

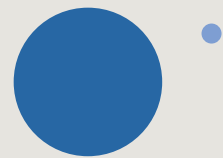
Sydney Opera House
2015-16

Annual Report



Principal Partner

SAMSUNG



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ABOUT US

Our History



Who We Are

The land on which the Opera House stands, Bennelong Point, was a meeting place for feasting, celebration and ceremony for thousands of years. It was known to the local Gadigal people as Tubowgule, meaning “where the knowledge waters meet”, a reference to the particularly creative energy unleashed where the salt and fresh waters combined. Inspired by the world’s oldest living culture, the Opera House honours this legacy.

Creative energy is at the heart of everything we do at Bennelong Point, where more than eight million people a year come to see a performance, take a tour, meet friends for a meal or simply appreciate the work of art that is the Opera House itself.

The Opera House was founded – in the 1954 words of then NSW Premier, the Hon. JJ Cahill – as “a monument to democratic nationhood in its fullest sense”, one that would “help mould a better, more enlightened community”. It also reclaimed one of the city’s most breathtaking harbourside locations for public enjoyment; from 1902 until it was demolished to make way for Opera House construction to begin in 1958, the site had been occupied by the Fort Macquarie Tram Depot.

Today, as our 2007 World Heritage Listing states, the Opera House is a “great urban sculpture set in a remarkable waterscape ... a great artistic monument and an icon” that is “accessible to society at large”. And an institution built to help transform a nation is itself transforming. The Decade of Renewal announced at our 40th Anniversary celebrations in 2013 will allow the Opera House to meet the expectations of artists, audiences and visitors while preserving Jørn Utzon’s masterpiece.

In 2016, the opening of our new underground loading dock removed more than 1,000 weekly heavy-vehicle movements from the Forecourt, returning this magnificent space to the tens of thousands of people who approach the Opera House every day with a sense of awe. More than 2,000 performances are staged by the Opera House, its seven Resident Companies and venue hirers for an audience that this year exceeded 1.5 million. Many millions more enjoy our art via digital channels.

Gatherings of local, national and international importance are held here, and around the world the Opera House is seen as the symbol of modern Australia. It is recognised as one of the most influential buildings of the 20th century and for many overseas and interstate visitors it heads their list of reasons to come to Sydney.

The Opera House is operated and maintained on behalf of the NSW Government and the people of NSW by the Sydney Opera House Trust. It is a not-for-profit public trading entity that this year generated more than 88% of operating revenue through its activities. The NSW Government provides the rest of its operating revenue and also funds the building’s maintenance.

We thank the NSW Government for its additional commitment of \$202 million for Stage 1 Renewal projects. Plans are well advanced for significant improvements to the Concert Hall, Function Centre, entry and foyers, and to establish a Creative Learning Centre. Accessibility considerations are built into every design as we work towards Joe Cahill’s vision of an Opera House “available to the use of every citizen”.

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 2016 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*.

Nicholas Moore
Chairman

Louise Herron AM
Chief Executive Officer

→
Sydney Opera House
Photo by Jack Atley.





Our Vision

To be as bold and inspiring as the Opera House itself.

Our Mission is twofold

- To treasure and renew the Opera House for future generations of artists, audience and visitors; and
- To inspire, and strengthen the community, through everything we do.

Our Values

- Creativity: Be bold and innovative.
- Excellence: Make it the best.
- Collaboration: One team.
- Accountability: Focus and own it.

←
Ride the House.
Photo by Adam
Fernandes, a finalist
in the 'Inspired by
Nature' photography
competition, 2016.

Highlights

Performing Arts (p.31)

- 1,516,550 people attend 2,009 performances
- 807,276 people attend 832 performances by Resident Companies
- 428,690 people attend 789 Sydney Opera House Presents events
- 132,987 attendances at 496 performances for young audiences
- Aboriginal and Torres Strait Islander dance competition *Dance Rites* inaugurated with more than 150 participants from 10 communities
- Lighting the Sails, the centrepiece of Vivid Sydney, presents *Songlines*, a celebration of First Nations culture and spirituality
- Total Talks & Ideas attendance is 59,198, an increase of 19% over FY15
- All About Women festival the most successful yet, with 11,669 attendances and more than 500,000 views of its content online
- Festival of Dangerous Ideas attendance is nearly 27,000, with nearly 600,000 views of its online content
- 153,102 attendances at contemporary music performances
- Four Florence + The Machine concerts on the Forecourt attended by 23,997 people
- Vivid LIVE achieved record attendance of 43,326
- Max Richter's eight-hour epic *Sleep* performed overnight in the Northern Foyer as part of Vivid LIVE and broadcast live on the ABC

Visitor Experience (p.34)

- Tours revenue grows 23% over FY15 with more than 437,000 people taking an Opera House tour, including 42% increase in tours taken in Mandarin
- Bennelong (operated by The Fink Group) and Trippas White Group commence operations at the Opera House in FY16, overseen by hatted chefs Peter Gilmore and Lauren Murdoch respectively
- Food and beverage revenue grows 20% over FY15 to more than \$12 million; number of food and beverage transactions grows to 2.5 million
- Highly successful Chinese New Year partnership with City of Sydney

Partners and Supporters (pp.39-40)

- Samsung Electronics Australia renews and extends its Principal Partnership for five years
- Major Partner and Opening Nights Presenting Partner Etihad Airways renews and extends for a five-year term
- Intel and Adobe join as new Major Partners; Airbnb joins as Partner
- Total cash sponsorship rises to \$3.7 million, an increase of 28%
- Philanthropic revenue increases to \$2 million
- Idealists membership increases to 123, a 324% increase in donations over \$5,000 since the by-invitation donor group's founding in 2013
- The Utzon/Le Corbusier tapestry *Les Dés Sont Jetés* ("The Dice Are Cast") purchased through the generous support of Opera House donors; now hangs in the Western Foyers

The Building (pp.43-44)

- Welcome Centre opens, providing a starting point for tours as well as offering interpretation, tickets and retail; wins 2016 National Trust Heritage Award for Interpretation
- NSW Government announces it will advance \$12 million from its \$202 million funding commitment to enable detailed Renewal planning and design work
- Working designs completed for Stage 1 Renewal projects comprising upgrades to the Concert Hall, entry and foyers and Function Centre, and a new Creative Learning Centre
- Underground loading dock operational, relocating more than 1,000 weekly heavy-vehicle movements underground, leading to the Forecourt being largely cleared of vehicles for enjoyment, safety and security reasons

Organisational Effectiveness

Cultural Renewal (pp.49-51):

- Reconciliation Action Plan 2017-19 developed, including Aboriginal and Torres Strait Islander employment target of 3%, up from the current 2%
- Aboriginal and Torres Strait Islander dance competition *Dance Rites* launched
- Access Strategic Plan 2013-15 achievements in FY16 include sensory theatre experience *Oddysea*, for children with multiple disabilities, and a performance in Auslan of Handel's *Messiah*
- Access Strategic Plan 2016-18 launched

- Environmental Sustainability Plan 2017-19 developed, including a goal of 80% recycling for Renewal project construction
- 4 Star Green Star Performance Rating from the Green Building Council of Australia publicly announced

People and Capability (pp.52-54):

- Staff engagement 75%, up from 69% in 2013; 83% engagement with Opera House Mission and Values (17 percentage points higher than industry average)
- Talent recognition and succession-planning program introduced
- First phase of Brand Renewal concluded
- First phase of website redevelopment completed
- Exclusive Opera House 3D typography wins Gold Lion at Cannes Lions International Festival of Creativity
- Opera House summer marketing campaign #ComeOnIn wins Gold Lion at Cannes Lions International Festival of Creativity
- More than 9.8 million views of Opera House video content; audience of 1.5 million for social media channels
- Global Facebook reach of six million for *Lighting the Sails: Songlines*
- Google Cultural Institute collection of Opera House digital artefacts and stories created

Safety, Security and Risk (p.55):

- LTID (Lost Time Injury Disease) Frequency rate continues to fall, now 8.9, down from 25.4 in FY11
- Number of new workers compensation claims reaches 10-year low
- Refreshed risk framework and implementation plan approved
- Chief Risk Officer appointed

Awards

New Welcome Centre wins the 2016 National Trust Heritage Award for Interpretation for its “absolutely fantastic, primarily visual, interpretation of the Opera House”.

The Opera House wins 11 Lions at the 2016 Cannes Lions International Festival of Creativity, including two Gold Lions.

The Opera House wins a prestigious NSW Government Green Globe award, announced in October 2015, honouring leadership in social sustainability, particularly with respect to accessibility programs. The Green Globes are a leading environmental recognition program, celebrating excellence, leadership and innovation in sustainability.

4 Star Green Star Performance Rating from the Green Building Council of Australia announced publicly in August 2015. It represents best practice in environmentally sustainable building management and is a remarkable achievement for a heritage building.

Stephen Page, Artistic Director of Resident Company

Bangarra Dance Theatre, announced in June 2016 as recipient of the JC Williamson Award for outstanding contribution to Australian live performance (presented in July 2016).

Resident Companies productions and Sydney Opera House Presents presentations win 10 2015 Helpmann Awards (announced in July 2015).

Resident Companies productions and Sydney Opera House Presents presentations receive 22 nominations for 2016 Helpmann Awards, resulting in six wins (announced in July 2016).

Gold Australasian Annual Reporting Award 2016.



→ Sydney Opera House, Bennelong ceiling. Photo by Joshua Morris.



Chairman's Message

The past year has been one of significant change for the Opera House as we have progressed our Building Renewal program.

At the same time, the Opera House confirmed its place as one of the world's busiest performing arts centres, staging more than 2,000 performances for 1.5 million people during the year (p.31).

It also remains Australia's premier tourist attraction, receiving 8.2 million visitors a year, and a significant economic asset. A 2013 Deloitte report placed an iconic value of \$4.6 billion on the Opera House and estimated it contributed \$775 million to the national economy each year.

We are inspired daily by the innovation that drove the Opera House's design and required by legislation to build on that legacy. *The Sydney Opera House Trust Act 1961* not only commits us to manage, administer and maintain the building as a venue for the performing arts and the promotion of artistic achievement. It also instructs us to research and encourage new and improved forms of entertainment and presentation methods.

These dual challenges drive many of the changes we are initiating at the Opera House and we are pleased that we continue to increase engagement while undertaking such major building works.

The Opera House launched its Decade of Renewal as part of its 40th anniversary celebrations in 2013. The program is designed not only to preserve the building's legacy but ensure it continues to inspire new generations of artists, audiences and visitors and rises to 21st-century challenges that did not exist when it was conceived.

The NSW Government has committed \$202 million towards Stage 1 Renewal projects to open more of the building to the public, significantly upgrade the Concert Hall and improve the visitor experience.

During the year, the Welcome Centre was opened on the Lower Concourse, incorporating an award-winning visual display that tells the story of the Opera House and its Resident Companies (p.35), while a new underground loading dock has removed more than 1,000 heavy-vehicle movements from the Forecourt each week and returned this space to the public (p.44).

The next major project is the upgrade to critical equipment and systems in the Joan Sutherland Theatre. The Opera House has worked closely with the Resident Companies of the Joan Sutherland Theatre, Opera Australia and The Australian Ballet, during the planning phase and they have made valuable contributions.

Concept designs have also been completed for the Concert Hall works, the new Creative Learning Centre, a Function Centre and improvements to the entry and foyers.

Committed to opening the building and its performances to as many people as possible, we completed the Masterplan that will drive accessibility upgrades during the Building Renewal (p.50).

A new Environmental Sustainability Plan will progress initiatives that have already delivered a significant increase in waste recycling and more than \$1 million in electricity cost savings (p.51).

We were particularly pleased with the success of *Songlines*, this year's Lighting the Sails project for Vivid Sydney and Vivid LIVE, as part of our First Nations engagement program (p.29). Featuring the work of six renowned artists on the Opera House sails, *Songlines* resulted in the most successful piece of digital content the Opera House has produced, with more than one million views on Facebook in 12 hours. Our Head of Indigenous Programming, Rhoda Roberts AO, who directed *Songlines*, was deservedly recognised in the Queen's Birthday Honours for her contribution to the performing arts.

Governance and Board

On behalf of the Trust and Management I thank Catherine Brenner and Robert Wannan for their service to the organisation following the completion of their terms on 31 December 2015. Ms Brenner contributed significantly to improvements in workplace health and safety, risk management and business planning over her five and half years as a member of the Trust and Mr Wannan provided valuable guidance on conservation, building and food and beverage initiatives over his three-year appointment. Catherine Powell and Matthew Fuller joined the Trust on 1 January 2016 for three-year terms, bringing skills in customer experiences, tourism and renewal.

I would also like to pay tribute to Robert Leece AO RFD, who passed away on 7 December 2015. Bob was an Opera House Trustee from 2002-13 and Building Committee Chair from 2012-15. He drove many important developments over more than a decade, was a wonderful friend and mentor to the Board, Management and staff at the Opera House and is greatly missed.

In FY16, we created a Visitor Experience committee and adopted a new Board charter.

Thanks

The Trustees thank the NSW Government for the operational endowment and maintenance and capital grants it provides. The Government's support is central to our operation and we greatly appreciate the input and foresight of NSW Deputy Premier the Hon. Troy Grant MP, who as Minister for the Arts directs the Government's cultural vision.

Our corporate partners and individual donors are also indispensable as we increase the range and complexity of what we do. The Opera House is greatly indebted to them.

I also thank my fellow Trustees and CEO Louise Herron AM for their support, advice and counsel in my first year as Chairman. As the excellent engagement figures reported in our FY16 staff survey show, Ms Herron has a team that is strongly committed to making the Opera House a venue everyone can enjoy (p.52). It is a great pleasure working with them.

Nicholas Moore
Chairman



CEO's Message

This year we distilled our vision for the Opera House and everything that happens within: we must be as bold and inspiring as the building itself.

A passage in our 2007 World Heritage Listing states: "The Opera House is a daring and visionary experiment that has had an enduring influence on the emergent architecture of the late 20th century. Utzon's original design concept and his unique approach to building gave impetus to a collective creativity of architects, engineers and builders."

"Collective creativity" is what brought the Opera House into being and is what we aspire to. Our Decade of Renewal was launched in 2013 as a grand, necessary idea. It is now real (see Spotlight, p.21).

In FY16, thanks to the extraordinary support of the NSW Government, we were able to progress Stage 1 plans that will revitalise the Concert Hall, refresh our entry and foyer areas, bring the Function Centre into the building envelope and transform office space into a new Creative Learning Centre. Everything is directed towards making the Opera House more welcoming and engaging for all.

Stage 1 plans will take some years to come to fruition. As a first step, we are self-funding replacement of theatre machinery in the Joan Sutherland Theatre that has reached the end of its useful life. Work starts in May 2017. Opera Australia and The Australian Ballet, which between them give more than 300 performances annually in the Joan Sutherland Theatre, have worked closely with us on project planning as the theatre will be closed for seven months next year. We thank them for their invaluable contribution.

Altogether we have about \$250 million worth of projects scheduled for the next three years, funded by government and ourselves. Through these works we are taking every opportunity to respect our heritage and integrity.

But Renewal is broader than the building. Of necessity it encompasses the experiences we offer and our organisational structure as we evolve to meet the needs of 21st-century artists, audiences and visitors. It has been exhilarating and motivating to see our corporate partners, private donors and wonderful staff embracing the challenge of change with such vigour and commitment. Renewal is galvanising every area of our business.

It is important to stress that we are not simply replacing what we already have with a more up-to-date version. Advances in technology and the expectations of artists and audiences require us to be innovative. The increasing reach and sophistication of our digital offerings is such that the digital realm can be considered our eighth stage and our Digital Transformation project (p.53) is every bit as momentous as Building Renewal.

Experiences

This year the new role of Director, Performing Arts was taken by Tim Calnin, former Chief Executive of the Australian Chamber Orchestra, one of our seven acclaimed Resident Companies. Bangarra Dance Theatre, Bell Shakespeare, Opera Australia, Sydney Symphony Orchestra, Sydney Theatre Company and The Australian Ballet complete this group of magnificent arts organisations. Special congratulations go to Opera Australia, which celebrated its 60th anniversary in June with a Gala Concert at the Opera House.

The Performing Arts portfolio also includes oversight of our own presentations and those by venue hirers. This year the combined audience for the Resident Companies was nearly 810,000 for 832 performances and close to 430,000 people attended our own programming. The Opera House attracted a total audience of 1.5 million to 2,009 performances. Contemporary music concerts and Talks & Ideas events were strongly supported and our All About Women festival was again a stimulating success (p.25).

The new Visitor Experience portfolio, led by Jade McKellar, had an exceptional year. Highlights were the opening of the award-winning new Welcome Centre on the Lower Concourse, food and beverage operations in the hands of a celebrated trio of hatted chefs (Peter Gilmore and Lauren Murdoch, who joined long standing favourite Matt Moran) and the ever-increasing demand for tours of our building (p.34).

Partnerships and Philanthropy

Our partners and donors not only give material support to the Opera House. They are deeply engaged with our projects and committed to our future. Samsung's renewal of its Principal Partnership for five years is a tremendous vote of confidence, as is Etihad's renewal of its Major Partnership, also for five years. This year we formed new Major Partnerships with Intel and Adobe, which joined existing Major Partners Google and MasterCard. At Partner level, Airbnb joined Interbrand, Maserati, Y&R Group and Zip (p.39).

The generosity of our private donors is truly uplifting. They have made an even greater contribution this year than last and are promising more support for the future. In 2018, we will celebrate the centenary of Jørn Utzon's birth and are planning philanthropic projects with international reach to mark the event. Several donors, who will be known as Utzon Idealists, have already made important gifts to help bring these plans to fruition.

It is wonderful to see the blossoming of the Idealists, the special donor group established in our 40th Anniversary year. Our All About Women festival started with Idealist backing and this year the festival enjoyed its biggest on-site audience to date. Some sessions were also live streamed to 20 venues in Australia and New Zealand. There have been projects, such as the presentation of theatre work *Oddysea* for children with profound and multiple disabilities, that would not have happened without the passionate support of individual Idealists. I salute them all (p.39).

Last year, we reported that a group of supporters had enabled the purchase of Le Corbusier's tapestry *Les Dés Sont Jetés* ("The Dice Are Cast"), which was commissioned by Jørn Utzon. After careful conservation work, *Les Dés Sont Jetés* was unveiled to the public in March 2016 and now hangs in the Western Foyers for all to enjoy. Our thanks go in particular to Peter Weiss AO, Joseph Skrzynski AO and Michael Crouch AO.

