited (Non-Executive Director), AMP Life Limited (Chairman), National Mutual Life Association (Chairman).

#### **Government and Community Involvement**

Chief Executive Women (Member of Council).



**THE  
HON.  
HELEN  
COONAN**

#### **Joined the Trust 1 January 2012**

Chair of the Conservation Council. She is currently serving her first term to 31 December 2014.

#### **Qualifications**

BA, LLB

#### **Background**

Former Senator in the Australian Parliament representing NSW from 1996-2011 and Deputy Leader of the Government in the Senate. Held several Ministerial and Shadow Ministerial portfolios, including Minister for Revenue and Assistant Treasurer. She has served in Cabinet as the Minister for Communications, Information Technology and the Arts. Helen was previously Chair of the Historic Houses Trust of NSW, Chair of the Law Foundation and a Director of the Royal Hospital for Women Foundation. Prior to entering Parliament, Helen worked as a lawyer and mediator in Australia and New York.

#### **Government and Community Involvement**

Crown Resorts Foundation (Chair); Obesity Australia Limited (Non-Executive Director); European Australian Business Council (Member of Corporate Council); National Breast Cancer Foundation (Council Member); Chief Executive Women (Member).

#### **Other Directorships**

Crown Resorts Limited (Non-Executive Director); Snowy Hydro Limited (Non-Executive Director); J.P. Morgan Advisory Council (Member); Aon Risk Services Australia Ltd (Board of Advice); and GRACosway (Co-Chair).

# TRUST MEMBERS

AS AT 30 JUNE 2014



**BRENNA  
HOBSON**

#### **Joined the Trust 1 January 2014**

Member of Audit and Risk Committee. She is currently serving her first term to 31 December 2016.

#### **Qualifications**

MM (Arts Administration)

#### **Background**

Brenna's career in theatre management and production began in 1994.

Since then she has been Production Coordinator and Production Manager at Belvoir St Theatre, Production Manager at Bangarra Dance Theatre and General Manager of Jigsaw Theatre Company in Canberra. She is currently the Executive Director at Belvoir St Theatre. As an independent producer, Brenna has produced plays including *Vital Organs* (B Sharp), *The Suitors* (Old Fitzroy Theatre) and the documentary *With Hearts and Hands*.

#### **Other Directorships**

Executive Director, Belvoir St Theatre (2008 to Present); Board Member of Arts on Tour (July 2012 to Present); Secretary of the Belvoir St Theatre Limited Board; Member of the Seymour Centre's Artistic Advisory Panel; and Arts NSW peer assessor.



**CHRIS  
KNOYBLANCHE  
AM**

#### **Joined the Trust 4 October 2013**

Member of Audit and Risk Committee. He is currently serving his first term to 31 December 2016.

#### **Qualifications:**

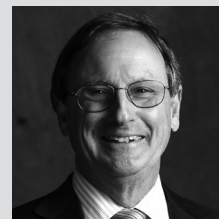
BCom, ACA, FCPA

#### **Background**

Chris served as Board Member and Chair of the Australian Ballet (2001-13). Principal – Advisory & Capital Pty Ltd. Chris was Managing Director and Head of Citigroup Corporate and Investment Banking Australia & New Zealand (2005-12). He was previously CEO of Andersen Australia, CEO of Andersen Business Consulting Asia Pacific and Regional Managing Director of Deloitte Management Solutions, Asia. Prior to Citigroup, Chris was a Partner in the boutique investment bank Caliburn Partnership, now Greenhill Caliburn. Chris was awarded the Centenary Medal by the Federal Government for services to business and the arts in 2003. He was appointed a Member in the Order of Australia for significant services to arts administration, to the community and to the business and finance sector in 2014.

#### **Other Directorships**

Independent Board Member and Chair of Finance Audit Risk Committee of the Environment Protection Authority NSW; Board Member of Whistles Fund Management; Advisory Board Member of Norton Rose Fulbright; Board Member of Aussie Home Loans; Director of Soils for Life (Outcomes Australia); and Director of GE Capital/Money Australia (Hallmark companies).



**PETER  
MASON  
AM**

#### **Joined the Trust 1 January 2012**

Member of Conservation Council. He is currently serving his first term to 31 December 2014.

#### **Qualifications**

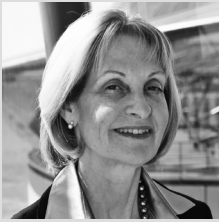
BCom (Hons), MBA, Hon.DBus (UNSW), FAICD

#### **Background**

Peter is a Senior Adviser to UBS Investment Bank and a Director of Singapore Telecommunications Ltd (SingTel). He was the Chairman for AMP Limited from 2005-14 (a Director from 2003) and Chairman of David Jones Limited from 2013-14 (a Director from 2007). Peter was a member of the Council of the University of NSW for 13 years, and for 12 years a Director of the Children's Hospital in Sydney and Chairman of the Children's Hospital Fund. In 1995, Peter was appointed a Member of the Order of Australia for his contribution to the Children's Hospital.

#### **Other Directorships**

Centre for International Finance and Regulation (Chairman); University of NSW Foundation (Director); UBS Australia Foundation Pty Limited (Chairman).



**JILLIAN  
SEGAL  
AM**

**Joined the Trust 1 January 2014**

Member of Conservation Council. She is currently serving her first term to 31 December 2016.

**Qualifications**

BA, LLB, LLM, FAICD

**Background**

Jillian has a legal, regulatory and governance background, having been a partner at Allens Linklaters and Deputy Chair at ASIC. She has also served as a member of the Remuneration Tribunal (2010-14); President of Administrative Review Council (2005-09); a member of the Major Performing Arts Board of the Australia Council (2002-08); and a member of the Business Regulation Advisory Group (BRAG) (2005-08).

**Other current Directorships**

Director of National Australia Bank Limited (since 2004); Director of ASX Limited (since 2003); Deputy Chancellor of the Council of NSW Australia (since 2010); Chair of General Sir John Monash Foundation (director since 2008, Chair since 2010); Director on the Board of Garvan Institute of Medical Research (since 2009); Director of Australia-Israel Chamber of Commerce (since 2013); and Member of the Australian War Memorial Council (since June 2014).

Jillian received the Centenary Medal in 2003, Member of the Order of Australia in 2005 and UNSW Alumni Award in 2005.



**ROBERT  
WANNAN**

**Joined the Trust 1 January 2013**

Member of Building Committee. He is currently serving his first term to 31 December 2015.

**Qualifications**

BA (Hons), LLB, FAICD

**Background**

Rob has practised as a corporate and commercial lawyer for more than 35 years and was a long-standing partner of Greaves Wannan & Williams Solicitors. He is currently a Consultant to Kemp Strang Lawyers and was that firm's Chairman from 2009-13. He was also the Chairman of the Rock Eisteddfod Challenge Foundation from its inception in 2002. He served as Chairman of the Council of Knox Grammar School (2007-13) and Chairman of Knox Grammar School Foundation Limited (1999-2013).

**Other Directorships**

Director of St James Ethics Centre and Director of a number of companies associated with ANZ Bank.



**PHILLIP  
WOLANSKI  
AM**

**Joined the Trust 1 January 2014**

Member of Building Committee. He is currently serving his first term to 31 December 2016.

**Qualifications**

BEc

**Background**

Phillip is the Managing Director of Denwol Group, a property development and investment company. He was a Director of the National Institute of Dramatic Art (2001-07) and served on the Sydney Opera House Trust Library Committee for a number of years before becoming its Chairman (1992-97). Phillip was a Board Member and the Vice-President of Hakoah Club (1997-2006) and Head of Delegation for the Socceroos (2004-14).

**Other Directorships**

Director at Football Federation Australia Limited since 2003. Member of the Governing Committee of the Temora Aviation Museum.

**Government and  
Community Involvement**

Phillip was appointed a Member in the Order of Australia in 2008 for service to the community and philanthropic contributions to a range of arts, sporting and cultural organisations. In addition to his commitment to the Wolanski Foundation, he has provided financial support to several and varied arts, cultural and community organisations.

## WORKPLACE SYSTEMS

The safety culture initiative that began in FY13 with a review by Deloitte continued this year. As a result, we will implement a Safety Culture Action Plan in FY15. Deloitte reported that the Opera House had made significant progress over the past five years in the development and implementation of safety systems and procedures. The action plan will target areas including leadership training, organisational communication, clarification of safety resources and third-party management.

The Opera House undertook a comprehensive analysis of FY12 and FY13 incidents and injuries to help develop injury-prevention strategies and better target resources.

This year we conducted 1,321 hours of safety training, including asbestos awareness, working at height, manual handling and general safe work procedures. The Opera House completed more than 400 documented workplace inspections – an increase of 50% compared with FY13 and 100% compared with FY12. These inspections are critical so that hazards may be identified and problems rectified before accidents occur. About \$750,000 was spent on safety-related projects in FY14.

There has been a 54% decrease since FY10 in the Lost Time Injury Disease frequency rate, from 28 to 12.8. We also recorded an eight-year low in new workers compensation claims (24 claims), despite the fact that the total hours worked by all Opera House employees rose slightly. The Opera House workers compensation deposit premium is now almost half the FY12 premium. Three- and five-year hindsight premiums are projected to result in refunds. These results are attributed to the excellence of our injury management and early intervention programs.

In May, the Opera House hosted a safety breakfast for event contractors and during the year carried out four safety systems audits related to the Vehicle Access and Pedestrian Safety project (VAPS).

Eleven trustees attended workplace health and safety due diligence briefings.

The Opera House has integrated rostering, payroll and HR into a single system. The result is greatly improved access to information for staff and better information management. The core finance system was significantly upgraded.

## LEARNING AND DEVELOPMENT

Learning and Development activities this year were closely aligned with business strategy and individual development plans. About 40 different types of workshops were delivered to 1,159 attendees, including 80 Resident Company staff and 10 on-site contractors. Programs covered core competencies, including leadership development, professional development, customer service, IT training, role training and personal development.

New courses offered included project management, which supported the goals of our new Enterprise Strategy. The Develop Others workshop was used to support our objective of 100% completion of performance reviews across the business (the FY14 rate was 84%). To extend the reach of our learning and development initiatives, 14 team-specific modules were used, including modules focused on Safe Work Procedure assessments, emergency planning and security awareness and competency assessment. A range of professional qualifications (Certificate III, Certificate IV and Diploma) and career coaching was also made available to employees. Five employees successfully achieved nationally accredited qualifications after undertaking a program on the recognition of prior learning program.

There were 64 personal development planning sessions held with employees from Production Services. The aim was to encourage those engaged in physical roles to consider skills development that would support alternative future career options.

# 1,321

HOURS OF SAFETY TRAINING

# 1,159

PEOPLE ATTENDED WORKSHOPS

# 32

STUDENTS IN INDIGENOUS  
WORK EXPERIENCE PROGRAM

## INDIGENOUS TRAINEE AND WORK EXPERIENCE PROGRAMS

We extended and refined our Indigenous Trainee Program in FY14, opening it to a wider group of young people and focusing skills development in areas of the business most likely to improve their employment outcomes. After a successful trial of the new program, we hosted a further four trainees from the Guwara school (within St Andrew's Cathedral School) in the ticketing and front-of-house departments. This has led to employment opportunities for all four trainees. Emjay Matthews, a former Indigenous trainee of the Opera House Registered Training Organisation, returned to the Opera House to work in the Audio team.

Thirty-two students were selected by the Indigenous Unit of the NSW Department of Education and Communities to participate in the Opera House's week-long Indigenous Work Experience Program. The program has been running since 2011 and gives Indigenous students the opportunity to learn practical work skills, develop personal confidence and engage with Indigenous artists and Opera House staff. The students experienced the diversity of roles and business areas at the Opera House, including technical production, catering, tourism, programming, marketing, publicity, security and front-of-house services.

## EMPLOYEE ENGAGEMENT SURVEY

The employee engagement survey was conducted in October 2013, with a 79% response rate from permanent and temporary contract employees and a 35% response rate from casual employees. The overall results were very positive. Each team received feedback on its top three strengths and three key areas for improvement. An action plan was implemented to ensure that we recognise our organisational strengths and address key issues identified through the survey.

## SECURITY PREPAREDNESS

The Opera House has become a leader in preparedness for emergency situations. We have worked to improve the following areas: security team skills development; communication with police; provision of safety information to our presenting partners, operators and contractors; and our ability to communicate quickly across the venue. One of our training programs was used as an example of best practice by the NSW and Commonwealth Attorneys-General departments in August and has received national attention, with calls for Opera House participation at security conferences. A digital education package produced for staff has been adapted for use in other agencies.

## THE FUTURE

- Implementation of Safety Culture Action Plan
- Extension of Indigenous Training Program
- A new employee engagement survey
- Trial of a program to open roles across the business to employees from the production area
- Two leadership training modules to be added: Safety Leadership and Delegating for Results
- Review and refinement of Learning and Development offerings after 2014 performance review
- Refresh of customer service program

## PEOPLE AND CULTURE

<b>FIVE-YEAR COMPARISON OF STAFF AS AT 30 JUNE 2014</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Total Permanent Staff	209	236	239	263	306
Equivalent Full-Time Permanent Staff	176.59	191.42	197.67	216.32	251.36
Total Non-Permanent Staff (includes casuals)	608	651	527	485	424
Equivalent Full-Time Non-Permanent Staff (includes casuals)	319.97	300.96	280.79	234.49	204.37
Total Full-Time Equivalent (includes casuals)	496.55	492.38	478.46	450.81	455.73

Data is calculated over the last pay period of each financial year. Total staff numbers include current casual staff who did not work in the last pay period of the financial year.

<b>WORK HEALTH AND SAFETY TRAINING PROGRAMS</b>	<b>Course Duration (hours)</b>	<b>Actual Attendees Training YTD</b>	<b>Actual Total Hours YTD</b>
<b>FY14 Safety-Related Training Courses</b>			
Accessing Light Pole 5	4	6	24
Apply Advanced Resuscitation	8	12	96
Asbestos Training	3	93	261
Due Dilligence Training	4	19	76
Electrical Testing and Tagging	4	3	12
Elevated Work Platforms	3	3	9
Fatigue Management Training for Managers	4	8	32
Forklift National Certificate of Competency	4	1	4
Incident Management Training	3	40	120
Manual Task Training	2	92	184
SWP Training	3	58	175
WHS Risk Management	8	11	88
Work Safely at Heights	8	30	240
		<b>376</b>	<b>1,321</b>

<b>LEADERSHIP AND PROFESSIONAL DEVELOPMENT PROGRAMS FY14 WORKSHOPS</b>	<b>Total Participants</b>
Orientation	103
<b>Leadership Workshops</b>	
Communicating for Leadership Success	60
Coach for Peak Performance	39
Develop Others	17
Managing Peak Performance	11
Leading Change	20
Leaders Resolving Conflict	9
Risk Management	30
Fatigue Management	14
Performance Review Preparation	150
Planning Day	35
Develop Others	17
<b>IT/Systems Training</b>	
Tessitura Foundation	8
MS Office	11
SQL Essentials	6
Networking Training	82
<b>Personal Development</b>	
Stress Management	9
Interview Preparation	9
Mentor Training	4
Individual Coaching	29

<b>Professional Development</b>	
Conflict Negotiation	13
Embracing Change	14
Giving and Receiving Feedback	6
Making Successful Presentations	11
Communicating with Impact	28
Business Writing	21
Project Management	27
Security of Payments	22
Rolling Planning	3
Customer Service	67
Email Etiquette	17
Time Management	4
Building an Environment of Trust	0
DiSC Profile	77
Role Training	34
Team Building	85
Cash Handling	3
Dealing with Intoxicated Patrons	81
<b>Total Participants</b>	<b>1,159</b>

**150**

**PARTICIPATE IN PERFORMANCE REVIEW PREPARATION**

**240**

**HOURS WORK SAFELY AT HEIGHTS TRAINING**

# FINANCIAL OVERVIEW

Up to and including 23 February 2014, all Sydney Opera House's personnel services were provided by the Department of Trade and Investment, Regional Infrastructure and Services, except for temporary assistance.

From 24 February 2014, all personnel services were provided to the Sydney Opera House Trust by the Sydney Opera House Trust Staff Agency. The provision of two sets of financial statements, starting on pages 43 and 90, reflects this change.

## FINANCIALS

The overall group result is a surplus for the year of \$26.4m. This comprises:

- Profit from general operations of \$7.7m
- Net surplus of \$18.7m from building development, maintenance and other activities.

The general operating cash flow was \$5.9m, with the FY14 general operations profit of \$7.7m offset by investment in capital assets of \$1.8m.

## GENERAL OPERATIONS

The solid general operating profit (an increase of \$1.9m from FY13) was achieved by strong growth in self-generated revenue, a one-off increase in other NSW Treasury funding, ongoing cost control and project deferrals.

Operating revenues increased by \$10.4m or 10.1% on the prior year. Self-generated revenue accounted for \$9.2m of this increase across all areas of the business.

Key drivers included:

- Strong trading performance from Precinct Businesses (Food and Beverage and Tours) and increased activity on the Forecourt.
- An increase in donations and both cash and contra sponsorship revenue.

Operating expenses increased by \$8.5m on the previous year. The increase was driven by a number of factors including:

- Favourable one-off impacts of bond rate effect on long-service leave provisions and workers compensation hindsight adjustments not recurring to the same magnitude as in FY13.

- An underlying 2.5% increase (including superannuation) in the cost of wages in line with the Crown Employees (Public Service Conditions of Employment) Award 2002, Opera House Enterprise Agreement 2013 and the Statutory and Other Offices Remuneration Act 1975.
- Increase in direct costs to drive and support self-generated revenue growth.
- Increase in sponsored activity including digital engagement.

The Opera House continued to play an important role in the support and development of new artists and diverse art forms. Overall, 1,738 performances were presented to audiences of 1,388,922, an increase of 0.76% over FY13.

Expenditure on Sydney Opera House Presents programming activities was \$31.9m with a net investment after related production income of \$5.8m, representing a subsidy ratio of 18.1%.

## BUILDING DEVELOPMENT AND MAINTENANCE AND OTHER

Net surplus of \$18.7m from building development, maintenance and other activities was largely due to:

- Recognition of \$24.1m capital grant funding in the Profit/Loss Statement where associated expenditure was expensed to the Balance Sheet as capital additions.
- Recognition in FY14 of \$6.9m advance receipt of building maintenance grant which pertains to FY15, offset by
- Depreciation expense of \$12.3m.

Expenditure on building maintenance and building development continued to be funded by government grants and associated interest revenues earned.

The government grants received in FY14 included \$24.1m for building development capital projects and \$38.8m building maintenance.

Building development capital project grants comprised:

- Vehicle Access and Pedestrian Safety (VAPS) project (\$14.3m).
- Stage Management System Upgrade Project (\$1.6m).
- Lift and Escalators Upgrade Project (\$8.2m).

Building development expenditure totalled \$51.6m, of which \$47.3m was capitalised. The VAPS project entered its fourth year and continued progress was made in waterproofing repairs. The Stage Management System upgrade was completed in FY14, while spend on the Lift and Escalators upgrade has been rescheduled to be consistent with the VAPS scheduling for those lifts delivered under the VAPS contract.

Building maintenance grants represent 1.4% of SOH total property, plant and equipment, after adjustment for the FY15 grant received in advance. This compares with total NSW Government expenditure on asset maintenance in FY14 equivalent to 2% of the estimated total built asset holdings as at 30 June 2014. This percentage is estimated to be 1.9% for FY15.

Building maintenance expenditure totalled \$32.3m, of which \$2.7m was capitalised. Completed works in the year included Eastern Shell lighting, Concert Hall lighting upgrade and a large number of safety upgrades.

Depreciation expense was \$12.3m. In accordance with AASB 116, depreciation has not been charged on the SOH building as the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. However, if the building and building services were to be depreciated, the following notional calculations would result:

- If a 100-year useful life were adopted, then future annual depreciation would amount to about \$19.5m pa.
- If a nominal 250-year useful life were adopted, then future annual depreciation would amount to about \$7.8m pa.

Additionally, accumulated notional depreciation of between \$80m and \$780m would be recognised for the asset life to date, dependent on the determined useful life of the assets.



<b>FINANCIAL RESULTS</b>	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>General Operations</b>		
Revenues:		
Endowment – Government Grant	13,573	13,949
Other NSW Treasury Funding	2,219	585
Self-generated Revenue	97,900	88,725
<b>Total Revenue – General Operations</b>	<b>113,692</b>	<b>103,259</b>
Expenses:		
People expenses	(46,550)	(43,927)
Other expenses	(59,436)	(53,564)
<b>Total Expenses – General Operations</b>	<b>(105,986)</b>	<b>(97,491)</b>
Profit/(Loss) from General Operations	7,706	5,768
<b>Other Activities</b>		
Revenues:		
Building Maintenance – Government Grant	38,833	31,233
Building Development – Government Grant	24,125	89,698
Building Development – Other Revenue	1,601	2,247
Special Purpose and Restricted – Other Revenue	361	426
<b>Total Revenue – Other Activities</b>	<b>64,920</b>	<b>123,604</b>
Expenses:		
Depreciation and amortisation	(12,346)	(12,682)
Asset adjustments	10	(41)
People expenses (includes one off impacts of bond rate and workers compensation hindsight adjustments)	(6,667)	(3,672)
Other expenses	(27,257)	(24,470)
<b>Total Expenses – Other Activities</b>	<b>(46,261)</b>	<b>(40,865)</b>
Profit/(Loss) from Other Activities	18,659	82,739
<b>Surplus/(Deficit) for the year as per the audited Statement of Profit or Loss</b>	<b>26,365</b>	<b>88,507</b>

Note: The above figures are stated inclusive of internal revenue and costs which are eliminated in the audited Financial Statements. Please refer to page 42 for a reconciliation of Financial Overview to audited Financial Statements

## FINANCIAL OVERVIEW

**\$24.5M**

BOX OFFICE REVENUE

**\$9.8M**

FOOD AND BEVERAGE REVENUE

SELF-GENERATED REVENUE	2014 \$'000	2013 \$'000	OTHER OPERATING EXPENSES	2014 \$'000	2013 \$'000
(Before internal eliminations)			(Before internal eliminations)		
Gross Box Office	24,466	24,418	Artist Fees and Presentation Expenses	25,282	24,124
Theatre Services	19,549	17,966	Publicity and Advertising	6,962	7,699
Venue Hire	11,167	10,825	Utilities and Cleaning	6,241	6,148
Food and Beverage	9,796	8,937	Other Fees for Service	5,977	4,177
Sponsorship	8,425	4,877	Administration Expenses	4,760	3,925
Tours	8,343	7,759	Consumables and Minor Equipment	4,030	2,858
Booking Fees and Charges	6,492	6,157	Other (consultants, bank and credit card charges, insurance and other)	6,184	4,633
Other (interest, retail, donations, contributions and other)	9,660	7,786			
<b>Total Other Operating Expenses</b>	<b>97,900</b>	<b>88,725</b>	<b>Total Self-generated Revenue</b>	<b>59,436</b>	<b>53,564</b>

### RECONCILIATION OF FINANCIAL OVERVIEW TO AUDITED FINANCIAL STATEMENTS

	2014 \$'000	2013 \$'000
Financial Overview Revenue		
General Operations	113,692	103,259
Other Activities	64,920	123,604
<b>Total Financial Overview Revenue</b>	<b>178,612</b>	<b>226,863</b>
Less:		
Internal Eliminations	(9,225)	(10,906)
<b>Total Audited Financial Statements Revenue</b>	<b>169,387</b>	<b>215,957</b>
Financial Overview Expenses		
General Operations	(105,986)	(97,491)
Other Activities	(46,261)	(40,865)
Less:		
Asset Adjustments	(10)	41
<b>Total Financial Overview Expenses</b>	<b>(152,257)</b>	<b>(138,315)</b>
Less:		
Internal Eliminations	9,225	10,906
<b>Total Audited Financial Statements Expenses</b>	<b>(143,032)</b>	<b>(127,409)</b>

<b>-44</b>	Statement in Accordance with Section 41C
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**SYDNEY  
OPERA HOUSE  
TRUST  
FINANCIAL  
STATEMENTS**



**STATEMENT IN ACCORDANCE WITH  
SECTION 41C OF THE PUBLIC FINANCE  
AND AUDIT ACT, 1983**  
SYDNEY OPERA HOUSE TRUST

Pursuant to Section 41C of the Public Finance and Audit Act, 1983, and in accordance with a resolution of the Sydney Opera House Trust, we state that:

In our opinion, the accompanying financial statements exhibit a true and fair view of the financial position of the Sydney Opera House Trust as at 30 June 2014, and financial performance for the year then ended.