Organisational Effectiveness

In FY16, we launched our fourth Access Strategic Plan and completed our third Reconciliation Action Plan and second Environmental Sustainability Plan. The Opera House is committed to respecting, embracing and celebrating the world’s oldest culture; to opening up the building and its experiences to people with a disability while giving them greater choice, independence and agency; and to being a leader in sustainability. As custodians of a building recognised as the symbol of contemporary Australia, what we do matters (pp.50-51).

To complement the future we propose for the building through the Renewal process, we have restructured our Executive Team and given the Opera House brand a 21st-century look (p.52). We won Gold, Silver and Bronze Lions at the Cannes Lions International Festival of Creativity in June for Brand Renewal work (see Spotlight, p.57).

Internally, we have several programs that will deliver benefits for many years to come. In FY16, we continued our successful careers day, traineeships, internships and work experience for Aboriginal and Torres Strait Islander students, and this year we conducted a whole-of-house talent review to make sure staff members get the training and opportunities they need to advance in their careers.

Financial Performance

Self-generated revenue of \$107.7 million represented 88.5% of operating revenue and was a 12.6% increase over last year (p.73). Tours revenue grew 23% over FY15 and food and beverage revenue increased 20% over FY15 to more than \$12 million. The number of food and beverage transactions increased to 2.5 million (p.34).

Thanks

The Opera House has enjoyed a wonderful year with new Chairman Nicholas Moore. I thank him for his friendship, collaboration and the leadership he provides to the Board and the organisation as a whole. One of the most enjoyable exercises of the year was the deep soul-searching and thinking that went into devising our new Vision – to be as bold and inspiring as the Opera House itself – and how that connects with our Mission, which is twofold:

- To treasure and renew the Opera House for future generations of artists, audiences and visitors; and
- To inspire, and strengthen the community, through everything we do.

I am immensely proud of the Opera House staff and thank every single person for the dedication, professionalism and collaborative spirit that has delivered such strong results this year and for their embrace of the changes to come. The results of our staff engagement survey showed how strongly those who work here connect with the building (p.52). That sense of belonging helped immeasurably to make organisational Renewal a success.

I would particularly like to recognise the important contribution made by Director, Building Greg McTaggart, who is retiring after 13 years at the Opera House. It would be hard to overstate Greg’s influence over that time, including leading the delivery of major building projects, guiding best-practice conservation management and significantly improving our environmental sustainability. Greg has been an exemplary leader across his portfolio and is held in the highest esteem by the entire organisation.

Our deep gratitude goes to the NSW Government for its vision in supporting Renewal, and to our colleagues in the Department of Justice for their invaluable support.

Each year, millions of people from across Australia and around the world are inspired by the idea and experience of the Opera House. As an organisation, we are committed to strengthening that sense of connection and collective creativity through everything we do.

Louise Herron

Louise Herron AM
Chief Executive Officer



↑ Renewal program – Northern Foyer Passageway.
Image by Squint/Opera.

Renewal

Renewal touches every part of the Opera House.

On one level the process is deeply pragmatic: more than 40 years after the building was completed, ageing operational infrastructure inevitably needs replacement. The Opera House has a serene, eternal quality – it’s as if it always was there and always will be – but machinery has a finite life. Decades of service at one of the busiest performing arts centres in the world take their toll and advances in technology bring exciting possibilities for artists and audiences.

Building Renewal is a large part of the process, but far from the whole story. The Opera House must, in Jørn Utzon’s words, work “on the edge of the possible”, an edge that is constantly being redrawn.

Renewal means harnessing the digital revolution to expand our reach far beyond the Opera House site. It means making sure access considerations are at the heart of every building plan. It means making education a priority so we nurture the next generation of artists and audience members.

It means embracing the many ways people love the Opera House to ensure it continues to welcome millions of visitors each year; fulfilling our role as a meeting place for events of local, national and international importance; and being a leader in Reconciliation and sustainability. Renewal touches our corporate structure and how we present ourselves to the public. Most of all, it means advancing on all these fronts simultaneously.

Our Decade of Renewal was launched during the Opera House’s 40th Anniversary celebrations in 2013 to ensure a future impossible to anticipate when Utzon’s masterpiece opened. We have about \$250 million worth of Stage 1 building projects planned, made possible by a \$202 million commitment from the NSW Government and our own resources.

Renewal will bring visible change, such as the new Creative Learning Centre and upgraded entry and foyers; it will be felt behind the scenes as we replace critical theatre machinery in the Joan Sutherland Theatre. Renewal has arrived, in spirit and in fact.

THE YEAR'S ACTIVITY

Experiences

Performing Arts

Saturday 20 February 2016 was a typical day at the Opera House. When Sydney Symphony Conductor Laureate Vladimir Ashkenazy finished his morning of piano practice in Dressing Room 76, he passed through the Green Room and out via the Stage Door, barely noticing the musician from Minneapolis who was arriving at the same time to prepare for his evening performances in the Concert Hall. When Prince took to the stage a few hours later, nobody in the packed auditorium could have imagined this would be one of his final concerts.

On the other side of the building, in the Joan Sutherland Theatre, Opera Australia's afternoon matinee of Bizet's *The Pearlfishers* was being turned around in record time by an army of fast-moving and expertly drilled stage technicians for the evening's *The Barber of Seville* while Sydney Theatre Company's production of Tom Stoppard's *Arcadia* was playing to packed houses afternoon and evening in the Drama Theatre. A few metres away in the Playhouse, Romeo wondered what light broke from the east in Peter Evans's new production of *Romeo and Juliet* for Bell Shakespeare and further along the Western Foyers in the Studio, the summer cabaret *Blanc de Blanc* was raising champagne flutes and eyebrows with its risqué spa scene.

From the outside, it looked like an entire festival had been concentrated into a single day, but for the Opera House it was business as usual.

The whole year comprised a staggering 2,009 performances across the six indoor venues and the Forecourt and attracted a seemingly endless surge of 1.5 million people over the 364 days of the performing calendar (we are dark only two days of the year; 2016 was a leap year). But behind these impressive numbers it is the artists, the music, the singing, the dance, the theatre, the ideas, the creativity and the excitement that are the pulse in the Opera House's arteries.

That vitality is the confluence of seven Resident Companies, the Opera House's own programming (Sydney Opera House Presents), our Artistic Associates and our external presenters. The Opera House plays alchemist to all of these elements.

The Opera House takes great pride in being the home of seven Resident Companies which represent Australian performing arts at the highest level. Forty-one per cent of performances at the Opera House each year are the work of our Resident Companies and encompass the art forms of opera, ballet, symphonic and chamber music, Aboriginal and Torres Strait Islander dance, drama and classical theatre.

Our own programming complements the work of the Resident Companies by presenting Contemporary Music, Talks & Ideas, First Nations performance, family entertainment, leading international performing companies and creative learning programs.

Through our Intel Broadcast Studios, our programs and the work of our Resident Companies reach well beyond Bennelong Point to satellite locations in regional NSW, across the country and around the world on digital platforms.



↑ Diego Torre and Nicole Car in *Luisa Miller*, Opera Australia. Photo by Prudence Upton.



↑ Wynton Marsalis (playing trumpet, far left) in his *Swing Symphony*, Sydney Symphony Orchestra. Photo by Ken Butti.

Opera Australia, which in June held a gala at the Opera House to celebrate its 60th anniversary, enjoyed a very successful summer season with a repertoire that mixed highly popular operas (*La Bohème*, *The Barber of Seville* and *The Pearlfishers*) with Verdi's musically enthralling but rarely staged *Luisa Miller*. This striking production (by Giancarlo del Monaco from the Opéra de Lausanne) brought together a superb cast centred on rising star soprano Nicole Car in the title role. Opera Australia's winter season opened with the debut of a new production of Bizet's *Carmen*, directed by veteran Australian actor and director John Bell. Set in modern-day Cuba, Bell's staging brought a close, humid languor to the steamy plot and cleverly used playful humour in early scenes to contrast with the opera's violently tragic finale.

Opera Australia's Artistic Director Lyndon Terracini, speaking about arts funding and the nature of contemporary arts criticism, provoked controversy as the guest speaker in the first of the Opera House's new series of Culture Club talks. This series, which runs throughout the year, examines developments in the arts in Australia and brings together creators, performers and arts leaders to offer their ideas and to face questions from the public.

While **Talks & Ideas** at the Opera House is a year-long program, two annual festivals focus on major topics: the Festival of Dangerous Ideas entered its seventh year in September 2015 with a strong roster of speakers including Naomi Klein and Paul Krugman; and All About Women in March 2016 featured guests Piper Kerman and Anne-Marie Slaughter. Both festivals attracted large crowds who spent entire days at the Opera House ranging from venue to venue. Culinary celebrities offered food for thought in *Mad Syd* (in partnership with Rene Redzepi's Danish MAD Symposium) and the Concert Hall was completely sold out when David Suzuki, Tim Flannery and Naomi Oreskes spoke on the subject Hope for the Planet.

Sydney Symphony Orchestra Chief Conductor David Robertson has brought a fresh approach to programming for Sydney audiences and effortlessly transitions across a vast expanse of repertoire. On the most serious and strictly classical side of the repertoire, Robertson's performances of Beethoven's consoling *Missa Solemnis* brought together a stellar cast of soloists (Stuart Skelton, Shenyang, Susanna Philips, Olesya Petrova) and the Sydney Philharmonia Choirs. He then loosened his tie for an evening of jazz in the company of legend Wynton Marsalis and the Lincoln Center Jazz Orchestra, who joined forces with the Sydney Symphony in a tour de force of improvised virtuosity.

Our own music program ranges from the chic intimacy of the Utzon Music Series to the huge scale of Vivid LIVE. The latter festival of **Contemporary Music** has quickly become one of the country's signature events, attracting visitors from around the world and across the nation, who seize the opportunity to enjoy major headline artists up close in the Opera House rather than from the distant bleachers of a football stadium.

In addition to main-stage acts such as Bon Iver, New Order, Anohni and Esperanza Spalding, this year's Vivid LIVE featured the intimacy of Max Richter's *Sleep*, performed overnight in the Concert Hall foyers. It sailed somnolently through a turbulent midnight storm which hurled torrents of rainwater down the Opera House windows, and concluded with a tranquil winter sunrise. By contrast, idyllic conditions prevailed during a season of concerts on the Forecourt. The completion of excavation and construction works for the Vehicle Access and Pedestrian Safety project in 2015 has returned Utzon's inspirational Forecourt to the public, who flocked to hear Florence + The Machine over four balmy nights in November (see Spotlight, p.37).

The **Intel Broadcast Studios** ensured that compelling performances and events that took place within the Opera House were available to audiences right across NSW, the nation and around the world. Two major highlights were the telecast of Max Richter's *Sleep* and superb recording of Four Tet's unforgettable performance in the Concert Hall in January.

The **Australian Chamber Orchestra** is the country's most travelled ensemble but still maintains a very strong presence at the Opera House. In between performances in Hong Kong, Los Angeles and New York, the ACO presented eight concerts in the Concert Hall in FY16, including a celebration of Richard Tognetti's 25 years as Artistic Director and the first appearance of ACO Collective (formerly A°O₂) under its new Artistic Director, Pekka Kuusisto.



↑ Pekka Kuusisto, Artistic Director, ACO Collective. Photo by Mick Bruzzese.



↑ Brian Lipson as Prospero in Bell Shakespeare's *The Tempest*.
Photo by Prudence Upton.



↑ Lana Jones in David McAllister's *The Sleeping Beauty*, The Australian Ballet.
Photo by Jeff Busby.

Another quarter-century was marked when John Bell crowned 25 years as Artistic Director at **Bell Shakespeare** with a superb new production of *The Tempest*, before seamlessly handing the artistic reins to Peter Evans, heralding the dawn of a new era for a theatre company as admired for its unflagging commitment to education as for its lauded seasons at the Opera House.

The Artistic Director of **The Australian Ballet**, David McAllister, directed a sparkling new production of *The Sleeping Beauty* which dazzled audiences in the Joan Sutherland Theatre in 22 sold-out performances during November and December. It was a breathtaking return to the opulence and spectacle of the great 19th-century narrative ballets which are the foundation repertoire of the company and **The Australian Ballet** will proudly take it all over the world in coming years. It was complemented by a newly created audience-development program called *Storytime Ballet: The Sleeping Beauty*. This was devised by McAllister as an investment in audiences of the future and was promoted through the Opera House's **Children, Families & Creative Learning** program.

Our program for children goes into high gear during each of the school holiday periods and is especially intense over the summer. Programs and activities are selected to appeal to every age group, ranging in FY16 from the timeless appeal of Babies Proms through to *Stunt Lounge*, an edgy co-production with the Albury-Wodonga-based Flying Fruit Fly Circus designed for teenagers.

Stunt Lounge was the first result of a three-year partnership with the Opera House. Through circus and physical theatre, five graduate artists of The Flying Fruit Fly Circus explored issues around coming of age for a young adult audience. The young artists were involved in the development of the work and received intensive training to support their skills in making and pitching work to the industry.

By contrast, *Cautionary Tales for Children* (created by Arena Theatre Company) was a cabaret for children featuring the multi-talented Virginia Gay with original music by Mark Jones. Inspired by Hilaire Belloc's 1907 comic verse, this wickedly entertaining Edwardian nanny's lessons for naughty children delighted parents, grandparents and children.

Less visible than the main-stage performances for children and families is the Opera House's Creative Learning program. This richly educational series takes students of all ages more deeply into the practice of the arts and into the world of the Opera House itself. This year a new dimension was added. The Creative Leadership in Learning program was piloted very successfully with four schools in FY16 and established a more integrated, year-long educational relationship with schools, in which visits to the Opera House, performances and the supporting creative learning packages were tailored for each school.

Through the involvement of a teaching artist, each school was able to develop a theme of its own, uniquely relevant to that school's situation, to be explored through the program. The Opera House's ability to offer these deeper and more sustained educational experiences will be greatly enhanced with the opening of the new Creative Learning Centre in 2018 as part of Stage 1 Renewal.

While one focus of the Creative Learning program is about bringing school students into the Opera House, its digital component has extended the Opera House's reach into South Korea and has initiated new partnerships in India and Japan. More projects are in development across the Asia-Pacific Region.

It was a momentous year for **Aboriginal and Torres Strait Islander** cultural activity. Homeground, held annually, has grown in the past two years with the expansion of the festival to include greater depth and participation in events such as dance workshops,

music conversations and weaving. The Homeground arts market provides enhanced exposure for visual artists and increases economic independence.

Dance Rites, an initiative preserving, reviving and celebrating age-old dance customs and local languages, was launched in November 2015. *Dance Rites* nurtures intergenerational exchange of knowledge and custodianship as elders work with youth in the practices of costume and craft-making, paint-up techniques, skin markings and traditional rituals. It also embodies the Opera House's core commitment to treasure and advance First Nations arts and culture (see Spotlight, p.47).

The crowning achievement for the program was *Lighting the Sails: Songlines* in May and June in which the works of six artists were brought together by Head of Indigenous Programming Rhoda Roberts AO into a breathtaking sequence, digitally mapped and animated by Artists in Motion and projected onto the Opera House every night during Vivid Sydney (see Spotlight, p.33).

Bangarra Dance Theatre took to the stage of the Drama Theatre with a deeply affecting triple bill in June 2016. *OUR land people stories* was a new contemporary dance work showcasing the depth of choreographic talent in the company and the infinite stories of Australia's cultural heritage. In *Nyapanyapa* Artistic Director Stephen Page told the story of internationally acclaimed visual artist Nyapanyapa Yunupingu from north-east Arnhem Land, drawing on her incredible life story and paintings. Jasmin Sheppard's *Macq* explored the 1816 March of Macquarie – a historical chapter that brought great suffering to Sydney's Aboriginal community. Daniel Riley and Beau Dean Riley Smith created *Miyagan*, a poignant dance story mapping their cultural heritage in a discovery of their shared family background on Wiradjuri country in NSW.



↑ Nyapanyapa, OUR land people stories, Bangarra Dance Theatre. Photo by Edward Mulvihill.



↑ Heather Mitchell in SydneyTheatre Company's Hay Fever. Photo by Lisa Tomasetti.

Sydney Theatre Company enjoyed a hugely successful season of Noel Coward's delightful and witty *Hay Fever*, directed by Imara Savage with a fine Australian cast headed by Heather Mitchell.

When the Resident Companies catch their breath over the summer, the Opera House gears up for a season of high-energy entertainment for all ages in the Concert Hall, Drama Theatre, Playhouse, Studio and on the Forecourt. While The Listies were playfully ruining Christmas in the Playhouse, the hugely popular *Illusionists 1903* was dazzling audiences in the Concert Hall during December. From the lead-up to Christmas through to the Australia Day weekend, the Opera House is a magnet for huge crowds visiting from abroad, interstate or across town. The joyous, uplifting programming resonating inside the Opera House was complemented by a **Summer Playground** on the Western Broadwalk, which eases from child-friendly buckets and spades in the sunshine to deck chairs and pitchers of margaritas at sundown, with a soundtrack of live music curated by Sydney Opera House Presents.

In the first months of 2016, the Opera House carried out a number of acoustic tests in the Joan Sutherland Theatre and the Concert Hall, with the helpful co-operation of Resident Companies Opera Australia, The Australian Ballet and the Sydney Symphony Orchestra. These tests enabled our acoustic consultants Müller BBM to take detailed scientific measurements during rehearsals and performances to aid planning for theatre upgrades.

We are immensely grateful to our Resident Companies for their advice and input and for working with us so closely during this crucial period of testing. The Joan Sutherland Theatre will close in May 2017 to enable replacement of vital theatre machinery. Project planning has benefited greatly from the input of Opera Australia and The Australian Ballet.