The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit (General) Regulation 2010 and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



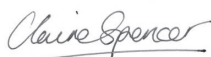
**MR JOHN SYMOND AM**  
CHAIRMAN, SYDNEY OPERA  
HOUSE TRUST



**LOUISE HERRON AM**  
CHIEF EXECUTIVE OFFICER



**CATHERINE BRENNER**  
CHAIR, AUDIT AND RISK  
COMMITTEE/TRUSTEE



**CLAIRE SPENCER**  
CHIEF OPERATING OFFICER

Sydney  
17 September 2014

# INDEPENDENT AUDITOR'S REPORT SYDNEY OPERA HOUSE TRUST



To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Sydney Opera House Trust (the Trust), which comprise the statement of financial position as at 30 June 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

## OPINION

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

## THE TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to

audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Trust
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

## INDEPENDENCE

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor General
- mandating the Auditor General as auditor of public sector agencies, but precluding the provision of non audit services, thus ensuring the Auditor General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

**KAREN TAYLOR**  
DIRECTOR, FINANCIAL AUDIT SERVICES

Sydney  
18 September 2014

**SYDNEY OPERA HOUSE  
TRUST STATEMENT OF  
PROFIT OR LOSS**

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2014	Note	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Revenue</b>					
Sale of goods and services	3(a)	74,447	68,094	74,447	68,094
Investment income	3(b)	3,799	4,778	3,799	4,778
Sponsorship revenue	3(c)	8,425	4,877	8,425	4,877
Donation revenue	3(d)	1,610	921	1,610	921
Other grants	3(e)	4,575	2,407	4,575	2,407
Government contributions	3(f)	76,531	134,880	76,531	134,880
<b>Total Income</b>		<b>169,387</b>	<b>215,957</b>	<b>169,387</b>	<b>215,957</b>
<b>Expenses</b>					
Employee-related expenses	4(a)	(15,453)	-	-	-
Personnel services expenses	4(b)	(30,935)	(41,110)	(46,100)	(41,110)
Other expenses	4(c)	(50,640)	(42,976)	(50,640)	(42,976)
Maintenance expense	4(d)	(33,657)	(30,640)	(33,657)	(30,640)
Depreciation, amortisation and make-good	4(e)	(12,346)	(12,682)	(12,346)	(12,682)
Finance costs	4(f)	(1)	(1)	(1)	(1)
<b>Total Expenses</b>		<b>(143,032)</b>	<b>(127,409)</b>	<b>(142,744)</b>	<b>(127,409)</b>
<b>Other</b>					
Other gain/(loss)	5	10	(41)	10	(41)
<b>Other Gains/(Losses)</b>		<b>10</b>	<b>(41)</b>	<b>10</b>	<b>(41)</b>
<b>Surplus for the period</b>		<b>26,365</b>	<b>88,507</b>	<b>26,653</b>	<b>88,507</b>

**SYDNEY OPERA HOUSE  
TRUST STATEMENT OF  
COMPREHENSIVE INCOME**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014	Note	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Surplus for the period</b>		<b>26,365</b>	<b>88,507</b>	<b>26,653</b>	<b>88,507</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to net result</i>					
Revaluation of land, property, fabric and internal fit-out	11	36,238	-	36,238	-
Defined benefit plan re-measurement	18	288	-	-	-
		36,526	-	36,238	-
<i>Items that may be reclassified to net result</i>					
Unrealised (losses)/gains on forward exchange	19	(298)	386	(298)	386
<b>Other comprehensive income for the period</b>		<b>36,228</b>	<b>386</b>	<b>35,940</b>	<b>386</b>
<b>Total comprehensive income for the period</b>		<b>62,593</b>	<b>88,893</b>	<b>62,593</b>	<b>88,893</b>

**SYDNEY OPERA HOUSE  
TRUST STATEMENT OF  
FINANCIAL POSITION**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014	Note	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Assets (Current)</b>					
Cash and cash equivalents	7	98,426	108,349	98,426	108,349
Trade and other receivables	8	5,920	4,775	5,920	4,775
Prepayments	9	3,293	3,069	1,126	3,069
GST Receivable		32	1,111	1,759	1,111
Derivative financial instruments	19	1,416	3,119	1,416	3,119
Inventory	10	58	68	58	68
<b>Total Current Assets</b>		<b>109,145</b>	<b>120,491</b>	<b>108,705</b>	<b>120,491</b>
<b>Assets (Non-Current)</b>					
Property, plant and equipment	11	2,338,345	2,263,638	2,338,345	2,263,638
Intangible assets	12	1,237	223	1,237	223
<b>Total Non-Current Assets</b>		<b>2,339,582</b>	<b>2,263,861</b>	<b>2,339,582</b>	<b>2,263,861</b>
<b>Total Assets</b>		<b>2,448,727</b>	<b>2,384,352</b>	<b>2,448,287</b>	<b>2,384,352</b>
<b>Liabilities (Current)</b>					
Trade and other payables	14	15,400	16,473	15,012	16,473
Deferred revenue	15	12,306	8,606	12,306	8,606
Payables – Personnel services	16	-	11,702	12,573	11,702
Provisions	17	12,860	99	235	99
Derivative financial instruments	19	1,451	2,856	1,451	2,856
<b>Total Current Liabilities</b>		<b>42,017</b>	<b>39,736</b>	<b>41,577</b>	<b>39,736</b>
<b>Liabilities (Non-Current)</b>					
Payables – Personnel services	16	-	2,071	1,703	2,071
Provisions	17	1,703	131	-	131
<b>Total Non-Current Liabilities</b>		<b>1,703</b>	<b>2,202</b>	<b>1,703</b>	<b>2,202</b>
<b>Total Liabilities</b>		<b>43,720</b>	<b>41,938</b>	<b>43,280</b>	<b>41,938</b>
<b>Net Assets</b>		<b>2,405,007</b>	<b>2,342,414</b>	<b>2,405,007</b>	<b>2,342,414</b>
<b>Equity</b>					
Accumulated funds		385,248	356,307	385,248	356,307
Reserves		2,019,759	1,986,107	2,019,759	1,986,107
<b>Total Equity</b>		<b>2,405,007</b>	<b>2,342,414</b>	<b>2,405,007</b>	<b>2,342,414</b>



**SYDNEY OPERA HOUSE  
TRUST STATEMENT OF  
CHANGES IN EQUITY**

<b>SYDNEY OPERA HOUSE TRUST STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014 CONSOLIDATED</b>	<b>Note</b>	<b>Accumulated Funds \$'000</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Hedge Reserve \$'000</b>	<b>Total</b>
<b>Balance at 1 July 2013</b>		<b>356,307</b>	<b>1,985,844</b>	<b>263</b>	<b>2,342,414</b>
Surplus for the period		26,653	-	-	<b>26,653</b>
Other Comprehensive Income					
Net increase in property, plant and equipment	11	-	36,238	-	<b>36,238</b>
Defined benefit plan remeasurements	18	288	-	-	288
Transfers on disposals		2,288	(2,288)	-	-
Unrealised loss	19	-	-	(298)	<b>(298)</b>
<b>Total other comprehensive income/(expense)</b>		<b>2,288</b>	<b>33,950</b>	<b>(298)</b>	<b>35,940</b>
<b>Total Comprehensive Income/ (Expense) for the year</b>		<b>28,941</b>	<b>33,950</b>	<b>(298)</b>	<b>62,593</b>
Transactions with owners in their capacity as owners		-	-	-	-
Increase/(decrease) in net assets from equity transfers	22	-	-	-	-
<b>Balance at 30 June 2014</b>		<b>385,248</b>	<b>2,019,794</b>	<b>(35)</b>	<b>2,405,007</b>
<b>Balance at 1 July 2012</b>		<b>267,533</b>	<b>1,986,111</b>	<b>(123)</b>	<b>2,253,521</b>
Surplus for the year		88,507	-	-	<b>88,507</b>
Other Comprehensive Income					
Net increase in property, plant and equipment	11	-	-	-	-
Transfers on disposals		267	(267)	-	-
Unrealised gain	19	-	-	386	<b>386</b>
<b>Total other comprehensive income/(expense)</b>		<b>267</b>	<b>(267)</b>	<b>386</b>	<b>386</b>
<b>Total Comprehensive Income/ (Expense) for the year</b>		<b>88,774</b>	<b>(267)</b>	<b>386</b>	<b>88,893</b>
<b>Balance at 30 June 2013</b>		<b>356,307</b>	<b>1,985,844</b>	<b>263</b>	<b>2,342,414</b>

**SYDNEY OPERA HOUSE  
TRUST STATEMENT OF  
CHANGE IN EQUITY**

<b>STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014 PARENT</b>	<b>Note</b>	<b>Accumulated Funds \$'000</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Hedge Reserve \$'000</b>	<b>Total</b>
<b>Balance at 1 July 2013</b>		<b>356,307</b>	<b>1,985,844</b>	<b>263</b>	<b>2,342,414</b>
Surplus for the period		26,653	–	–	<b>26,653</b>
Other Comprehensive Income					
Net increase in property, plant and equipment	11	–	36,238	–	<b>36,238</b>
Transfers on disposals		2,288	(2,288)	–	–
Unrealised loss	19	–	–	(298)	<b>(298)</b>
<b>Total other comprehensive income/(expense)</b>		<b>2,288</b>	<b>33,950</b>	<b>(298)</b>	<b>35,940</b>
<b>Total Comprehensive Income/ (Expense) for the year</b>		<b>28,941</b>	<b>33,950</b>	<b>(298)</b>	<b>62,593</b>
<b>Balance at 30 June 2014</b>		<b>385,248</b>	<b>2,019,794</b>	<b>(35)</b>	<b>2,405,007</b>
<b>Balance at 1 July 2012</b>		<b>267,533</b>	<b>1,986,111</b>	<b>(123)</b>	<b>2,253,521</b>
Surplus for the year		88,507	–	–	<b>88,507</b>
Other Comprehensive Income					
Net increase in property, plant and equipment	11	–	–	–	–
Transfers on disposals		267	(267)	–	–
Unrealised gain	19	–	–	386	<b>386</b>
<b>Total other comprehensive income/(expense)</b>		<b>267</b>	<b>(267)</b>	<b>386</b>	<b>386</b>
<b>Total Comprehensive Income/ (Expense) for the year</b>		<b>88,774</b>	<b>(267)</b>	<b>386</b>	<b>88,893</b>
<b>Balance at 30 June 2013</b>		<b>356,307</b>	<b>1,985,844</b>	<b>263</b>	<b>2,342,414</b>

**SYDNEY OPERA HOUSE  
TRUST STATEMENT OF  
CASH FLOWS**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014	Note	Consolidated		Parent	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Receipts from operations		82,692	71,261	82,692	71,261
Interest received		3,761	4,957	3,761	4,957
Cash sponsorship received		3,303	1,447	3,303	1,446
Cash donations received		1,610	921	1,610	921
Cash received from Government		76,531	134,880	76,531	134,880
Other		-	1	-	1
<b>Total receipts</b>		<b>167,897</b>	<b>213,467</b>	<b>167,897</b>	<b>213,466</b>
<b>Payments</b>					
Payments to suppliers, employees and personnel service providers		(125,024)	(114,019)	(125,024)	(114,019)
Other		(3)	0	(3)	0
<b>Total payments</b>		<b>(125,027)</b>	<b>(114,019)</b>	<b>(125,027)</b>	<b>(114,019)</b>
<b>Net cash inflows from operating activities</b>	<b>26</b>	<b>42,870</b>	<b>99,447</b>	<b>42,870</b>	<b>99,447</b>
<b>Cash flows from investing activities</b>					
Payments for acquisition of property, plant and equipment		(52,911)	(64,620)	(52,911)	(64,620)
Proceeds from sale of property, plant and equipment		118	101	118	101
<b>Net cash outflows from investing activities</b>		<b>(52,793)</b>	<b>(64,519)</b>	<b>(52,793)</b>	<b>(64,519)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(9,923)</b>	<b>34,928</b>	<b>(9,923)</b>	<b>34,928</b>
Cash and cash equivalents at the beginning of the financial period		108,349	73,421	108,349	73,421
<b>Cash and cash equivalents at the end of the financial period</b>	<b>7</b>	<b>98,426</b>	<b>108,349</b>	<b>98,426</b>	<b>108,349</b>

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

Sydney Opera House Trust ("SOHT" or the "Trust") is a not-for-profit Government entity, classified as a Public Trading Enterprise that provides a broad range of cultural, tourism, community and commercial experiences to people from Sydney, NSW, Australia and around the world. No dividends are paid to Government and surplus from operations supports cultural and community activities within the performing arts. Sydney Opera House undertakes public fundraising to support a range of programming and community activities. SOHT has determined that it is a not-for-profit entity and applies the requirements of not-for-profit accounting standards.

The consolidated financial statements of the Trust for the period ended 30 June 2014 comprise the Trust (Parent) and its controlled entity, Sydney Opera House Trust Staff Agency (the Agency), together referred to as the "Consolidated Entity". The Agency is a Public Service executive agency under Schedule 1, Part 2 of the Government Sector Employment Act, 2013 no. 40.

The Agency commenced operations on 24 February 2014 and assumed responsibility from the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) for the employees (and employee-related liabilities) responsible for provision of personnel services to the Trust. In accordance with the Memorandum of Understanding between the Agency and the Trust the Agency's sole objective is to provide personnel services to the Trust.

These financial statements for the period ended 30 June 2014 have been authorised for issue by the Sydney Opera House Trust on 17 September 2014.

#### (b) Basis of Preparation

The financial statements are general-purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010; and
- other applicable financial reporting directions issued by the Treasurer.

Property, plant and equipment, collection assets and financial assets and liabilities at "fair value through profit or loss" are measured at fair value. Other financial statement items are prepared on an accrual basis and based on historical costs. The methods used for measuring fair value are discussed further below.

The Trust has kept proper accounts and records in relation to all of its operations in accordance with Section 41(1) of the Public Finance and Audit Act, 1983.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

Figures shown in the financial statements have been rounded to the nearest \$1,000 and expressed in Australian currency, unless indicated otherwise.

#### (c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (d) Basis of Consolidation

Subsidiaries are entities controlled by the Consolidated Entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

#### (e) Insurance

The Consolidated Entity's insurance activities are primarily conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

#### (f) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Consolidated Entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (g) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Revenues are recognised in accordance with AASB 118 Revenue and AASB 1004 Contributions. Additional comments regarding the accounting policies for the recognition of income are discussed below.

##### (i) Sale of Goods

Revenue from the sale of goods is recognised as income when the Consolidated Entity transfers the significant risks and rewards of ownership of the assets. In cases where the Consolidated Entity acts as an agent, the Consolidated Entity does not have exposure to the significant risks and rewards associated with the sale of goods and in such cases the income earned is reported on a net basis.

*(ii) Rendering of Services*

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date). In cases where the Consolidated Entity acts as an agent, the Consolidated Entity does not have exposure to the significant risks and rewards associated with the sale of goods and in such cases the income earned is reported on a net basis.

*(iii) Investment, Rental and Royalty Income*

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term. Royalty income is recognised in accordance with AASB 118 Revenue on an accrual basis in accordance with the substance of the relevant agreement.

*(iv) Sponsorship, Donations and Other Grants*

Grants and other contributions are generally recognised as income when the Consolidated Entity obtains control over the assets comprising the grants and contributions. Control over grants and contributions is normally obtained when the obligations relating to the receipt have been met.

All donations, sponsorships and non-reciprocal contributions from the public are included in the Consolidated Entity's revenue on receipt. Pledged donations are not recognised as income until received.

The value of goods and services received by way of sponsorship was included in the Consolidated Entity's revenue for the period in contra sponsorship. The respective goods and services related to this income are reflected in the appropriate expense or asset accounts. The values of such sponsorships are brought to account on the proviso that a fair value for the sponsorship could be ascertained.

*(v) Government Contributions*

Government contributions in the form of grants are recognised as revenue when the Consolidated Entity obtains control over the assets. Control over Government contributions is obtained upon the receipt of cash. Government contributions are granted for recurrent, maintenance and building development.

**(h) Assets**

*(i) Acquisition of Assets*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Consolidated Entity. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged in an orderly transaction between market participants at the measurement date.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

*(ii) Capitalisation Threshold*

Property, plant and equipment and intangible assets costing \$5,000 and above individually or forming a group of parts or components costing more than \$5,000 are capitalised.

*(iii) Revaluation of Property, Plant and Equipment*

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value

in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 13 for further information regarding fair value.

The Consolidated Entity revalues art collection, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Land, Building and Building Services are revalued at least every 3 years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Building and building services were revalued by independent valuer, Rider Levett Bucknall NSW Pty Ltd as at 28 February 2014.

Land was revalued by the NSW Land and Property Information Valuation Services as at 22 March 2013.

The art collection was revalued by independent valuer Sue Hewitt as at 30 June 2010.

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Plant and equipment were revalued by independent valuers Rodney Hyman Asset Services Pty Ltd as at 30 June 2011.

Management is of the opinion that the carrying values of land, building and building services, plant and equipment and the art collection do not differ significantly from their fair value at 30 June 2014.

The value of work in progress represents capital works not completed at 30 June 2014.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in profit or loss, the increment is recognised immediately as income in profit or loss.

Revaluation decrements are recognised immediately as expenses in profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

## *(iv) Impairment of Property, Plant and Equipment*

As a not-for-profit entity with no cash generating units, AASB 136 Impairment of Assets effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are deemed immaterial.

## *(v) Intangible Assets*

The intangible assets held by the Consolidated Entity comprise software for internal use and is recognised initially at cost.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Consolidated Entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

The useful lives of intangible assets are assessed to be finite. The Consolidated Entity's software is amortised on a straight line basis over 5 years.

All intangible assets were assessed for impairment as at 30 June 2014. No intangible assets were found to be impaired.

## *(vi) Depreciation and Amortisation*

Depreciation is provided on certain property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the depreciable amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Work in progress currently do not attract any depreciation and will be depreciated, where appropriate once capital works are completed and placed in operation as an asset.

Land is not a depreciable asset.

The implementation guidance for not-for-profit public sector entities which accompanies AASB 116 Property, Plant and Equipment states the nature of many heritage and cultural assets may not have limited useful lives and therefore may not be subject to depreciation, this is the case for the Sydney Opera House art collection and building.

The Sydney Opera House building is considered to be a heritage asset with an extremely long useful life. Consequently the useful life and the net amount to be recovered at the end of the useful life of the building and building services cannot be reliably measured. Depreciation is therefore not recognised for these assets. The decision not to recognise depreciation for these assets is reviewed annually. In 2013-14 Management is of the opinion that depreciation should not be recognised on these assets.

The Sydney Opera House art collection is considered to be a cultural asset with an extremely long useful life because appropriate curatorial and preservation policies are adopted. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually. In 2013-14 Management is of the opinion that depreciation should not be recognised on these assets.

Depreciation and amortisation rates on other assets are shown hereunder:

Category of Assets	Rate of Depreciation %
Computer hardware	10, 20 and 33.3
Computer software	20
Plant and equipment	Range between 1 and 33.3
Forklifts and vehicle	10
Grand organ	0.5
Leasehold improvements	10

*(vii) Maintenance*

The costs of day-to-day servicing or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs, if over \$5,000 are capitalised and depreciated.

*(viii) Leased Assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The Consolidated Entity has no finance leases.

Operating lease payments are charged to profit or loss in the periods in which they are incurred.

The cost of improvement to or on leasehold property is capitalised and disclosed as leasehold improvements and amortised over the unexpired period of the lease term.

Leasehold decommissioning costs have been capitalised and expensed where the Consolidated Entity is contractually bound to restore the leased premises upon lease expiry. The asset and provision for decommissioning costs represents the present value of the Consolidated Entity's best estimate of the future sacrifice of

economic benefits that will be required to restore the leased premises to their original condition. The estimate has been made on the basis of market value on commercially leased property. The unexpired terms of the premises lease range from 1 month to 17 years.

*(ix) Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in profit or loss when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

*(x) Inventories*

Inventories held for distribution are stated at cost, adjusted when applicable for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Cost is assigned to individual items of inventory using the weighted average cost method.

*(xi) Investments*

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs.

The Consolidated Entity determines the classification of its financial assets at initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

The Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option – i.e. these financial assets are managed and their performance

is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Consolidated Entity's key management personnel.

The Treasury Risk Management Policy requires management to report on all investments, including the amount, yield, maturity, counterparty credit rating and total investments with counterparty. Exposure limits per counterparty are set to minimise the Consolidated Entity's risk.

Any Hour-Glass Investment facilities held by the Consolidated Entity are short-term unit trust investment funds managed by the NSW Treasury Corporation (TCorp). The Consolidated Entity has been issued with a number of units in TCorp's Hour-Glass Cash Facility Trust, based on the amount of the deposit and the unit value for the day.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movement in fair value and is reported in the line item "investment revenue".

Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Consolidated Entity has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in profit or loss when impaired, derecognised or through the amortisation process.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on reporting date.

*(xii) Impairment of financial assets*

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due.

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss.

Any reversals of impairment losses are reversed through profit or loss, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

#### *(xiii) Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Consolidated Entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Consolidated Entity has not transferred substantially all the risks and rewards, if the Consolidated Entity has not retained control.

Where the Consolidated Entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Consolidated Entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

#### *(xiv) Derivative Financial Instruments*

The Consolidated Entity holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as below.

Changes in the fair value of the derivative hedging instrument designated as a

cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedge instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs.

#### *(xv) Other Assets*

Other assets are recognised on a cost basis.

### **(i) Personnel Services and Other Provisions**

#### *(i) Personnel Services Arrangements*

The Trust and Communities NSW (CNSW), entered into a Memorandum of Understanding effective from 1 July 2006 which sets out the arrangements for employment and payment of staff working at the Sydney Opera House. The Public Sector Employment and Management (Departments) Order 2011 abolished Communities NSW on 1 April 2011 as part of the restructure of all NSW Government Agencies. The Memorandum of Understanding with CNSW remained effective until 30 June 2011 with new arrangements between the Trust and DTIRIS commencing 1 July 2011. These arrangements are for employment and payment of staff working at the Sydney Opera House who were considered employees of DTIRIS up to and including 23 February 2014.

As a result of the Government Sector Employment Act 2013 (GSE Act) and related Administrative Orders, on 24 February 2014, the Agency assumed responsibility from DTIRIS for the employees (and employee-related liabilities) responsible for provision of personnel services to the Trust (Note 22). Accordingly, the Agency has become the successor Public Service agency of the arrangement between the Trust and DTIRIS for provision of personnel services.

All payments to personnel and related obligations were performed in DTIRIS' name prior to the completion of this transaction and are classified as personnel services expenses in these financial statements.

#### *(ii) Personnel Services, salaries and wages, annual leave, sick leave and on-costs*

Subsequently, the payments to personnel and related obligations are performed in the Agency's name and are classified as employee-related expenses in the consolidated financial statements.

As a result of the employment arrangement with DTIRIS that was in place up to and including 23 February 2014, all personnel services provisions were calculated as part of the personnel services and stated as a liability to the service provider, DTIRIS. The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which were consequential to the provision of personnel services by the DTIRIS, were recognised as liabilities and expenses when the employee benefit to which they relate were recognised.

Subsequently from the 24 February 2014, provisions for personnel services are stated as a liability to the employee for services provided in the Consolidated Entity's financial statements and a liability to the Agency in the stand-alone financial statements of the Parent.

Salaries and wages (including non-monetary benefits) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted) and NSW TC 14/04 Accounting for Long Service



Leave and Annual Leave. Actuarial advice obtained by NSW Treasury has confirmed that the use of a nominal approach (using 9.29% of the nominal value of the long-term portion of annual leave) can be used to approximate the present value of the annual leave liability. The Consolidated Entity has assessed the actuarial advice based on the Consolidated Entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

#### *(iii) Long Service Leave*

The liability for long service leave is measured at present value using the Projected Unit Credit (PUC) method in accordance with AASB 119 Employee Benefits and NSW TC 14/04 Accounting for Long Service Leave and Annual Leave. Market yields on Australian Government bonds are used to discount long service leave. This rate represents the yield that matches as closely the estimated timing of expected payments.

The bond rate used at the reporting date was a semi-annual government bond rate of 3.54% (2013 3.76%).

Amounts expected to be settled wholly within 12 months of reporting date are not discounted.

#### *(iv) Defined Contribution Superannuation Plans*

A defined contribution superannuation plan is a post-employment benefit plan whereby the Consolidated Entity pays fixed contributions into a separate entity but has no legal or constructive obligation to pay any further amounts.

Contributions to defined contribution superannuation plans are recorded in accordance with AASB 119 and NSW TC 14/05 Accounting for Superannuation, and are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset

to the extent that a cash refund or a reduction in future payments is available.

#### *(v) Defined Benefit Superannuation Plans*

Contributions to a defined contribution plan that is due more than 12 months after the end of period in which the employees render the service are discounted to their present value.

Defined benefit superannuation plans provide defined lump sum benefits based on years of service and final average salary.

The Consolidated Entity accounts for defined benefit superannuation plans in accordance with AASB 119 Employee Benefits and NSW TC 14/05 Accounting for Superannuation. A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of defined benefit obligation at the reporting date less the fair value of the superannuation fund assets at that date and any unrecognised past service costs.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the PUC method. When determining the liability, consideration is given to future salary and wage levels, experience of employee departures and periods of service.

Prepaid contributions are recognised as an asset to the extent that cash refund/reduction in future payments is available. When the calculation results in a potential asset for the Consolidated Entity, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Consolidated Entity determines the net interest expense (income) on the net

defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Consolidated Entity recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

AASB 119 Employee Benefits does not specify whether the current and non-current portions of assets and liabilities arising from post-employment benefits are required to be disclosed because at times the distinctions may be arbitrary. The liability is disclosed as non-current as this best reflects when the liability is likely to be settled.

#### **(j) Other Liabilities**

##### *(i) Payables*

These amounts represent liabilities for goods and services provided to the Consolidated Entity and other amounts, including interest, advance ticket sales and other income in advance. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

##### *(ii) Other Provisions*

Other provisions are recognised when: the Consolidated Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risk specific to the liability.

## (k) Fair Value Hierarchy

A number of the Consolidated Entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 Fair Value Measurement, the Consolidated Entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices in active markets for identical assets / liabilities that the Consolidated Entity can access at the measurement date.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- **Level 3:** inputs that are not based on observable market data (unobservable inputs).

The Consolidated Entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 13 and Note 19 for further disclosures regarding fair value measurements of financial and non-financial assets.

## (l) Fundraising and Bequests

The Trust receives donations and manages bequests. The incomes provide for expenditure in the current year and in future years. The transactions are reported within the Consolidated Entity's financial statement. Amounts unspent in any year are carried forward for appropriate expenditure in future years. Details are provided in Note 21 to these financial statements.

## (m) Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and "equity appropriations" are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Consolidated Entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Consolidated Entity does not recognise that asset.

## (n) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

## (o) Changes in Accounting Policy, Including New or Revised Australian Accounting Standards

### (i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14:

### - AASB 13, Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7. As a result, the Consolidated Entity has included additional disclosures in this regard (see Notes 13 and 20).

In accordance with the transitional provisions of AASB 13, the Consolidated Entity has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Consolidated Entity's assets and liabilities.

### - AASB 119, Employee benefits

AASB 119 prescribes the accounting and disclosure for employee benefits. Liabilities should be recognised when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. The impact of applying AASB 119 for The Agency is not material.

### (ii) Issued but not yet effective

A number of new standards and interpretations are effective for annual periods beginning after 1 July 2013 which have not been applied in preparing these financial statements, as NSW public sector entities are not permitted to early adopt new Australian Accounting Standards.

New standards relevant to the Agency are discussed below. The Agency is not permitted to adopt these standards early.

- **AASB 9 Financial Instruments, AASB 2010-7 and AASB 2012-6 Amendments to Australian Accounting Standards arising from AASB 9**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets. The Agency has not yet assessed the full impact of AASB 9 as this standard is not mandatory before 1 January 2017.