Performing Arts at a glance

1,516,550

attendances, an increase of 4.9% over FY15

2,009

performances, an increase of 3.5% over FY15

807,276

people attend 832 performances by Resident Companies

428,690

people attend 789 Sydney Opera House Presents presentations

Highlights

Total Talks & Ideas attendance is 59,198, an increase of 19% over FY15

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The Festival of Dangerous Ideas increases attendance by 10.5% to 26,638

—

The fourth All About Women festival the most successful yet with a record 11,669 attendances

—

Contemporary music performance attendances exceed 150,000

—

Vivid LIVE again highly successful, with attendance of 43,326

Four Florence + The Machine concerts on the Forecourt attended by capacity audiences totalling 23,997

—

A 5.2% increase in young audiences with 132,973 attendances at 496 performances

—

More than 10,000 attendances at Creative Learning performances

54,290 young people participated in education events

—

More than 250,000 attendances at 356 performances by venue hirers, including 35 school concerts

The Future

In April 2016, the Opera House Trust approved a new Performing Arts Strategy to guide planning and programming ahead of the Opera House's 50th anniversary in 2023. The Strategy reaffirms the central role played by the Resident Companies in the life of the Opera House while introducing several new themes to be explored through the Opera House's own programs and in collaboration with our Resident Companies.

The vital role of Sydney's Asian communities will be celebrated in future years with the most exciting and creative spirits from Asia taking centre-stage across all fields of the Opera House programming, but especially in Contemporary Music, Talks & Ideas and Children, Families & Creative Learning.

A new commitment to identifying and nurturing the most outstanding young Australian creative and performing talent will be realised. Digital creativity will join hands with theatre artists in new works which bring advances in technology onto the stage, and landmark events such as the re-opening of the renovated Concert Hall in 2021 and the Opera House's 50th anniversary in 2023 will be celebrated in multi-disciplinary festivals.

Through the Performing Arts Strategy, we will be as bold and inspiring as the building of which we are the privileged custodians.



↑ *Lighting the Sails: Songlines*, Sydney Opera House.
Photo by Daniel Boud.

Songlines

The Opera House lit up and the world tuned in. *Lighting the Sails: Songlines* was a spectacular “first” in three ways. Never before had First Nations art been featured in *Lighting the Sails*, the popular centrepiece of the Vivid Sydney festival of music and light. *Songlines* was also the first Australian event to be live streamed by Facebook. And with the vast audience it attracted, *Songlines* rocketed to the top of the list to become the Opera House's most successful digital engagement. The live stream was viewed a million times in the first 12 hours and achieved a total Facebook reach of six million.

Songlines spoke to an audience here and abroad in a new way. Commissioned in collaboration with Destination NSW and directed by the Opera House's Head of Indigenous Programming, Rhoda Roberts AO, the work of six remarkable artists was woven into an animated display celebrating First Nations' spirituality and culture. The images traversed space and time, bringing together old and new stories from distinctively different and widely separated societies. The result was a visual tapestry of astonishing richness.

The sails of the Opera House provided a spectacular canvas for the work of Karla Dickens (Wiradjuri), Djon Mundine OAM (Bandjalung), Gabriella Possum (Nungurrayi), Reko Rennie (Kamilaroi/Gamilaraay/Gummaroi), Donny Woolagoodja (Worora) and the late Gulumbu Yunupingu (Gumatj). Sydney-based design team Artists in Motion tailored images to create a flowing, shifting, kaleidoscopic loop that lasted about 15 minutes and played on the sails for five hours each night from 27 May to 18 June 2016.

The painting in light was by turns abstract and figurative, full of intense colours or starkly monochromatic, sensuous in form or with strict geometric edges. Accompanying music by Rhoda Roberts AO and Damian Robinson of Wicked Beat Soul System featured songmen Djakapurra Munyarryun from the north and Cecil McLeod from the south, their sounds and the artists' images floating across Sydney Cove and singing the ancient songlines to the nation and the world.

Visitor Experience

The Opera House is one of the world’s busiest performing arts centres, and much more. The magnificence of its architecture and its unrivalled setting are magnets for the more than eight million people a year who come to Bennelong Point in increasing numbers to enjoy dining, leisure and learning experiences found nowhere else.

To better serve our visitors and deepen their engagement with the Opera House, in FY16 we created the new role of Director, Visitor Experience to lead a department that brings together tours, food and beverage, retail, product licensing, Ticketing, Front of House and the Host Team, which handles customer feedback. In addition, there are new positions focusing on visitor services and strategic business development and an augmented tours and retail role. Connecting these vital areas more closely has resulted in improved, user-friendly experiences for our visitors and a strong boost to revenue.

Revenue Growth

Revenue growth of more than \$5 million was achieved in this portfolio, a 16% increase over FY15. Tours and food and beverage each contributed more than \$2 million to this result.

Tours

In FY16, 437,105 visitors took a tour, a 23% gain over the previous year. Revenue increased to \$11.4 million, an improvement of more than \$2 million over FY15, itself a record year. The increase in tour numbers compares favourably with national inbound tourist arrival growth of 13.7% for the 12-month period to June 2016, as reported by Tourism Australia. A new tours film, narrated by Hugo Weaving, was introduced. Tours conducted in Mandarin were highly successful, attracting 142,242 people in FY16. This represents a year-on-year increase of 42%.

Food and Beverage

Food and beverage generated \$12.1 million in Opera House revenue in FY16, a 20% increase over FY15. There were 2.5 million food and beverage transactions. Key factors were the continued popularity of Opera Bar and the presence of three high-profile operators. Bennelong reopened in July 2015 under the direction of Peter Gilmore and received glowing reviews. Trippas White Group opened in the Western Foyers in September 2015 and Aria commenced the theatre bar operations in April 2016. The Opera House is now working with an exceptional trio of hatted chefs: Peter Gilmore of The Fink Group, Lauren Murdoch of Trippas White Group and Matt Moran of Aria.

Retail

Retail operations had another record year, generating \$1.3 million for the Opera House (8% growth year on year). We worked closely with the Danish Consulate to identify relevant products, which included a new range of Minskat Copenhagen leather goods designed specifically for the Opera House. Kristian Vedel, Nuance and Hay homewares were also added to our offering in FY16. Our connection with the Utzon family gained another facet with the introduction of a small range of jewellery by Copenhagen-based designer Johannes Utzon. The LEGO Architect and LEGO Creator Opera House models remain popular with visitors, as does Opera House Barbie with her sails-inspired attire.

Welcome Centre

The Welcome Centre, which was officially launched on the Lower Concourse in December 2015 by the Hon. Greg Hunt MP, then Minister for the Environment, is the Opera House’s first completed Renewal project. It was jointly funded by the Commonwealth Government’s Your Community Heritage Program, private philanthropy and the Opera House. Our Principal Partner Samsung funded a major interpretive multimedia installation.

In May 2016, the Welcome Centre won the National Trust’s 2016 Heritage Award for Interpretation, with the citation reading: “An absolutely fantastic, primarily visual, interpretation of the Opera House and its precinct in all its aspects which does justice to its status as a World Heritage Site. The judges noted that it was easily and quickly understood allowing both a quick pass by and a more detailed examination for those who wish to linger. It truly says Welcome.”

Those cited for the award are Freeman Ryan Design, the Sydney Opera House, Patterson Building Group, Root Projects, Fino, Latchkey Productions and Blowup Imaging.

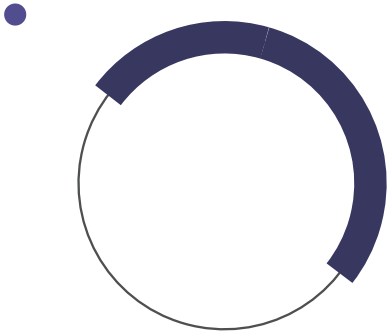
As well as providing insights into the Opera House’s past and present via video content displayed on 12 digital screens, the Welcome Centre is the starting and finishing point for tours. It is an information and orientation hub, a place to buy tickets for performances and tours, and a retail store. The Plinth installed at the entrance to the Forecourt as a complement to the Welcome Centre pays respect to the site’s First Nations history with an Acknowledgement of Country soundscape and celebrates the cultural importance of Bennelong Point.

Chinese New Year Partnership

A new partnership with the City of Sydney strengthened the Opera House’s involvement with Chinese New Year. For the 20th anniversary of its Chinese New Year Festival, the City of Sydney introduced a multi-site Lunar Lanterns exhibition in which giant lanterns representing the 12 signs of the zodiac were placed around the city. In the Year of the Monkey, the Opera House was proud to host the Monkey Lantern. The celebrations for the Lunar New Year, which ran from February 6-21, included turning the sails of the Opera House red, specially themed food and beverage offers and foyer decorations. Nearly 30,000 people took an Asian-language tour in February.

Ticketing

In an excellent year, revenue increased by 12% year on year, largely due to increased Forecourt activity. In February we began ticket scanning, a process that in FY17 will extend to cover all performances.



The Future

Bistro Mozart closes in August 2016 to be replaced in October 2016 by The Lounge, enabled by Samsung.

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Revised strategies for retail and licensing under way, with retail to have an increased focus on high-quality Australian products.

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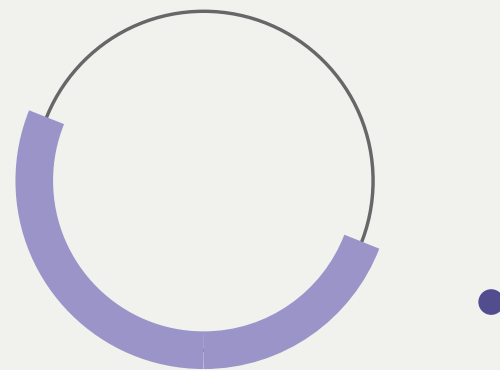
Online retail store, which will sell internationally, launches in FY17.

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Print-at-home and mobile ticketing initiatives continue.

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Theatre bars and Box Office operation tenders commence in FY17.



↑ Florence + The Machine.
Photo by Prudence Upton.

The Forecourt

Legendary African-American activist and singer Paul Robeson was the first artist to perform on the Opera House Forecourt. It was 9 November 1960 and building had been under way for only 20 months when Robeson sang for construction workers and then autographed their work gloves. His audience was moved to tears by his presence, it was said. Robeson told them they were “working on a project they would be proud of one day”.

Their project, Jørn Utzon’s “great urban sculpture”, as the World Heritage Listing describes it, is set high upon a vast podium overlooking Sydney Harbour. In front of it, the Monumental Steps cascade down to the Forecourt, a grand open space – 95 metres wide and 40 metres deep – that gives a visitor room to breathe and reflect when approaching and departing the building.

Until recently, however, visitors had to share the space with the many vehicles bringing vital equipment to and from the Opera House, and the busier the Opera House became, the more traffic was generated. There was a solution, but one so massive it took five years to complete. The Vehicle Access and Pedestrian Safety project, at the time the biggest construction program at Bennelong Point since the building itself, started in 2011 with the goal of removing more than 1,000 heavy-vehicle movements a week from the Forecourt. By 2016 work on a new underground loading dock was complete and the Forecourt was truly returned to the public.

The Forecourt’s rich history as a performance venue continues with large-scale concerts played against a backdrop of Opera House sails, Harbour Bridge, Botanic Gardens and the city. Thousands of people can attend each show and most reach capacity in an instant. In November last year, almost 55 years to the day after Robeson sang on this site, Florence + The Machine performed four concerts to a total of 24,000 fans.

A slot on the Forecourt performance calendar is greatly prized by internationally renowned artists, who have included The National, Sting, Crowded House and Jamiroquai. Not to forget the mighty Wiggles, who graced the Forecourt on Australia Day 2016 to thrill the adult audience of tomorrow.

Partners and Supporters

Contributions from government, corporate partners and individuals in FY16 allowed us to make strong progress on Renewal while fulfilling our daily mission of engaging and inspiring the community in one of the world's busiest and most admired cultural centres. Our greatest supporter, the NSW Government, provided an endowment of \$12.6 million, which represented 10.3% of operating revenue, and \$33.3 million for maintenance of the building and site. In addition, in June 2016 the Government announced its next State Budget would deliver \$12 million of the \$202 million reserved for Stage 1 Renewal projects.

The bond between the Opera House and our partners and donors is profound. They offer material, active backing to many diverse projects. They bring ideas to us and we seek and appreciate their counsel; their passions and ours entwine.

Samsung Electronics Australia renewed its Principal Partnership for five years. This follows the initial three-year agreement between us and reflects the shared interests of Samsung and the Opera House in technological innovation. In the main Box Office foyer, The Lounge, enabled by Samsung will feature the latest Samsung technology, digital content and interactive displays, allowing visitors to connect with the Opera House's past, present and future. It will meet one of Jørn Utzon's aspirations for the Opera House interior – that after the awe-inspiring experience of arriving via the Monumental Steps a visitor should have space for reflection and relaxation before moving into one of the theatres for a performance.

Major Partner and Opening Nights Presenting Partner Etihad Airways also renewed in FY16 for a five-year term. The partnership began in the Opera House's 40th Anniversary year and its extension continues Etihad's role in enabling vital programming by flying guest artists and performing arts companies to Sydney via its extensive network.

The Opera House and Airbnb announced a two-year partnership under which the online accommodation-listing company back the Opera House's contemporary music and environmental programs. The partnership was announced on 24 October 2015, the day on which Airbnb welcomed its two millionth guest in Australia. The relationship will open up Australia's premier tourist destination to a growing community of domestic and international travellers.

As we move more deeply into the 21st century it is clear the Opera House experience can and must be delivered beyond our physical footprint to a much broader audience, here and across the globe. Three new partnerships are indicative of the increasing importance of technological sophistication and digital reach.

Intel, a world leader in computer innovation, became a Major Partner in September 2015 and the first naming-rights sponsor in the Opera House's 43-year history with the launch of the Intel Broadcast Studios. The two-year partnership includes a digital content series, live on-site activations and trials of new experiences. Intel technology is integral to the studios' equipment upgrade. Adobe is a further example of how Major Partners are enmeshed in the way we work and our plans for the future. The Opera House is the first major performing arts centre in the world to introduce the full Adobe digital-marketing suite. A new Sponsor, digital specialist Razorfish, is leading the redevelopment of our website (p.53).

Total cash sponsorship was \$3.7 million in FY16, an increase of 27.6% over last year's comparable figure of \$2.9 million. (In the FY15 Annual Report, the cash sponsorship figure of \$2.6 million excluded project funds that are included this year.)

Private donors are a cherished part of the Opera House family, collaborators in an ever-expanding range of programs and activities. In 2013 we established a new donor group, the Idealists, as part of our 40th Anniversary celebrations. In three years the number of Idealists – those who contribute \$5,000 or more annually – has grown to 123 people. This is net gain of 6% on FY15 and represents a 324% increase in these donors since the group's founding.

Not only are donors renewing their association; many are strengthening their ties to the Opera House. They are involved in projects of great resonance such as the Aboriginal and Torres Strait Islander dance competition Dance Rites, which we established last year. The first iteration was made possible when donors, including Foundation Partner the Creative Music Fund, raised \$43,000. In FY16 donors gave \$76,000 for the second event, to be held again in conjunction with the Homeground celebration of First Nations culture. The Australia Council for the Arts has also granted \$50,000 towards the event.

In May 2016, the Opera House's Chief Executive Officer, Louise Herron, travelled to Copenhagen where she met Danish Crown Prince Frederick, our 40th Anniversary Patron with Crown Princess Mary, and launched a bold philanthropy initiative. Ahead of the 2018 centenary of Jørn Utzon's birth the Opera House is developing an international suite of scholarships, programs and prizes for the next generation of artists, architects, engineers, designers and creators.

Donors responded generously. By 30 June 2016 a small group of individuals had pledged more than \$1.5 million over three years and more donors were secured in July. They will be known as Utzon Idealists. Philanthropic revenue grew from \$1.8 million in FY15 to \$2 million in FY16. In the four years since FY12 there has been growth of 360%. Additionally, \$1.2 million in commitments payable FY17 to FY19 was secured by 30 June 2016.

The new program will build on our 40th Anniversary initiative MADE by the Opera House, which was in its third year in FY16. The Multidisciplinary Australian Danish Exchange is a 10-year venture that annually enables five Australian and five Danish tertiary students to work in each other's country with the best mentors. When we reach our 50th anniversary in 2023 there will be 100 alumni – 50 Australians and 50 Danes – who will have worked together and forged cross-disciplinary links in the fields of architecture, engineering and design, honouring the spirit of the international collaborations that made the construction of the Opera House possible. MADE by the Opera House receives support from a group of firms and foundations with a special interest in culture and the built environment.

In FY16, Anke Timm was announced as the second recipient of the Lloyd Martin Travelling Scholarship for Emerging Arts Leaders. The \$20,000 award funds an overseas residency or study trip for a person in the early stages of their career and honours the memory of Lloyd Martin, the Opera House's longest-serving general manager (1978-97), who joined the Opera House as deputy general manager just before it opened in 1973. The scholarship was created in 2014 through the generous support of the Alexandra and Lloyd Martin Family Foundation. It is open to current staff members of the Opera House or any of its seven flagship Resident Companies.

The Future

Development of new donor group to support programs in honour of the centenary of Jørn Utzon's birth.

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The Lounge, enabled by Samsung opens by November 2016.

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Fourth year of 10-year MADE by the Opera House exchange program.

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Third recipient of the Lloyd Martin Travelling Scholarship for Emerging Arts Leaders selected.



Building Renewal



← Renewal program – Creative Learning Centre. Image by Squint/Opera.

Funding

The environment in which the Opera House operates has evolved in ways that were impossible to anticipate at the time of its construction. It is necessary to respond to the immense challenges presented by changing technology, important infrastructure that has reached the end of its operational life and the needs and expectations of artists, audiences and visitors.

Our Renewal program is now well under way. In FY15 the NSW Government provided \$13.7 million to develop a blueprint and begin planning priority projects. In February 2015 the NSW Government reserved \$202 million to complete the Stage 1 package of Renewal projects. They comprise the upgrading of Concert Hall acoustics, theatre machinery and accessibility; upgrading of entry and foyers; a new Creative Learning Centre; and a Function Centre within the building envelope.

In June 2016 the NSW Government announced that its FY17 State Budget would deliver the first \$12 million of the \$202 million commitment to fund Stage 1 projects. This will enable detailed planning and design work to continue.

In June 2015 Opera House CEO Louise Herron announced that an upgrade of critical theatre machinery systems in the Joan Sutherland Theatre would be carried out in 2017. The \$43.6 million project is being self-funded by the Opera House as part of Stage 1 Renewal.

Projects and Planning

The first Renewal project to be completed, the Welcome Centre, opened to the public in October 2015. In May 2016 it was named Winner of the 2016 National Trust Heritage Award for Interpretation.

Schematic designs and Infrastructure NSW's Strategic Business Case Gateway Review for Stage 1 projects were successfully completed. The schematic designs defined relationships and sizes of spaces and facilities and also co-ordinated design disciplines. Detailed design and construction tender documentation phases will follow. The Gateway Review involved the assessment of service needs, consideration of alternatives, preliminary estimates of costs and estimates and project timing. A full business case will now be completed and subjected to a Final Business Case Gateway Review.

Theatre Machinery Project

Design and procurement work has progressed, leading towards a planned commencement of construction in May 2017. The Joan Sutherland Theatre will be closed until December 2017 (p.19).

Other Projects

The Vehicle Access and Pedestrian Safety (VAPS) project's new underground loading dock is now operational, taking deliveries of theatre equipment and scenery, catering supplies and water management operations away from pedestrian traffic. This relocates more than 1,000 weekly heavy-vehicle movements underground, greatly enhancing visitor amenity and safety and making more efficient the movement of goods to and from venues and precinct businesses.

A two-year project, funded by The Getty Foundation, to study the condition of the Opera House concrete and develop a long-term Concrete Conservation Strategy was completed on time and on budget. International interest has been shown in the ground-breaking framework developed for managing concrete conservation within our Building Information Model and in the potential uncovered by the project.

The Building Information Model for Facilities Management (BIM4FM), designed to integrate all asset management and other systems, was the subject of an international tender process. Installation of the software and system began early in 2016 and implementation is expected in the first half of FY17.

The Accessibility Masterplan was completed in FY16. This will be implemented progressively as Renewal projects are undertaken across the site. It includes new lifts, passageways, accessible seating upgrades and a range of front-of-house and back-of-house projects aimed at improving the accessibility of the Opera House for all members of the community.

A Precinct Masterplan is in development, focusing on defining the short, medium and long-term development needs for the exterior precincts of the Opera House. This Masterplan will build on the Strategic Building Plan (2001) and propose a range of projects including accessibility, signage, pavements and lighting upgrades.

Work commenced on the installation of a new Building Management System, a computer-based system that controls and monitors the building's mechanical and electrical equipment. It will initially monitor and control air-conditioning systems, resulting in greater comfort for Opera House patrons and staff and further energy savings. The Building Management System may be extended later to systems such as security and fire safety.

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Renewal program –
Entry & Foyers.
Image by Squint/Opera.



The Future

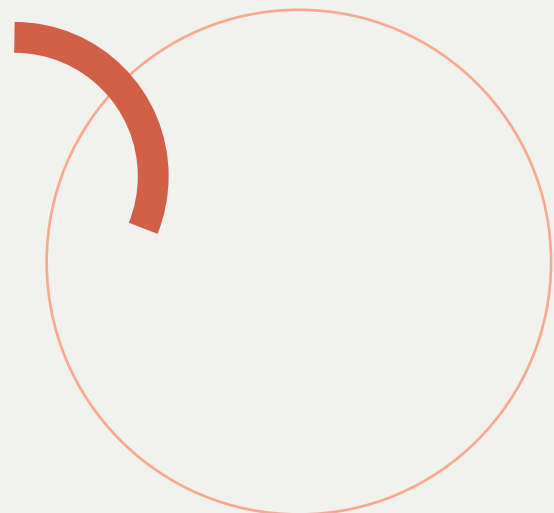
Joan Sutherland Theatre closes in May 2017 for seven months to allow replacement of theatre machinery systems.

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Final business case submitted for Stage 1 Building Renewal projects.

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Publication of the Conservation Management Plan 4th edition, which provides the Opera House with a sophisticated tool to safeguard the building and site's World Heritage values and information management decisions.



↑ Yuin Ghudjargah perform at 2015 *Dance Rites*.
Photo by Prudence Upton.

Dance Rites

Dance Rites began with a brilliant idea, supported by visionary donors, and has become a vibrant example of the Opera House's commitment to First Nations art and culture.

Rhoda Roberts AO, the Opera House's Head of Indigenous Programming since 2012, conceived *Dance Rites* as a way of revitalising cultural leadership and practices – including language, dance, traditional instruments and skin markings – by creating a contemporary and competitive forum for performance by communities.

The rich stories and traditions of the world's oldest living culture are in danger of being lost. As Rhoda says: "All cultures keep their classics alive, but if things continue, in 30 years the songman and woman and their classic art form, and audience, will be entirely lost."

Her idea was to create a national competition, rather than a concert, so that groups from a wide range of traditions would be seen side by side, vying for a first prize of \$15,000. Seed funding came from the Creative Music Fund, the Foundation Partner of *Dance Rites*. Further support was given by other Opera House donors and the Opera House itself.

More than 150 artists represented 10 communities from NSW, Queensland and the Torres Strait at the inaugural *Dance Rites* competition – part of the Opera House's annual Homeground festival in November 2015. Five groups competed in the final, held on the Western Broadwalk. The final was viewed by a capacity audience of 1,200. The competition was hard fought and the exuberant Torres Strait Islander Naygayiw Gigi group took home the prize.

Like Homeground, *Dance Rites* deepens the Opera House's connection to the land on which it stands, Bennelong Point. Known to its traditional custodians, the Gadigal people, as Tubowgule, it was for thousands of years a meeting place for ceremony and celebration.

The next *Dance Rites* takes place in October 2016, supported by the *Dance Rites* donors and the Australia Council.



Cultural Renewal

Engagement with First Nations People, Arts and Culture

We are inspired by this continent's rich First Nations cultures and are committed to increasing artistic, employment and education opportunities for Aboriginal and Torres Strait Islander people. Staff cultural awareness and engagement are important to this process, along with growth in audience participation. In FY16 we completed the third and final year of our third Reconciliation Action Plan and developed our fourth RAP, which is in place for 2017-19.

The Opera House was the first performing arts centre in Australia to develop a Reconciliation Action Plan and the first to create the dedicated position of Head of Indigenous Programming, a post held by Rhoda Roberts AO since its inception in 2012.

While it is right to have aspirations, it is more important to have defined targets and strategies. Our fourth RAP has specific goals in areas including deepening relationships; advocacy and storytelling; and artistic, professional and organisational development. We propose to increase employment of Aboriginal and Torres Strait Islander people from 2% to 3%. In addition, the Opera House has developed a new cultural awareness e-learning module and aims to have at least 90% of existing staff and all new staff complete it. Another goal is to develop a tourism internship program with the goal of introducing First Nations guides into the tours team.

We will offer a minimum of four traineeships in Ticketing and Front of House to Aboriginal and Torres Strait Islander students each year.

In FY16 two events put a national and international spotlight on Aboriginal and Torres Strait Islander cultures. As part of Homeground, the annual celebration of First Nations culture, the Opera House held the first *Dance Rites* competition in November 2015. It brought together more than 150 participants in dance groups from Far North Queensland, regional and remote NSW and the Torres Strait. *Dance Rites* was established to revitalise, celebrate and maintain First Nations culture, dance, language and stories and continues in FY17 with increased support from our donors and the Australia Council for the Arts. It will also extend its reach by seeking participation by groups from Western Australia and South Australia.

Lighting the Sails: Songlines was an unprecedented international success in May and June 2016. It was commissioned in collaboration with Destination NSW exclusively for the annual Vivid Sydney festival's Lighting the Sails and was the first time Aboriginal and Torres Strait Islander work had been featured. It was also Facebook's first Australian live stream. Rhoda Roberts AO directed *Songlines*, for which the sails became an animated canvas celebrating First Nations spirituality and culture. Karla Dickens, Djon Mundine, Gabriella Possum Nungurrayi, Reko Rennie, Donny Woolagoodja and the late Gulumbu Yunupingu were the featured artists.

In the five years since our first Reconciliation Action Plan was implemented on 1 July 2011, there have been many outstanding and continuing achievements. Our most recent plan, for 2014-16, included:

- Homeground, the free international festival of First Nations music, dance and culture;
- The unique digital education excursion *Guwanyi Walama: To Tell and Return*, in which narrators take students on a journey of discovery around the area now known as Bennelong Point to present history from the Aboriginal perspective;
- *Deadly Voices from the House*, a weekly radio show recorded in the Intel Broadcast Studios and hosted by Rhoda Roberts AO; and
- Careers, work experience and traineeship programs for Aboriginal and Torres Strait Islander students that give practical experience, insights, encouragement and employment opportunities across a range of Opera House business areas.

Access

The Opera House's Access Strategic Plan 2016-18 was launched by the NSW Minister for Disability Services in March 2016. It builds on the strong achievements of three successive three-year accessibility strategies and focuses on giving all customers equal access to our facilities, performances and experiences, as well as providing leadership in the area of accessibility and the arts. A key tool in realising our goals is the Accessibility Masterplan, which was completed in FY16. It includes concept designs to inform accessibility upgrades during Building Renewal.

In October 2015 the Opera House won a prestigious 2015 NSW Government Green Globe Award. The Green Globes honour excellence, leadership and innovation in environmental sustainability, including social sustainability.

Accessibility is a key consideration in programming, at events and in customer service operations. In FY16:

- Designated accessible viewing areas on the Forecourt and customer transport accommodations were available for major events including New Year's Eve celebrations and Vivid LIVE, ensuring that visitors with disabilities were provided with a seamless and accessible experience;
- A new Sesame lift was installed in the Bennelong restaurant entrance, providing access for the first time to the lower dining level;
- A new Dancing Connections Series was instituted in association with Dance for Parkinson's Australia;
- *Odyssey*, an immersive sensory theatre experience designed specifically for young people with profound and complex disabilities, was staged; and
- In a collaboration with Accessible Arts and Sydney Philharmonia Choirs, a signing choir performed Handel's *Messiah* in Auslan, live streamed on the Opera House's YouTube Channel with the inclusion of both captions and audio-description for the first time.

The Opera House also continued initiatives that included:

- The Balnaves Foundation Open House Program, which offers a \$5 ticket program for people experiencing social or economic disadvantage;
- A program of captioned, audio-described, Auslan-interpreted and autism-friendly performances;
- Supporting a new work from Can You See Me? Company, an initiative of the Cerebral Palsy Alliance;
- Accessible Babies Proms and Sing and Play sessions; and
- Collaborations with other cultural institutions for young people with special needs.

Sustainability

For thousands of years the local Gadigal people ensured the preservation and sustainability of their food sources. Building on this, Jørn Utzon's design of the Opera House has been extensively recognised as ahead of its time in incorporating sustainable design. It is fitting that we continue the legacy of the traditional custodians. FY16 was the third and final year of our second Environmental Sustainability Plan (ESP). A new ESP for 2017-19 was developed and approved and a Renewal Sustainability Framework has been developed as part of Building Renewal. In FY16:

- Recycling facilities in our new underground loading dock and the co-operation of our food and beverage operators enabled us to increase recycling and reduce the amount of waste going to landfill, with all non-edible food waste from Opera House restaurants sent to Earth Power – a nearby facility that uses food waste as a green-energy source;
- After a successful trial at Vivid LIVE in FY15, we introduced an ongoing program of providing surplus edible food to the food-rescue charity OzHarvest, which distributes food to charities, and installed dedicated cold storage to manage the program;

- Vivid LIVE was carbon neutral for the second year in a row and the fourth time in six years;
- A staff champions Green Team was established and is delivering sustainability projects and awareness across the organisation;
- Staff planted nearly 1,000 trees in Varroville, 50km south-west of central Sydney, to help offset Vivid LIVE carbon emissions;
- We achieved Earth Check accreditation for our environmental risk management systems; and
- In March 2016 the Opera House hosted a Sustainability tour as the opening session of the National Green Cities Conference program, attended by building and sustainability specialists from around Australia.

Since the establishment of the first ESP in 2010 the Opera House has a list of impressive achievements. In August 2015 it was awarded a 4 Star Green Star Performance Rating from the Green Building Council of Australia (GBCA), putting the Opera House among a select few World Heritage buildings globally to have achieved green certification.

Since 2010 recycling of waste has increased from 20% to 65% and there has been a saving of more than \$1 million in electricity costs through energy-efficiency projects, including a 75% reduction in energy use for Concert Hall light fittings due to an award-winning, innovative upgrade to LEDs.

The new ESP includes the goal of achieving a GBCA 5 Star Green Star Performance rating, the embedding of sustainability in everything we do and inspiring community environmental awareness. For the first time the ESP contains objectives relating to procurement, sustainable transport, enhancing nature and supporting a healthy indoor environment.

→ Planting 1,000 trees with Greenfleet as a contribution towards carbon offsetting Vivid LIVE 2015. Photo by Daniel Boud.



People and Capability

Staff and Brand

Our Decade of Renewal affects far more than the physical structure of the Opera House. In FY16 we completed a restructure of the Executive Team, unveiled a new corporate identity and introduced a new talent identification process that will develop the expertise and advancement opportunities of staff members.

In FY16 Tim Calnin took up the newly created position of Director, Performing Arts with responsibility for the Opera House’s presentations and public programs, its relations with the Resident Companies, the Intel Broadcast Studios and all productions and events. Jade McKellar was appointed Director, Visitor Experience. This portfolio encompasses tours, Ticketing, Front of House, food and beverage, and retail. Brook Turner’s expanded Director, Engagement & Development role covers communications, marketing, philanthropy, partnerships, access and special events.

The first phase of Brand Renewal, developed with Partner Interbrand, began in December 2015 and has been successfully concluded. Qualitative and quantitative research had shown that many people were not aware of the Opera House’s broad reach and while they greatly admired and loved its exterior, their experience of what happens inside the Opera House was limited. We wanted to show the wealth and diversity of activity under our great sails and to create unifying imagery to bring it all together.

The new brand has been rolled out across the business and included the #ComeOnIn summer marketing campaign. In June, the sculptural typography central to the brand won a coveted Gold Lion for design at the global Cannes Lions International Festival of Creativity. Brand Renewal also won a Bronze Lion, while #ComeOnIn won one Gold, four Silver and four Bronze Lions. Both the brand and campaign have helped engender new levels of collaboration across the Opera House. The second phase of Brand Renewal – including uniforms – is under way. The success of #ComeOnIn, which used Samsung technology to connect with onsite visitors, led to its continuation after summer as a monthly promotion.

We conducted our first whole-of-house talent review to give a clearer and more consistent way of identifying employees with high potential. This is a prelude to improved succession planning, through which employees will be developed to ensure their progress, whether in their current area or elsewhere. The focus will be on attributes rather than specific subject knowledge, allowing for greater diversity than in the past.

Other achievements in FY16 include:

- The Your Voice staff engagement survey recorded that the overall engagement score had increased from 69% in 2013 to 75% in FY16;
- Engagement with the Opera House’s mission and values was 83%, which is 17% above the industry benchmark (the Opera House is benchmarked against other Australian cultural institutions);

- There were also high levels of engagement in relation to safety, teamwork, job satisfaction and commitment to the organisation, supported by the finding that in FY16, 92% of staff brought friends or family to the Opera House;
- We held 50 cultural renewal workshops across the organisation that delivered positive evaluations in all areas including: that the Opera House offers customers an experience that lives up to the promise of the building (up 14% on last year); belief that the staff member has a future at the Opera House (up 15%); and agreement that there is a good flow of communication, knowledge and information across all teams and portfolios (up 16%);
- Four work experience programs for Aboriginal and Torres Strait Islander students;
- Ten Aboriginal and Torres Strait Islander school-based students undertook short-term trainee contracts with Ticketing and Front of House, with four offered casual contracts;
- A second careers day for Aboriginal and Torres Strait Islander students was held to provide practical skills in preparation for workforce entry and showcase employment opportunities at the Opera House and with presenting partners;
- 1,900 hours of training were undertaken in courses relating to leadership and professional development; and
- We renewed our partnership with the Australian Institute of Music, which delivers its Masters of Arts Management program in collaboration with the Opera House.

Five-year comparison of staff as at 30 June 2016	2016	2015	2014	2013	2012
Total permanent staff	177	189	209	236	239
Equivalent full-time permanent staff	153.62	157.69	176.59	191.42	197.67
Total non-permanent staff (includes casuals)	706	625	608	651	527
Equivalent full-time non-permanent staff (includes casuals)	381.81	355.62	319.97	300.96	280.79
Total full-time equivalent (includes casuals)	535.43	513.31	496.55	492.38	478.46

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.

Digital Transformation

The Opera House’s Digital Transformation project is an integral part of our Decade of Renewal. We are in the midst of the most complex technology project the Opera House has embarked on, revitalising our digital resources to keep pace with technology advances, the needs of our business and the expectations of our customers.

Website redevelopment is a key focus of Digital Transformation. Buying a ticket and seeking information will be much more seamless, and the site will in addition give customers rich, relevant and involving content about the Opera House and its events. The first phase of the website project, information architecture and content strategy, has been achieved with full completion scheduled for February 2017.

Software giant Adobe is the supplier and digital specialist Razorfish is building the site. Social media and marketing campaign management are also part of the first stage of Digital Transformation, with state-of-the-art Adobe tools such as the Adobe Marketing Cloud streamlining and improving processes and outcomes in these areas. The Adobe Marketing Cloud allows the Opera House to engage more flexibly, personally and effectively with audiences and visitors across web, email, mobile apps and social channels ensuring the right message is delivered, at the right time, in the right place. The Opera House’s Design Studio also uses Adobe’s Creative Cloud across a range of design-led projects.

Digital Reach and Revenue

In FY16 there were more than 9.8 million views of the Opera House’s video content, 4.4 million of which were generated from Facebook. More than 43 million minutes of video content was watched on YouTube, which equates to more than 83 years in play time. Popular videos featured soprano Nicole Car and the Sydney Symphony Orchestra in a 360-degree experience, the live stream of Chet Faker’s Forecourt concert and Bon Iver at Vivid LIVE. The ground-breaking *Lighting the Sails: Songlines* had a global Facebook reach of six million. We are proud to say it is the most successful digital content we have created. There were more than 250,000 views on Facebook of the *White Fella Dreaming* web series associated with *Dance Rites*.

Our social media channels have an audience of 1.5 million and a Facebook reach of more than 168 million. The number of Facebook followers across all Opera House channels increased 18.4% to 798,047, Twitter followers increased 36.3% to 119,082 and Instagram followers increased 141.6% to 53,185.

In FY16 our website had 4.4 million unique users who accessed the site across 7.4 million website sessions.

Our All About Women festival on 6 March 2016 again extended its reach beyond the Opera House by live streaming two sessions to 20 libraries, theatres and community centres around NSW, Victoria, Queensland and in New Zealand. Nearly 1,100 people in total attended. There were almost 380,000 views of the bespoke digital video series *Not Showing in Cinemas This Summer* and nearly 510,000 views in total for All About Women video content.