- **AASB 10 Consolidated Financial Statements**

AASB 10 supersedes AASB 127. It introduces a new principles-based control model that focuses on both power and rights or exposure to variable returns. The Standard requires the parent entity to present consolidated financial statements as those of a single economic entity, replacing the requirements of AASB 127 Consolidated and Separate Financial Statements. This standard is effective for the Consolidated Entity's fiscal year commencing 1 July 2014. The new definition of control is not expected to impact on the Consolidated Entity.

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## NOTE 2

### FINANCIAL RISK MANAGEMENT

The Consolidated Entity has exposure to the following risks from the use of financial instruments:

- credit risk
- liquidity risk
- market risk.

These financial instruments arise directly from Consolidated Entity's operations or are required to finance the Consolidated Entity's operations. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included as appropriate, throughout the financial statement.

The Trust has established an Audit and Risk Committee which has overall responsibility for the establishment and oversight of the risk management framework and approves selected policies for managing risks. Compliance with policies is reviewed by the Internal Auditors and the Audit and Risk Committee on a continuous basis. The chair of the Audit and Risk Committee is an independent member of the Trust, and the committee regularly reports to the Trust on its activities.

A formal business risk assessment is undertaken to identify and analyse the risks faced by the Consolidated Entity, to determine appropriate controls and monitoring mechanisms, and formulate the internal audit program. Risks are regularly reviewed by management and reported to the Audit and Risk Committee in conjunction with standard reporting systems and procedures. Internal Audit undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Audit and Risk Committee. In addition, the Audit and Risk Committee seeks reports of management on a range of risk management activities.

### (a) Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the financial assets of the Consolidated Entity, including cash, receivables and authority deposits held through the normal course of business. The Consolidated Entity's maximum exposure to credit risk is represented by the carrying amount of the financial assets (net of any allowance for impairment).

#### (i) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. The Consolidated Entity has raised an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables, based on objective evidence that all amounts due will not be able to be collected. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 14-day terms.

#### (ii) Other Financial Assets

Credit risk associated with the Consolidated Entity's financial assets, other than receivables, is managed through setting investment limits and limiting investments to counterparties that have investment grade credit ratings from major credit rating agencies. Authority deposits held with TCorp are guaranteed by the State. TCorp deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. The Consolidated Entity has also placed funds on deposit with major banks, having regard to the rating provided by Standard & Poors, Fitch or Moody's. Bank deposits are for fixed terms, and the interest rate payable is negotiated initially and is fixed for the term of the deposit. The interest rate payable

# SYDNEY OPERA HOUSE TRUST

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on at-call deposits vary. The term deposits have varying maturity dates. None of these assets are past due or impaired.

The Trust has short-term investments in TCorp's Hour-Glass investment facilities and represented by a number of units in a cash facility with. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

## (b) Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will be unable to meet its payment obligations when they fall due. The Consolidated Entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The Consolidated Entity holds no loan facilities and during the current and prior periods, there were no instances of bank overdrafts. The Consolidated Entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12 Payment of Accounts. If trade terms are not specified, payment is made no later than 30 days from receipt of correctly rendered invoice. NSW TC 11/12 Payment of Accounts allows the Minister to award interest for late payment.

## (c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns. The Consolidated Entity's exposures to market risk is primarily through currency risk on purchases that are denominated in

a currency other than Australian Dollars and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The interest rate risk is not expected to significantly impact the operating results and financial position. The Consolidated Entity does not enter into commodity contracts.

## (d) Currency Risk

The Consolidated Entity is exposed to currency risk on purchases made in currencies other than Australian Dollars. The currencies in which these transactions are primarily denominated are Euro, GBP and USD. The Consolidated Entity's policy is to fully hedge any substantial future foreign currency purchases when contracted. The Consolidated Entity uses forward exchange contracts to hedge its currency risk, with maturity dates on the same dates as the contracted payments.

## (e) Other Price Risk – TCorp Hour-Glass Facilities

Exposure to "other price risk" primarily arises through the investment in the TCorp Hour-Glass Investment facilities, which are held for strategic rather than trading purposes. The Consolidated Entity has no direct equity investments. The Trust holds units in the TCorp Hour-Glass Cash Facility comprising of cash and money market instruments of up to 1.5 years.

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily. TCorp as trustee for the facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities (other than the Hour-Glass cash facility, which is included as cash) are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

## NOTE 3

REVENUE	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(a) Sale of goods and services</b>				
Gross box office	24,466	24,220	24,466	24,220
Theatre services	15,516	12,183	15,516	12,183
Venue hire	8,156	7,742	8,156	7,742
Tours	8,334	7,754	8,334	7,754
Food and beverage	9,796	8,937	9,796	8,937
Booking fees and charges	4,683	4,366	4,683	4,366
Retail and licensing	1,935	1,526	1,935	1,526
Miscellaneous	1,561	1,366	1,561	1,366
	<b>74,447</b>	<b>68,094</b>	<b>74,447</b>	<b>68,094</b>
<b>(b) Investment income</b>				
Interest income from financial assets not at fair value through profit or loss	2,577	4,000	2,577	4,000
TCorp Hour-Glass Investment Facilities designated at fair value through profit or loss	1,222	778	1,222	778
	<b>3,799</b>	<b>4,778</b>	<b>3,799</b>	<b>4,778</b>
<b>(c) Sponsorship revenue</b>				
Contra sponsorship	4,868	3,430	4,868	3,430
Contra sponsorship – Capital	254	–	254	–
Cash sponsorship	3,303	1,447	3,303	1,447
	<b>8,425</b>	<b>4,877</b>	<b>8,425</b>	<b>4,877</b>
<b>(d) Donation revenue</b>				
Cash donations	1,610	921	1,610	921
	<b>1,610</b>	<b>921</b>	<b>1,610</b>	<b>921</b>
<b>(e) Other grants</b>				
Other grants	4,575	2,407	4,575	2,407
	<b>4,575</b>	<b>2,407</b>	<b>4,575</b>	<b>2,407</b>

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

REVENUE CONTINUED	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(f) Government contributions</b>				
Recurrent				
Annual endowment	13,573	13,949	13,573	13,949
	<b>13,573</b>	<b>13,949</b>	<b>13,573</b>	<b>13,949</b>
Capital and Maintenance				
Capital – Waterproofing repairs	-	1,454	-	1,454
Capital – Vehicle Access and Pedestrian Safety	14,305	79,478	14,305	79,478
Capital – Stage management system upgrade	1,598	3,822	1,598	3,822
Capital – Lifts and escalators	8,222	4,944	8,222	4,944
Strategic asset maintenance (i)	38,833	31,233	38,833	31,233
	<b>62,958</b>	<b>120,931</b>	<b>62,958</b>	<b>120,931</b>
	<b>76,531</b>	<b>134,880</b>	<b>76,531</b>	<b>134,880</b>

(i) Recognition of the Strategic Asset Maintenance grant in 2014 is impacted by the advance receipt of \$6,850k which pertains to 2015.

Government contributions recognised as income during 2014 and yet to be expensed due to the nature of the building works being undertaken are as follows:

	Remaining Government Contributions	
	2014 \$'000	2013 \$'000
Vehicle Access and Pedestrian Safety	-	30,418
Lift and escalators	7,113	-
Strategic asset maintenance	6,565	-
	<b>13,678</b>	<b>30,418</b>

These remaining grants will be expensed within the next 12 months after reporting date.

## NOTE 4

EXPENSES	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(a) Employee-related expenses</b>				
Salary, wages and allowances (including annual and long service leave)	13,387	-	-	-
Overtime	1,849	-	-	-
Superannuation – defined contribution plans	1,342	-	-	-
Superannuation – defined benefit plans	(312)	-	-	-
Payroll tax and fringe benefits tax	1,031	-	-	-
Workers compensation insurance	(357)	-	-	-
Redundancies	468	-	-	-
Other expenses	22	-	-	-
Temporary assistance	297	-	-	-
<b>Employee-related expenses</b>	<b>17,727</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: charged to maintenance	(2,274)	-	-	-
	<b>15,453</b>	<b>-</b>	<b>-</b>	<b>-</b>

Up to and including 23 February 2014, all of the Sydney Opera House's personnel services were provided by DTIRIS (refer Note 22), except for temporary assistance. Subsequently from 24 February 2014, all personnel services were provided to the Trust by the Agency. This table details employee expenses incurred by the Consolidated Entity (through the Agency) from 24 February 2014.

These expenses relate to personnel services provided by DTIRIS up to and including 23 February 2014 and provided to the Trust by the Agency from 24 February 2014 to 30 June 2014. The Consolidated Entity expenses represent only those costs incurred by DTIRIS up to and including 23 February 2014. Employee expenses incurred by the Consolidated Entity from 24 February 2014 are recorded in employee-related expenses (Note 4(a)).

<b>(b) Personnel services expenses</b>				
Personnel service expenses	34,911	46,795	52,054	46,795
Temporary assistance	579	804	875	804
	<b>35,490</b>	<b>47,599</b>	<b>52,929</b>	<b>47,599</b>
Less: charged to maintenance	(4,555)	(6,489)	(6,829)	(6,489)
	<b>30,935</b>	<b>41,110</b>	<b>46,100</b>	<b>41,110</b>

Personnel service expenses (Note 4(b)) and employee-related expenses (Note 4(a)) do not include those employee-related costs that have been capitalised as an asset and classified as Work-in-Progress of \$1,448k (2013: \$912k).

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

EXPENSES CONTINUED	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(c) Other expenses</b>				
Artist fees and presentation expenses	16,428	14,913	16,428	14,913
Publicity and advertising	6,966	7,699	6,966	7,699
Utilities and cleaning	6,240	6,117	6,240	6,117
Administration expenses	4,891	4,002	4,891	4,002
Consumables and minor equipment	4,953	1,940	4,953	1,940
Consultants	1,338	178	1,338	178
Other fees for services	6,034	4,253	6,034	4,253
Tour packages and events	483	522	483	522
Merchandise expenses	12	76	12	76
Building and general insurance	1,126	1,086	1,126	1,086
Bank and credit card charges	1,216	1,182	1,216	1,182
Rent payments on operating leases – minimum lease payments	782	912	782	912
Rent payments on operating leases – outgoing payments	85	30	85	30
Bad and doubtful debt expense	(12)	(20)	(12)	(20)
Audit fee	98	86	98	86
	<b>50,640</b>	<b>42,976</b>	<b>50,640</b>	<b>42,976</b>
<b>(d) Maintenance</b>				
System and network maintenance	704	918	704	918
Building and equipment repairs and maintenance	26,124	23,233	26,124	23,233
	<b>26,828</b>	<b>24,151</b>	<b>26,828</b>	<b>24,151</b>
Plus: Personnel services and employee-related maintenance charge	6,829	6,489	6,829	6,489
	<b>33,657</b>	<b>30,640</b>	<b>33,657</b>	<b>30,640</b>



	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(e) Depreciation, amortisation and make-good</b>				
Depreciation				
Plant and equipment	12,019	12,380	12,019	12,380
Amortisation				
Intangible assets	177	150	177	150
Amortisation of leasehold improvements	146	146	146	146
	<b>323</b>	<b>296</b>	<b>323</b>	<b>296</b>
Provision				
Lease make-good expense	4	6	4	6
	<b>12,346</b>	<b>12,682</b>	<b>12,346</b>	<b>12,682</b>
<b>(f) Finance costs</b>				
Interest paid to suppliers	1	1	1	1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

## NOTE 5

### OTHER GAINS/(LOSSES)

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Gain/(loss) on disposal</b>				
Gain/(loss) on disposal of fixed assets	21	(33)	21	(33)
Assets written off	(12)	(8)	(12)	(8)
	<b>9</b>	<b>(41)</b>	<b>9</b>	<b>(41)</b>
<b>Other gain/(loss)</b>				
Realised gain on foreign currency	1	1	1	1
	<b>10</b>	<b>(41)</b>	<b>10</b>	<b>(41)</b>

## NOTE 6

### TRUSTEES' REMUNERATION

No emoluments were paid to the Trustees during the period (2013: nil). The Trustees resolved to cease being remunerated from 1 January 2007. Part of Trustee duties involves attending Sydney Opera House Trust events.

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

<b>NOTE 7</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	11,228	10,260	11,228	10,260
Hour-Glass cash facility	23,698	31,476	23,698	31,476
Short-term deposits	63,500	66,613	63,500	66,613
	<b>98,426</b>	<b>108,349</b>	<b>98,426</b>	<b>108,349</b>

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the period to the statement of cash flows in this table:	Cash and cash equivalents (per statement of financial position)	98,426	108,349	98,426	108,349
	Closing cash and cash equivalents (per statement of cash flows)	98,426	108,349	98,426	108,349

		<b>2014</b> \$'000	<b>2013</b> \$'000
All short-term deposits are considered by the Consolidated Entity in day-to-day operations as liquid and aged as follows:	Between 3-6 months	3,000	28,000
	Between 6-12 months	60,500	38,613
		<b>63,500</b>	<b>66,613</b>

Refer Note 20 (c) and (d) for details regarding interest rate risk and a sensitivity analysis for financial assets and liabilities.

<b>NOTE 8</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	1,527	1,968	1,527	1,968
Allowance for impairment of receivables	-	(46)	-	(46)
Accrued income	3,072	1,618	3,072	1,618
Other receivables	1,321	1,235	1,321	1,235
	<b>5,920</b>	<b>4,775</b>	<b>5,920</b>	<b>4,775</b>

Refer Note 20 (a) and (e) for details regarding exposure to credit and currency risk, impairment losses related to trade and other receivables and the reconciliation of movements in allowance for impairment of receivables.

<b>NOTE 9</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>PREPAYMENTS</b>				
Prepaid superannuation – defined benefit schemes	2,167	2,171	-	2,171
Prepaid expenses	1,126	898	1,126	898
	<b>3,293</b>	<b>3,069</b>	<b>1,126</b>	<b>3,069</b>

<b>Prepaid Superannuation</b>	<b>Estimated Reserve Account Funds</b>		<b>Accrued Liability</b>		<b>Prepaid Contributions</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000

The funding position at 30 June 2014 in respect of the three defined benefits schemes related to personnel services received, namely the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non Contributory Superannuation Scheme (SANCS) has been advised by Pillar Administration:

<b>Defined Benefit Asset</b>						
SSS	46,681	44,862	(44,537)	(42,714)	2,144	2,148
SANCS	1,572	1,546	(1,549)	(1,523)	23	23
	<b>48,253</b>	<b>46,408</b>	<b>(46,086)</b>	<b>(44,237)</b>	<b>2,167</b>	<b>2,171</b>
<b>Defined Benefit Liability</b>						
SASS	8,195	7,681	(8,583)	(8,125)	(388)	(444)
	<b>8,195</b>	<b>7,681</b>	<b>(8,583)</b>	<b>(8,125)</b>	<b>(388)</b>	<b>(444)</b>
<b>Total</b>	<b>56,448</b>	<b>54,089</b>	<b>(54,669)</b>	<b>(52,362)</b>	<b>1,779</b>	<b>1,727</b>

The defined benefit liability for the Consolidated Entity's defined benefit plans has been included in payables – personnel services (refer to Note 16).

<b>NOTE 10</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>INVENTORY HELD FOR DISTRIBUTION</b>				
Finished goods – at cost adjusted for obsolescence	58	68	58	68
<b>Total inventory</b>	<b>58</b>	<b>68</b>	<b>58</b>	<b>68</b>

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL  
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<b>NOTE 11</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Land</b>				
At fair value	111,000	111,000	111,000	111,000
<b>Land – at fair value</b>	<b>111,000</b>	<b>111,000</b>	<b>111,000</b>	<b>111,000</b>
<b>Building and building services</b>				
Gross carrying amount	1,952,772	1,916,529	1,952,772	1,916,529
Less: accumulated depreciation and impairment	(235)	(230)	(235)	(230)
<b>Buildings and building services – at fair value</b>	<b>1,952,537</b>	<b>1,916,299</b>	<b>1,952,537</b>	<b>1,916,299</b>
<b>Land and buildings – at fair value</b>	<b>2,063,537</b>	<b>2,027,299</b>	<b>2,063,537</b>	<b>2,027,299</b>
<b>Plant and equipment</b>				
Gross carrying amount	212,709	217,025	212,709	217,025
Less: accumulated depreciation and impairment	(92,799)	(87,212)	(92,799)	(87,212)
<b>Plant and equipment – at fair value</b>	<b>119,910</b>	<b>129,813</b>	<b>119,910</b>	<b>129,813</b>
Art collection – at fair value	5,160	5,160	5,160	5,160
Work in progress – at fair value	149,738	101,366	149,738	101,366
<b>Property, plant and equipment – at fair value</b>	<b>2,338,345</b>	<b>2,263,638</b>	<b>2,338,345</b>	<b>2,263,638</b>

**PROPERTY, PLANT  
AND EQUIPMENT  
CONTINUED**

**Consolidated and Parent**

	<b>Land and Building \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Work in Progress \$'000</b>	<b>Art Collection \$'000</b>	<b>Total</b>
<b>Reconciliation 2014</b>					
Fair value at start of period	2,027,299	129,813	101,366	5,160	<b>2,263,638</b>
Additions	4	778	50,998	-	<b>51,780</b>
Disposals and write-offs	-	(96)	-	-	<b>(96)</b>
Reclassification	-	1,579	(2,626)	-	<b>(1,047)</b>
Revaluation	36,238	-	-	-	<b>36,238</b>
Lease make-good expense	(4)	-	-	-	<b>(4)</b>
Depreciation	-	(12,164)	-	-	<b>(12,164)</b>
<b>Fair value at period end</b>	<b>2,063,537</b>	<b>119,910</b>	<b>149,738</b>	<b>5,160</b>	<b>2,338,345</b>

The comparative reconciliation for the year ended 30 June 2013 is set out in this table:

**Reconciliation 2013**

Fair value at start of year	2,026,347	138,363	43,854	5,158	2,213,722
Additions	-	1,979	60,814	2	62,795
Disposals and write-offs	-	(220)	10	-	(210)
Reclassification	958	2,217	(3,312)	-	(137)
Revaluation	-	-	-	-	-
Lease make-good expense	(6)	-	-	-	(6)
Depreciation	-	(12,526)	-	-	(12,526)
<b>Fair value at year end</b>	<b>2,027,299</b>	<b>129,813</b>	<b>101,366</b>	<b>5,160</b>	<b>2,263,638</b>

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12 INTANGIBLE ASSETS	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Software</b>				
At cost (gross carrying amount)	3,624	3,052	3,624	3,052
Less: accumulated amortisation and impairment	(2,387)	(2,829)	(2,387)	(2,829)
<b>Net carrying amount</b>	<b>1,237</b>	<b>223</b>	<b>1,237</b>	<b>223</b>
Reconciliation of the carrying value of intangibles is set out here:				
Intangibles – Fair value at start of period	223	237	223	237
Additions	158	-	158	-
Reclassification	1,047	137	1,047	137
Disposals and write-offs	(13)	(1)	(13)	(1)
Amortisation	(178)	(150)	(178)	(150)
<b>Intangibles – Fair value at end of period</b>	<b>1,237</b>	<b>223</b>	<b>1,237</b>	<b>223</b>

NOTE 13 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value
<b>(a) Fair value hierarchy</b>				
Land	-	111,000	-	<b>111,000</b>
Buildings	-	1,952,537	-	<b>1,952,537</b>
Art collection	-	5,160	-	<b>5,160</b>
	-	<b>2,068,697</b>	-	<b>2,068,697</b>

Property and art collection, excluding plant and equipment and work in progress (Note 11). There were no transfers between Level 1 and 2 during the period.

The fair value of property, plant and equipment was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and categories of the property, plant and equipment being valued.

### (b) Valuation techniques, inputs and processes

Type	Valuation technique
<b>Land</b>	<b>Market approach:</b> The fair value of land has been determined using the direct comparison approach. Market evidence is obtained through transactions involving land within the Sydney central business district and fringe commercial areas. A rate per square metre of land and a rate per square metre of floor space area has been deduced for each sale, and compared to the Consolidated Entity's land, considering other key factors such as heritage restrictions, zoning, location and frontage.
<b>Buildings</b>	<b>Cost approach:</b> The fair value of buildings is determined using a reproduction cost approach given the unique nature of the building. No diminution in value has been recognised due to the on-going maintenance program and the long design and economic life of the assets.
<b>Art collection</b>	<b>Market approach:</b> The fair value of collection assets is determined using quoted market prices for similar items.

Refer Note 20 (b) and (d) for details regarding exposure to currency and liquidity risk related to trade and other payables.

<b>NOTE 14</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>TRADE AND OTHER PAYABLES</b>				
Trade creditors	5,108	1,901	5,108	1,901
Accrued expenses	9,161	13,459	9,161	13,459
Other payables	743	669	743	669
Defined benefit liability	388	444	-	444
	<b>15,400</b>	<b>16,473</b>	<b>15,012</b>	<b>16,473</b>

<b>NOTE 15</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>DEFERRED REVENUE</b>				
Advance ticket sales	9,984	6,851	9,984	6,851
Hirers' deposits	1,304	745	1,304	745
Income in advance	1,018	1,010	1,018	1,010
	<b>12,306</b>	<b>8,606</b>	<b>12,306</b>	<b>8,606</b>

<b>NOTE 16</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>PAYABLES</b>				
<b>PERSONNEL SERVICES</b>				
<b>Current</b> Personnel services payables	-	11,702	12,573	11,702
	-	<b>11,702</b>	<b>12,573</b>	<b>11,702</b>
<b>Non-Current</b> Personnel services payables	-	2,071	1,703	2,071
	-	<b>2,071</b>	<b>1,703</b>	<b>2,071</b>
	-	<b>13,773</b>	<b>14,276</b>	<b>13,773</b>

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

<b>NOTE 17</b>	<b>Consolidated</b>		<b>Parent</b>	
	<b>2014</b> \$'000	<b>2013</b> \$'000	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>PROVISIONS</b>				
<b>CURRENT AND NON-CURRENT</b>				
<b>Current</b>				
Lease make-good provision	235	99	235	99
Employee benefits	12,539	-	-	-
Fringe benefits	86	-	-	-
<b>Total Current Provisions</b>	<b>12,860</b>	<b>99</b>	<b>235</b>	<b>99</b>
<b>Non-Current</b>				
Lease make-good provision	-	131	-	131
Employee benefits	1,703	-	-	-
<b>Total Non-Current Provisions</b>	<b>1,703</b>	<b>131</b>	<b>-</b>	<b>131</b>
<b>Total Provisions</b>	<b>14,563</b>	<b>230</b>	<b>235</b>	<b>230</b>

Reconciliation of the fair value of the lease make-good provision is set out here:	Carrying amount at the start of the period	230	360	230	360
	Additional provision	5	-	5	-
	Provision released	-	(130)	-	(130)
	<b>Carrying amount at the end of the period</b>	<b>235</b>	<b>230</b>	<b>235</b>	<b>230</b>

Under the lease agreements the Consolidated Entity is required to reinstate the leased premises located at Level 3, Customs House and Leichhardt Store in Sydney to the condition they were in at the commencement date.



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## NOTE 18

### EMPLOYEE DEFINED BENEFITS

The following disclosures relate to the defined benefit superannuation plan of the Consolidated Entity. The Parent does not have a defined benefit superannuation plan as all employees of the Trust are provided by the Agency.

#### Nature of the benefits provided by the Fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members.

#### Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the SAS Trustee Corporation (STC) Pooled Fund

will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

#### Description of other entities' responsibilities for the governance of the Fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the Fund and payment to the beneficiaries from fund assets when required in accordance with the Fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

#### Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk:** The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk:** The risk that pensioners live longer than assumed, increasing future pensions.

- **Pension indexation risk:** The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk:** The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk:** The risk is that legislative changes could be made that increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

#### Description of significant events

There were no funds amendments, curtailments or settlements during the year.

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>Reconciliation of the Net Defined Benefit Liability/(Asset)</b>				
<b>Net defined benefit liability/(asset) at start of period</b>	<b>63</b>	<b>(22)</b>	<b>(1,590)</b>	<b>(1,549)</b>
Current service cost	98	22	69	189
Net interest on the net defined benefit liability/(asset)	6	(1)	(135)	(130)
Actual return on fund assets less interest income	(226)	(10)	(322)	(558)
Actuarial (gains)/losses arising from changes in financial assumptions	283	68	3,596	3,947
Actuarial (gains)/losses arising from liability experience	164	4	(278)	(110)
Adjustment for effect of asset ceiling	-	(84)	(3,484)	(3,568)
<b>Net defined benefit liability/(asset) at end of period</b>	<b>388</b>	<b>(23)</b>	<b>(2,144)</b>	<b>(1,779)</b>
<b>Reconciliation of the Fair Value of Fund Assets</b>				
<b>Fair value of fund assets at beginning of the period</b>	<b>8,172</b>	<b>1,702</b>	<b>57,820</b>	<b>67,694</b>
Interest income	93	20	691	804
Actual return on fund assets less interest income	225	11	322	558
Contributions by participants	36	-	35	71
Benefits paid	(360)	(46)	(613)	(1,019)
Taxes, premiums and expenses paid	29	15	65	109
<b>Fair value of fund assets at end of the period</b>	<b>8,195</b>	<b>1,702</b>	<b>58,320</b>	<b>68,217</b>
<b>Reconciliation of the Defined Benefit Obligation</b>				
<b>Present value of defined benefit obligations at beginning of the period</b>	<b>8,235</b>	<b>1,467</b>	<b>41,107</b>	<b>50,809</b>
Current service cost	98	22	69	189
Interest cost	99	19	556	674
Contributions by participants	36	-	35	71
Actuarial (gains)/losses arising from changes in financial assumptions	283	68	3,596	3,947
Actuarial (gains)/losses arising from liability experience	164	4	(278)	(110)
Benefits paid	(360)	(46)	(613)	(1,019)
Taxes, premiums and expenses paid	29	15	65	109
<b>Present value of defined benefit obligations at end of the period</b>	<b>8,584</b>	<b>1,549</b>	<b>44,537</b>	<b>54,670</b>
<b>Reconciliation of the effect of the asset ceiling</b>				
<b>Adjustment for effect of asset ceiling at beginning of the period</b>	<b>-</b>	<b>213</b>	<b>15,122</b>	<b>15,335</b>
Change in the effect of asset ceiling	-	(84)	(3,484)	(3,568)
<b>Adjustment for effect of asset ceiling at end of the period</b>	<b>-</b>	<b>129</b>	<b>11,638</b>	<b>11,767</b>

## Fair value of Fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities.

The disclosures below relate to total assets of the STC Pooled Fund\*\*.