Views for all Talks & Ideas video content totalled 1.4 million, which included more than 590,000 views of Festival of Dangerous Ideas material.

We generated \$54.6 million through the website in FY16, an increase of 12.8% on the previous year, which itself was a 15% increase on FY14. Of the FY16 result, \$8.7 million came via mobile, an increase of 52.6% on FY15.

Google Cultural Institute

In collaboration with our Major Partner Google, in FY16 we created a digital collection of Opera House artefacts and stories of unprecedented scope.

Our Google Cultural Institute collection, launched in April 2016, is a free online resource that brings together more than 1,200 digital artefacts in 50 online exhibits. They tell our story through rare archival photography, celebrated performances, early architectural drawings, historical documents, little-known interviews and panoramic Street View imagery to reveal the Opera House in an entirely new way.

Among the digital treasures is a 360-degree video experience of the Opera House that captures one of the world’s busiest performing arts centres as it is seldom seen, between the acts, waking up, in rehearsal and at rest. Created with the support of the Lab at the Google Cultural Institute in Paris, the immersive experience includes performances by the greatly admired young Australian soprano Nicole Car, who recently starred in Opera Australia’s acclaimed production of *Luisa Miller*; cellist and Sydney Symphony Orchestra Director of Artistic Planning Benjamin Schwartz at sunrise in the Utzon Room; and the Sydney Symphony Orchestra on the Concert Hall stage rehearsing with David Robertson, Chief Conductor and Artistic Director. This public resource took six months to create and was curated by creative director and writer Sam Doust and produced by the Opera House. The collection draws on the Opera House’s archive, the Sydney Opera House Wolanski Archive Collection, the collections of the Opera House’s Resident Companies, the State Library of New South Wales, State Records NSW, the Australian Broadcasting Corporation, Arup and many others.

Safety, Security and Risk

Safety; Health and Wellbeing

In FY16 the Opera House built on earlier strong results in key areas:

- The LTID (Lost Time Injury Disease) Frequency rate has continued to fall, dropping from 25.4 in FY11 to 8.9 in FY16. The LTID Frequency rate refers to a work-related occurrence resulting in lost time (one day or more) per million hours worked;
- The number of Opera House staff-related incident reports has almost halved from FY10 to FY16, dropping from 282 to 147;
- The number of new workers compensation claims has reached a 10-year low of 20 new claims despite total hours worked for all Opera House employees slightly rising;
- The total days of absence associated with workers compensation claims has greatly reduced, with the number of days lost 72% lower than in FY13 (73 days in FY16 compared with 268 in FY13);
- The Opera House workers compensation deposit premium reduced for the fourth year in a row to a record low, with the FY16 deposit premium 59% lower than the premium in FY12;
- There were 1,746 hours of safety-related training undertaken in FY16;
- During Safety Month there was record attendance at the annual safety celebration, which attracted more than 250 people to hear from the distinguished guest speaker, Qantas Captain Richard de Crespigny;
- The Opera House held four targeted health promotion days: RUOK?; Pink Ribbon in support of breast cancer research; men’s health; and flu vaccination; and
- Seventy-one desk-based Opera House staff completed a 30-minute online ergonomic screening tool to determine their risk of injury and learn how better to manage their working environment.

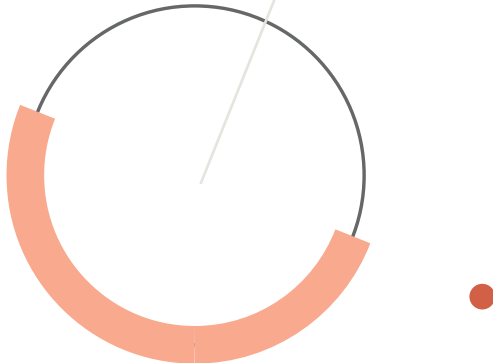
Security and Risk

Our strategic objective is to embed safety, security and risk management deeply within our organisational culture. At the end of FY15 the Opera House executive restructure integrated safety with security and risk management in a single portfolio. In FY16 a Chief Risk Officer and Chief Audit Executive were appointed to the team. A refreshed risk framework and implementation plan was approved. During FY16 the Opera House worked closely on planning and training with relevant government agencies.

Our emergency training program for all staff, contractors, Resident Companies and other stakeholders continues. A new emergency management framework and plan has been developed. Our business resilience plans will be reviewed in the first half of FY17.

In FY16 the Opera House also focused on structure and training for business resilience teams. This included:

- Creating a dedicated space for event control, including emergency response, crisis management and business recovery;
- Training held in the areas of command and control, roles and responsibilities; and
- Exercises involving our crisis management and business continuity teams and exercises in major event planning for all stakeholders.



The Future

Cultural Renewal

Daily lighting of the Opera House sails to highlight First Nations culture.

—

Dance Rites to expand number of participants and extend reach to Western Australia and South Australia.

—

Employment of Aboriginal and Torres Strait Islander people to increase from 2% to 3% during RAP 2017-19.

—

Increase in accessible performances, including captioned, audio-described and sign language-interpreted performances.

—

New collaborations between the Opera House, its Resident Companies and community groups to provide access to educational arts experiences for people with disability.

—

Achieve 80% recycling rate for Renewal project construction during the period of the third Environmental Sustainability Plan (2017-19).

—

Achieve 60% recycling of operational waste by year 3 of the ESP.

Achieve 85% recycling of operational waste by our 50th anniversary in 2023.

—

Achieve and maintain a 5 Star Green Star Performance Rating from the Green Building Council of Australia. Work with partners to become a certified carbon-neutral organisation.

—

Four Ideas at the House events with sustainability themes to take place annually.

People and Capability

Continued work experience and traineeship programs for Aboriginal and Torres Strait Islander students.

—

Focus on creation of employment opportunities for university students with a disability.

—

New website to be completed in early 2017.

Safety, Security and Risk

Business resilience plans to be reviewed in FY17.



↑ Instagram post.
Photo by @kattgao.

#ComeOnIn

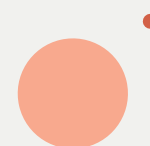
The digital age brings opportunities for connecting with our audiences and visitors that would have seemed impossible only a few years ago. Our Intel Broadcast Studios enable people who live far from the Opera House to enjoy performances and education programs, and the Digital Transformation project currently under way at the Opera House is a natural complement to Building Renewal. Together, they will make access to the Opera House easier for all.

Barriers to access can be geographic, social, economic or physical, and the Opera House has programs to address all these constraints. But there can also be a psychological barrier. The exterior of Jørn Utzon's masterpiece is instantly recognisable the world over. Our research showed that the full breadth and depth of what happens inside the shells was less known.

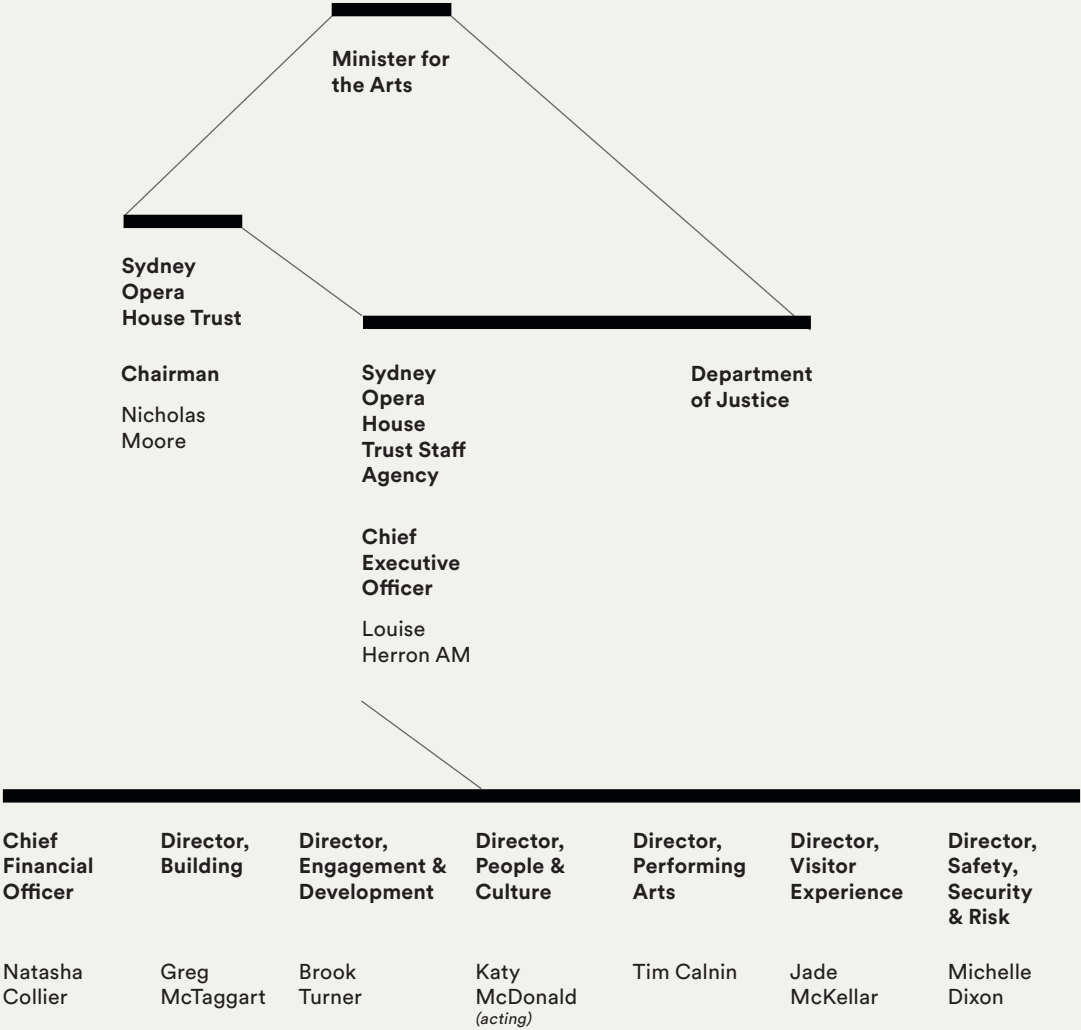
A summer project, #ComeOnIn, tackled the issue. The idea was simple: using the technology of our Principal Partner Samsung, the Opera House made contact with onsite visitors and invited them to come into the building to experience a show, a rehearsal, meet an artist backstage, take a tour, or dine in one of its award-winning restaurants and bars.

"We've seen *The Magic Flute* today and then afterwards we came up on stage and met some of the main characters," said one woman. As for the little girl with her: "I loved it," she whispered shyly, her face lighting up. Another woman went on a tour and saw "bits and pieces of the Opera House I would have never have seen if I didn't come in". And a man summed it up succinctly: "You come inside – this is what it's all about."

#ComeOnIn was so successful it was extended beyond summer to become a monthly activity. Another gratifying measure of its success came in June 2016 when #ComeOnIn won nine Lions at the Cannes International Festival of Creativity – one Gold, four Silver and four Bronze.



Organisation Chart



Executive Team



Louise Herron AM
Chief Executive Officer

Qualifications BA, LLB (Sydney University), LLM (London University); Graduate, Australian Institute of Company Directors

Louise Herron was appointed CEO of the Sydney Opera House in 2012, having previously been a lawyer and corporate adviser. She was chair of Sydney's Belvoir Street Theatre for 10 years. Louise has led development of the Opera House's Renewal program to ensure this World Heritage-listed icon and one of the world's busiest performing arts centres meets the needs and expectations of 21st-century artists, audiences and visitors.

Stage 1 of Renewal includes more than \$250 million in capital works to upgrade performance halls and open new spaces to the public as well as improving the artistic and visitor experiences for the Opera House's 8.2 million annual visitors and the more than 1.5 million people who attend a performance each year.



Natasha Collier
Chief Financial Officer

Qualifications BCom (University of Western Australia), Professional Year Program – Institute of Chartered Accountants in Australia

Natasha was appointed in 2014 to the role of Chief Financial Officer. She is responsible for the technology and finance functions including payroll and procurement. Natasha has 23 years' experience in the entertainment sector including roles in television production and broadcasting, music promotion and touring, sports and technology, as well as extensive international experience, and Price WaterhouseCoopers foundation training. She has held senior finance roles in government; not-for-profit, private and publicly listed companies; start-ups; and wind-ups. She has had exposure to Australian Stock Exchange and foreign-listed company environments, including as public officer.



Greg McTaggart
Director, Building

Qualifications BE (Hons) (NSW Institute of Technology), MEngSc (University of Sydney), Grad Dip Mgt (Deakin University), MIEAust, CPEng

Greg McTaggart is a degree-qualified engineer and has post-graduate qualifications in engineering and management. He has worked at the Opera House since 2003 and is responsible for all aspects of the building, including operations, maintenance and conservation. Greg is also responsible for planning and delivery of major building projects including the Utzon Room, Western Colonnade, Western Foyers, external lighting and the new underground loading dock. He is overseeing a series of new projects including the Concert Hall upgrade, new theatre machinery for the Joan Sutherland Theatre and a number of front-of-house upgrades as part of the Stage 1 Renewal program.

Greg has been involved in the delivery of public infrastructure and building projects for more than 40 years, working on a diverse range of projects including schools and hospitals, water supply and sewerage infrastructure, grain handling and port facilities and major sporting venues. A highlight of Greg's career was 11 years working on the planning, construction and operational activities associated with the Sydney 2000 Olympic and Paralympic Games.

Greg is a member of the Sydney Opera House Conservation Council.



Brook Turner
Director, Engagement
& Development

Qualifications BA (Hons), LLB (University of Sydney)

Brook joined the Opera House in 2013, heading the newly created portfolio of External Relations, which encompassed strategic communications, philanthropy, partnerships, government relations, accessibility and special events. Since 2015 he has headed an expanded Engagement & Development portfolio that includes all Opera House media, marketing and communications functions.

Prior to joining the Opera House, Brook worked at Fairfax for more than 20 years, most recently as Cultural Editor of *The Australian Financial Review* newspaper. He was previously Editor and then Managing Editor of *The Australian Financial Review Magazine*, inaugurating the magazine's signature power, design and wealth issues, as well as launching and editing other AFR publications.



Katy McDonald
Director, People & Culture
(Acting)

Qualifications BA (University of Melbourne), LLB (University of Sydney)

Katy has degrees in arts and law respectively from the University of Melbourne and the University of Sydney and is studying for her Masters in Coaching Psychology at the University of Sydney.

Katy commenced her legal career working as an associate for a judge of the Federal Court of Australia and the then President of the Human Rights and Equal Opportunity Commission. Her experience in private law practice includes as a commercial litigator at Barker Gosling after which she joined the Human Resources and Industrial Relations Practice Group at Minter Ellison.

Katy left private practice in the mid-1990s to work at the University of Sydney as the Director of Equal Opportunity. In 1999 she joined Westpac, where she was Head of Employee Relations Legal and then Head of Employee Relations, Diversity and Employment Policy. She spent 10 years at the bank and was HR Director for Minter Ellison from 2010 to 2015. Katy has always been passionate about human rights and talent. In all her roles she has focused on women's equality in the work place. She also has a particular interest in assisting organisations to engage with their employees in a more purposeful way.



Timothy Calnin
Director, Performing Arts

Qualification BA (Hons) (University of Melbourne)

Tim joined the Opera House in November 2015 to take up the newly created position of Director, Performing Arts, with overall responsibility for presentations and public programs, relations with the Resident Companies, and all productions and events.

Tim has held senior positions with leading musical and artistic organisations in Australia, Europe and Asia. He was General Manager of The Academy of Ancient Music in London and Concerts Director of the Ulster Orchestra in Northern Ireland before returning to Australia to manage the young artists, conductor development and composer commissioning programs for the six symphony orchestras within the ABC. He was Director of Artistic Planning at the Sydney Symphony Orchestra, working with Artistic Director Edo de Waart on numerous major projects.

In 2003 he became Artistic Consultant of the Hong Kong Philharmonic Orchestra before being appointed Chief Executive in 2005. During his six years in Hong Kong, Tim expanded the orchestra's education, professional development and community engagement programs, broadened its sponsorship and philanthropy programs and took the orchestra on frequent tours to Beijing, Shanghai and Guangzhou.

He returned to Australia in 2010 to become General Manager of the Australian Chamber Orchestra. With the ACO, Tim expanded the orchestra's international touring program to include residencies (most notably in London and Hong Kong) and major international festivals (Edinburgh, Tanglewood, Menuhin Festival, Gstaad), and increased the ACO's national reach through the growth of its second orchestra, ACO Collective, and the creation of ACO VIRTUAL, an interactive, digital installation of the orchestra. His focus on the ACO's instrument collection brought six historically significant instruments to the Orchestra, all of which are made available to the musicians by private benefactors.



Jade McKellar
Director, Visitor Experience

Qualifications BSc (University of Sydney), BCom (Macquarie University), Post Graduate Certificate, Business Practice (Kingston University, London)

Jade studied science and commerce with post-graduate studies in Business Management. Jade joined the Opera House in 2013 as General Manager Tours and Retail and was appointed Director, Visitor Experience in October 2015. Jade's portfolio incorporates ticketing, front of house, food and beverage, tourism and retail.

Jade has 17 years' experience in tourism and attraction management and her previous roles include General Manager Sydney Aquarium, General Manager Sydney Tower and Head of Sydney Attractions for Merlin Entertainments Group, responsible for the management of six attractions drawing more than 2.5 million paid visitors annually.



Michelle Dixon
Director Safety,
Security & Risk

Qualifications BA LLB (Macquarie University), Grad Dip Legal Practice (University of Technology), GAICD

Michelle joined the Opera House in 2008 and as General Counsel has led the legal, company secretariat, policy, insurance, government relations and risk functions. In 2015 she also assumed oversight for the Emergency Planning and Response Group along with the Safety team. Michelle is a graduate of the Australian Institute of Company Directors, a member of state and national security advisory groups and risk committees, the Law Society of NSW and the International Association of Venue Managers.

Michelle was admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia in 1995 and then practised in the public and private sectors. Before joining the Opera House Michelle was a Senior Associate at commercial law firm Ebsworth & Ebsworth specialising in international maritime and aviation law, representing clients in domestic and international jurisdictions.

Corporate Governance

The Trust

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

Objectives and Role

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.

In exercising its stewardship functions, the Board acts to fulfil the objects of the Trust as custodians of the Opera House for the citizens and Government of NSW.

The Board’s role is generally to:

- Contribute to and oversee management’s development of strategy and goals in line with the objects and functions of the Trust as set out in the *Sydney Opera House Trust Act 1961* and with reference to the policy objectives of the NSW Government for State Cultural Institutions;
- Oversee management’s implementation of the strategy and goals; and
- Develop and review corporate governance principles and policies.

Committees, Memberships, Attendances

The Trust consists of 10 members appointed by the Governor on the nomination of the Minister. A Trustee holds office for three years and is eligible for reappointment 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.

Ms Catherine Powell and Mr Matthew Fuller were appointed as new Trustees from 1 January 2016 to 31 December 2018 to replace Ms Catherine Brenner and Mr Robert Wannan.

This year the Visitor Experience Committee was established and the People Committee was dissolved and incorporated as a standing item on the Trust meeting agenda.

Agenda items for the six Trust meetings held during the period included: approval of the Sydney Opera House Vision, Mission and Values and Board Charter; remaking of the Sydney Opera House Trust By-law 2015; Building Renewal projects and contracts; 2017-20 budget; 2017-20 Recurrent Asset Maintenance Program; building projects; Performing Arts Strategy; FY15 financial statements; Theatre Machinery Project; delegations; and various food and beverage, performing arts and commercial projects. The Trust also monitored and reviewed: business performance; the Vehicle Access and Pedestrian Safety (VAPS) project; workplace health and safety performance; security and business continuity.

Audit and Risk Committee

The Audit and Risk Committee provides independent assistance to the Trust by overseeing and monitoring the Sydney Opera House’s governance, risk and control frameworks, and its external accountability requirements.

Six meetings were held this year with key agenda items including: review of business performance; financial statements; strategic and operational risk framework; security and business continuity; cyber security; fraud control; workplace health and safety performance; compliance with applicable laws and regulations; approval of the internal audit plan and review of four internal audit reports (pp.179-181); review of draft 2017-20 budget; Theatre Machinery Project; performing arts; food and beverage; and Digital Transformation business cases.

Building and Heritage Committee

The Building and Heritage Committee provides assistance to the Trust by overseeing and monitoring building, conservation and heritage matters at the Sydney Opera House.

Four meetings were held, with key agenda items including: Building Renewal; VAPS; Theatre Machinery Project; Recurrent Strategic Asset Maintenance Program; Accessibility Masterplan; Welcome Centre; external reporting; building maintenance contracts review; fire service maintenance; Conservation Management Plan; Concrete Conservation Strategy; Eminent Architects Panel; monitoring the financial status and progress of building works.

Conservation Council

The Conservation Council provides conservation and heritage advice to the Trust.

Two meetings were held, with key agenda items including: conservation management; Conservation Management Plan; VAPS; Building Renewal Framework; Welcome Centre; outdoor events; intrusive items; Theatre Machinery Project; Accessibility Masterplan; Concrete Conservation Strategy; Interpretation Strategy; food and beverage building works; Utzon/Le Corbusier tapestry; Eminent Architects Panel; MADE by the Opera House; Site Activation Development Application; heritage awareness training; and furniture, lighting and signage.

Eminent Architects Panel

The Eminent Architects Panel provides advice to the Trust through the Building and Heritage Committee on issues of architecture or design and in relation to the management and conservation of the building as it evolves with changing circumstances.

Five meetings were held, with key agenda items including: Building Renewal; Accessibility Masterplan; precinct vehicle and pedestrian management; outdoor events; Conservation Management Plan; VAPS; Welcome Centre; Utzon/Le Corbusier tapestry; Interpretation Strategy; Box Office retail store; Welcome Centre; food and beverage building projects; and furniture, lighting and signage.

Visitor Experience Committee

The Visitor Experience Committee provides advice to the Trust on visitor experience and engagement strategies. Three meetings were held with key agenda items including: the Visitor Experience Strategic Framework; customer and brand projects; and dashboard/key performance indicators.

	Trust	Audit and Risk Committee	Building and Heritage Committee	Conservation Council	Visitor Experience Committee	People Committee	Eminent Architects Panel
Trustees							
Nicholas Moore	6/6	-	-	-	-	-	-
Catherine Brenner	4/4	4/4	-	-	-	-	-
The Hon. Helen Coonan	5/6	-	-	-	3/3	-	-
Matthew Fuller	2/2	-	-	-	3/3	-	-
Brenna Hobson	6/6	7/7	-	-	-	1/1	-
Chris Knoblanche AM	4/6	-	3/3	-	-	-	-
Deborah Mailman	4/6	-	-	-	1/3	-	-
Peter Mason AM	6/6	7/7	-	-	-	1/1	-
Catherine Powell	2/2	-	-	-	2/3	-	-
Jillian Segal AM	6/6	1/2	-	-	-	1/1	-
Robert Wannan	3/4	-	2/2	1/1	-	-	-
Phillip Wolanski AM	3/6	-	1/3	-	-	-	-
Management							
Louise Herron AM	-	-	-	1/2	-	-	-
Greg McTaggart	-	-	-	2/2	-	-	-
External Specialists							
Sheridan Burke	-	-	-	2/2	-	-	-
Abbie Galvin	-	-	-	-	-	-	5/5
Tanya Koeneman	-	-	-	1/2	-	-	-
Elizabeth Kinkade	-	-	-	1/1	-	-	-
Rajeev Maini	-	-	-	2/2	-	-	-
Ken Maher	-	-	-	-	-	-	5/5
Peter Mould	-	-	-	2/2	-	-	4/5
Peter Poulet	-	-	-	2/2	-	-	4/5
Jan Utzon	-	-	-	-	-	-	1/3
Josephine Wing	-	-	-	1/1	-	-	-

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 only Members of the Conservation Council and attend the Trust and Committee meetings as appropriate.

Kerry Clare and Keith Cottier were replaced by the following EAP members on the below dates:

Abbie Galvin: Appointed by the BHC 22 June 2015

Jan Utzon: Appointed by the BHC 8 September 2015

Trust Members

Trust Members as at 30 June 2016



Nicholas Moore

Joined the Trust
22 July 2015

Chair of the Trust. He is serving his first term to 31 December 2017.

Qualifications BCom, LLB (University of NSW), FCA

Background

Nicholas was appointed Chief Executive Officer of Macquarie Group in May 2008. He joined Macquarie in 1986 and led the global development of its advisory, funds management, financing and securities businesses. He is now leading the continued global growth of Macquarie Group as it builds on its financial services strengths.

Government and Community Involvement

Chairman of Screen Australia, Chairman of the University of NSW Business School Advisory Council, and a Director of the Centre for Independent Studies.



The Hon. Helen Coonan

Joined the Trust
1 January 2012

Chair of Conservation Council and Member of Visitor Experience Committee. Helen is currently serving her second term to 31 December 2017. She was acting Chair of the Trust from 1 January to 21 July 2015.

Qualifications BA, LLB (University of Sydney)

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

Sydney Harbour Foreshore Authority (Chair), Crown Resorts Foundation (Chair), Obesity Australia Limited (Non-Executive Director), Stone & Chalk (Mentor), Chief Executive Women (Member), Menzies School of Health Research (Ambassador) and National Breast Cancer Foundation (Advisory Council).

Other Directorships

Crown Resorts Limited (Non-Executive Director), Snowy Hydro Limited (Non-Executive Director), Aon Risk Services Australia Ltd (Board of Advice), Snowy Retail (Red Energy, Lumo companies) (Chair), GRACosway (Co-Chair and Non-Executive Director), J.P. Morgan Advisory Council (Member), Supervised Investments Australia Limited (Chair).



Matthew Fuller

Joined the Trust
1 January 2016

Chair of Visitor Experience Committee and Member of Building and Heritage Committee. He is serving his first term to 31 December 2018.

Qualifications GAICD, FWCMT

Background

Matthew is the Director of the Taronga Western Plains Zoo at Dubbo, Regional NSW's largest, most visited paid tourist attraction, and one that shares several key priorities with the Opera House including: destination development and visitor experience, renewal and investment in a NSW public attraction, work health and safety, along with tourism. Matthew has an extensive career in tourism, hospitality and leisure-related business, both public and privately owned and has led operations to multiple State and National awards. In 2011 Matthew was awarded as a Fellow of the Winston Churchill Memorial Trust.

Government and Community Involvement

Senior Executive Member of Taronga Conservation Society Australia, NSW Selection Panellist – Land, Commerce and Logistics, Winston Churchill Memorial Trust.



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.

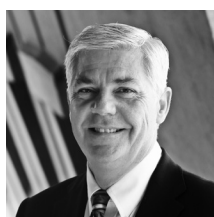
Qualifications MM (Arts Administration) (University of Technology, Sydney)

Background

Brenna's career in theatre management and production began in 1994. Since then she has been Production Coordinator and Production Manager at Belvoir, Production Manager at Bangarra Dance Theatre and General Manager at Jigsaw Theatre Company in Canberra. She is currently the Executive Director at Belvoir. 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

Arts on Tour (Board Member), Belvoir (Executive Director), Seymour Centre's Artistic Advisory Panel (Member), Arts NSW (Peer Assessor), Belvoir St Theatre Limited Board (Secretary), Walsh Bay Precinct Steering Committee (Member).



Chris Knoblanche AM

Joined the Trust
4 October 2013

Chair of Building and Heritage Committee. He is currently serving his first term to 31 December 2016.

Qualifications BCom (University of Wollongong), ACA, FCPA

Background

Chris served as Board Member and Chair of the Australian Ballet (2001-13). He is Principal of Advisory and Capital Pty Ltd and 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 in 2014 for significant services to arts administration, to the community and to the business and finance sector.

Other Directorships

Norton Rose Fulbright (Advisory Board Member), Enlighten Pty Ltd (Advisory Board), Whistles Fund Management (Board Member), La Caisse de Depot et placement du Quebec (Adviser), I-MED Pty Ltd (Board Member and Chair of Audit & Risk committee), iSelect Ltd (Chairman), Advisory & Capital Pty Ltd (Director), Soils for Life (Outcomes Australia)(Director), Latitude Financial Services (Director), Greencross Limited (Director), Finance Audit Risk Committee of the Environment Protection Authority NSW (Independent Board Member & Chair).



Deborah Mailman

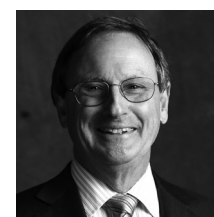
Joined the Trust
18 February 2015

Member of Visitor Experience Committee. She is currently serving her first term to 31 December 2017.

Qualifications BA (Queensland University of Technology)

Background

Deborah Mailman is one of Australia's most highly respected actors. Her career in the Performing Arts began in 1992. Since then she has worked extensively in theatre, television and film, performing in productions for the Actors Company for the Sydney Theatre Company, Belvoir St Theatre, Bell Shakespeare, Melbourne Theatre Company, Kooemba Jdarra Indigenous Performing Arts, La Boite Theatre and Queensland Theatre Company as well as having toured nationally and internationally. Deborah's work has been recognised with many awards including Helpmann, AACTA, Logie, AFI and Deadly awards. She was NAIDOC Person of the Year in 2003.



Peter Mason AM

Joined the Trust
1 January 2012

Chair of Audit and Risk Committee. He is currently serving his second term to 31 December 2017.

Qualifications BCom (Hons), MBA, Hon.DBus (University of NSW), FAICD

Background

Peter is Chairman of AusNet Services Ltd, a Director of Singapore Telecommunications Ltd (Singtel), and a Senior Adviser to UBS. He was Chairman of AMP Limited from 2005-14 (a Director from 2003), Chairman of David Jones Limited from 2013-14 (a Director from 2007), and previously a director of a number of public companies. Peter has been a member of the Council of the University of NSW, a Director of the Children's Hospital in Sydney and Chairman of the Children's Hospital Fund, and a Director of the National Youth Mental Health Foundation (Headspace).

Government and Community Involvement

The Centre for Independent Studies (Chairman), Centre for International Finance and Regulation (Chairman), UBS Australia Foundation (Chairman), The University of New South Wales Foundation (Director), Adara Partners' Panel (Member), The Great Barrier Reef Foundation (Director).

Other Directorships

Taylors Wines (Chairman).



Catherine Powell

Joined the Trust
1 January 2016

Member of Visitor
Experience Committee.
She is serving her first term
to 31 December 2018.

Qualifications BA (Hons)
(Oxford University)

Background

Since July 2016, Catherine serves as *Présidente* of Euro Disney S.A.S., Europe's number one tourist destination and The Walt Disney Company's regional brand beacon. Catherine is responsible for bringing the Disney magic to life for nearly 15 million guests annually at Disneyland Paris. As well as overseeing two theme parks, 59 attractions, multiple shows and entertainment experiences, seven themed hotels, she leads a diverse team of 15,000 employees.

Catherine was previously Managing Director of The Walt Disney Company, Australia and New Zealand. Prior to that she was based in London and led Disney's

European media distribution unit. Before joining Disney, Catherine worked for BBC Worldwide for seven years, where she held various senior TV sales roles across territories including Central and Eastern Europe, the Middle East, Germany and Spain/Portugal.

Government and Community Involvement

Member of Chief
Executive Women.



Jillian Segal AM

Joined the Trust
1 January 2014

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

Qualifications BA, LLB
(University of NSW), LLM
(Harvard University), FAICD

Background

Jillian has a legal, regulatory and governance background, having been a partner at Allens Linklaters and Deputy Chair at ASIC. She was on the ASX Board (2003-15), was Chair of the Remuneration Committee, a member of the Audit and Risk Committee and Nomination Committee, and a director of ASX Compliance. She has also served as a member of the Federal Government's Remuneration Tribunal (2010-14), President of the Administrative Review Council (2005-09), and a member of the Major Performing Arts Board of the Australia Council (2002-08). Jillian received the Centenary Medal in 2003, Member of the Order of Australia in 2005 and UNSW Alumni Award in 2005.

Government and Community Involvement

The Observership Program (Board Member), Australia-Israel Chamber of Commerce NSW (Chair), General Sir John Monash Foundation (Chair since 2010, Director since 2008), Council of UNSW Australia (Deputy Chancellor), Board of Garvan Institute of Medical Research (Director), Australian War Memorial Council (Member).

Other Directorships

National Australia Bank
Limited (Non-Executive
Director).



Phillip Wolanski AM

Joined the Trust
1 January 2014

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

Qualifications BEc
(University of Sydney)

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), Director of Football Federation Australia Limited (2003-15) and Head of Delegation for the Socceroos (2004-14).

Government and Community Involvement

Phillip was awarded an Order of Australia in the General Division in 2008 for service to the community through executive roles and philanthropic contributions to a range of arts, sporting and cultural organisations. In addition to his commitment to the Wolanski Foundation, in recent years he has provided financial support to the National Institute of Dramatic Art, Sydney Opera House and several other community and cultural organisations.

Other Directorships

Governing Committee of
the Temora Aviation
Museum (Member).

FINANCIALS AND REPORTING

Financial Overview

for the year ended 30 June 2016

Sydney Opera House Financial Results

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
General Operations		
Revenue		
NSW Treasury endowment and other funding	13,999	13,622
Self-generated revenue	107,679	95,664
Total revenue – general operations	121,678	109,286
Expenses		
People expenses	(55,987)	(53,207)
Other operating expenses	(59,566)	(55,057)
Total expenses – general operations	(115,553)	(108,264)
Gain/(loss) from general operations	6,125	1,022
Building		
Revenue		
Building maintenance – government grant	33,266	25,853
Building renewal – government grant and other funding	371	18,800
Total revenue – building	33,637	44,653
Expenses		
Depreciation and amortisation	(9,996)	(10,440)
Other expenses	(38,194)	(30,980)
Total expenses – building	(48,190)	(41,420)
Gain/(loss) from building	(14,553)	3,233
Net result for the year as per the audited financial report statement of profit or loss	(8,428)	4,255

The above figures are stated inclusive of internal revenue and costs which are eliminated in the audited financial statements.
Please refer to p.76 for a reconciliation of the financial overview to the audited financial statements.

The Sydney Opera House's income comprises grants from the NSW Government, which are distributed through the Department of Justice, and self-generated revenue.

The group result for the year is a loss of \$8.4m, comprising:

- gain from general operations of \$6.1m; and
- net loss of \$14.6m from building activities.

General Operations

Operating results take into account the Opera House's commercial activities such as the Performing Arts (venue hire and performances) and Visitor Experience (food and beverage, tours, retail and ticketing) portfolios, as well as critical organisational functions such as security and corporate administration costs.

The Opera House achieved an operating profit of \$6.1m in FY16. This is an improved result from both FY15 operating profit of \$1.0m and FY16 budgeted operating loss of \$0.9m, and demonstrates the success of current year programming activity and positive growth in commercial activities.

Revenue from general operations was \$121.7m in FY16, representing an increase across all revenue streams. Self-generated revenue accounts for the majority of the \$12.0m increase from FY15 and continues the trend of growing self-generated revenue in recent years.

Key improvements include:

- 12% growth in gross box office revenue, driven by an increase in the number and popularity of Opera House presentations, particularly the Forecourt concert series. Expectations for attendance, financial results or both were exceeded in contemporary music, Talks & Ideas, and Children & Families.
- Theatre services revenue up \$1.6m and venue hire earnings up \$0.7m due to successful Opera House and external programming. A key factor was technical support for the Forecourt concerts.
- Significant growth in guided tours income, which increased by \$2.1m, driven by an uplift in visitors from China, South Korea, Japan and the US as a result of successful promotional activities. Domestic visitation also increased due to the success of Junior tours. There was a 23% increase over FY15 in total tours revenue due to growth in the number of people taking tours. This positive trend in tours and other Visitor Experience income is expected to continue into FY17 and beyond.
- Food and beverage revenue built on the success of FY15 to grow a further \$2.1m. This was achieved through increased site activity, fewer trading period interruptions and renewal of food and beverage offerings, notably the success of Bennelong, which reopened in July 2015.
- An increase in sponsorship revenue (up \$1.9m) due to the establishment of new partnerships such as Intel, Adobe, and Airbnb, as well as renewals of existing partnerships.

People costs from general operations of \$56.0m increased from FY15 by \$2.8m due to:

- An underlying 2.5% increase in the cost of wages in line with NSW Public Sector wages policy.
- Increased security staffing appropriate to the current "probable" national terrorism threat level.
- Increased staffing to support additional site activity, such as the Forecourt concerts.