**Level 1:** quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

**Level 2:** inputs other than quoted prices observable for the asset or liability either direct or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

**Level 3:** inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Asset Category</b> As at 30 June 2014				
Short-term Securities	2,452,755	1,572,615	880,140	-
Australian Fixed Interest	2,365,014	10,928	2,354,086	-
International Fixed Interest	880,529	-	880,529	-
Australian Equities	11,738,636	11,494,549	241,423	2,664
International Equities	10,953,329	8,172,677	2,780,531	121
Property	3,272,986	894,113	692,296	1,686,577
Alternatives	6,329,410	565,401	4,897,152	866,857
<b>Total</b>	<b>37,992,659</b>	<b>22,710,283</b>	<b>12,726,157</b>	<b>2,556,219</b>

### The percentage invested in each asset class at the reporting date is:

Australian Equities	30.9%
International Equities	28.8%
Alternatives	16.7%
Property	8.6%
Short-term Securities	6.5%
Australian Fixed Interest	6.2%
International Fixed Interest	2.3%

\*\* Additional to the assets disclosed above, at 30 June 2014 Pooled Fund has provisions for receivable/(payable) estimated to be around \$2.2 billion, giving an estimated assets totalling around \$40.2 billion.

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## Fair value of entity's own financial instruments

The disclosures below relate to total assets of the STC Pooled Fund.

The fair value of the Pooled Fund assets includes as at 30 June 2014 of \$173.9 million in NSW government bonds.

### Significant Actuarial Assumptions at 30 June 2014

Assumption	2014
Discount rate	3.57% pa
Salary increase rate (excluding promotional increases)	2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018, 3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa thereafter
Rate of CPI increase	2.5% pa
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund

## Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2014 under several scenarios is presented below.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount Rate	3.57%	2.57%	4.57%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	54,669,478	61,167,344	49,305,026

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount Rate	as above	as above	as above
Rate of CPI increase	2.5%	3.0%	2.0%
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	54,669,478	57,483,878	52,087,503

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount Rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates plus 0.5% pa
Defined benefit obligation (\$'000)	54,669,478	54,977,098	54,368,516

	Base Case	Scenario G +5% pensioner mortality rates	Scenario H -5% pensioner mortality rates
Defined benefit obligation (\$'000)	54,669,478	54,156,714	55,213,162

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

### Asset-Liability matching

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements.

### Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

### Surplus/deficit

The following is a summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefits	7,533	1,292	27,546	36,371
Net market value of fund assets	(8,195)	(1,702)	(58,319)	(68,216)
<b>Net (surplus)/deficit</b>	<b>(662)</b>	<b>(410)</b>	<b>(30,773)</b>	<b>(31,845)</b>

### Contribution recommendations

Recommended contribution rates for the Consolidated Entity for the current period are:

SASS multiple of member contributions	-
SANCS % member salary	-
SSS multiple of member contributions	-

### Economic assumptions

The economic assumptions adopted for the 30 June 2012 actuarial investigation of the Fund are:

Weighted-Average Assumptions	
Expected rate of return on fund assets backing current pension liabilities	8.3% pa
Expected rate of return on fund assets backing other liabilities	7.3% pa
Expected salary increase rate	2.7% pa (PSS 3.5% pa) for 6 years then 4.0% pa
Expected rate of CPI increase	2.5% pa

Expected employer contributions for 2015	\$'000
SASS	-
SANCS	-
SSS	-
<b>Total</b>	<b>-</b>

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 11.8 years.

<b>Profit and Loss Impact</b>	<b>SASS</b> \$'000	<b>SANCS</b> \$'000	<b>SSS</b> \$'000	<b>Total</b> \$'000
Current service cost	98	22	69	189
Net interest	6	(1)	(135)	(130)
<b>Defined benefit cost</b>	<b>104</b>	<b>21</b>	<b>(66)</b>	<b>59</b>

<b>Other comprehensive income</b>	<b>SASS</b> \$'000	<b>SANCS</b> \$'000	<b>SSS</b> \$'000	<b>Total</b> \$'000
Actuarial (gains)/losses on liabilities	447	72	3,319	3,838
Actual return on fund assets less interest income	(226)	(10)	(322)	(558)
Adjustment for effect of asset ceiling	-	(84)	(3,484)	(3,568)
<b>Total remeasurement in other comprehensive income</b>	<b>221</b>	<b>(22)</b>	<b>(487)</b>	<b>(288)</b>



## NOTE 19

### DERIVATIVES USED FOR HEDGING

#### Foreign Currency Risk Management

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts to manage risk.

Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated purchase transaction takes place.

This table details the forward foreign currency hedge contracts outstanding as at reporting date:

Foreign Currency Forward Contracts	Asset		Liability		Net Position	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Euro	215	2,737	(222)	(2,494)	(7)	243
GBP	861	116	(884)	(108)	(23)	8
USD	232	266	(239)	(254)	(7)	12
CAD	107	-	(105)	-	2	-
SEK	1	-	(1)	-	-	-
<b>Total</b>	<b>1,416</b>	<b>3,119</b>	<b>(1,451)</b>	<b>(2,856)</b>	<b>(35)</b>	<b>263</b>

Refer Note 20 (b) and (d) for details regarding exposure to currency and liquidity risk to derivative financial instruments.

The Consolidated Entity entered into contracts for the purchase of various currencies which expire within 12 months after reporting date. The Consolidated Entity enters into forward foreign exchange contracts to cover foreign currency payments due on future contracts.

As at reporting date the aggregate amount of unrealised loss on forward foreign exchange contracts relating to anticipated future transactions is \$35k (2013: profit \$263k). In the current period, these unrealised gains have been deferred in the hedging reserve to the extent the hedge is effective.

		2014 \$'000	2013 \$'000
<b>Reconciliation</b>	Carrying amount at the start of the period	263	(123)
Reconciliation of unrealised gains on forward exchange contracts for the Trust and the Consolidated Entity is in this table:	Unrealised (loss)/gain on forward exchange contracts	(298)	386
	<b>Total unrealised (loss)/gains on forward exchange contracts</b>	<b>(35)</b>	<b>263</b>

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## NOTE 20

### FINANCIAL INSTRUMENTS

The Consolidated Entity's principal financial instruments are outlined below. These financial instruments arise directly from operations or are required to finance the operations. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Consolidated Entity's main risks arising from financial instruments are outlined below, together with objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Consolidated Entity has overall responsibility for the oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the internal auditors on a continuous basis.

Financial Instrument Categories	Note	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
<b>Financial Assets i.</b>				
Cash and cash equivalents	7	N/A	98,426	108,349
Trade and other receivables	8	Loans and receivables (at amortised cost)	5,920	4,775
Derivative financial instruments	19	Designated and effective hedging instrument	1,416	3,119
<b>Financial Liabilities ii.</b>				
Trade and other payables	14	Financial liabilities (at amortised cost)	15,400	16,473
Derivative financial instruments	19	Designated and effective hedging instrument	1,451	2,856
	1,451	2,856		

i. Excludes statutory receivables and prepayments (not within scope of AASB 7).

ii. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

#### (a) Credit Risk

##### Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Trust and the Consolidated Entity's maximum exposure to credit risk at reporting date was:

	Note	2014 \$'000	2013 \$'000
Cash and cash equivalents	7	98,426	108,349
Trade and other receivables	8	5,920	4,775
		<b>104,346</b>	<b>113,124</b>

##### Cash and cash equivalents

Cash comprises cash on hand and bank balances with Commonwealth Bank and National Australia Bank. Cash is recorded at nominal values for cash on hand and cash held in bank accounts. Interest is earned on daily bank balances. The interest rate at period-end was 1.50% for the CBA Management Account (2013: 1.75%) and 2.70% for the SOH Business Online Saver (2013: 2.75%). The Annual Giving Business Online Saver attracts an interest rate of 2.70% (2013: 2.75%). The NAB operating account doesn't attract any interest and balance is kept to a minimal value of \$22k (2013: \$7k) and the TCorp Hour-Glass cash facility is discussed in Note 20 (c) and 20 (f) below.



The Trust has placed funds on deposit with TCorp, NAB, Westpac/St. George, ANZ and CBA/BankWest. The deposits at balance date were earning an average interest rate of 3.47% (2013: 3.72%), while over the period the average interest rate was 3.36% (2013: 4.46%).

#### Trade and Other Receivables

Trade and Other receivables include trade receivables, other receivables and accrued income, yet to be invoiced.

The Trust and the Consolidated Entity's maximum exposure to credit risk for trade receivables at the reporting date by business segment was:

	Carrying Amount	
	2014 \$'000	2013 \$'000
Tour activities	294	238
Sponsorship	163	135
Venue hire and related services	331	518
Precinct businesses	522	810
SOH presents	76	39
Marketing and communication	18	-
Other	133	272
<b>Total</b>	<b>1,537</b>	<b>2,012</b>

#### Impairment Losses

The aging of the Trust and the Consolidated Entity's trade receivables at reporting date was:

	Total \$'000	Not Impaired \$'000	Considered Impaired \$'000
<b>2014</b>			
Not past due	1,137	1,137	-
< 3 months past due	385	385	-
3-6 months past due	13	13	-
> 6 months past due	2	2	-
	<b>1,537</b>	<b>1,537</b>	<b>-</b>
<b>2013</b>			
Not past due	1,394	1,392	2
< 3 months past due	614	606	8
3-6 months past due	7	4	3
> 6 months past due	43	10	33
	<b>2,058</b>	<b>2,012</b>	<b>46</b>

The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

The allowance account in respect of trade receivables is used to record impairment losses unless the Consolidated Entity is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

	2014 \$'000	2013 \$'000
Opening balance	(46)	(66)
Less: Bad debts written off	34	-
Less: Provision release	12	66
Add: Additional provision	-	(46)
Balance at end of period	-	(46)

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## (b) Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will be unable to meet its payment obligations when they fall due. The Consolidated Entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of cash advances held as short-term investments or at call.

These are the contractual maturities of financial liabilities for the Trust and the Consolidated Entity:

	Carrying Amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6 to 12 months \$'000	Between 1 and 2 years \$'000
<b>2014</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	(15,400)	(15,400)	(15,400)	-	-
<b>Derivative financial liabilities</b>					
Forward exchange contracts used for hedging:					
Outflow		(1,451)	(454)	(963)	(34)
Inflow		1,416	448	935	33
Net carrying amount of derivatives	(35)				
	<b>(15,435)</b>	<b>(15,435)</b>	<b>(15,406)</b>	<b>(28)</b>	<b>(1)</b>
<b>2013</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	(16,473)	(16,473)	(16,473)	-	-
<b>Derivative financial liabilities</b>					
Forward exchange contracts used for hedging:					
Outflow		(2,856)	(2,784)	(72)	-
Inflow		3,119	3,047	72	-
Net carrying amount of derivatives	263				
	<b>(16,210)</b>	<b>(16,210)</b>	<b>(16,210)</b>	<b>-</b>	<b>-</b>
<b>2014</b>					
<b>Foreign Exchange contracts</b>					
Assets	1,416	1,416	448	935	33
Liabilities	(1,451)	(1,451)	(454)	(963)	(34)
	<b>(35)</b>	<b>(35)</b>	<b>(6)</b>	<b>(28)</b>	
<b>2013</b>					
<b>Foreign Exchange contracts</b>					
Assets	3,119	3,119	3,047	72	-
Liabilities	(2,856)	(2,856)	(2,784)	(72)	-
	<b>263</b>	<b>263</b>	<b>263</b>	<b>-</b>	<b>-</b>

This table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur, and the effect on profit or loss for the Trust and the Consolidated Entity:

**(c) Market Risk**

The Trust and Consolidated Entity's exposure to market risk is primarily through currency risk on purchases that are denominated in a currency other than Australian Dollars and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities.

The Trust and the Consolidated Entity's exposure to interest rate risk (other than that impacting the TCorp Hour-Glass Cash facility price as set out below) is limited to cash at bank. The impact to the Trust and the Consolidated Entity of a 0.25% change in interest rate for cash at bank is set out below:

	Change in Interest Rate	Impact on Profit/Loss	
		2014 \$'000	2013 \$'000
Cash at Bank	+/- 0.25%	28	26

**Other price risk – TCorp Hour-Glass facilities**

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Consolidated Entity has no direct equity investments. The Trust holds units in the following Hour-Glass investment trusts:

Facility	Investment sector and horizon	Change in Unit Price	Impact on Profit/Loss	
			2014 \$'000	2013 \$'000
Hour-Glass Cash facility	Cash, money market instruments up to 1.5 yrs	+/- 0.50%	118	157

## SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### (d) Currency Risk

#### Exposure to currency risk

The Trust and the Consolidated Entity's exposure to foreign currency risk at reporting date was as follows, based on notional amounts:

	Euro \$'000	GBP \$'000	USD \$'000	CAD \$'000	SEK \$'000
<b>2014</b>					
Forward exchange contracts*	222	884	239	105	1
<b>Net exposure</b>	<b>222</b>	<b>884</b>	<b>239</b>	<b>105</b>	<b>1</b>
<b>2013</b>					
Forward exchange contracts*	2,494	108	254	-	-
<b>Net exposure</b>	<b>2,494</b>	<b>108</b>	<b>254</b>	<b>-</b>	<b>-</b>

#### Sensitivity analysis

A 2.50% strengthening of the Australian dollar against the following currencies at the reporting date would have increased / (decreased) equity and profit or loss of the Trust and the Consolidated Entity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2013.

	2014		2013	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
Euro	5	-	61	-
GBP	21	-	3	-
USD	6	-	6	-
CAD	3	-	-	-
	<b>35</b>	<b>-</b>	<b>70</b>	<b>-</b>

A 2.50% weakening of the Australian dollar against the following currencies at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2013.

	2014		2013	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
Euro	(6)	-	(64)	-
GBP	(22)	-	(3)	-
USD	(6)	-	(6)	-
CAD	(3)	-	-	-
	<b>(37)</b>	<b>-</b>	<b>(73)</b>	<b>-</b>

**(e) Fair Value****Fair value versus carrying amount**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments. The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2014		2013	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Trade and other receivables	5,920	5,920	4,775	4,775
Cash and cash equivalents	98,426	98,426	108,349	108,349
Forward exchange contracts used for hedging: Assets	1,416	1,416	3,119	3,119
Forward exchange contracts used for hedging: Liabilities	(1,451)	(1,451)	(2,856)	(2,856)
Trade and other payables	(15,400)	(15,400)	(16,473)	(16,473)
	<b>88,911</b>	<b>88,911</b>	<b>96,914</b>	<b>96,914</b>

**f) Fair value recognised in the statement of financial position**

There were no transfers between Level 1 and 2 during the period ended 30 June 2014.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2014</b>				
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Invt. Facility	-	23,698	-	23,698
Derivatives receivables	1,416	-	-	1,416
	<b>1,416</b>	<b>23,698</b>	-	<b>25,114</b>
<b>Financial liabilities at fair value</b>				
Derivatives payables	(1,451)	-	-	(1,451)
	<b>(1,451)</b>	-	-	<b>(1,451)</b>
<b>2013</b>				
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Invt. Facility	-	31,476	-	31,476
Derivatives receivables	3,119	-	-	3,119
	<b>3,119</b>	<b>31,476</b>	-	<b>34,595</b>
<b>Financial liabilities at fair value</b>				
Derivatives payables	(2,856)	-	-	(2,856)
	<b>(2,856)</b>	-	-	<b>(2,856)</b>

There were no transfers between Level 1 and 2 during the period ended 30 June 2013.

The value of the Hour-Glass Investments is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using "redemption" pricing.

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## NOTE 21

### FUNDRAISING AND BEQUESTS

		2014 \$'000	2013 \$'000
<b>(a) Fundraising</b>	<b>Balance 1 July</b>	<b>1,285</b>	<b>696</b>
The Trust launched its Annual Giving Fund in March 2007 and is a perpetual fund.	Gross proceeds from fundraising appeals	1,610	921
The Sydney Opera House Annual Giving Program has been established to raise funds for the following activities (general-purpose donations):	Interest received on proceeds	47	31
	Costs of fundraising	(396)	(174)
	<b>Net surplus from fundraising</b>	<b>1,261</b>	<b>778</b>
	Application of funds to activities	(716)	(189)
	<b>Balance to accumulated funds</b>	<b>545</b>	<b>589</b>
	<b>Balance end of period</b>	<b>1,830</b>	<b>1,285</b>

- Create, present and produce world-class work across all art forms
- Develop our education and community programs
- Offer free public programs and activities
- Extend our Indigenous programming and initiatives
- To support the renewal of the Sydney Opera House.

Special purpose donations are accepted outside these activities in certain circumstances – generally when the donation is substantial and is given to fund a new initiative, these funds are restricted to specific objectives.

The net surplus from general-purpose fundraising in 2014 of \$904k (2013: \$358k) was assigned to operating expenses in line with the annual giving program objectives and special purpose net surplus remained in the special purpose fundraising account.

		2014 \$'000	2013 \$'000
<b>(b) Foster Bequest</b>	<b>Balance 1 July</b>	<b>114</b>	<b>113</b>
The Trust Deed relating to this bequest provides that income derived from investment of the funds may be applied to an award for study in fields relating to the training for, and performances of, the art of opera.	Interest income	4	5
	Distribution	(3)	(4)
	<b>Surplus</b>	<b>1</b>	<b>1</b>
	<b>Balance end of period</b>	<b>115</b>	<b>114</b>

The transactions relating to the Foster Bequest included within the Consolidated Entity's financial statement were:

Capital expenditures of the Trust and the Consolidated Entity contracted for at the reporting date but not recognised as liabilities are as follows:

The Accumulated Funds at the end of 2014:

- Annual Giving Program (refer Note 21(a)) was \$1,831k (2013: \$1,285k) of which \$926k (2013: \$927) are special purpose and restricted to specific objectives; and
- Foster Bequest (refer Note 21 (b)) was \$115k (2013: \$114k).

## NOTE 22

### EQUITY TRANSFERS

As a result of the GSE Act and related Administrative Orders, effective 24 February 2014, the Agency assumed responsibility from DTIRIS for the employees (and employee-related liabilities) responsible for provision of services to the Trust. The following summarises the expenses and income recognised in DTIRIS (from 1 July 2013 to 23 February 2014) and in the Consolidated Entity (from 24 February 2014 to 30 June 2014).

	DTIRIS From 1 July 2013 to 23 February 2014 \$'000	Consolidated Entity From 24 February 2014 to 30 June 2014 \$'000	2014 Total Personnel Services \$'000	2013 Total Personnel Services \$'000
<b>Expenses excluding losses</b>				
Employee-related expenses	(35,087)	(17,551)	(52,638)	(46,645)
<b>Total expenses excluded losses</b>	<b>(35,087)</b>	<b>(17,551)</b>	<b>(52,638)</b>	<b>(46,645)</b>
<b>Revenue</b>				
Personnel services revenue	35,087	17,551	52,638	46,645
<b>Total revenue</b>	<b>35,087</b>	<b>17,551</b>	<b>52,638</b>	<b>46,645</b>
<b>Profit/(loss) for the period</b>	-	-	-	-
<b>Other comprehensive income</b>				
Re-measurements – defined benefit plans	-	288	288	-
<b>Total other comprehensive income</b>	-	<b>288</b>	<b>288</b>	-
<b>Total comprehensive income for the period</b>	-	<b>288</b>	<b>288</b>	-

\$'000

The following summarises the net increase / (decrease) in net assets of the Consolidated Entity as a result of the employees and employee-related liabilities transferred from DTIRIS:

<b>Assets transferred from DTIRIS</b>	
Receivables	14,387
Defined Benefit Asset	1,551
<b>Total assets transferred</b>	<b>15,938</b>
<b>Liabilities transferred from DTIRIS</b>	
Payables	(1,427)
Employee entitlements	(14,511)
<b>Total liabilities transferred</b>	<b>(15,938)</b>
<b>Increase/(decrease) in net assets from equity transfers</b>	-

# SYDNEY OPERA HOUSE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## NOTE 23

### COMMITMENTS

		2014 \$'000	2013 \$'000
<b>(a) Capital Commitments</b>	<b>Payable</b>		
Capital expenditures of the Trust and the Consolidated Entity contracted for at the reporting date but not recognised as liabilities are as follows:	Within one year	29,791	49,791
	Later than one year and not later than five years	-	17,511
	<b>Total including GST</b>	<b>29,791</b>	<b>67,302</b>

Capital commitments contracted for at period end relate to building development projects. The commitments include input tax credits of \$2,069k recoverable from the Australian Taxation Office (2013: \$6,118k).

		2014 \$'000	2013 \$'000
<b>(b) Lease Commitments</b>	<b>Payable</b>		
Leases of the Trust and the Consolidated Entity contracted as at the reporting date but not recognised as liabilities or assets are as follows:	Within one year	700	1,227
	Later than one year and not later than five years	1,639	1,761
	Later than five years	9	9
	<b>Total including GST</b>	<b>2,348</b>	<b>2,997</b>

The commitments include input tax credits of \$213k recoverable from the Australian Taxation Office (\$2013: \$272k).

		2014 \$'000	2013 \$'000
	<b>Receivable</b>		
	Within one year	939	950
	Later than one year and not later than five years	1,208	2,133
	<b>Total including GST</b>	<b>2,147</b>	<b>3,083</b>

The commitments include GST of \$195k payable to the Australian Taxation Office (2013: \$280k).



## NOTE 24

### CONTINGENT LIABILITIES AND ASSETS

The Trust holds construction and maintenance contracts with a range of contractors undertaking building and maintenance works in relation to the site, building and related operations. These contracts may result in contractors submitting variations and claims to the Trust that reflect a contractor's opinion in regards to entitlement for payments for work associated with those contracts, which are in addition to the specified contract sums payable in accordance with those contracts.

At the reporting date John Holland Construction has made a number of claims relating to the contract between it and the Trust in respect of the major Vehicle Access and Pedestrian Safety project (VAPS). It is not possible to estimate the financial effect of the claims at this time, and therefore the value of the claims that are considered contingent liabilities. Management is of the opinion that disclosure of any specific details about claims may be prejudicial to the interests of the Trust, and further notes that claims have been received after the reporting date.

## NOTE 25

### EVENTS AFTER REPORTING DATE

There are no events after the reporting date that need to be disclosed, other than claims in relation to the VAPS project as detailed above.

## NOTE 26

### NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated		Parent	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Reconciliation of surplus to net cash flows from operating activities</b>				
Surplus for the period	26,365	88,507	26,653	88,507
<b>Adjustments for revenue and expenses recognised in equity</b>				
Defined benefit plan remeasurements	-	-	(288)	-
Depreciation, amortisation and make-good	12,346	12,682	12,346	12,682
Capital sponsorship	(254)	-	(254)	-
Net (profit)/loss on sale of plant and equipment and assets written off	(9)	107	(9)	107
Increase in payables	3,521	958	3,521	958
Increase/(decrease) in personnel services and employee-related provisions	950	(1,132)	950	(1,132)
Increase in receivables	(59)	(1,688)	(59)	(1,688)
Decrease in inventories	10	13	10	13
<b>Net cash flow from operating activities</b>	<b>42,870</b>	<b>99,447</b>	<b>42,870</b>	<b>99,447</b>

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## **SYDNEY OPERA HOUSE TRUST STAFF AGENCY FINANCIAL STATEMENTS**

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**STATEMENT BY THE CHIEF  
EXECUTIVE OFFICER**  
SYDNEY OPERA HOUSE TRUST  
STAFF AGENCY

Pursuant to Section 41C of the Public Finance and Audit Act, 1983, and in accordance with a resolution of the Sydney Opera House Trust Staff Agency, we state that:

In our opinion, the accompanying financial statements exhibit a true and fair view of the financial position of the Sydney Opera House Trust as at 30 June 2014, and financial performance for the year then ended.

The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit (General) Regulation 2010 and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**LOUISE HERRON AM**  
CHIEF EXECUTIVE OFFICER



**CLAIRE SPENCER**  
CHIEF OPERATING OFFICER

■■■■■

Sydney  
17 September 2014

# INDEPENDENT AUDITOR'S REPORT SYDNEY OPERA HOUSE TRUST STAFF AGENCY



To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Sydney Opera House Trust Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

## OPINION

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

## THE CHIEF EXECUTIVE'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Chief Executive is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with

relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Staff Agency
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

## INDEPENDENCE

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements.

The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor General
- mandating the Auditor General as auditor of public sector agencies, but precluding the provision of non audit services, thus ensuring the Auditor General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

**KAREN TAYLOR**  
DIRECTOR, FINANCIAL AUDIT SERVICES

Sydney  
18 September 2014

**SYDNEY OPERA HOUSE TRUST  
STAFF AGENCY STATEMENT  
OF PROFIT OR LOSS**

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014	Note	2014 \$'000
<b>Revenue</b>		
Personnel services revenue	2	17,439
<b>Total Revenue</b>		<b>17,439</b>
<b>Expenses</b>		
Employee-related expenses	3	(17,727)
<b>Total expenses</b>		<b>(17,727)</b>
<b>Deficit for the period</b>		<b>(288)</b>

**SYDNEY OPERA HOUSE TRUST  
STAFF AGENCY STATEMENT  
OF COMPREHENSIVE INCOME**

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014	Note	2014 \$'000
<b>Deficit for the period</b>		<b>(288)</b>
Other comprehensive income		
<i>Items that will not be reclassified to net result</i>		
Defined benefit plan remeasurements	8	288
<b>Other comprehensive income for the period</b>		<b>288</b>
<b>Total comprehensive income for the period</b>		<b>-</b>

**SYDNEY OPERA  
HOUSE TRUST STAFF  
AGENCY STATEMENT OF  
FINANCIAL POSITION**

<b>STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014</b>	<b>Note</b>	<b>2014 \$'000</b>
<b>Assets</b> Current		
Trade and other receivables	4	16,423
Other non-financial assets	5	2,167
<b>Total Current Assets</b>		<b>18,590</b>
<b>Liabilities</b> Current		
Employee-related and other payables	6	2,536
GST Payable		1,726
Provisions	7	12,625
<b>Total Current Liabilities</b>		<b>16,887</b>
<b>Liabilities</b> Non-Current		
Provisions	7	1,703
<b>Total Non-Current Liabilities</b>		<b>1,703</b>
<b>Total Liabilities</b>		<b>18,590</b>
<b>Net Assets</b>		<b>-</b>
<b>Equity</b>		
Accumulated funds		-
Reserves		-
<b>Total Equity</b>		<b>-</b>

**SYDNEY OPERA HOUSE  
TRUST STAFF AGENCY  
STATEMENT OF CHANGES  
IN EQUITY**

<b>STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014</b>	<b>Note</b>	<b>Accumulated Funds \$'000</b>	<b>Total Equity \$'000</b>
<b>Balance at 24 February 2014</b>		-	-
Surplus for the period		(288)	(288)
Other Comprehensive Income			
Defined benefit remeasurements	8	288	288
<b>Total Comprehensive Income for the period</b>		<b>288</b>	<b>288</b>
Transactions with owners in their capacity as owners			
Increase/(decrease) in net assets from equity transfers		-	-
<b>Balance at 30 June 2014</b>		-	-

**SYDNEY OPERA HOUSE  
TRUST STAFF AGENCY  
STATEMENT OF CASH  
FLOWS**

<b>STATEMENT OF CASH FLOWS FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014</b>	<b>Note</b>	<b>2014 \$'000</b>
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Personnel services		17,727
<b>Total receipts</b>		<b>17,727</b>
<b>Payments</b>		
Employee-related		(17,727)
<b>Total payments</b>		<b>(17,727)</b>
<b>Net cash from operating activities</b>	<b>16</b>	-
<b>Net cash from investing activities</b>		-
<b>Net cash from financing activities</b>		-
Net increase in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		-

# SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

## NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

Sydney Opera House Trust Staff Agency (the Agency), a Public Service executive agency under Schedule 1, Part 2 of the Government Sector Employment Act 2013 no. 40 (GSE Act) and the Administrative Arrangements Order 2014. The Agency is a not-for-profit entity (as profit is not its principal objective and it has no cash generating units) domiciled in Australia. Its principal office is located at Bennelong Point, GPO Box 4274, Sydney, NSW, 2001.