Other operating expenses of \$59.6m increased by \$4.5m from last financial year. Much of this increase directly supports revenue-earning activities, such as the \$1.8m increase in artist fees and presentation expenses, the \$1m increase in publicity and advertising costs, and a \$0.9m increase in equipment hire to support production activity.

Expenditure on Opera House programming activities was \$33.8m, which included spend on external artists and presenters, as well as marketing and administrative costs, and the value attributed to the Opera House's own venues and resources. After taking into account related production income, the Opera House's net investment was \$4.9m, representing a subsidy ratio of 14.5%.

Building Activities

The net result from building activities can fluctuate greatly from year to year due to changes in the level and timing of funding received, and the nature and timing of building activities themselves. Funding for building maintenance and Renewal is recognised as income on receipt, whereas expenditure is recognised as costs when incurred. Building works may be recognised as expenses or may give rise to capital assets.

The net loss of \$14.6m from building maintenance and Renewal in FY16 contrasts with the net surplus of \$3.3m in the previous year, and was driven by:

- A reduction in total building funding. In FY15, the Opera House received \$13.7m to fund the development of the Renewal framework. \$9.8m of these funds have been used and expensed in FY16. No Building Renewal funding was received in FY16.
- Depreciation and amortisation expense of \$10.0m.
- The proportion of building maintenance and Renewal works recognised as operating expenditure rather than capital assets.

Building development expenditure totalled \$22.7m, of which \$11.3m was capitalised. This represents a small reduction in total building development expenditure from the previous year as the Opera House completes existing major projects and looks ahead to planning and executing future Renewal works. Construction of both the Lifts and Escalators project and the Vehicle Access and Pedestrian Safety (VAPS) project were completed in FY16. The new loading dock component of the VAPS project opened in December 2015. Planning and design work on the self-funded \$43.6m Theatre Machinery Project (TMP) began in June 2015 and was a key building project in FY16. Work on TMP will continue into FY17 and FY18.

The FY16 building maintenance grant of \$33.3m is higher than that in FY15 due to the impact of receiving and recognising \$6.9m of FY15 funds in FY14. The FY16 grant represents 1.4% of the Opera House total fixed assets, and 1.6% of the Opera House building's value. This compares with total NSW Government expenditure on asset maintenance in FY16 equivalent to 1.7% of the estimated total built asset holdings as at 30 June 2016.

Expenditure on maintaining the Opera House building and equipment totalled \$32.6m, of which \$5.8m will create enduring capital assets. Completed works include new technical equipment and improved wireless technology for some of the theatres. Maintenance works in progress include the replacement of major aged equipment including chillers and electrical switchboards, and the installation of a new Building Management System which will enable enhanced functionality such as digital monitoring of the sea water cooling component of the air conditioning system.

Sydney Opera House Reconciliation of Financial Results to Audited Financial Statements

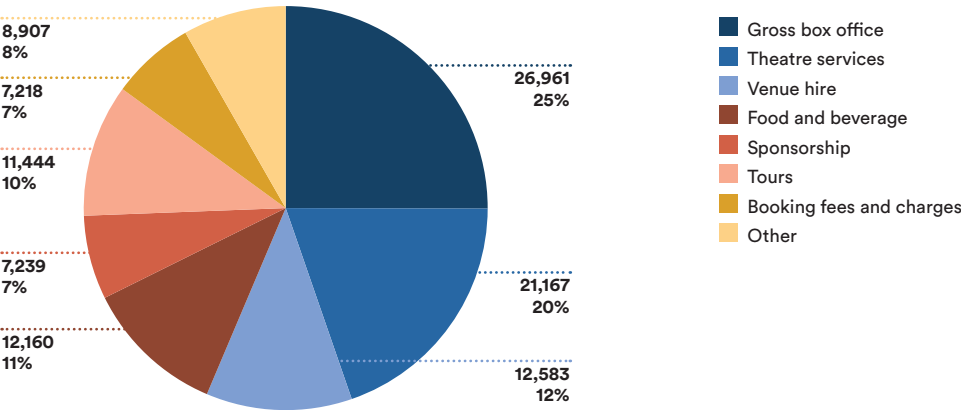
for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Financial Overview Revenue		
General operations	121,678	109,286
Other activities	33,637	44,653
Total financial overview revenue	155,315	153,939
Less: internal eliminations	(8,917)	(10,297)
Total revenue per audited financial statements	146,398	143,642
Financial Overview Expenses		
General operations	(115,553)	(108,264)
Building and other activities	(48,190)	(41,420)
Less: other gain / (loss)	(3)	52
Total financial overview expenses	(163,746)	(149,632)
Less: internal eliminations	8,917	10,297
Total expenses per audited financial statements	(154,829)	(139,335)

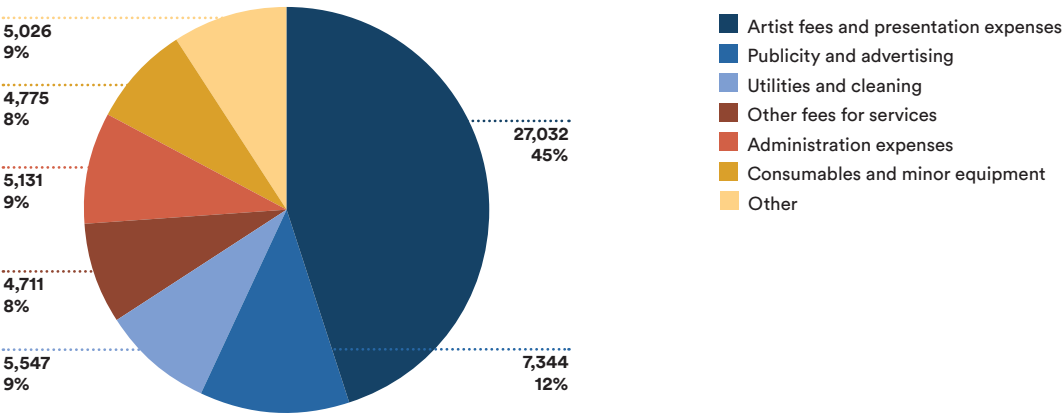
Sydney Opera House Composition of Operating Revenue and Expense

for the year ended 30 June 2016

Self-generated revenue (\$'000)

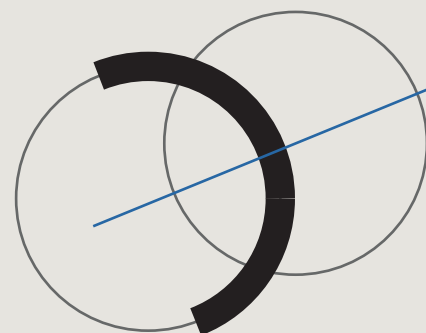


Other operating expenses (\$'000)



Sydney Opera House Financial Statements

for the year ended 30 June 2016



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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:

1. 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 2016, and financial performance for the year then ended.
2. 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 2015* and the *Treasurer's Directions*.

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



Nicholas Moore
Chair, Sydney Opera House Trust



Louise Herron AM
Chief Executive Officer



Peter Mason AM
Chair, Audit and Risk
Committee / Trustee



Natasha Collier
Chief Financial Officer

Sydney
26 September 2016



Independent Auditor's Report

Sydney Opera House Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Sydney Opera House Trust (the Trust), which comprise the statements of financial position as at 30 June 2016, the statements of profit or loss, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, of the Trust and the consolidated entity. The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and the consolidated entity as at 30 June 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section in my report.

I am independent of the Trust and the consolidated entity in accordance with the auditors independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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

The Trustees' Responsibility for the Financial Statements

The Trustees are responsible for preparing 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 are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees must assess the ability of the Trust and the consolidated entity to continue as a going concern unless operations will be dissolved by and Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>
The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Trust or the consolidated entity carried out their activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Karen Taylor
Director, Financial Audit Services

Sydney
27 September 2016

Sydney Opera House
Statement of Profit or Loss

for the year ended 30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
Revenue	Note	\$'000	\$'000	\$'000	\$'000
Sale of goods and services	3(a)	86,375	75,447	86,375	75,447
Investment revenue	3(b)	2,010	2,819	2,010	2,819
Sponsorship revenue	3(c)	7,239	5,320	7,239	5,320
Donation revenue		1,977	1,812	1,977	1,812
Other grants		2,894	2,129	2,894	2,129
Government contributions	3(d)	45,903	56,917	45,903	56,917
Total revenue		146,398	144,444	146,398	144,444
Expenses					
Employee-related expenses	4(a)	(56,142)	(53,378)	-	-
Personnel services expenses	4(b)	-	-	(56,298)	(53,320)
Other expenses	4(c)	(51,999)	(45,925)	(51,999)	(45,925)
Maintenance expense	4(d)	(36,691)	(30,394)	(36,691)	(30,394)
Depreciation, amortisation and make good	4(e)	(9,996)	(10,440)	(9,996)	(10,440)
Finance costs		(1)	-	(1)	-
Total expenses		(154,829)	(140,137)	(154,985)	(140,079)
Other gains / (losses)	5	3	(52)	3	(52)
Other gains / (losses)		3	(52)	3	(52)
Net result		(8,428)	4,255	(8,584)	4,313

The accompanying notes form part of these financial statements.

Sydney Opera House Statement of Comprehensive Income

for the year ended 30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000
Net result		(8,428)	4,255	(8,584)	4,313
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Net increase / (decrease) in property, plant and equipment revaluation surplus	11	14,031	1,289	14,031	1,289
Defined benefit plan re-measurements	19	(156)	58	–	–
		13,875	1,347	14,031	1,289
<i>Items that may be reclassified to net result</i>					
Unrealised (losses) / gains on forward exchange contracts	20	(457)	62	(457)	62
Other comprehensive income		13,418	1,409	13,574	1,351
Total comprehensive income		4,990	5,664	4,990	5,664

The accompanying notes form part of these financial statements.

Sydney Opera House Statement of Financial Position

as at 30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Current Assets					
Cash and cash equivalents	7	59,737	77,121	59,737	77,121
Trade and other receivables	8	7,458	7,273	8,031	8,477
Prepayments	9	2,936	2,408	1,348	675
Derivative financial instruments	20	8,013	648	8,013	648
Inventory	10	25	31	25	31
Total current assets		78,169	87,481	77,154	86,952
Non-current assets					
Property, plant and equipment	11	2,388,940	2,361,870	2,388,940	2,361,870
Intangible assets	12	1,118	1,168	1,118	1,168
Total non-current assets		2,390,058	2,363,038	2,390,058	2,363,038
Total assets		2,468,227	2,450,519	2,467,212	2,449,990

Liabilities					
Current liabilities					
Trade and other payables	14	20,637	15,041	19,251	12,059
Deferred revenue	15	5,798	6,113	5,798	6,113
Personnel services payable	16	–	–	15,042	17,508
Provisions	17	14,995	15,154	324	99
Other	18	206	206	206	206
Derivative financial instruments	20	8,443	621	8,443	621
Total current liabilities		50,079	37,135	49,064	36,606
Non-current liabilities					
Personnel services payable	16	–	–	1,706	1,679
Provisions	17	1,904	1,964	198	285
Other	18	583	749	583	749
Total non-current liabilities		2,487	2,713	2,487	2,713
Total liabilities		52,566	39,848	51,551	39,319
Net assets		2,415,661	2,410,671	2,415,661	2,410,671

Equity				
Accumulated funds	382,832	390,334	382,832	390,334
Reserves	2,032,829	2,020,337	2,032,829	2,020,337
Total equity	2,415,661	2,410,671	2,415,661	2,410,671

The accompanying notes form part of these financial statements.

Sydney Opera House Statement of Changes in Equity

for the year ended 30 June 2016

		Accumulated Funds \$'000	Asset revaluation surplus \$'000	Hedge reserve \$'000	Total \$'000
Consolidated	Note				
Balance at 1 July 2015		390,334	2,020,310	27	2,410,671
Net Result		(8,428)	–	–	(8,428)
Other comprehensive income					
Net increase in property, plant and equipment	11	–	14,031	–	14,031
Defined benefit plan re-measurements	19	(156)	–	–	(156)
Transfers on disposals		1,082	(1,082)	–	–
Unrealised gain / (loss)	20	–	–	(457)	(457)
Total other comprehensive income / (expense)		926	12,949	(457)	13,418
Balance at 1 July 2014		385,248	2,019,794	(35)	2,405,007
Net Result		4,255	–	–	4,255
Other comprehensive income					
Net increase in property, plant and equipment	11	–	1,289	–	1,289
Defined benefit plan re-measurements	19	58	–	–	58
Transfers on disposals		773	(773)	–	–
Unrealised gain / (loss)	20	–	–	62	62
Total other comprehensive income / (expense)		831	516	62	1,409

The accompanying notes form part of these financial statements.

Sydney Opera House Statement of Changes in Equity

for the year ended 30 June 2016

		Accumulated Funds \$'000	Asset revaluation surplus \$'000	Hedge reserve \$'000	Total \$'000
Parent	Note				
Balance at 1 July 2015		390,334	2,020,310	27	2,410,671
Net Result		(8,584)	–	–	(8,584)
Other comprehensive income					
Net increase in property, plant and equipment	11	–	14,031	–	14,031
Transfers on disposals		1,082	(1,082)	–	–
Unrealised gain / (loss)	20	–	–	(457)	(457)
Total other comprehensive income / (expense)		1,082	12,949	(457)	13,574
Total comprehensive income / (expense) for the year		(7,502)	12,949	(457)	4,990
Balance at 30 June 2016		382,832	2,033,259	(430)	2,415,661
Balance at 1 July 2014		385,248	2,019,794	(35)	2,405,007
Net Result		4,313	–	–	4,313
Other comprehensive income					
Net increase in property, plant and equipment	11	–	1,289	–	1,289
Transfers on disposals		773	(773)	–	–
Unrealised gain / (loss)	20	–	–	62	62
Total other comprehensive income / (expense)		773	516	62	1,351
Total comprehensive income / (expense) for the year		5,086	516	62	5,664
Balance at 30 June 2015		390,334	2,020,310	27	2,410,671

The accompanying notes form part of these financial statements.

Sydney Opera House Statement of Cash Flows

for the year ended 30 June 2016

		Consolidated			Parent
		2016	2015	2016	2015
Cash flows from operating activities	Note	\$'000	\$'000	\$'000	\$'000
Receipts					
Receipts from operations		91,690	75,705	91,690	75,705
Interest received		1,764	3,466	1,764	3,466
Cash sponsorship and donations received		4,909	4,684	4,909	4,684
Cash received from Government		45,903	56,917	45,903	56,917
Other		–	13	–	13
Total receipts		144,266	140,785	144,266	140,785
Payments					
Payments to suppliers, employees and personnel service providers		(141,677)	(126,584)	(141,677)	(126,584)
Total payments		(141,677)	(126,584)	(141,677)	(126,584)
Net cash flows from operating activities	26	2,589	14,201	2,589	14,201
Cash flows from investing activities					
Purchases of property, plant and equipment		(20,060)	(35,506)	(20,060)	(35,506)
Proceeds from sale of property, plant and equipment		87	–	87	–
Net cash flows from investing activities		(19,973)	(35,506)	(19,973)	(35,506)
Net increase / (decrease) in cash					
Opening cash and cash equivalents		77,121	98,426	77,121	98,426
Closing cash and cash equivalents	7	59,737	77,121	59,737	77,121

The accompanying notes form part of these financial statements.

Sydney Opera House Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2016

1. Summary of Significant Accounting Policies

(a) Reporting entity

The consolidated financial statements for the year ended 30 June 2016 comprise Sydney Opera House Trust (the Parent) and its controlled entity, Sydney Opera House Trust Staff Agency (the Agency), together referred to as the “Consolidated Entity”, or “Sydney Opera House”, or “the Opera House”.

The Parent is a not-for-profit NSW Government entity, classified as a Public Trading Enterprise (PTE) 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 the Government and surplus from operations supports cultural and community activities within the performing arts. The Opera House undertakes public fundraising to support a range of programming and community activities. The Opera House has determined that it is a not-for-profit entity and applies the requirements of not-for-profit accounting standards.

The Agency is a Public Service Executive Agency under Schedule 1, Part 2 of the *Government Sector Employment Act 2013* no. 40, and is responsible for the employees (and employee-related liabilities) who provide personnel services to the Parent. The Agency’s sole objective is to provide personnel services to the Parent.

These financial statements for the period ended 30 June 2016 have been authorised for issue by the Trust on 26 September 2016.

(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 (AASBs or AASs), which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*; and
- other applicable financial reporting directions issued by the Treasurer, including Treasury Circulars (TCs) and Treasury Policy Papers (TPPs).

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 Opera House 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*.

Judgments, key assumptions and estimations 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 that 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 that are 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 revenue 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 revenue 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 revenue 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 revenue 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 revenue 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.

Revenue arising from donations is recognised when all of the following conditions are satisfied:

- the Consolidated Entity has obtained control of the donation or the right to receive the donation;
- it is probable that economic benefits comprising the donation will flow to the Consolidated Entity; and
- the amount of the donation can be measured reliably.

These conditions are typically satisfied on receipt.

Sponsorship revenue is recognised as income by the Consolidated Entity in accordance with the terms and conditions of the signed sponsorship contracts, which specify the timing, form and value of the sponsorship benefits that the Consolidated Entity is entitled to. Sponsorship benefits may be received by way of cash, or of non-cash benefits known as “contra sponsorship”. The respective goods and services related to this income are reflected in the appropriate expense or asset accounts.

(v) Government contributions

Government contributions in the form of grants are recognised as revenue when the Consolidated Entity obtains control over the funds, in accordance with AASB 1004 *Contributions*, paragraph 12. Control over Government contributions is obtained upon the receipt of cash. Government contributions are granted in the form of operating endowment, maintenance and building development funding.

(h) Assets

(i) Acquisition of assets

Assets acquired are initially recognised at cost. 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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

(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 on acquisition.

(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 to 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 three 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.

A summary of asset category revaluations is as follows:

Asset category	Independent valuer	Minimum valuation frequency	Last valuation date
Land	Cumberland Property Consulting Pty Ltd	3 years	31 March 2016
Building and building services	Rider Levett Bucknall	3 years	28 February 2014
Plant and equipment	RHAS (Rodney Hyman Asset Services) – an operating division of Aon Risk Services Australia Limited	5 years	31 March 2016
Art collection	Sue Hewitt	5 years	31 March 2015

In addition, an annual assessment is performed to ensure that the carrying value of property, plant and equipment is not materially different from fair value. 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 2016.