The Agency commenced operations on 24 February 2014 and assumed responsibility from the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) for the employees (and employee-related liabilities) responsible for provision of services to the Sydney Opera House Trust (the Trust). The Agency's sole objective is to provide personnel services to the Trust in accordance with the Memorandum of Understanding between the Agency and the Trust.

The Agency is regarded as a special purpose entity, established specifically to provide personnel services to the Trust to enable it to exercise its functions. The Agency undertakes no other activities other than the provision of personnel services to the Trust.

The Agency is a reporting entity that is controlled by the Trust. Accordingly, these financial statements are consolidated into the financial statements of the Trust.

#### (b) Basis of Preparation

The financial statements are general-purpose financial statements that have been prepared on an accruals basis and in accordance with:

- Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the Public Finance and Audit Act, 1983 and Public Finance and Audit Regulation 2010; and

- The Financial Reporting Directions issued by the Treasurer.

The financial statements comply with Australian Accounting Standards (AASBs) issued by the Australian Accounting Standards Board.

The financial statements were authorised for issue by the Chief Executive Officer (CEO) of the Trust on 17 September 2014.

#### (c) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Defined benefit superannuation liabilities, which are stated at the present value of the accrued defined benefit obligations less the fair value of fund assets; and
- Non-current as well as long-term provisions expected to be settled later than 12 months from the reporting date, which are stated at the present value of the future estimated obligations for the relevant liabilities.

#### (d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (e) Insurance

The Consolidated Entity's insurance activities are primarily conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

#### (f) Functional and Presentation Currency

All financial information is presented in Australian dollars, which is the Agency's functional currency.

All amounts have been rounded to the nearest thousand dollars unless otherwise stated.

#### (g) Use of Estimates and Judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies as well as the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in the relevant notes to the financial statements.

Similarly, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the notes to the financial statements.

Judgements, key assumptions and estimations management that has made are disclosed in the relevant notes to the financial statements.

#### (h) Comparative Information

Comparative information is not presented as the Agency was created on 24 February 2014 and thus no comparative information exists.

#### (i) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except:

- the amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is



recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **(j) Revenue**

Revenue is income that arises in the course of ordinary activities. Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Agency and the revenue can be reliably measured. Revenue is not considered to be reliably measurable until all contingencies relating to the supply of personnel services are resolved.

Personnel services revenue is income for services provided to NSW Government Agencies outside the General Government sector. This is offset by an expense variance of the same amount.

#### **(k) Financial Instruments**

##### *i. Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in profit or loss when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

##### *ii. Impairment of financial assets*

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Agency will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's

carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss.

Any reversals of impairment losses are reversed through profit or loss, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

##### *iii. Payables*

These amounts represent liabilities for goods and services provided to the Agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables include accrued wages, salaries and related on-costs (such as payroll tax and fringe benefits tax) when there is certainty as to the amount and timing of settlement.

##### *iv. Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Agency has not transferred substantially all the risks and rewards, if the Agency has not retained control.

Where the Agency has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Agency's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

#### **(l) Employee Benefits**

##### *i. Wages and salaries, annual leave, and associated on-costs*

Salaries and wages (including non-monetary benefits) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted) and NSW TC 14/04 Accounting for Long Service Leave and Annual Leave. Actuarial advice obtained by NSW Treasury has confirmed that the use of a nominal approach (using 9.29% of the nominal value of the long-term portion of annual leave) can be used to approximate the present value of the annual leave liability. The Agency has assessed the actuarial advice based on the Agency's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

##### *ii. Long Service leave*

The liability for long service leave is measured at present value using the Projected Unit Credit (PUC) method in accordance with AASB 119 Employee Benefits and NSW TC 14/04 Accounting for Long Service Leave and Annual Leave. Market yields on Australian Government bonds are used to discount long service leave. This rate represents the yield that matches as closely the estimated timing of expected payments.

The bond rate used at the reporting date was a semi-annual government bond rate of 3.54%.

Amounts expected to be settled wholly within 12 months of reporting date are not discounted.

# SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

### *iii. Defined contribution superannuation plans*

A defined contribution superannuation plan is a post-employment benefit plan whereby the Agency pays fixed contributions into a separate entity but has no legal or constructive obligation to pay any further amounts.

Contributions to defined contribution superannuation plans are recorded in accordance with AASB 119 Employee Benefits and NSW TC 14/05 Accounting for Superannuation, and are recognised as an expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

### *iv. Defined benefit superannuation plans*

Defined benefit superannuation plans provide defined lump sum benefits based on years of service and final average salary.

The Agency accounts for defined benefit superannuation plans in accordance with AASB 119 Employee Benefits and TC 14/05 Accounting for Superannuation. A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of defined benefit obligation at the reporting date less the fair value of the superannuation fund assets at that date and any unrecognised past service costs.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the PUC method. When determining the liability, consideration is given to future salary and wage levels, experience of employee departures and periods of service. Prepaid contributions are recognised as an asset to the extent that cash refund/reduction in future payments is available. When the calculation results in a potential asset for the Agency, the recognised asset

is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Agency determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Agency recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

AASB 119 Employee Benefits does not specify whether the current and non-current portions of assets and liabilities arising from post-employment benefits are required to be disclosed because at times the distinctions may be arbitrary. The liability is disclosed as non-current as this best reflects when the liability is likely to be settled.

### *iv. Termination benefits*

Termination benefits are recognised as an expense when the Agency is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as a result of an offer

made to encourage voluntary redundancy. Termination benefits are only recognised if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Termination benefits falling due more than 12 months after reporting date are discounted to present value.

### **(m) Fair Value Hierarchy**

A number of the Agency's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 Fair Value Measurement, the Agency categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices in active markets for identical assets / liabilities that the Agency can access at the measurement date.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- **Level 3:** inputs that are not based on observable market data (unobservable inputs).

The Agency recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 8 and Note 9 for further disclosures regarding fair value measurements of financial and non-financial assets.

### **(n) Equity Transfers**

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB

1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Agency does not recognise that asset.

#### (o) New or Revised Australian Accounting Standards and Interpretations

##### *i. Effective for the first time in 2013-14*

##### - **AASB 119, Employee benefits (AASB 119)**

AASB 119 prescribes the accounting and disclosure for employee benefits. Liabilities should be recognised when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. Applying AASB 119 for the Agency in the first year has no impact.

##### *ii. Issued but not yet effective*

A number of new standards and interpretations are effective for annual periods beginning after 1 July 2013 which have not been applied in preparing these financial statements, as NSW public sector entities are not permitted to early adopt new Australian Accounting Standards.

##### - **AASB 9 Financial Instruments (AASB 9)**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets. The Agency has not yet assessed the full impact of AASB 9 as this standard is not mandatory before 1 January 2017.

<b>NOTE 2</b>	<b>2014</b>
<b>REVENUE</b>	<b>\$'000</b>
Personnel services revenue	17,439
<b>Personnel services revenue</b>	<b>17,439</b>

<b>NOTE 3</b>	<b>2014</b>
<b>EMPLOYEE-RELATED EXPENSES</b>	<b>\$'000</b>
Salaries and wages (including annual and long service leave)	13,387
Overtime	1,849
Superannuation – defined contribution plans	1,342
Superannuation – defined benefit plans	(312)
Payroll tax and fringe benefits tax	1,031
Workers compensation insurance	(357)
Redundancies	468
Other expenses	22
Temporary assistance	297
<b>Total</b>	<b>17,727</b>

<b>NOTE 4</b>	<b>2014</b>
<b>TRADE AND OTHER RECEIVABLES</b>	<b>\$'000</b>
<b>Current</b>	
Employee benefits	16,423
<b>Trade and other receivables</b>	<b>16,423</b>

Details regarding the Agency's financial risk management policies are disclosed in Note 9.

# SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

<b>NOTE 5</b>	
<b>OTHER NON-FINANCIAL ASSETS</b>	<b>2014 \$'000</b>
Prepaid Superannuation	2,167
<b>Other non-financial assets</b>	<b>2,167</b>

### Prepaid Superannuation

The funding position at 30 June 2014 in respect of the three defined benefits schemes related to personnel services received, namely the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non Contributory Superannuation Scheme (SANCS) has been advised by Pillar Administration:

	<b>Estimated Reserve Account Funds 2014 \$'000</b>	<b>Accrued Liability 2014 \$'000</b>	<b>Prepaid Contributions 2014 \$'000</b>
<b>Defined Benefit Asset</b>			
SSS	46,681	(44,537)	2,144
SANCS	1,572	(1,549)	23
<b>Total</b>	<b>48,253</b>	<b>(46,086)</b>	<b>2,167</b>
<b>Defined Benefit Liability</b>			
SASS	8,195	(8,583)	(388)
	<b>8,195</b>	<b>(8,583)</b>	<b>(388)</b>
<b>Total</b>	<b>56,448</b>	<b>(54,669)</b>	<b>1,779</b>

The defined benefit liability for the Consolidated Entity's defined benefit plans has been included in payables – employee benefits (refer to Note 6).

<b>NOTE 6</b>	
<b>EMPLOYEE-RELATED PAYABLES</b>	<b>2014 \$'000</b>
Accrued salaries and wages and associated oncosts	2,148
Defined benefits liability	388
<b>Employee-related payables</b>	<b>2,536</b>

Details regarding the Agency's financial risk management policies are disclosed in Note 9.

<b>NOTE 7</b>	
<b>PROVISIONS</b>	<b>2014 \$'000</b>
<b>Current and non-current provisions</b>	
<b>Current provisions</b>	
Employee benefits and related oncosts <i>i.</i>	
Recreation leave <i>ii.</i>	3,648
Long service leave	8,108
Payroll tax	263
Redundancies	520
Fringe benefit tax <i>iii.</i>	86
<b>Total</b>	<b>12,625</b>
<b>Non-current provisions</b>	
Employee benefits and related oncosts <i>i.</i>	
Long service leave	1,283
Payroll tax	420
<b>Total</b>	<b>1,703</b>
<b>Total Provisions</b>	<b>14,328</b>

*i. Assumptions underlying the provision for employee entitlements are outlined in Note 1(l).*

*ii. Expected annual recreation leave to be taken within the next 12 months should be \$2,601k with the remainder of \$1,047k after 12 months.*

*iii. The amount provided for fringe benefit tax is based on the actual liability at 30 June 2014.*

<b>Aggregate employee benefits and related oncosts.</b>	<b>2014 \$'000</b>
Provisions – current	12,625
Provisions – non current	1,703
Accrued salaries, wages and on-costs (Note 6)	2,536
<b>Total</b>	<b>16,864</b>

## NOTE 8

### EMPLOYEE DEFINED BENEFITS

#### Nature of the benefits provided by the Fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members.

#### Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations.

The schemes in the SAS Trustee Corporation (STC) Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

#### Description of other entities' responsibilities for the governance of the Fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the Fund and payment to the beneficiaries from fund assets when required in accordance with the Fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

#### Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk:** The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk:** The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk:** The risk that pensions will increase at a rate greater than assumed, increasing future pensions.

- **Salary growth risk:** The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk:** The risk is that legislative changes could be made that increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

#### Description of significant events

There were no funds amendments, curtailments or settlements during the year.

# SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>Reconciliation of the Net Defined Benefit Liability/(Asset)</b>				
<b>Net defined benefit liability/(asset) at start of period</b>	<b>63</b>	<b>(22)</b>	<b>(1,590)</b>	<b>(1,549)</b>
Current service cost	98	22	69	189
Net interest on the net defined benefit liability/(asset)	6	(1)	(135)	(130)
Actual return on fund assets less interest income	(226)	(10)	(322)	(558)
Actuarial (gains)/losses arising from changes in financial assumptions	283	68	3,596	3,947
Actuarial (gains)/losses arising from liability experience	164	4	(278)	(110)
Adjustment for effect of asset ceiling	-	(84)	(3,484)	(3,568)
<b>Net defined benefit liability/(asset) at end of period</b>	<b>388</b>	<b>(23)</b>	<b>(2,144)</b>	<b>(1,779)</b>
<b>Reconciliation of the Fair Value of Fund Assets</b>				
<b>Fair value of fund assets at beginning of the period</b>	<b>8,172</b>	<b>1,702</b>	<b>57,820</b>	<b>67,694</b>
Interest income	93	20	691	804
Actual return on fund assets less interest income	225	11	322	558
Contributions by participants	36	-	35	71
Benefits paid	(360)	(46)	(613)	(1,019)
Taxes, premiums and expenses paid	29	15	65	109
<b>Fair value of fund assets at end of the period</b>	<b>8,195</b>	<b>1,702</b>	<b>58,320</b>	<b>68,217</b>
<b>Reconciliation of the Defined Benefit Obligation</b>				
<b>Present value of defined benefit obligations at beginning of the period</b>	<b>8,235</b>	<b>1,467</b>	<b>41,107</b>	<b>50,80</b>
Current service cost	98	22	69	18
Interest cost	99	19	556	674
Contributions by participants	36	-	35	71
Actuarial (gains)/losses arising from changes in financial assumptions	283	68	3,596	3,947
Actuarial (gains)/losses arising from liability experience	164	4	(278)	(110)
Benefits paid	(360)	(46)	(613)	(1,019)
Taxes, premiums and expenses paid	29	15	65	109
<b>Present value of defined benefit obligations at end of the period</b>	<b>8,584</b>	<b>1,549</b>	<b>44,537</b>	<b>54,670</b>
<b>Reconciliation of the effect of the asset ceiling</b>				
<b>Adjustment for effect of asset ceiling at beginning of the period</b>	<b>-</b>	<b>213</b>	<b>15,122</b>	<b>15,335</b>
Change in the effect of asset ceiling	-	(84)	(3,484)	(3,568)
<b>Adjustment for effect of asset ceiling at end of the period</b>	<b>-</b>	<b>129</b>	<b>11,638</b>	<b>11,767</b>

## Fair value of Fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities.

The disclosures below relate to total assets of the STC Pooled Fund\*\*.

**Level 1:** quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

**Level 2:** inputs other than quoted prices observable for the asset or liability either direct or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

**Level 3:** inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Asset Category</b> As at 30 June 2014				
Short-term Securities	2,452,755	1,572,615	880,140	-
Australian Fixed Interest	2,365,014	10,928	2,354,086	-
International Fixed Interest	880,529	-	880,529	-
Australian Equities	11,738,636	11,494,549	241,423	2,664
International Equities	10,953,329	8,172,677	2,780,531	121
Property	3,272,986	894,113	692,296	1,686,577
Alternatives	6,329,410	565,401	4,897,152	866,857
<b>Total</b>	<b>37,992,659</b>	<b>22,710,283</b>	<b>12,726,157</b>	<b>2,556,219</b>

### The percentage invested in each asset class at the reporting date is:

Australian Equities	30.9%
International Equities	28.8%
Alternatives	16.7%
Property	8.6%
Short-term Securities	6.5%
Australian Fixed Interest	6.2%
International Fixed Interest	2.3%

\*\* Additional to the assets disclosed above, at 30 June 2014 Pooled Fund has provisions for receivable/(payable) estimated to be around \$2.2 billion, giving an estimated assets totalling around \$40.2 billion.

# SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

## Fair value of entity's own financial instruments

The disclosures below relate to total assets of the STC Pooled Fund.

The fair value of the Pooled Fund assets includes as at 30 June 2014 of \$173.9 million in NSW government bonds.

Significant Actuarial Assumptions at 30 June 2014	
Assumption	2014
Discount rate	3.57% pa
Salary increase rate (excluding promotional increases)	2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018, 3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa thereafter
Rate of CPI increase	2.5% pa
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund

## Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2014 under several scenarios is presented below.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount Rate	3.57%	2.57%	4.57%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	54,669	61,167	49,305

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount Rate	as above	as above	as above
Rate of CPI increase	2.5%	3.0%	2.0%
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	54,669	57,484	52,088

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount Rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates + 0.5% pa	above rates + 0.5% pa
Defined benefit obligation (\$'000)	54,669	54,977	54,36

	Base Case	Scenario G +5% pensioner mortality rates	Scenario H -5% pensioner mortality rates
Defined benefit obligation (\$'000)	54,669	54,157	55,213

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.



### Asset-Liability matching

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements.

### Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

### Surplus/deficit

The following is a summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefits	7,533	1,292	27,546	36,371
Net market value of fund assets	(8,195)	(1,702)	(58,319)	(68,216)
<b>Net (surplus)/deficit</b>	<b>(662)</b>	<b>(410)</b>	<b>(30,773)</b>	<b>(31,845)</b>

### Contribution recommendations

Recommended contribution rates for the Consolidated Entity for the current period are:

SASS multiple of member contributions	-
SANCS % member salary	-
SSS multiple of member contributions	-

### Economic assumptions

The economic assumptions adopted for the 30 June 2012 actuarial investigation of the Fund are:

Weighted-Average Assumptions	
Expected rate of return on fund assets backing current pension liabilities	8.3% pa
Expected rate of return on fund assets backing other liabilities	7.3% pa
Expected salary increase rate	2.7% pa for 6 years then 4.0% pa
Expected rate of CPI increase	2.5% pa

Expected employer contributions for 2015	\$'000
SASS	-
SANCS	-
SSS	-
<b>Total</b>	<b>-</b>

## SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 11.8 years.

<b>Profit and Loss Impact</b>	<b>SASS</b> \$'000	<b>SANCS</b> \$'000	<b>SSS</b> \$'000	<b>Total</b> \$'000
Current service cost	98	22	69	189
Net interest	98	22	69	189
<b>Defined benefit cost</b>	<b>104</b>	<b>21</b>	<b>(66)</b>	<b>59</b>

<b>Other comprehensive income</b>	<b>SASS</b> \$'000	<b>SANCS</b> \$'000	<b>SSS</b> \$'000	<b>Total</b> \$'000
Actuarial (gains)/losses on liabilities	447	72	3,319	3,838
Actual return on fund assets less interest income	(226)	(10)	(322)	(558)
Adjustment for effect of asset ceiling	-	(84)	(3,484)	(3,568)
<b>Total remeasurement in Other Comprehensive Income</b>	<b>221</b>	<b>(22)</b>	<b>(487)</b>	<b>(288)</b>

## NOTE 9

### FINANCIAL INSTRUMENTS

The Agency's principal financial instruments are outlined below. These financial instruments arise directly from operations or are required to finance the operations. The Agency does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Agency's main risks arising from financial instruments are outlined below, together with objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Trust has established an Audit and Risk Committee which has overall responsibility for the establishment and oversight of the risk management framework of the Trust and the Agency and approves selected policies for managing risks. Compliance with policies is reviewed by the Internal Auditors and the Audit and Risk Committee on a continuous basis. The chair of the Audit and Risk Committee is an independent member of the Trust, and the committee regularly reports to the Trust and the Agency on their activities.

A formal business risk assessment is undertaken to identify and analyse the risks faced by the Trust and the Agency, to determine appropriate controls and monitoring mechanisms, and formulate the internal audit program. Risks are regularly reviewed by management and reported to the Audit and Risk Committee in conjunction with standard reporting systems and procedures. Internal Audit undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Audit and Risk Committee. In addition, the Audit and Risk Committee seeks reports of management on a range of risk management activities.

### Fair values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial instruments are subsequently carried at amortised cost. For trade and other receivables and trade and other payables, the carrying amount is considered to approximate its fair value. This is because of the short-term nature of these financial assets and financial liabilities.

Financial Instrument categories	Note	Measurement basis	Carrying amount 2014 \$'000
<b>Financial assets</b>			
Trade and other receivables	4, 5	Amortised cost	18,590
<b>Financial liabilities</b>			
Trade and other payables	7	Amortised cost	(16,864)

### Credit Risk

Credit risk arises when there is the possibility of default on contractual obligations. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets.

All receivables of the Agency are for services provided to the Trust, comprising salaries and entitlements of employee services provided. There are no financial assets that are past due or impaired. No collateral is held by the Agency and it has not granted any financial guarantees.

### Liquidity Risk

Liquidity risk is the risk that the Agency will be unable to meet its payment obligations when they fall due. The financial liabilities recognised are for amounts due to be paid in the future for employee services received. Amounts owing to employees are settled as they fall due. The Agency is not exposed to interest rate risk and amounts are expected to be settled within 12 months. During the current period there were no defaults or breaches on any amounts payable. No assets have been pledged as collateral.

### Market Risk

Market risk is the risk that the fair value of the financial instrument will fluctuate because of a change in market prices. The Agency does not have exposure to market risk as all financial instruments relate to employee payments made by the Trust. The Agency has no exposure to foreign currency or interest rate risk and does not enter into commodity contracts.

## SYDNEY OPERA HOUSE TRUST STAFF AGENCY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 24 FEBRUARY 2014 TO 30 JUNE 2014

### NOTE 10

#### EQUITY TRANSFERS

As a result of the GSE Act and related Administrative Orders, effective 24 February 2014, the Agency assumed responsibility from DTIRIS for the employees (and employee-related liabilities) responsible for provision of services to the Trust. The following summarises the expenses and income recognised in DTIRIS (from 1 July 2013 to 23 February 2014) and in the Agency (from 24 February 2014 to 30 June 2014).

	DTIRIS From 1 July 2013 to 23 February 2014 \$'000	Agency From 24 February 2014 to 30 June 2014 \$'000	2014 Total Personnel Services \$'000
<b>Expenses excluding losses</b>			
Employee-related expenses	(34,911)	(17,727)	(52,638)
<b>Total expenses excluded losses</b>	<b>(34,911)</b>	<b>(17,727)</b>	<b>(52,638)</b>
<b>Revenue</b>			
Personnel services revenue	34,911	17,439	52,350
Total revenue	34,911	17,439	52,350
<b>Loss for the period</b>	<b>-</b>	<b>(288)</b>	<b>(288)</b>
<b>Other comprehensive income</b>			
Defined benefit remeasurements	-	288	288
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following summarises the net increase / (decrease) in net assets of the Agency as a result of the employees and employee-related liabilities transferred from DTIRIS:

<b>Assets transferred from DTIRIS \$'000</b>	
Receivables	14,387
Defined Benefit Asset	1,551
<b>Total assets transferred</b>	<b>15,938</b>
<b>Liabilities transferred from DTIRIS \$'000</b>	
Payables	(1,427)
Employee entitlements	(14,511)
Total liabilities transferred	(15,938)
Increase/(decrease) in net assets from equity transfers	-

## NOTE 11

### SEGMENT REPORTING

The Agency operates exclusively as one business segment in the provision of personnel services to the Trust. Its area of operations is wholly within the State of New South Wales.

## NOTE 12

### COMMITMENTS

There were no commitments contracted for at reporting date.

## NOTE 13

### AUDITOR'S REMUNERATION

The audit fee for the statutory audit of the Agency is assumed by the Trust. The audit fee for the Agency for the period ended 30 June 2014 was nil.

## NOTE 14

### CONTINGENT LIABILITIES

At reporting date there were no legal matters outstanding or other contingent liabilities that are expected to result in a material claim against the Agency.

## NOTE 15

### EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date that need to be disclosed.

## NOTE 16

### RECONCILIATION OF OPERATING RESULT TO CASH FLOWS USED IN OPERATING ACTIVITIES

	2014 \$'000
Deficit for the period	(288)
<b>Adjustments for revenue and expenses recognised in equity</b>	
Defined benefit plan remeasurements	288
<b>Movement in applicable statement of financial position items</b>	
Increase in trade and other receivables	(18,590)
Increase in employee-related and other payables	4,262
Increase in provisions	14,328
<b>Net cash from operating activities</b>	-

END OF  
AUDITED  
FINANCIAL  
STATEMENTS

<b>BUDGET</b>	Year ended 30 June 2014 \$'000	Year ended 30 June 2015 \$'000
<b>General Operations</b>		
Revenues:		
Endowment – Government Grant	13,572	13,170
Other NSW Treasury Funding	446	452
Self-generated Revenue	88,228	92,261
<b>Total Revenue – General Operations</b>	<b>102,246</b>	<b>105,883</b>
Expenses:		
People expenses	46,249	49,502
Other expenses	56,341	57,649
<b>Total Expenses – General Operations</b>	<b>102,246</b>	<b>107,151</b>
Profit/(Loss) from General Operations	(344)	(1,268)
<b>Other Activities</b>		
Revenues:		
Building Maintenance – Government Grant	31,979	25,853
Building Development – Government Grants:		
Vehicle Access and Pedestrian Safety	14,305	0
Renewal Plan (formerly Masterplan)	0	13,700
Lifts and Escalators Upgrades	8,222	4,194
Stage Management System Upgrade	1,598	0
Building Development – Other Revenue	1,106	433
Special Purpose and Restricted – Other Revenue	0	12
<b>Total Revenue – Other Activities</b>	<b>57,210</b>	<b>44,192</b>
Expenses:		
Depreciation and amortisation	13,155	12,186
Asset adjustments	300	300
People expenses	7,082	7,945
Other expenses	26,077	34,646
<b>Total Expenses – Other Activities</b>	<b>46,614</b>	<b>55,077</b>
Profit/(Loss) from General Operations	10,596	(10,885)
<b>Surplus/(Deficit) for the year</b>	<b>10,252</b>	<b>(12,153)</b>

Note: The above budget figures are stated inclusive of internal revenue and costs which are eliminated in the audited Financial Statements. The value of internal revenue and costs eliminated in the audited Financial Statements for the year ended 30 June 2014 was \$9.2m.

# GOVERNMENT REPORTING

- ~112 Account Payment Performance Indicators
- ~113 Code of Conduct
- ~113 Consultants
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- ~115 Disability Action Plan
- ~116 Electronic Service Delivery
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- ~120 Equal Employment Opportunity
- ~121 Fire Safety Compliance
- ~121 Government Information and Public Access Act 2009
- ~124 Heritage Management
- ~125 Indigenous Reconciliation Action Plan
- ~126 Insurance
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- ~126 Land Title Holdings
- ~127 Legal
- ~127 Multicultural Policies and Services Plan
- ~128 Overseas Travel
- ~129 Privacy Management
- ~130 Public Interest Disclosures
- ~130 Risk Management
- ~132 Senior Executive Service
- ~132 Wage and Salary Movements
- ~133 Workplace Health and Safety

## ACCOUNT PAYMENT PERFORMANCE INDICATORS

The schedule of accounts payable for the four quarters of the financial year and the amounts involved are as follows:

AGED ANALYSIS AT THE END OF EACH QUARTER	Current (within due date) \$'000	Less than 30 days overdue \$'000	30 to 60 days overdue \$'000	60 to 90 days overdue \$'000	More than 90 days overdue \$'000
<b>Quarter: All Suppliers</b>					
September	28,325	1,859	482	202	78
December	27,706	3,043	551	246	309
March	24,849	4,254	924	505	312
June	32,967	4,997	898	149	486
<b>Quarter: Small Business Suppliers</b>					
September	166	17	1	13	0
December	171	101	13	0	3
March	218	73	25	8	15
June	295	25	28	2	0

ACCOUNTS DUE OR PAID WITHIN EACH QUARTER	September	December	March	June
<b>Measure: All Suppliers</b>				
Number of accounts due for payment	3,893	4,106	4,673	5,409
Number of accounts paid on time	2,519	2,469	2,536	3,131
Actual percentage of accounts paid on time (based on number of accounts)	64.7%	60.1%	54.3%	58%
Dollar amount of accounts due for payment	30,945,211	31,854,725	30,843,710	39,497,037
Dollar amount accounts paid on time	28,324,586	27,706,143	24,848,910	32,967,433
Actual percentage of accounts paid on time (based on \$)	92%	87%	81%	83%
Number of payments for interest on overdue accounts	0	1	10	7
Interest paid on overdue accounts	0	112	454	302



In accordance with the payments of accounts circular (NSW Treasury Circular NSW TC 11/12), Sydney Opera House Trust (SOHT) is required to pay interest on late payment of accounts from small businesses. There are 103 small businesses registered with SOHT as at 30 June 2014 with \$868 being paid on overdue accounts. Communications continue with suppliers inviting small businesses to register via remittances. Also, the SOH website, under Corporate Information, Doing Business with SOH makes reference to small businesses.

Twelve businesses were eligible for interest on overdue accounts. Interest paid in FY14 was \$868. Payment delays resulted from difficulty in capturing invoices when purchase orders were not raised in the eProcurement system at the appropriate time. Problem areas are being reviewed and addressed with further process improvements during the next phase of the Financial and eProcurement systems upgrade.

## CODE OF CONDUCT

The Code of Conduct is designed to ensure all staff actions and decisions are consistent with the vision, goals and standards of the Opera House. The Code was revised and relaunched in May 2012 and covers the following key areas: integrity and honesty; ethical standards; fair and equitable behaviour; safety and security; records and information; public comment; outside employment; political and community participation; post-separation employment; and child protection.

Face-to-face training was provided to all staff between June and December 2012 to support the implementation of the new Code. This was further supported by an e-learning module deployed in June 2013. All employees will be required to complete this module on an annual basis.

The Opera House Trustees have a separate Trustee Code of Conduct, which outlines expected standards of behaviour. It encompasses: accountability

ACCOUNTS DUE OR PAID WITHIN EACH QUARTER	September	December	March	June
<b>Measure: Small Business Suppliers</b>				
Number of accounts due for payment	75	118	126	135
Number of accounts paid on time	54	70	86	92
Actual percentage of accounts paid on time (based on number of accounts)	72%	59%	68%	68%
Dollar amount of accounts due for payment	196,813	287,785	338,062	350,668
Dollar amount accounts paid on time	166,304	171,484	217,745	294,959
Actual percentage of accounts paid on time (based on \$)	84%	60%	64%	84%
Number of payments for interest on overdue accounts	0	1	10	7
Interest paid on overdue accounts	0	112	454	302

for public expenditure and decision-making; use of public resources; use of official information; the designation of an official spokesperson for the Trust; gifts and benefits; disclosure of interests; recognising and managing conflicts of interest; reporting suspected corrupt conduct; and relevant legislation. The Trust endorsed the code in April 2013. The Trust Conservation Council, which has external members and specialists, has a separate Code of Conduct that provides guidelines on the values and behaviours expected of Council members.

## CONSULTANTS

In accordance with NSW Government guidelines, projects for which consultants received more than \$50,000 are listed individually. Those involving payments of \$50,000 or less are grouped under a total figure.

McKinsey Consulting – Diagnose current situation and set vision and strategy re

Digital Transformation across the business: \$1,190,000. The services were provided "in kind" based on a contra sponsorship arrangement.

Nine consultancies of \$50,000 or less cost a total of \$148,083 in the following areas: Food and Beverage and retail (4); philanthropic review, corporate communications and strategic advisory services around programs (3); review of Call Centre operations (1); and services for Hackathon marketing (1).

## CREDIT CARD USE

No irregularities in the use of corporate credit cards were recorded during the year. I certify that, to the best of my knowledge and belief, credit card use for the Opera House has been in accordance with Premier's Memoranda and Treasurer's Directions.

**Louise Herron AM**  
Chief Executive Officer

## CUSTOMER EXPERIENCE

The Sydney Opera House Enterprise Strategy 2013 states that everything we do and say should be viewed through the lens of our customers and stakeholders. That includes Resident Companies, government, private and corporate supporters, commercial partners, staff, patrons and the broader public. Strong, mutually beneficial relationships are crucial if the Opera House is to continue to evolve.

### CUSTOMER SERVICE TEAMS

The Host Team comprises vital front-line customer-service staff. They welcome and provide information to internal and external stakeholders as they enter the building via Stage Door. The Host Team manages Stage Door access between the hours of 6.30am and 11.30pm and administers customer feedback by recording, logging and assigning correspondence to relevant managers for response.

Theatre Management and Front of House teams provide courteous, informed and personalised service to patrons attending performances. They are Opera House ambassadors who ensure a smooth and welcoming experience at our venues.

Ticketing Services across Box Office, Contact Centre, email and web-support operations liaise with customers seeking information and purchases for our performances, tours, products and services.

The Opera House continued to invest in training and development in FY14, including programs covering evacuation and warden duties; customer service; conflict resolution; Front of House refresher courses; and Code of Conduct awareness courses. New recruits are inducted with customised training.

### THE OPERA HOUSE COURTESY SHUTTLE BUS

The complimentary bus that takes customers between Circular Quay and the Opera House is an essential service for elderly and less mobile patrons. This year it carried 18,639 passengers, averaging 42 passengers per trip with no incidents.

Courtesy Shuttle Bus Passengers 2007 to 2014	Number of Passengers
2013/14	18,639
2012/13	18,146
2011/12	18,800
2010/11	16,300
2009/10	18,000
2008/09	17,000
2007/08	15,000
2006/07	13,000

### OVERALL UNSOLICITED FEEDBACK 2008-14

741 complaints were registered this year, an increase of 3.63% on FY13 (715 complaints). 195 compliments were recorded, an increase of 3.17% compared with FY13 (189 compliments).

Type of Feedback	Positive	Negative
2013/14	195	741
2012/13	189	715*
2011/12	144	522
2010/11	166	744
2009/10	132	631
2008/09	83	661
2007/08	54	266

### CUSTOMER RESEARCH

The Opera House undertook no customer research in FY14.

### CUSTOMER SERVICE FEEDBACK

In line with our Customer Feedback Policy and Customer First Commitment, the Opera House aims to achieve excellence in customer service through effective management of customer feedback. The Opera House welcomes and values complaints, compliments and suggestions as tools for change and improvement.

All customer feedback is recorded and managed in a single repository, the Tessitura customer relationship management system.

## UNSOLICITED FEEDBACK BY CATEGORY FOR FY14

The table below lists feedback by category. The event/performance category reflects feedback to a range of different performances during the year.

Category	Positive	Negative
Audience Behaviour	0	14
Booking Fees	0	16
Front of House	25	26
Marketing	6	25
Wilson Car Park	0	18
Event/Performance	19	147
Policies and Procedures	3	28
Pricing	0	26
Seating	0	25
Venues and Precinct	29	45
Retail and Food	18	53
Ticketing Services	62	38
Tourism	15	30
Website	0	233
Other	18	17
<b>Total</b>	<b>195</b>	<b>741</b>

## PRESENTER SATISFACTION MEASUREMENT SURVEYS

Annual performance reviews continued with Resident Companies, with participation by Sydney Theatre Company, Sydney Symphony Orchestra, The Australian Ballet and Bell Shakespeare. The Opera Australia review was delayed due to the unavailability of key Opera Australia staff.

The survey sought feedback on: event delivery process; technical services; front of house operations; building facilities; safety; catering; marketing services; and other services. Presenters ranked their satisfaction level from 1 (total dissatisfaction) to 7 (total satisfaction, no room for improvement). The Opera House team re-convenes six months after meetings to monitor progress and ensure service improvement.

Participating companies engaged strongly with the review. Scores from Sydney Symphony Orchestra, Bell Shakespeare and The Australian Ballet remained consistent with previous years with little or no movement on average scores.

Business areas which have historically scored well (6 out of 7 or higher from each company) did so again in FY14.

These included: account management; production management; nursing staff; invoicing; and Box Office operations. Customer service areas that continued to achieve high results included: Box Office staff; Host Team; Emergency Planning and Response Group staff; and Front of House staff.

Building Development and Maintenance scores remained high, while the Emergency Planning and Response Group improved in areas including security, site access and emergency preparation.

Marketing was cited as an area in which improvement was desirable. Flaws in the Opera House's digital signage system are a concern for Resident Companies. A system upgrade and new programming strategy are proposed.

Increased co-operation between the Opera House and Resident Companies in all areas is a key goal and good progress is being made.

## DISABILITY ACTION PLAN

The Opera House Access Strategic Plan 2013-15 was endorsed by the Trust in June 2012. It incorporates planning outcomes contained in the Guidelines for Disability Action Planning by NSW Government Agencies. Year 2 of the Access Strategic Plan 2013-15 has delivered on key initiatives in its five focus areas, creating benefits for patrons, staff and performers with disabilities and enhancing the Opera House's leadership and reputation in arts access. All actions were implemented or commenced. Key achievements are:

Continue to improve operational processes across the site to provide a seamless accessibility experience that includes customer service and event operations:

- This year designated accessible viewing areas on the Forecourt and special customer transport accommodations were incorporated into major festival events on site including New Year's Eve and Vivid LIVE.

Improve access to experiences, including performances, online content, building and facilities, through capacity-building and best-practice planning activities:

- An audio-description service smartphone app and software were introduced for blind or vision-impaired patrons, delivering more reliable digital audio quality. The new system allows the Opera House to provide audio-description services across the precinct where there is a Wi-Fi signal.
- Live-captioning of the Opera House digital excursions was introduced for deaf and hearing-impaired students. Live-captioning of our digital education program via The Captioning Studio in Adelaide gives hearing-impaired students around Australia the chance to connect with our staff, artists and heritage-listed building via video-conferencing.
- Two LED screens connected to the main surtitles system were mounted at the front of both sides of the Joan Sutherland Theatre, providing patrons in the wheelchair-seating positions access to the surtitle service.

- An annual schedule of accessible performances for schools and families was integrated into the annual Kids at the House and House Education program. This included pre-show tactile tours before audio-described performances; Auslan-interpreted theatre; and captioned performances. Autism-friendly performances were accompanied by Meet Your Seat preparation excursions.
- The Opera House introduced audio-description of the Lighting of the Sails, the centrepiece of the Vivid LIVE festival. This was offered free on several evenings to blind or vision-impaired patrons and their companions, and conducted by Opera House staff volunteer audio-describers.
- A Summer Community Access Program was piloted for young adults with intellectual disabilities, who typically experience high levels of social exclusion. It featured affordable ticketing packages; an Opera House tour; and a tailored workshop to build participants' confidence and skills. Disability respite and recreation groups participated in the program during Summer at the House.

Develop workplace opportunities for supporting and employing people with disabilities:

- Three final-year university students with disabilities participated in the Stepping Into paid internship program, designed to instil confidence and assist entry into the workforce. Two design and architecture students completed the winter program with the Building Development and Maintenance team, and a student of Workplace Health and Safety completed a summer internship in the Opera House's Safety Team.

Demonstrate leadership in accessibility by brokering new partnerships and facilitating new learning experiences across the arts industry and disability sector. In this area the Opera House:

- Partnered with Accessible Arts NSW and the Museum of Contemporary Art (MCA) to provide an accredited professional development day for special-needs teachers titled Teaching Creative Arts in the Special Needs Classroom. Robyn Ewing, professor of Teacher Education and the Arts at the University of Sydney, gave the keynote address.

- Continued to help emerging artists with disabilities showcase their work with Can You See Me? Company, an initiative of Cerebral Palsy Alliance. Its latest work, *Nightbook*, played to capacity audiences in the Studio.
- Partnered with Vision Australia to provide accredited audio-description training to staff volunteers, who audio-describe Opera House tours, digital content and performances for blind or vision-impaired patrons and visitors.
- Piloted a new partnership, Bella in the House, with the MCA. It offered a full-day excursion that combined the MCA's Bella Program and an Opera House tour tailored to the individual needs of students aged five to 18 years with a physical, intellectual, behavioural or sensory disability. The themes of the morning's MCA gallery tour and art-making session were linked to the afternoon visit and activities at the Opera House.

## ELECTRONIC SERVICE DELIVERY

### ELECTRONIC SERVICE DELIVERY HUMAN RESOURCES MANAGEMENT SYSTEM

The Opera House has integrated rostering, payroll and HR into a single system providing significant back-of-house efficiencies and improved information management and availability. The associated implementation of an electronic self-service portal has given staff improved access to their information and the ability to undertake many personnel matters online. The system streamlines processes and has reduced paper consumption. Leave and training are requested and approved online and pay slips and group certificates are delivered electronically.

## FINANCE SYSTEM

A significant upgrade of the Opera House's core Finance system has enhanced compliance, eliminated manual workarounds and provided a strong platform for improved reporting and information delivery. Several previously stand-alone systems were incorporated to improve stability, consistency and ease of reporting. An integrated Budgeting and Forecasting module has markedly improved the efficiency and speed of the organisational budget process.

## ENVIRONMENTAL SUSTAINABILITY

### ENVIRONMENTAL SUSTAINABILITY PLAN FY14 ACHIEVEMENTS

The Opera House's new three-year Environmental Sustainability Plan 2014-2016 (ESP) was endorsed by the Trust on 20 June 2013 and commenced on 1 July 2013. Initiatives were undertaken in four focus areas:

#### USE RESOURCES EFFICIENTLY AND RESPONSIBLY

##### Conserve water:

The ESP 2014-16 set a target of returning to the water-use level of FY06 by June 2016. However, by the end of FY14 water use had increased by 72%. This included VAPS construction water use (16% of total).

- An audit of water use was commissioned from external auditors in June 2014 to identify likely reasons for the increase. This will be completed in August 2014. Potential sources of increase include changes in the air-conditioning system; construction projects; and increased patronage of performances and Food and Beverage outlets. Audit results will allow the ESP water-use target to reflect more accurately our water use based on site activity.
- The design of a trial stormwater capture system under the Western Broadwalk was completed. The system is to be approved and implemented in FY15.

### Reduce electricity consumption:

ESP 2014-16 sets a target of 20% reduction in electricity use\* on the FY01 level by 30 June 2016. In FY14, an energy saving of 10% was achieved, increasing from 7% in FY13.

During FY14 the following energy-saving initiatives were implemented:

- The Concert Hall introduced the latest lighting technology and long-life lamps, reducing energy consumption by about 75% and dramatically reducing waste and labour costs. The project is expected to save 430MWh per year and deliver cost savings of more than \$70,000 per year, or more than 1% of the Opera House's total energy use. The upgrade was a collaboration between the Opera House, its resident performing arts companies and contractors and lighting suppliers. The lights were custom-made to fit the Opera House's heritage requirements, including the use of existing openings and rigging points in the ceiling, and maintaining the lighting's warmth and dimming capabilities for performances.
- Concert Hall foyer lighting upgrades to energy-efficient lights.
- Further upgrades of back-of-house lighting with energy-efficient fittings, including stair lights and Joan Sutherland Theatre dock.

Projects commenced to support the ESP target of implementing one or more trials of renewable energy:

- Feasibility study of wave power under the Western Broadwalk was undertaken. The project has not progressed as the company with the appropriate technology closed. However, the data collected will be shared with a partner university for further investigation and studies.
- Feasibility study of heritage-sensitive solar-powered lighting for the northern foyers of the Concert Hall was undertaken by a master's student from the University of NSW.
- 6% green power was purchased during FY14.

### Efficient paper use:

ESP 2014-16 sets a target of 5% reduction in paper use on the FY09 level by 30 June 2016. In FY14, copy paper savings of 9% on the FY09 level were achieved.

A number of projects were implemented to achieve cost-effective delivery of services through reduced paper use. These included:

- A range of more efficient work practices with a specific target of paper reduction. This included an intranet employee self-service system which has eliminated the printing and mailing of pay summaries and group certificates and the elimination of paper-based leave application forms. It is estimated that in six months 2835 leave forms were no longer printed and 1754 payment summaries were delivered electronically. These initiatives also save time and reduce storage requirements.
- Tourism implemented a secure Internet cloud location that has dramatically reduced printed training materials.
- The Marketing team stopped direct mail-outs of the *What's On* booklet for the May-June 2014 edition with no adverse impact on audiences or sales. Continuing this measure will reduce printing of about 60,000 booklets annually and save \$72,000.

## ELECTRICITY, GAS, WATER AND PAPER-USE STATISTICS

Electricity Use* (MWh)	Opera House	Offsite Leases (office and storage)	Total
2013/14	17,872	241	18,113
2012/13	18,282	243	18,525
2011/12	17,376	335	17,710
2010/11	17,825	281	18,106
2009/10	18,688	273	18,961
2008/09	17,707	277	17,984
2007/08	18,730	209	18,939
2006/07	19,056	164	19,220

Water (ML)	Opera House	VAPS	Total
2013/14	87	17	104
2012/13	78	10	88
2011/12	64	-	64
2010/11	70	-	70
2009/10	59	-	59
2008/09	54	-	54
2007/08	58	-	58
2006/07	66	-	66

### Gas:

Gas use at the Opera House is limited to Food and Beverage tenants. The Opera House no longer reports gas usage as new gas as external gas meters were installed in 2013 and usage is now billed directly to F&B tenants.

### Food, Purchasing, Green Cleaning:

Towards our objective of expanding sustainable food options within the Opera House precinct, Aria Catering supported customers seeking sustainable food offerings including development of a vegetarian feast as part of TEDx 2014 and an Indigenous-inspired lunch for Reconciliation Action Week celebrations.

Draft Green Cleaning guidelines have been developed in 2013. These will be finalised and trialled with new Food and Beverage tenants and include development of the new cleaning tender and contract to be developed over the next financial year.

The cleaning company Cleanevent trialled, then introduced, ozone-impregnated water in FY14 for use as a sanitiser in restrooms and public space areas. This reduces the number of chemicals used on site.

It is intended that sustainable procurement principles be developed in FY15.

\* Reported electricity use includes all operations on Bennelong Point including Food and Beverage Tenancies, Major Construction (VAPS). Offsite leases (office and storage) are also included.

## REDUCE WASTE

Total waste increased by 39 tonnes in FY14. Recycling rates dropped to 10% by weight. The recycling reduction has highlighted a need to continue education of staff and tenants and undertake regular reviews of cleaning and waste-management processes. The ESP focus is to reduce waste and achieve a 40% diversion of waste from landfill.

Initiatives to improve recycling include:

- Improved control of recycling and accuracy of monthly reporting provided by waste and cleaning contractors
- New paper recycling bins in the Concert Hall and Joan Sutherland Theatre foyers and increased public recycling within public areas
- Design finalised for a new waste and recycling area in the VAPS project loading dock to enable increased recycling of waste (including food waste).

Waste data is collected by contractor Cleanevent on a daily basis and reported monthly. These figures have been used to report on our performance.

	Recycling	General Waste	Total
<b>2013/14</b>			
Tonne*	85.9	771.2	<b>857.1</b>
Percentage^	10%	90%	<b>100%</b>
<b>2012/13</b>			
Tonne*	145	673	<b>818</b>
Percentage^	18%	82%	<b>100%</b>
<b>2011/12</b>			
Tonne*	187	758	<b>945</b>
Percentage^	20%	80%	<b>100%</b>
<b>2010/11</b>			
Tonne*	238	637	<b>875</b>
Percentage^	27%	73%	<b>100%</b>

## IMPROVE ENVIRONMENTAL RISK MANAGEMENT

The following initiatives were implemented in FY14 to improve environmental risk management:

- Environmental sustainability included in the new Food and Beverage commercial fit-out guide and the Outdoor Event Guide.
- All hazards and incidents reported and investigated. Investigation and mapping of Eastern Forecourt stormwater drainage undertaken to better understand and manage stormwater and discharges from the area.
- The Opera House was a part of the Coastal Zone Mapping Plan steering committee, which is working to improve understanding of sea-level rise. The Opera House participated in a community awareness activity on this issue run by the charity Green Cross.

## EMBED, ENGAGE AND INSPIRE

With the objective of developing an environmentally aware and efficient staff culture, the following initiatives were implemented:

- Environment, access and reconciliation awards were held recognising staff commitment in social and environmental initiatives.
- The Office of Environment and Heritage Sustainability Advantage program provided tools and motivation for staff to implement environmental projects in their areas of the business.
- The safety team gave out seedlings in Safety Week.
- The Opera House hosted the launch of the Green Building Council of Australia Green Star Performance Rating Tool and committed to participating in a pilot project.

In FY14 the Opera House was short-listed for a NSW Government Green Globe Award. Renewable energy accredited through Green Power was purchased for the weekends of Earth Hour and Vivid 2014.

### Carbon footprint:

The Opera House produced 18,260 metric tonnes of carbon dioxide equivalents for FY14, representing a 9% decrease on the previous year. This is attributed to a change in the method for calculating carbon emissions from electricity generated in NSW, a reduction in electricity usage and a reduction in international flights.

Emissions have been calculated for the full fuel cycle in accordance with Department of Climate Change and Energy Efficiency National Greenhouse Accounts (NGA) Factors July 2011 and EPA Victoria.

The Opera House had the completeness of emissions sources, accuracy and robustness of data, key assumptions, emissions factors, calculations and methodologies verified against the Greenhouse Gas Protocol developed by the World Business Council for Sustainable Development (WBCSD/WRI 2001) and ISO 14064:3 by qualified third-party auditors, Net Balance.

<b>OPERA HOUSE GREENHOUSE GAS EMISSIONS 2009-14 (TONNES)</b>	<b>2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>	<b>2009/10</b>
<b>Scope 1: Direct Emissions</b>					
Natural Gas	-	147	105	126	91
Refrigerants	390	401	394	398	398
Fuel Use by Fleet Vehicles	6	5	8	8	4
<b>Scope 2: Electricity</b>					
Electricity from buildings (Opera House, tenancies and offsite leases)	17,932	19,637	18,773	19,193	20,288
Greenpower <sup>1</sup>	(-1,210)	(-1,174)	(-2,010)	(-1,729)	(-1,205)
Net Emissions from Electricity	16,722	18,463	16,764	17,463	19,083
<b>Scope 3: Indirect Emissions</b>					
Flights <sup>2</sup>	89	223	217	Not counted	Not counted
Office Paper	15	14	17	19	Not counted
Publications Paper	60	Not counted	Not counted	Not counted	Not counted
Waste	978	854	991	837	482
<b>Total</b>	<b>18,260</b>	<b>20,107</b>	<b>18,495</b>	<b>18,851</b>	<b>20,057</b>
<b>Percentage change from previous year</b>	<b>-9%</b>	<b>+9%</b>	<b>-2%</b>	<b>-6%</b>	<b>N/A</b>

<sup>1</sup> FY14 Green Power purchase was 10% for July 2013-June 2014 and an additional 130MWh as purchased for Earth Hour 2014. <sup>2</sup> Flights in FY14 included domestic and international flights.

## EQUAL EMPLOYMENT OPPORTUNITY (EEO)

The Opera House is committed to maintaining equality in the workforce by upholding a workplace culture that displays fair practice and behaviour, and ensuring that all people are valued, respected and have opportunities to develop their potential.

### EEO INITIATIVES AND ACHIEVEMENTS FY14

- Three final-year university students with disability were provided with a paid internship within our Safety and Design and Architecture functions as part of our continued relationship with the Australian Network on Disability and their Stepping Into program. It gives practical work experiences and employment opportunities to a group of people who may otherwise face significant barriers to finding employment.
- Promotion of greater Aboriginal and Torres Strait Islander (ATSI) employment through the active marketing of about 15 targeted roles through Indigenous recruitment networks.
- Continued action throughout the year to support the employment prospects of all employees, regardless of background, by supporting the preparation of job applications and giving individual interview coaching and leadership development.
- Promotion and awareness of EEO principles and practices through the delivery of the Orientation Program for all new staff and specific role induction programs.
- Development of an internal online cultural awareness module to assist in the organisation's understanding of ATSI culture and improve the organisation's engagement and partnership with this community.

- Extension of the long-term relationship with Vision Australia to partner an audio-description program, providing a verbal description of performances and events for the visually impaired. Opera House staff were encouraged and released from duty where required to attend training and provide these services.
- Continued relationship with the Australia Council to support the employment of emerging producers from the ATSI community.

### EEO INITIATIVES FY15

- The Opera House will host a career-planning day for 40-50 Aboriginal and ATSI students to provide them with practical support and guidance in resume writing and interview skills in preparation for entry into the workforce, while showcasing employment opportunities within the Opera House and with our presenting partners.

- Ongoing relationship with the Guwara school (within St Andrew's Cathedral School) to support a structured work-experience program for school-based ATSI trainees.
- Continued investigation into the iLead mentoring program, or our own Enterprise Strategy-linked mentoring program, to promote leadership skills development and the participation and development of women in management.
- Relationship between Bangarra Dance Theatre and the Sydney Opera House's Registered Training Organisation (RTO) to support trainees' use of RTO programs and qualifications
- Work experience and traineeship programs for ATSI students.
- Continued relationship with the Paralympic Workforce Diversity Program.
- Continuation of the Workplace Giving staff-engagement program to facilitate charitable donations to charity partners with the inclusion of a new charity partner, Guide Dogs Australia, in 2015.

**TABLE A.  
TRENDS IN THE  
REPRESENTATION  
OF EEO GROUPS**

	Benchmark or Target	2014	2013	2012	2011	2010
<b>% of total staff</b>						
Women	50%	46.6%	44.5%	46%	47.1%	46.9%
Aboriginal people and Torres Strait Islanders <sup>1</sup>	2.6%	1.6%	1.9%	1.6%	0.3%	0.3%
People whose first language was not English	19%	14.3%	15.5%	14.6%	13.7%	12.6%
People with a disability	N/A	2.5%	2.9%	3%	3.4%	3.7%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.2%	0.2%	0.0%	0.0%



**TABLE B.  
TRENDS IN THE  
DISTRIBUTION OF  
EEO GROUPS**

	Benchmark or Target	2014	2013	2012	2011	2010
<b>Distribution Index</b>						
Women	100	107	105	101	98	103
Aboriginal people and Torres Strait Islanders <sup>1</sup>	100	N/A	N/A	N/A	N/A	N/A
People whose first language was not English	100	80	87	86	90	72
People with a disability	100	N/A	N/A	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A	N/A

Note: Staff numbers as at 30 June 2014. Information provided by the Workforce Profile Unit, Public Service Commission. The Distribution Index is automatically calculated by the software provided by Public Service Commission. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20 (denoted by n/a).

## **FIRE SAFETY COMPLIANCE**

Responsibility for fire safety compliance rests with the Director, Building Development and Maintenance. On 24 June 2014, the building's Annual Fire Safety Statement was issued in accordance with the Environmental Planning and Assessment Regulation 2000 – Division 5, Clause 175 and 178.

Stage 4, the final stage of the fire hydrant and hose reel upgrade program, has commenced implementation. The work is being coordinated with the Vehicle Access and Pedestrian Safety project and is targeted for completion in FY16. This will complete all fire hydrant upgrades in line with the original Arup 2004 report. FM Global Audit Report recommendations made in 2013 have also been incorporated into the work.

## **GOVERNMENT INFORMATION AND PUBLIC ACCESS (GIPA) ACT 2009**

### **Review of proactive release program – Clause 7(a) of the Government Information (Public Access) Amendment Regulation 2010 (GIPA Regulation) under the GIPA Act**

In accordance with section 7 of the Government Information and Public Access Act 2009 (the GIPA Act), the Opera House conducted a review of the information it makes publicly available and re-wrote the agency information guide.

A new Community Donations policy has been added to the suite of policies the Opera House has made publicly available on its website. The Opera House continues to refresh its existing policies to ensure currency. Much work has been done to release information about the Opera House's environmental sustainability activities. As well as

providing the Environmental Sustainability Plan 2014–2016 on the website, the information is supplemented by short videos. Accessibility information has been made available on the website in conventional printed form, as well as by audio MP3 and large-print format.

Accessibility is key to educational activities at the Opera House. Information released on the website includes teaching resources and information about subsidised visits for school children. For people unable to experience performance in situ, the Opera House provides information about the digital education program (delivered via video conference) and also streams performances via the website, to provide information about Opera House events to audiences outside Sydney. These activities underline the Opera House's ready uptake of new media communication channels to facilitate making information publicly available.

The Vehicle Access and Pedestrian Safety project (VAPS) progress information is regularly updated and released on [sydneyoperahouse.com](http://sydneyoperahouse.com).

<sup>1</sup> Includes casual staff for 2011 and 2010 only.

### Number of access applications received – Clause 7(b) of the GIPA Regulation

During the reporting period, the Opera House received seven formal access applications under the GIPA Act.

### Number of refused applications for Schedule 1 information – Clause 7(c) of the GIPA regulation

Two applications were refused in full. One application was refused under clauses 4(b), 4(c), 4(d) and 5(e) of the table at Section 14 of the GIPA Act. Agencies are permitted to refuse applications if dealing with the application would require an unreasonable and substantial diversion of its resources, considered by the Opera House to be in excess of 50 hours. One application fell into this category following attempts to narrow its scope.

### Statistical information about access applications – Clause 7(d) and Schedule 2 of the GIPA regulation

<b>TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME</b>	<b>Access granted in full</b>	<b>Access granted in part</b>	<b>Access refused in full</b>	<b>Information not held</b>	<b>Information already available</b>	<b>Refuse to deal with application</b>	<b>Refuse to confirm/deny whether information is held</b>	<b>Application withdrawn</b>
Media	0	1	0	0	0	1	0	0
Members of Parliament	0	1	0	0	0	0	0	0
Private sector business	0	0	1	0	0	0	0	0
Not-for-profit organisation or community group	0	3	0	0	0	0	0	0
Members of the public (application by legal rep)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

<b>TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME</b>	<b>Access granted in full</b>	<b>Access granted in part</b>	<b>Access refused in full</b>	<b>Information not held</b>	<b>Information already available</b>	<b>Refuse to deal with application</b>	<b>Refuse to confirm/deny whether information is held</b>	<b>Application withdrawn</b>
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information)	0	5	2	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

<b>TABLE C: INVALID APPLICATIONS</b>	<b>No. of applications</b>
<b>Reason for Invalidity</b>	
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 TO THE GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009**

	<b>No. of times consideration used</b>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	3
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

**TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE 14 TO THE GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009**

	<b>No. of occasions when application not successful</b>
Responsible and effective government	2
Law enforcement and security	0
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	3
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

<b>TABLE F: TIMELINESS</b>	<b>No. of applications</b>
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	2
Not decided within timeframe (deemed refusal)	0
<b>Total</b>	<b>7</b>

<b>TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 (BY TYPE OF REVIEW AND OUTCOME)</b>	<b>Decision varied</b>	<b>Decision upheld</b>	<b>Total</b>
Internal review	0	1	1
Review by Information Commissioner	0	1	In progress
Internal Review following recommendation under section 93 of the Act	0	0	0
Review by NSW Civil and Administrative Tribunal	0	1	1
<b>Total</b>	<b>0</b>	<b>3</b>	<b>2</b>

<b>TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 (BY TYPE OF APPLICANT)</b>	<b>No. of applications for review</b>
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (section 54 of the Government Information (Public Access) Act 2009)	0

## HERITAGE MANAGEMENT

The Opera House has continued to develop heritage management tools to ensure we meet our obligations as a State, National and World Heritage listed site. This year we have consulted with our heritage advisers to review the Heritage Risk Management Policy and Heritage Risk Management Plan (2006). Our new Heritage Risk Management Framework will help incorporate strategies for managing the risks to our heritage values into our business.

In 2013 we formed a Heritage Interpretation steering committee with members from the Conservation Council and Eminent Architects Panel and a draft Heritage Interpretation Strategy was

developed. The steering committee and the Conservation Council recommend that the report is independently peer-reviewed with further research and validation of the recommended interpretation themes and corresponding stories.

The Concert Hall acoustic trial, which has been in place for the past two years, was deemed a success following acoustic testing in consultation with the Sydney Symphony Orchestra. The Heritage Office granted approval in November 2013 to permanently replace the hall's sawtooth brushbox timber walls with new flat-faced walls. The original sawtooth wall panels have been catalogued and stored.

During excavation for the Vehicle Access and Pedestrian Safety project, remnants of a 19th-century lime-burning pit were uncovered on the eastern side of the Forecourt. Archaeologists and the NSW

Heritage Office assessed the discovery and determined the remnants could not be salvaged. The Heritage Office approved their removal on the condition that an interpretive model was created to document the discovery.

A six-minute interpretive video of the lime kiln was produced, using 3D modelling techniques. The video, produced by the Opera House in partnership with GML Heritage and Art of Multimedia, was Highly Commended at the 2014 National Trust Heritage Awards.

During FY14, the Conservation Council met four times. Through their meetings and additional project-related guidance, Conservation Council members considered:

- Oversight of general conservation management
- Concert Hall lighting upgrade

- Food and Beverage tenders
- Site activation
- Heritage training
- Maintenance projects
- Heritage advice and oversight of the Vehicle Access and Pedestrian Safety project and Podium Waterproofing project
- Heritage Interpretation Strategy and Heritage Risk Management Plan
- Multidisciplinary Australian Danish Exchange (MADE by the Opera House) program.

## INDIGENOUS RECONCILIATION ACTION PLAN

The Opera House launched its third Reconciliation Action Plan (RAP) in July 2013. The RAP outlines the Opera House's commitment to closing the gap, embedding Indigenous programs into core business activities and providing opportunities for Aboriginal and Torres Strait Islander people. The three-year RAP (2014-16) focuses on programming and education initiatives, employment and training, and broader cultural awareness.

### HIGHLIGHTS FY14

- **40th Anniversary:** In October 2013, the Opera House's 40th Anniversary Concert opened with an Indigenous flash mob, choreographed in partnership with NAISDA and featuring six dance companies and more than 40 NSW school students. Casey Donovan performed a new song composed by David Page and Paul Mac, and was accompanied by Bangarra dancers.
- **Homeground 2014:** In April 2014, the Opera House attracted 10,000 attendees to its inaugural Homeground festival, a free, outdoor celebration of First People music, dance and culture. The festival is the centrepiece of the Opera House's Indigenous programming and builds on 13 years of the highly acclaimed Message Sticks festival. Homeground featured some of Australia's finest musicians and dancers, including Shane Howard, Shellie Morris, Casey Donovan, hip-hop pioneers Street Warriors and Move it Mob Style. It culminated in the Songrites Project, which involved musicians working with Playwriting Australia to explore their personal stories. Homeground will be presented at the Opera House again in November 2014 as part of the Corroboree Sydney festival.
- **Tri-Nations Boomerang concert:** Homeground featured the international debut of the Tri-Nations *Boomerang* concert, a unique collaboration of Aboriginal and Torres Strait Islander, Maori and Gaelic/Celtic indigenous people. The Opera House was lead producer on the project, which was developed in collaboration with Active Events (Scotland) and Taranaki Arts Festival (New Zealand), and involved funding support from the Australia Council for the Arts, the Department of Foreign Affairs and Trade, Creative Scotland and Creative New Zealand. The concert was also presented at the New Zealand World of Music, Arts and Dance Festival (WOMAD) in March 2014 and performed at the Hebridean Celtic festival, Isle of Lewis and the Queen's Baton Relay Glasgow. *Boomerang* also featured at a number of cultural events during the lead-up celebrations to the Commonwealth Games and was the highlight of Festival 2014, the Commonwealth Games arts festival in Glasgow in July 2014.
- **Guwanyi Walama: To Tell and Return:** This year the Opera House developed the interactive digital tour *Guwanyi Walama: To Tell and Return*, which explores the history of Bennelong Point and the Gadigal lands of Sydney Cove before 1788. The 45-minute tour combines live presentation from the Opera House with cutting-edge animation and has been designed to align with the NSW schools curriculum.
- **Indigenous work experience program:** Thirty-two students were selected by the Indigenous Unit of the NSW Department of Education and Communities to participate in the Opera House's week-long Indigenous work experience program. It has been running since 2011 and gives Indigenous students the opportunity to learn practical work skills, develop personal confidence and engage with Indigenous artists and Opera House staff. The students experienced the diversity of roles and business areas at the Opera House, including technical production, catering, tourism, programming, marketing, publicity, security and front-of-house services.
- **Indigenous Traineeship Program:** The Opera House continued its Indigenous Traineeship program, with four high-school students from Guwara school (within St Andrew's Cathedral School) undertaking traineeships in the Ticketing and Front of House departments.

## BUILDING RELATIONSHIPS

- **Corroboree Sydney:** The Opera House hosted a five-day cultural lab for Indigenous artists Casey Donovan, Troy Brady and Abe Wright as part of the inaugural Corroboree Sydney festival in November 2013.
- **ATSIA Board Affiliate Member:** The Opera House completed its first year as a Bronze partner of the Aboriginal and Torres Strait Islander Arts Board of the Australia Council. The partnership recognises the Opera House's contribution to the sustainability and growth of Indigenous arts and culture.
- **Bangarra's 10th year at the Opera House:** A photographic exhibition of Bangarra's work, presented on the Western Broadwalk, commemorated the company's 25th year and its 10th year at the Opera House. Further celebrations for Bangarra's 25th birthday are planned in FY15.

## CULTURAL AWARENESS

- **National Reconciliation Week 2013:** The Opera House celebrated National Reconciliation Week with a contemporary Aboriginal dance workshop for staff.
- **NAIDOC Week 2013:** The Opera House recognised NAIDOC Week with a program of talks, workshops and film screenings for staff and resident companies. It also presented *In the Frame*, interviews with Australia's leading First Nations personalities including journalist Stan Grant, country music duo Busby Marou, comedian Sean Choolburra, rugby great Mark Ella, musician Shellie Morris and visual artist Vernon Ah Kee. The interviews were developed into a television series that aired on NITV during Corroboree Sydney.

## INSURANCE

Insurance coverage of the Opera House is predominantly provided by the NSW Treasury Managed Fund, a self-insurance scheme administered by GIO (which covers property, public liability and motor vehicle) and Allianz (workers compensation).

The property policy protects Sydney Opera House assets and the properties for which it holds long-term leases.

During the year the Opera House had two miscellaneous claims totalling \$5000, 10 property claims totalling \$183,946, one motor vehicle claim of \$3810 and nine liability claims totalling \$325,111. Under the workers compensation policy 24 new claims were lodged during FY14.

The table below shows the total cost of premiums excluding GST, arriving at the cost per employee over the past five years.

	2013/14 \$	2012/13 \$	2011/12 \$	2010/11 \$	2009/10 \$
Motor Vehicle	6,480	3,320	3,290	2,880	2,620
Property	732,100	700,100	646,150	579,600	707,890
Public Liability	334,370	349,560	359,660	372,780	381,220
Workers Comp.	691,909	820,530	1,124,200	924,280	928,570
Miscellaneous	23,310	17,270	12,800	9,600	7,210
<b>Total Cost</b>	<b>1,788,169</b>	<b>1,890,780</b>	<b>2,146,100</b>	<b>1,889,140</b>	<b>2,027,510</b>
<b>Total Employees</b>	<b>857</b>	<b>759</b>	<b>847</b>	<b>781</b>	<b>741</b>
<b>Cost per Employee</b>	<b>2,087</b>	<b>2,468</b>	<b>2,534</b>	<b>2,419</b>	<b>2,736</b>

The Opera House has taken out Statutory Liability insurance with Lloyds of London placed through Dual Australia Pty Ltd. It covers fines and related costs imposed as a result of an innocent breach of the many Acts which control the Opera House's operations. This is insurance cover not provided by the Treasury Managed Fund and no claim has been made under this policy.

Further insurance has been taken out by the Opera House for performers engaged through Sydney Opera House Presents who do not have their own public liability insurance. Cover through the Treasury Managed Fund is limited to Trust members, Directors, Officers and Opera House employees. No claim has been made against this insurance, provided by SLE Worldwide Australia Pty Limited and underwritten by Lloyds of London.

## INVESTMENT PERFORMANCE MEASURE

Investments are placed with NSW Treasury Corporation or banks at interest rates equivalent to, or greater than, the relevant benchmark Hourglass Investment.

## LAND TITLE HOLDINGS

### SUMMARY OF LAND HOLDINGS

Ownership of Sydney Opera House and its land is vested in the Minister administering the Sydney Opera House Trust Act 1961 (the Minister for the Arts) on behalf of the NSW Government. The Sydney Opera House Trust, which is constituted as a body corporate under the Sydney Opera House Trust Act 1961, is responsible for the operation and maintenance of the Opera House and its land. The site area is 3.82527 hectares and is located at the northern end of Circular Quay East, Bennelong Point, and as at 30 June 2014 was valued at \$111 million.

## LEGAL

No amendment was made to the Sydney Opera House Trust Act 1961 or the Sydney Opera House Trust By-Law 2010.

The Government Sector Employment Act 2013 (GSE Act) and the Government Sector Employment Regulation 2013 commenced on 24 February 2014 establishing the Sydney Opera House Trust Staff Agency as a Public Service executive agency related to the Department of Trade and Investment, Regional Infrastructure and Services under Part 2 Schedule. The GSE Act replaced the Public Sector and Management Act 2002 (PSEM Act). The provisions from the PSEM Act relevant to procurement were transferred to the Public Works and Procurement Act 1912 (PWP Act). An internal working group has been established to ensure compliance and reporting requirements are current for both the GSE Act and the PWP Act.

The Liquor Amendment (Sydney CBD Entertainment Precinct Plan of Management) Regulation 2014 was assented to on 6 June 2014 and commenced on 18 July 2014 to implement a Plan of Management for the CBD Entertainment precinct aimed at reducing alcohol-related violence and anti-social behaviour. Given that the Opera House sits in the Sydney CBD Entertainment Precinct as a result of the enactment of the Liquor Amendment Act 2014 on 30 January 2014, the impacts of the new Act and regulations have been assessed and directions implemented to ensure compliance.

## MULTICULTURAL POLICIES AND SERVICES PLAN

In support of the NSW Multicultural Policies and Services Plan, opportunities to engage with the Opera House were created for artists, audiences and visitors from a range of cultural backgrounds. Performances with a strong multicultural theme were presented across a variety of art forms, including music, dance, theatre, talks, and film.

The presentations included large and small-scale performances across the venues, from Sydney Opera House Presents, Resident and supported companies, and other presenters.

Highlights of presentations identified under the Multicultural Policies and Services Plan:

- **NAIDOC Week (July 2013):** In recognition of NAIDOC Week, the Opera House presented a Cultural Awareness Program of talks, workshops and film screenings for staff and Resident Companies to showcase Aboriginal culture; as well as staged a live taping of interviews with significant Indigenous personalities, which aired on NITV.
- **Miss Ophelia (July 2013):** The largest children's performance company in the Netherlands, Het Hiliaal, presented this performance for young audiences showcasing innovative use of puppetry, shadows and light.
- **Shereen El Feki (September 2013):** Welsh-Egyptian journalist and author Shereen El Feki presented a lecture exploring family, marriage and relationships in the Arab world.
- **Royal Concertgebouw Orchestra (October 2013):** In its 125th year, the RCO presented three performances at the Opera House as part of the World Orchestras Program, including an education project for young musicians from urban and rural NSW.
- **Marcel Khalife (November 2013):** Celebrated Lebanese composer, singer and oud player Marcel Khalife returned to the Opera House, reprising his 2008 performance.
- **Aung San Suu Kyi (November 2013):** Myanmar opposition leader Daw Aung San Suu Kyi spoke to a sold-out Concert Hall, with significant involvement from Sydney's Burmese community.
- **Homeground (April 2014):** Building on 13 years of the acclaimed Message Sticks festival, this all-ages festival celebrated First People music, dance and culture. The festival included artists from Australia, New Zealand and Scotland.
- **Jerusalem Project (April 2014):** Early music icon Jordi Savall presented the music of Jewish, Christian and Muslim faiths side by side with members of his ensemble Hesperion XXI, the Sufi players of Al-Darwish, and more than 20 musicians from 14 countries in Europe and the Middle East.
- **Penny Penny (June 2014):** South African musician and Tsonga Disco (modernised interpretations of the traditional music of the Tsonga people) star Penny Penny joined a variety of local acts for *Good God Tin Pan Alley* as part of Vivid LIVE.
- **Milonga (June 2014):** Internationally renowned Belgian-Moroccan choreographer Sidi Larbi Cherkaoui presented a cast of Argentinian dancers and musicians exploring traditional tango from another cultural perspective.
- **Boomerang: A Tri-Nations Project (March-July 2014):** A unique collaboration of song, language, music and dance from First Nation cultures, this performance included artists from Australia, New Zealand and Scotland and travelled to each country.

To meet the needs of visitors and customers from diverse cultural backgrounds, the Opera House provides services and information in Japanese, Korean, Mandarin, French and German. In addition, website pages, information brochures and other printed collateral are produced in all tour languages.

Next year the Opera House will continue to provide tours in English, Japanese, Korean and Mandarin, French and German; communicate via a range of translated material and interpreters; and present opportunities to a culturally diverse range of artists, audiences and the community, through events, services and consultation.

## OVERSEAS TRAVEL

Opera House staff members undertake interstate and overseas travel for business reasons, including sourcing performing arts product, touring programs and representing the Opera House at key industry forums. The following overseas travel undertaken during the reporting year was approved by the Minister for the Arts until 23 May 2014, after which approval was given by the Secretary of NSW Trade and Investment.

	Destination/s	Purpose	From	To
Geoff Farnsworth	US	To attend Tessitura Learning and Community Conference 2013.	13/07/2013	21/07/2013
Krystal Nolan	US	To attend Tessitura Learning and Community Conference 2013.	13/07/2013	20/07/2013
Bridgette Van Leuven	JAP	To attend the Kijimuna Festival for Children for sourcing international productions, particularly Asian content for the House:Ed and KATH program. To attend a symposium program for industry professionals.	21/07/2013	28/07/2013
Bradley Maiden	GER	Factory Acceptance Testing of new Stage Management Desks and subsystems in their entirety at the Salzbrenner Stagetec factory in Buttenheim, Germany.	29/07/2013	3/08/2013
Georgia Hendy	UK	To attend the Edinburgh Festival and British showcase and attend various theatrical performances and attend meetings with European and British theatre producers.	9/08/2013	27/08/2013
Nicholas Malham	US	To develop a website with digital specialists Cyark and convert the digital potential of the 3D Opera House developed by Cyark and Scottish into a real campaign with tangible benefits.	15/09/2013	18/09/2013
Jonathan Bielski	KOR	To attend AAPPAC Conference with major performing arts centres around the world.	6/10/2013	11/10/2013
Georgia Hendy	US	Attend various dance performances and take meetings with American dance producers and agents.	19/10/2013	29/10/2013
Andrew Spencer	UK BEL US	To identify potential high-quality programming opportunities, develop relationships with international theatre producers and companies, and negotiate commercial deals.	30/10/2013	10/11/2013
Bradley Maiden	GER	Factory Acceptance Testing of new Stage Management Desks and subsystems in their entirety at the Salzbrenner Stagetec factory in Buttenheim, Germany.	1/11/2013	18/11/2013
Peter Gahan	GER	Test Stage Management Desks (SMD) for Factory Acceptance Testing in the Stagetec Factory in Buttenheim, Germany.	8/11/2013	18/11/2013
Louise Herron	US	To attend meetings with various performing arts centres and key philanthropy organisations and to attend and speak at the International Society for the Performing Arts (ISPA) conference in New York.	11/01/2014	20/01/2014
Ben Marshall	US	To meet key overseas-based music artists, agents and managers. As Commissioning Programmer for Wordless! Ben attended the Brooklyn Academy of Music.	17/01/2014	23/01/2014
Caroline Grandjean-Thomsen	DEN ICE	To represent SOH at the inaugural MADE by the Opera House (Multidisciplinary Australian Danish Exchange) program and interview students and all Danish partners and contributors to gain insight and feedback on the program.	15/02/2014	3/03/2014
Sarah Duthie	US	Attend the Destination New South Wales (DNSW) Australian Marketplace 2014 sales mission attended by North American buyers and carry out targeted sales visits to key wholesalers and product planners.	1/03/2014	13/03/2014
Rhoda Roberts	NZ	Tri-Nations <i>Boomerang</i> Concert.	12/03/2014	17/03/2014



Jennie Bradbury	NZ	Tri-Nations <i>Boomerang</i> Concert.	12/03/2014	17/03/2014
Jade McKellar	CHN	To meet with key contacts in the Chinese market to gain insight into the nuances of this growing inbound market as Tours and Retail embark on a period of product planning and development.	16/03/2014	26/03/2014
Sarah Duthie	CHN	To attend the China Mission 2014, a joint Destination NSW and Tourism Queensland sales mission in Qingdao and Shanghai, and carry out targeted sales visits to key wholesalers and product planners.	16/03/2014	26/03/2014
Felicity Jeavons-Fellows	US	To attend the 31st annual international IEG Sponsorship Conference - identifying, developing and securing new partnerships to increase overall level of cash sponsorship investment in the Opera House and to respond to organisation-wide operational and strategic initiatives.	23/03/2014	29/03/2014
Louise Herron	DEN	To discuss progress of various ongoing collaborations with the Danish Ministry of Culture, the Obel Foundation and the Chief of Court of TRH for The Crown Prince and The Crown Princess, meet with the Bikuben Foundation to review the MADE exchange program, including hosting an official reception for the Australian MADE exchange students currently in Denmark and meet members of the Utzon family and the Danish Agency of Culture, prior to visits to various World Heritage sites.	18/04/2014	25/04/2014
Bridgette Van Leuven	UK DEN	Attend meetings with co-presenting partner Emer Harrington, Arts Centre Melbourne, to investigate London Symphony Orchestra Education program, Southbank, Unicorn, Kenny Wax Productions, British Council Digital Education, Danish Arts Council and Creative Scotland. Attend Danish Plus Children's Festival and Imagine International Children's Festival in Scotland. Invitation by British Council Wales to visits Theatre Lolo.	1/05/2014	15/05/2014
Jonathan Bielski	CHN	Attend the Australian Arts Managers China Delegation conference, focusing on the predominant challenges facing arts professionals, venues and centres.	15/05/2014	25/05/2014
Paul Shumack	UK	To speak at the International Theatre Engineering and Architecture Conference (ITEAC). This conference is held only every four years and brings together leading international engineers, consultants, suppliers, project managers and architects to discuss a broad range of topics relating to global best practice for theatres.	5/06/2014	14/06/2014
Ben Marshall	UK	To attend performances of Southbank Centre's artist-curated Meltdown Festival in London. Meet with James Lavelle, who curated Meltdown 2014, as well as leading artists, agents, labels, arts centres and managers to discuss future music programming at the Sydney Opera House.	12/06/2014	23/06/2014
Jonathan Bielski	NZ	Invited to participate in panel discussions and present keynote address at The Nature of Risk, an arts forum presented by the Theatre Artists Charitable Trust.	19/06/2014	21/06/2014

## PRIVACY MANAGEMENT

The Opera House Privacy Management Plan includes:

- Descriptions of the key categories of personal information held by the Opera House
- Procedures for facilitating the public's right to access information held about them
- Procedures for privacy complaints and internal reviews.

Details of how the Opera House protects the privacy of its customers, including visitors to its website, are available at [sydneyoperahouse.com](http://sydneyoperahouse.com).

To obtain copies of the Opera House's latest Customer Privacy Statement, Privacy Management Plan, Privacy Policy and/or to make enquiries about privacy issues, contact:

### Privacy Contact Officer

Sydney Opera House, GPO Box 4274,  
SYDNEY NSW 2001

**Telephone:** (02) 9250 7111

**Email:** [privacy@sydneyoperahouse.com](mailto:privacy@sydneyoperahouse.com)

The Opera House did not conduct any new internal reviews under section 53 of the *Privacy and Personal Information Protection Act 1988* (NSW) during the reporting year.

A number of customers chose to opt out of receiving direct marketing material from the Opera House.

The review of the Opera House's customer information handling practices continued during FY14.

## PUBLIC INTEREST DISCLOSURES

No public interest disclosures were made or received by the Opera House during the year.

The Opera House Public Interest Disclosures Policy is available to staff on the staff intranet and is also provided on the Opera House website for the information of stakeholders and the community.

A variety of actions are taken during the year to ensure that staff is aware of the content of the public interest disclosures policy and protections under the Public Interest Disclosures Act, 1994:

- Public interest disclosures reporting requirements incorporated into the Staff Orientation Program
- Public interest disclosures requirements incorporated into Code of Conduct for staff. Annual Code of Conduct review requirement continued for all existing staff
- Code of Conduct and Public Interest Disclosures Policy included in all starter packs for new employees
- Online compliance and awareness training modules for Code of Conduct and Cash Handling implemented
- Online compliance and awareness training modules for Public Interest Disclosures and Gifts and Benefits developed for implementation in FY15.

## RISK MANAGEMENT

### AUDITS

(also refer Corporate Governance p.31).

The Sydney Opera House Trust Audit and Risk Committee assists the Trust in fulfilling its responsibilities in relation to financial reporting, risk management, compliance and the audit function.

Performance and compliance audits were carried out by Deloitte Touche Tohmatsu on a variety of business processes and systems during the year. The objective was to evaluate the design and operating effectiveness of internal controls established and to make recommendations for improvement. The following audits occurred as part of the FY14 Internal Audit Plan for Sydney Opera House.

- Treasury Operations, March 2013 – evaluation of selected policy and procedures associated with Treasury Operations. The scope was limited to transactions during the period 1 March 2012 to 28 February 2013 and covered:
  - assessment of the adequacy of existing policies and procedures associated with treasury management and their alignment with legislative requirements, and
  - assessment of compliance with key policy and legislation in the areas of foreign currency risk, investment risk and liquidity risk.

This audit was conducted in FY13 and was reported in FY14. Five audit issues were identified with 11 associated recommendations. All recommendations have been or are being actioned.

- Legislative Compliance Register, August 2013 – an assessment of the Opera House legislative compliance register was undertaken in August 2013. The scope of the audit was a review of the register to make recommendations regarding changes in legislation that have occurred or new legislation passed, as well as recommendations as to how the register may be used for compliance monitoring and reporting. The scope was limited to legislative changes since February 2011. Due to the nature of this audit, no issues were identified, however three better practice suggestions were made and a number of actions have been undertaken in response.

- Food and Beverage Tender, November 2013 – evaluation of selected procedures associated with the Food and Beverage Tender process. The scope was limited to transactions occurring 1 January to 28 November 2013 and included obtaining bids, tender assessment, security of information, selection of successful tenderers, use of advice and alignment with project strategy. No audit issues were identified.
- Venue Use, November 2013 – evaluation of selected procedures associated with use of venues. The scope was limited to transactions occurring during the period 1 July 2012 to 25 November 2013 and included contractual arrangements, payment of users for the hire of venues and venue utilisation in line with contractual terms. Five audit issues were identified with six associated recommendations. All recommendations have been or are being actioned.
- Customer Service Management, December 2013 – evaluation of selected procedures associated with Customer Service Management. The scope was limited to transactions occurring during the period 1 July 2012 to 2 December 2013 and included strategy, policy and procedures, staff training, customer complaint processes and customer surveys. Five audit issues were identified with 13 associated recommendations. All recommendations have been or are being actioned.
- Asset Maintenance, February 2014 – evaluation of selected procedures associated with Asset Maintenance. The scope was limited to transactions occurring during the period 1 July 2013 to 4 February 2014 and included identification of maintenance needs, prioritisation and approval of maintenance plans, monitoring of maintenance plan completion and management of maintenance plan completion. One audit issue was identified with three associated recommendations. All recommendations have been closed.
- Business Continuity Management/ Disaster Recovery Planning, April 2014 – evaluation of selected procedures associated with Business Continuity Management and Disaster Recovery Planning. The scope was limited to activities occurring during the period 1 January 2013 to 4 April 2014 and included governance, risk/business impact analysis, response strategies,

resources and interdependencies, documented plans, communications strategy and testing and maintenance. Outcomes of this audit will be reported in FY15.

- Philanthropy, May 2014 – evaluation of selected procedures associated with philanthropy management and operations. The scope was limited to transactions occurring during the period 1 January 2013 to 2 May 2014 and included planning and strategy, donor satisfaction, staff training and compliance with legislation. Outcomes of this audit will be reported in FY15.

## INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION FOR THE 2013-2014 FINANCIAL YEAR FOR SYDNEY OPERA HOUSE

I, John Symond, am of the opinion that the Sydney Opera House has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, John Symond, am of the opinion that the internal audit and risk management processes for Sydney Opera House depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the Sydney Opera House has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
Core Requirement 3 (Independent Chairs and members)	<p>Sydney Opera House has made alternative arrangements that will achieve equivalent outcomes to the requirements.</p> <p>An Audit and Risk Committee has been established. Four independent members were appointed by the Sydney Opera House Trust (The Trust). The Trust is satisfied that the members collectively possess the skills and knowledge to effectively carry out the functions of the Committee. The Chair of the Committee is a member of the prequalification Scheme: Audit and Risk Committee Independent Chairs and members. None of the Committee members are an employee of the NSW Public Sector.</p>

The determination by the Portfolio Minister for the Arts in respect of these departures, dated 6 December 2013, is appended to this attestation statement.

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the Sydney Opera House to understand, manage and satisfactorily control risk exposures.

I, John Symond, am of the opinion that the Audit and Risk Committee for the Sydney Opera House is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Catherine Brenner – Chair (Term: 13 May 2009–Present, Chair: 1 January 2010–Present)
- Chris Knoblanche AM – member (Term: 6 November 2013–Present)
- John Symond AM – member (Term: 22 January 2014–Present)
- Brenna Hobson – member (Term: 22 January 2014–Present)
- Renata Kaldor AO – member (Term: 7 July 2010–31 December 2013)
- Peter Mason AM – member (Term: 1 January 2012–21 January 2014)

In accordance with a resolution of the Sydney Opera House Trust.

### John Symond AM

Chair, Sydney Opera House Trust

1 July 2014

## BUSINESS CONTINUITY AND EMERGENCY PREPAREDNESS

### Business continuity

In FY14, we improved our ability to communicate during crisis. Our crisis team undertook a complex facility-related scenario and to improve synergies and support our Resident Companies, senior leaders from Opera Australia also took part. We explored how to tailor messages to various stakeholders and engaged with Resident Companies' public relations teams to agree on communications strategies during complex situations.

Deloitte reviewed our Business Continuity plan and engagement levels across the organisation. Deloitte reviewed governance documents, individual plans, our training program and interviewed staff. Deloitte's remarks included that we are performing at best practice.

### Emergency management

A review of the emergency plan was undertaken and overseen by an Emergency Planning Committee. Our emergency management process is aligned with Australian Standard 3745. We continued to work closely with counter-terrorism police and are becoming a national leader in our ability to respond to emergency situations.

We also focused on our ability to respond to fire emergencies, conducting complex fire simulations inside the Playhouse. Scenarios involved the use of special effects, public messaging, first aid and competent use of emergency equipment. The training was conducted in partnership with Fire and Rescue NSW and included stage managers as well as security and fire teams.

## SENIOR EXECUTIVE SERVICE

There are four Senior Executive Service positions at the Opera House. Three positions are filled by women.

SES Level	2013/14	2012/13	2011/12
2	--	--	--
3	2 (1 female)	2 (1 female)	2 (2 female)
4	1 (1 female)	1	1
6 <sup>^</sup>	1 (1 female)	1 (1 female)	1

Ms Anna Reid commenced as Director Marketing on 23 September 2013.

Mr David Watson, Commercial Director, resigned on 22 November 2013.

Ms Claire Spencer was appointed Chief Operating Officer on 10 January 2014.

## AVERAGE REMUNERATION OF SES OFFICERS AT 30 JUNE

SES Level	2013/14	2012/13	2011/12
2	--	--	--
3	\$224,059	\$241,250	\$223,450
4	\$256,250	\$232,501	\$261,300
6	\$366,850	\$358,650	\$339,850

Total employee-related expenditure for SES Officers as a percentage of total expenditure for all staff in the reporting year 2013-14 was 2.1%.

## PERFORMANCE STATEMENT

Louise Herron AM

Chief Executive Officer, SES Level 6

Appointment at Level 6 commenced on 6 August 2012.

Total remuneration package: \$366,850pa

The Secretary of NSW Trade and Investment has expressed satisfaction with Ms Herron's performance of her responsibilities.

Ms Herron worked to the delivery of the Opera House business plan and budget, endorsed by the Trust on 20 June 2013. Key activities and achievements are outlined in this report.

The Opera House is an Australian icon. It is the flagship performing arts venue in Sydney and a signature Sydney landmark. Its reputation and standing is maintained through the efforts of the management team and the client arts companies that perform in it.

## WAGE AND SALARY MOVEMENTS

A 2.27% wage increase was granted to staff covered by the Crown Employees (Public Service Conditions of Employment) Award 2002, effective from the first pay period commencing on and after 1 July 2013.

A 2.27% increase was granted to staff covered by the Opera House Enterprise Agreement 2013, effective from the first pay period commencing on and after 1 July 2013.

A 2.5% wage increase applied to Senior Executive Service staff effective from the first pay period commencing on or after 1 October 2013 as per the Statutory and Other Offices Remuneration Act 1975.

## WORKPLACE HEALTH AND SAFETY (WHS)

### WHS MANAGEMENT SYSTEMS

The Opera House WHS consultation arrangements were reviewed and four new work groups were established. Each group has one or more elected Health and Safety Representatives (HSRs) and a senior management sponsor.

Following a request from WorkCover NSW, the Opera House hosted two briefings for 30 new WorkCover safety inspectors. The two-hour briefing focused on the multiple businesses engaged by Opera House at Bennelong Point and the way in which we structure and manage our WHS consultation arrangements.

Eleven Trustees attended WHS due-diligence briefings. These 90-minute sessions covered the duties of officers under harmonised Work Health and Safety legislation, the range and scope of health and safety risks inherent to Opera House operations and Opera House safety performance.

This year the Opera House completed more than 400 documented workplace inspections. This is a 50% increase on FY13 results and more than 100% increase on FY12 results. Inspections are critical so hazards may be identified and rectified to prevent accidents.

Following consultation with staff and managers, a new style and format for our critical-risk Safe Work Procedure was developed and implemented. This improves readability and departmental ownership of the procedures.

### INJURY PREVENTION STRATEGIES AND INITIATIVES

A comprehensive analysis of incident and injuries for FY12-FY13 was completed this year. The analysis included incidents and injuries by public/patrons; contractors/commercial partners; artists/performing company workers and Opera House staff. The analysis of workplace injuries and claims helps steer our injury-prevention strategies and target our resources.

About \$750,000 was spent on safety projects. Highlights include improved lighting in the Concert Hall side foyer steps to reduce hazards after sunset; installation

of observation cameras and monitor on scenery lift platforms; and increased security for theatre machinery areas.

### STAFF TRAINING, SUPPORT AND MOTIVATION

Following a strategic safety training plan, 1246 hours of safety training were delivered this year. Highlights included:

- 93 staff attended three-hour asbestos awareness training
- 30 Theatre and Events staff attended height safety training
- 58 staff attended safe work procedure training.

### CONTRACTOR AND THIRD-PARTY SAFETY MANAGEMENT

The Vehicle Access and Pedestrian Safety project audit program for John Holland continued, with four safety systems audits completed this year. Two resident-based maintenance contactors, CleanEvent and State Automation, were also audited this year.

In May, the Opera House hosted an event contractor safety breakfast with more than 60 contractors and hirers who provide goods and services to the Opera House (including marquees, stages, lighting, audio-visual equipment and outdoor event equipment). The seminar was staged to highlight safety as a key value for the Opera House and its partners. Specific information on plant safety, as well as the newly published Outdoor Event Guide, was provided.

Over the past five years, the number of Opera House staff-related Incident Reports has trended downwards. During this period the number of new workers compensation claims reached an eight-year low of 24 new claims. At the same time total hours worked for all Opera House employees slightly rose.

NEW WORKERS COMPENSATION CASES LODGED 2008-14*	Number of new Workers Compensation Cases*
2013/14	24
2012/13	31
2011/12	45
2010/11	42
2009/10	48
2008/09	44
2007/08	45
2006/07	46

In FY14, the Opera House recorded a 54% decrease on FY10 in the Lost Time Injury Disease frequency rate, from 28 to 12.8.

INCIDENT REPORTS (STAFF-RELATED) 2008-14	Number of Staff Incidents
2013/14	207
2012/13	225
2011/12	215
2010/11	245
2009/10	282
2008/09	221
2007/08	229

\* Includes all new workers compensation cases including provisional liability (including no cost claims) and declined liability claims.

<b>LOST TIME INJURY DISEASE (LTID) INCIDENT AND FREQUENCY RATES</b>	<b>LTID<sup>^</sup> Incident Rate</b>	<b>LTID<sup>#</sup> Frequency Rate</b>
2013/14	25.9	12.8
2012/13	32.5	15.9
2011/12	31.2	15.3
2010/11	52.56	25.4
2009/10	57.45	28
2008/09	53.05	26

## REDUCING THE IMPACT OF INJURY

The average cost of workers compensation claims has been reducing over the past three years and is well below the Treasury Managed Fund average. The Opera House workers compensation deposit premium has reduced over the past five years to almost half the FY12 level and three- and five-year hindsight premiums are projected to result in refunds. These excellent results are attributed to prevention programs and the excellence of our injury management and early prevention programs.

## HEALTH PROMOTION AND WELL-BEING

312 immunisations were administered in the Influenza Vaccination and Awareness program, with good participation from our presenting partners.

Yoga and Pilates classes three days a week continued to have excellent reviews and good attendance from many departments.

## HIGHLIGHTS FY14

The Safety Culture Initiative that started in FY13 with a Deloitte review continued in FY14. The review gave us a better understanding of our safety culture, values and staff behaviours, allowing us to plan a strategy to improve our safety culture maturity.

Deloitte reported: "Throughout this assessment and previous safety audits we identified that Sydney Opera House has made significant progress in the

development and implementation of safety systems and procedures over the past five years. The current management team has a strong focus on safety and is dedicating significant personnel and financial resources to maintain these systems (including training and inductions) and to continue to make improvements. This continued and focused effort has assisted SOH get to the calculative stage of safety maturity."

As a result of the Safety Culture Review, over the next 12-18 months we will roll out a Safety Culture Action Plan consisting of six key strategies: leadership training; positive safety messages; clear and accessible procedures; clarification of safety resources; and third-party management and well-being.

## STATUTORY/GOVERNMENT REPORTING

### Details of injuries and prosecutions under Occupational Health and Safety Act 2011

There were seven incidents notified to WorkCover NSW in FY14 and an additional four incidents notified that were outside Sydney Opera House control, for example, within a restricted location used and controlled by a contractor. Six Opera House notifications were for dangerous incidents, with no injury or illnesses sustained. One incident involving a trip and fall was classified as a serious injury due to the staff member receiving immediate treatment as a hospital in-patient.

There were no WorkCover investigations, prosecutions or notices issued.

**END OF  
GOVERNMENT  
REPORTING**

## OUR DONORS

**THANK YOU TO ALL OUR DONORS FOR YOUR TREMENDOUS SUPPORT. YOU HELP US SECURE AND RENEW THE OPERA HOUSE FOR FUTURE GENERATIONS OF ARTISTS, AUDIENCES AND VISITORS, AND ENSURE THE OPERA HOUSE IS OPEN TO ALL.**

We are especially grateful to our Founding Donors for their ongoing support since the introduction of the Opera House's philanthropy program in 2007, and to the Founding Idealists who are the first members of our new donor program (p.17).

### MAJOR DONORS

#### HONOUR

The Balnaves Foundation\*  
Pierre & Isabelle Eichenberger  
The Getty Foundation  
John Symond AM  
Kim Williams AM  
Anonymous (1)

#### BENEFACTOR

The Alexandra and Lloyd Martin Family Foundation  
The Wolanski Foundation

#### PATRON

The Bikuben Foundation  
The Dreyer Foundation  
Stephen & Julie Fitzgerald  
Catriona & Simon Mordant AM  
The Obel Family Foundation

#### CHAIRMAN'S LEADERSHIP CIRCLE

Mr Robert Albert AO & Mrs Libby Albert\*  
AMP Foundation Limited  
The Balnaves Foundation\*  
Phillip & Catherine Brenner  
Ms Patsy Crummer  
The Greatorex Foundation  
Hunt Family Foundation  
Andrew Kaldor AM & Renata Kaldor AO\*  
Sheli Lubowski  
Kate & Peter Mason AM  
Ms Margaret Sixel & Dr George Miller AO  
Rebel Penfold-Russell OAM  
Mr Joseph Skrzynski AO\*  
Peter Weiss AO  
Anonymous (1)

#### TRIBUTE

SJ Bell\*  
Beverly & Phil Birnbaum\*  
Stephen Pollitt  
Sydney Opera House Ladies' Committee\*

### FOUNDING IDEALISTS

Matthew Allchurch  
Phil Allison  
Jeremy & Jeromine Alpe  
David Baffsky AO  
Neil Balnaves AO\*  
Charlene & Graham Bradley AM  
Catherine & Phillip Brenner  
Andrew Cameron AM  
Mark Carnegie  
Paul Cave AM\*  
Professor & Mrs David Celermajor AO  
John C Conde AO  
Robbie Cooke  
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Phillip Cornwell & Cecilia Rice  
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Dr Peter C Farrell AM\*  
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Dr Marianne Foley  
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Stephen Found  
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Danny Gilbert AM  
David Gonski AC  
John M Green & Jenny Green  
Tony Grey  
Sue Griffin  
Tony Grybowski  
Gail Hambly  
Brett Haylock  
Bruce Herron  
Hal & Linda Herron  
Louise Herron AM  
Brenna Hobson  
Peter Joseph AM  
Andrew Kaldor AM  
Renata Kaldor AO  
John Kaldor AM  
Julian Knights  
Chris Knoblanche AM  
Holly Kramer

**MANY OF US REMEMBER OUR FIRST OPERA HOUSE VISIT AS A CHILD, AND YOUR SUPPORT FOR OUR CHILDREN AND FAMILY PROGRAMS MAKES THE OPERA HOUSE A PLACE WHERE CHILDREN ARE WELCOMED, AND WHERE WE CAN HELP CREATE A LIFE-LONG LOVE OF THE ARTS.**

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PROGRAMS, YOU HELP  
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Wern-Yi Yeo  
Colin Yeung  
Vivian Yeung  
Zhitong Ying  
Cho Kiat Yong  
Craig Young  
Laurie Young  
Tao Yu  
Jay-Young Yu  
Tracy Yu  
Yuan Yuan  
Veerawat Yuensuk  
Alex Zachariah  
Rochelle Zats

Angela Zekanovic  
John Zandler  
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Zhimin Zhang  
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The Opera House is an enduring  
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[crispin.rice@sydneyoperahouse.com](mailto:crispin.rice@sydneyoperahouse.com)

*Sydney Opera House Trust is a Deductible Gift  
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# CONTACT INFORMATION

## HOURS OF OPERATION

The Opera House is open daily except for Christmas Day and Good Friday.

## BOX OFFICE

The main Box Office is located in the Box Office Foyer, Level 1 (upper level) of the Opera House. Standard opening hours are Monday to Saturday 8.30am to 8.30pm, and Sunday 8.30am to 5pm. Operating hours can vary and extend outside these times in accordance with performance schedules.

For performances commencing outside general Box Office opening hours, the Box Office remains open until 15 minutes after the final performance start time. The Western Foyer Box Office, located at ground level, is open in accordance with performance scheduling for Playhouse, Drama Theatre and Studio events.

**T: 61 2 9250 7777**

**E: [bookings@sydneyoperahouse.com](mailto:bookings@sydneyoperahouse.com)**

**M: Box Office  
Sydney Opera House  
GPO Box R239  
Royal Exchange Sydney  
NSW 1225 Australia**

**Bookings for performances and events can also be made online at [sydneyoperahouse.com](http://sydneyoperahouse.com)**

## CONTACT CENTRE

Open for telephone bookings and enquiries 9am to 8.30pm, Monday to Saturday, and 10am to 6pm, Sundays.

**T: 61 2 9250 7777**

**E: [bookings@sydneyoperahouse.com](mailto:bookings@sydneyoperahouse.com)**

**M: Box Office  
Sydney Opera House  
GPO Box R239  
Royal Exchange Sydney  
NSW 1225 Australia**

**Bookings for performances and events can also be made online at [sydneyoperahouse.com](http://sydneyoperahouse.com)**

## CAR PARKING

Wilson Parking operates a car park at the Opera House open from 6am to 1am, seven days a week. Entry is via the Opera House end of Macquarie Street.

**T: 1800 PARKING (1800 727 5464)**

## GUIDED TOURS

The official one-hour guided Sydney Opera House Tour takes visitors inside the UNESCO World Heritage landmark to discover the stories behind Danish architect Jørn Utzon's remarkable achievement. The Sydney Opera House Tour runs daily from 9am to 5pm. It is also available in German and French. French tours are offered three days a week and German tours are offered five days a week.

Recognising the growing number of Asian visitors, the Opera House offers Japanese, Korean and Mandarin Tours. These 30-minute tours visit the Concert Hall and Joan Sutherland Theatre and provide rare photography opportunities. The Asian language tours run daily between 9am and 5pm.

The Backstage Tour reveals the workings of one of the world's busiest arts centres. Intimate groups take a two-hour journey into the backstage world and finish their VIP experience with breakfast in the Green Room – the exclusive domain of Opera House staff and performers. The Backstage Tour runs daily at 7am.

The one-hour Junior Tour caters to families and includes interactive activities and unexpected twists and turns. The Junior Tour runs during School holidays.

The Tour & Tasting Plate option offers visitors a gourmet three-tier tasting plate at Opera Kitchen before or after completing a Sydney Opera House Tour. The Tour & Tasting Plate runs daily. A minimum of two people is required.

Tours can be purchased from the Box Office, Level 1 (upper level), at the Tour Meeting Point (Lower Concourse) or online via the Opera House website.

# CONTACT INFORMATION

## NATIONAL RELAY SERVICE

Those customers who are deaf or have a hearing or speech impairment can call through the National Relay Service at no cost:

**TTY users phone 13 36 77  
then ask for:**

**9250 7777 to book a performance**

**9250 7250 to book an access tour**

**9250 7185 for accessible parking**

**Speak and Listen (speech-to-speech  
relay) users phone 1300 555 727  
then ask for:**

**9250 7777 to book a performance**

**9250 7250 to book an access tour**

**9250 7185 for accessible parking**

Internet relay users connect to the NRS ([relayservice.gov.au](http://relayservice.gov.au)) and then ask for:

**9250 7777 to book a performance**

**9250 7250 to book an access tour**

**9250 7185 for accessible parking**

## ADMINISTRATION AND GENERAL ENQUIRIES

General enquiries can be made 9am to 5pm, weekdays.

**T: 61 2 9250 7111**

**F: 61 2 9251 3943**

**F: 61 2 9251 3843 (International)**

**E: [infodesk@sydneyoperahouse.com](mailto:infodesk@sydneyoperahouse.com)**

**A: Sydney Opera House  
Bennelong Point  
Sydney NSW Australia 2000**

**P: Sydney Opera House  
GPO Box R239  
Sydney NSW Australia 1225**

**W: [sydneyoperahouse.com](http://sydneyoperahouse.com)  
or [soh.nsw.gov.au](http://soh.nsw.gov.au)**

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## TRADE MARKS

The Opera House is the owner of the following registered trade marks.

### Word marks:

- Bennelong
- Bennelong Bar
- Bennelong Bistro
- Bennelong Café
- Bennelong Lounge
- Bennelong Walk
- Bistro Bennelong
- Festival of Dangerous Ideas
- House:Ed
- Kids At The House
- Live Performance Every Day
- Message Sticks
- Opera Kitchen
- Own Our House
- Sydney Opera House
- Utzon Foundation

### Devices:



**Shape mark:** Protecting the image of the Sydney Opera House from any angle.





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## DEFINITIONS

### Performances

All performances open to the public (ticketed and non-ticketed), film screenings, previews, large scale rehearsals with audiences. Excludes touring productions.

### Events

All performances as outlined in definition above and also includes functions, ceremonies, conferences, exhibitions, film shoots, lectures, presentations, small-scale rehearsals with audiences, sporting events, secondary performances, speech days, workshops, launches and media calls. Excludes touring productions.

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