The value of work in progress represents capital works not completed at 30 June 2016.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

Revaluation increments are credited directly to the revaluation surplus, 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 the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

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 revaluation surplus 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, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. 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.

Building and building services are measured at fair value as at 30 June 2016. Management has assessed the building for impairment at balance date and determined that it is not functionally impaired. However all buildings require a long-term maintenance plan. Significant future maintenance works are being considered as part of the Opera House's Renewal planning and require further investigation and scoping. These works will be required to ensure that the building does not become impaired in the future.

(v) Intangible assets

The intangible assets held by the Consolidated Entity comprise software held for internal use and 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 the Consolidated Entity's intangible assets are assessed to be finite, and are amortised on a straight-line basis over five years, unless another useful life is determined to be more appropriate.

All intangible assets were assessed for impairment as at 30 June 2016. 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 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 identifiable components of assets are depreciated separately over their useful lives.

Work-in-progress (WIP) does not attract depreciation. Once a capital work is completed and in operation, the associated WIP balance is recognised as an asset and subsequently depreciated.

Land is not a depreciable asset.

The implementation guidance for not-for-profit public sector entities that 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 Opera House building and art collection.

The Opera House building is considered 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 2015-16, management is of the opinion that depreciation should not be recognised on these assets.

The Opera House art collection is a cultural asset. Certain heritage assets including original artworks and collections may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually. In 2015-16, management is of the opinion that depreciation should not be recognised on these assets.

Depreciation and amortisation rates on other assets are:

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, 20
Grand organ	0.5
Leasehold improvements	10

(vii) Maintenance

Day-to-day servicing costs 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 that 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 recognised as expenses on a straight-line basis over the lease term.

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 depreciated 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 based on market value on commercially leased property. The unexpired terms of the premises lease range from one month to 5 and a half 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 recognised in the net result for the year 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 calculated 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.

Hour-Glass investment facilities, when held, are designated at fair value through profit or loss. These financial assets are managed and their performance 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 facilities were divested in October 2015.

The Consolidated Entity's 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.

The movement in the fair value of the Hour-Glass investment facilities incorporated distributions received as well as unrealised movements in fair value and was 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 the net result for the year 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.

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 the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, 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 the net result for the year 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 the net result for the year.

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) **Employee benefits, personnel services and other provisions**

(i) *Personnel services arrangements*

The Agency provides personnel services to the Parent (note 16). All personnel and related obligations are classified as personnel services expenses by the Parent in these financial statements. The Consolidated Entity recognises employee-related expenses in the consolidated financial statements.

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

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 15-09 *Accounting for Long Service Leave and Annual Leave*. Actuarial advice obtained by NSW Treasury has confirmed that the use of a nominal approach (using 7.9% of the nominal value of annual leave, scaled to 9.29% to reflect the average entitlement of Agency employees) 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.

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 15-09 *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 as possible the estimated timing of expected payments.

The bond rate used at the reporting date was 10-year government bond rate of 1.98% (2015 3.01%).

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 -15 *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.

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.

(v) *Defined benefit superannuation plans*

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.

(vi) *Termination benefits*

Termination benefits are recognised as an expense when the Consolidated Entity 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.

(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. If the effect of the time value of money is material, provisions are discounted at the rate that reflects the 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 21 (e) and (f) for further disclosures regarding fair value measurements of financial and non-financial assets.

(l) Fundraising and bequests

The Opera House receives external philanthropic funding such as donations and bequests. These transactions are recorded as income within the Consolidated Entity's financial statements in the financial year that they are received, in accordance with the Consolidated Entity's income recognition policy (see note 1 (g) (iv)). The funds may be applied to expenditure in the current financial year, or in future years. Details are provided in note 22 to these financial statements.

(m) Equity and reserves

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in note 1(h)(iii).

The category "Accumulated Funds" includes all current and prior period retained funds.

Separate reserve accounts are recognised in the financial statements only if specific legislation or Australian Accounting Standards require such accounts.

(n) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented 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 2015-16

The accounting policies applied in 2015-16 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 2015-16:

- **AASB 2015-3 regarding Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality**
AASB 2015-3 affects the withdrawal of AASB 1031 *Materiality*, and is not expected to have a significant impact on the Consolidated Entity.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, but will be relevant to the Consolidated Entity as discussed below.

- **AASB 2015-1 regarding Annual Improvements to the Australian Accounting Standards 2012-14 cycle, and AASB 2015-2 regarding amendments to the AASB 101 disclosure initiatives**
AASB 2015-1 and AASB 2015-2 set out minor amendments and improvements to the Australian Accounting Standards. The Consolidated Entity has assessed the impact of these changes and determined that they are not material to the consolidated entity. The standards are not mandatory before 1 January 2016.
- **AASB 2015-6 regarding Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities regarding AASB 10 Consolidated Financial Statements, AASB 124 Related Party Disclosures and AASB 1049 Whole of Government and General Government Sector Financial Reporting**
AASB 2015-6 extends the scope of AASB 124 to include not-for-profit public sector entities. AASB 124 requires reporting entities to disclose related party relationships, transactions and outstanding balances within their financial statements. The Consolidated Entity will be required to make these disclosures prospectively from 1 July 2016.
- **AASB 2016-2 regarding Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 Statement of Cash Flows**
AASB 2016-2 requires entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The standard applies to reporting periods beginning on or after 1 January 2017. The Consolidated Entity has not yet assessed the impact of this standard.
- **AASB 2016-4 regarding Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities**
AASB 2016-4 amends AASB 136 Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use, and to clarify the nature of the recoverable amount of primarily non-cash generating assets for not-for-profit entities. The standard takes effect from 1 January 2017. The Consolidated Entity has not yet assessed its impact.

- **AASB 9 Financial Instruments, AASB 2010-7, AASB 2014-1, AASB 2014-7 and AASB 2014-8 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 Consolidated Entity has not yet assessed the full impact of AASB 9, as this standard is not mandatory before 1 January 2018.
- **AASB 15, AASB 2015-8 and AASB 2016-3 regarding Revenue from Contracts with Customers**
AASB 15 will affect all entities providing goods or services under contract arrangements, especially those offering bundled products and services. The Consolidated Entity has not yet assessed the full impact of AASB 15, as this standard is not mandatory before 1 January 2018.
- **AASB 16 Leases**
AASB 16 replaces current Leases standard AASB 117 for annual reporting periods beginning on or after 1 January 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessors continue to classify leases as operating or finance leases, and to account for those two types of leases differently. The amended standard also requires enhanced disclosures to be provided by lessors. The Consolidated Entity has not yet assessed the full impact of AASB 16.
- **ED260 Income for Not-for-Profit Entities**
The exposure draft is expected to take effect for reporting periods commencing on or after 1 January 2018. The Consolidated Entity has not yet assessed the full impact of AASB 16.

(p) Changes in accounting estimates

(i) Residual values

The plant and equipment of the Consolidated Entity was independently valued by a qualified external valuer as at 31 March 2016. As part of the valuation process, the Consolidated Entity reviewed the estimates and assumptions used by the valuer, and where appropriate, has chosen to adopt the residual values and useful lives as assessed by the valuer.

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 the 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 statements.

The Opera House has established an Audit and Risk Committee, which has overall responsibility for the establishment and oversight of the risk management framework and reviews policies and procedures for managing risks. The Internal Auditors and the Audit and Risk Committee review compliance with policies on a continuous basis, taking a risk-based approach. 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.

An enterprise risk profile has been established and is reviewed quarterly 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 reporting systems and procedures and the Committee's Charter. 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 from management to verify various risk management activities are taking place across the organisation.

(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 that 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 30-day or alternative agreed-upon 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. The Consolidated Entity has also placed funds on deposit with major banks, having regard to the rating provided by Standard & Poor's, Fitch or Moody's. Bank deposits are for fixed terms, and the interest rate payable is negotiated and is fixed for the term of the deposit. The interest rate payable on at-call deposits vary. The term deposits have varying maturity dates. None of these assets are past due or impaired.

(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.

On 16 July 2015, the Consolidated Entity established a global borrowing limit of \$44 million through NSW Treasury Corporation (TCorp). As at 30 June 2016, the loan facility has not been utilised. The Consolidated Entity has exposure to debt in the form of corporate credit cards, but has otherwise not incurred any bank overdrafts within both the current and prior period. 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 a 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 exposure to market risk is primarily through currency risk on purchases that are denominated in a currency other than Australian Dollars. The interest rate risk is not expected to significantly affect 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 aligned to the contracted payment dates.

(e) *Other price risk*

The Consolidated Entity was previously exposed to "other price risk" primarily through investment in TCorp Hour-Glass investment facilities, held for strategic rather than trading purposes. The Consolidated Entity divested its TCorp Hour-Glass facilities in October 2015. The Consolidated Entity has no direct equity investments.

3. Revenue

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Sale of goods and services				
Gross box office	26,961	24,082	26,961	24,082
Theatre services	17,340	14,918	17,340	14,918
Venue hire	9,326	8,776	9,326	8,776
Tours	11,444	9,312	11,444	9,312
Food and beverage	12,160	10,094	12,160	10,094
Booking fees and charges	5,385	4,650	5,385	4,650
Retail and licensing	1,888	1,723	1,888	1,723
Other	1,871	1,892	1,871	1,892
	86,375	75,447	86,375	75,447

(b) Investment revenue

Interest revenue from financial assets not at fair value through profit or loss	1,928	2,299	1,928	2,299
TCorp Hour-Glass investment facilities designated at fair value through profit or loss	82	520	82	520
	2,010	2,819	2,010	2,819

(c) Sponsorship revenue

Contra sponsorship	3,574	2,448	3,574	2,448
Cash sponsorship	3,665	2,872	3,665	2,872
	7,239	5,320	7,239	5,320

(d) Government contributions

Recurrent				
Annual endowment	12,637	13,170	12,637	13,170
	12,637	13,170	12,637	13,170
Capital and maintenance				
Capital – Lifts and escalators	–	4,194	–	4,194
Capital – Renewal Framework	–	13,700	–	13,700
Strategic asset maintenance (i)	33,266	25,853	33,266	25,853
	33,266	43,747	33,266	43,747
	45,903	56,917	45,903	56,917

(i) *Strategic asset maintenance*

Recognition of the strategic asset maintenance grant in 2015 is affected by the advance receipt of \$6,850k, which pertains to 2015 but was received and recognised in 2014. The receipt was recognised in the income statement in accordance with AASB 1004 *Contributions*.

4. Expenses

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
(a) Employee-related expenses				
Salary, wages and allowances (including employee leave)	(54,669)	(52,433)	–	–
Superannuation – defined contribution plans	(4,227)	(4,042)	–	–
Superannuation – defined benefit plans	(352)	(506)	–	–
Payroll tax and fringe benefits tax	(3,443)	(3,039)	–	–
Workers compensation insurance	70	(101)	–	–
Other expenses	(84)	(86)	–	–
Employee-related expenses	(62,705)	(60,207)	–	–
Less: charged to maintenance	6,563	6,829	–	–
	(56,142)	(53,378)	–	–

(b) Personnel services expenses

Personnel service expenses	–	–	(60,462)	(58,514)
Temporary assistance	–	–	(2,399)	(1,635)
Personnel services expenses	–	–	(62,861)	(60,149)
Less: charged to maintenance	–	–	6,563	6,829
	–	–	(56,298)	(53,320)

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 WIP of \$542k (2015: \$802k).

(c) Other expenses

Artist fees and presentation expenses	(18,118)	(15,628)	(18,118)	(15,628)
Publicity and advertising	(6,418)	(5,598)	(6,418)	(5,598)
Utilities and cleaning	(5,546)	(5,572)	(5,546)	(5,572)
Administration expenses	(5,319)	(5,002)	(5,319)	(5,002)
Consumables and minor equipment	(5,251)	(4,445)	(5,251)	(4,445)
Consultants	(225)	(242)	(225)	(242)
Other fees for services	(6,090)	(4,973)	(6,090)	(4,973)
Tour packages and events	(1,019)	(623)	(1,019)	(623)
Building and general insurance	(1,077)	(1,023)	(1,077)	(1,023)
Bank and credit card charges	(1,429)	(1,234)	(1,429)	(1,234)
Rent payments on operating leases				
– minimum lease payments	(1,077)	(1,156)	(1,077)	(1,156)
– outgoing payments	(202)	(222)	(202)	(222)
Bad and doubtful debt expense	(1)	(2)	(1)	(2)
Audit fee – external	(98)	(90)	(98)	(90)
Audit fee – internal	(129)	(115)	(129)	(115)
	(51,999)	(45,925)	(51,999)	(45,925)

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
(d) Maintenance				
System and network maintenance	(1,058)	(258)	(1,058)	(258)
Building and equipment repairs and maintenance	(29,070)	(23,307)	(29,070)	(23,307)
	(30,128)	(23,565)	(30,128)	(23,565)
Plus: personnel services and employee-related maintenance charge	(6,563)	(6,829)	(6,563)	(6,829)
	(36,691)	(30,394)	(36,691)	(30,394)

(e) Depreciation, amortisation and make good

Depreciation				
Plant and equipment	(9,105)	(9,851)	(9,105)	(9,851)
Amortisation				
Intangible assets	(352)	(311)	(352)	(311)
Amortisation of leasehold improvements	(372)	(263)	(372)	(263)
	(724)	(574)	(724)	(574)
Provision				
Lease make good expense	(167)	(15)	(167)	(15)
	(9,996)	(10,440)	(9,996)	(10,440)

5. Other Gains / (Losses)

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Gain / (loss) on disposal				
Proceeds from sale of fixed assets	115	(41)	115	(41)
Written down value of assets disposed	(113)	(10)	(113)	(10)
	2	(51)	2	(51)
Other gain / (loss)				
Realised gain on foreign currency	1	(1)	1	(1)
	3	(52)	3	(52)

6. Trustees Remuneration

No remuneration was paid to the Trustees during the year (2015: nil). The Trustees resolved to cease being remunerated from 1 January 2007. Part of Trustee duties involves attending Sydney Opera House Trust events.

7. Cash and Cash Equivalents

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	10,183	7,450	10,183	7,450
Hour-Glass cash facility	–	18,218	–	18,218
Short-term deposits	49,554	51,453	49,554	51,453
	59,737	77,121	59,737	77,121

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the year to the statement of cash flows as follows:

All short-term deposits are considered by the Consolidated Entity in day-to-day operations as liquid and aged as follows:

	2016	2015
	\$'000	\$'000
Between 3 – 6 months	21,350	24,553
Between 6 – 12 months	28,204	26,900

Refer note 21 (c) and (d) for details regarding interest rate risk and a sensitivity analysis for financial assets and liabilities.

8. Trade and Other Receivables

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Trade receivables	3,232	2,371	3,232	2,371
Allowance for impairment of receivables	(1)	(15)	(1)	(15)
Accrued income	2,712	4,245	2,712	4,245
GST receivable	612	–	1,185	1,204
Other receivables	903	672	903	672
	7,458	7,273	8,031	8,477

Refer note 21 (a) and (d) 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.

9. Prepayments

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Prepaid superannuation – defined benefit schemes	1,588	1,733	–	–
Prepaid expenses	1,348	675	1,348	675
	2,936	2,408	1,348	675

Prepaid superannuation

The funding position at 30 June 2016 of the three defined benefit schemes related to personnel services received has been advised by Pillar Administration. These are the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non Contributory Superannuation Scheme (SANCS).

	Estimated Reserve Account Funds		Accrued Liability		Prepaid Contributions	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit asset						
SSS	57,165	49,418	(55,607)	(47,709)	1,558	1,709
SANCS	1,232	1,561	(1,202)	(1,537)	30	24
Defined benefit liability						
SASS	5,870	9,229	(6,615)	(9,618)	(745)	(389)

The defined benefit liability for the Consolidated Entity's defined benefit plans has been included in trade and other payables (refer to note 14). The defined benefit liability for the Parent has been included in personnel services payable (refer to note 16).

10. Inventory – Held for Distribution

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Finished goods – at cost adjusted for obsolescence	25	31	25	31
Total Inventory	25	31	25	31

11. Property, Plant and Equipment

	Consolidated			Parent
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Land				
At fair value	140,000	111,000	140,000	111,000
Building and building services				
Gross carrying amount	2,101,493	1,952,996	2,101,493	1,952,996
Plant and equipment				
Gross carrying amount	242,445	222,032	242,445	222,032
Less: accumulated depreciation and impairment	(121,629)	(100,290)	(121,629)	(100,290)
Art collection – at fair value	6,989	6,989	6,989	6,989
Work in progress – at fair value	19,642	169,143	19,642	169,143

Plant and equipment includes non-specialised assets with low gross carrying values and short useful lives. These assets are carried at depreciated historical cost as a surrogate for fair value, which is permitted by TPP 14-01.

Reconciliation

The comparative reconciliation of the fair value of property, plant and equipment is set out below:

Consolidated and Parent: 2016	Land and building \$'000	Plant and equipment \$'000	Work in progress \$'000	Art collection \$'000	Total \$'000
Fair value at start of year	2,063,996	121,742	169,143	6,989	2,361,870
Additions	888	2,452	19,481	–	22,821
Disposals and write-offs	–	(113)	–	–	(113)
Reclassification	153,818	15,002	(168,982)	–	(162)
Revaluation	22,791	(8,760)	–	–	14,031
Lease make good expense	–	(30)	–	–	(30)
Depreciation and amortisation	–	(9,477)	–	–	(9,477)
Fair value at end of year	2,241,493	120,816	19,642	6,989	2,388,940

Reconciliation of the fair value of property, plant and equipment is set out below:

Consolidated and Parent: 2015	Land and building \$'000	Plant and equipment \$'000	Work in progress \$'000	Art collection \$'000	Total \$'000
Fair value at start of year	2,063,537	119,910	149,738	5,160	2,338,345
Additions	–	958	31,152	540	32,650
Disposals and write-offs	–	(31)	–	–	(31)
Reclassification	459	11,034	(11,747)	–	(254)
Revaluation	–	–	–	1,289	1,289
Lease make good expense	–	(15)	–	–	(15)
Depreciation	–	(10,114)	–	–	(10,114)

12. Intangible Assets

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Software				
At cost	3,722	3,421	3,722	3,421
Less: accumulated amortisation and impairment	(2,604)	(2,253)	(2,604)	(2,253)
Net carrying amount	1,118	1,168	1,118	1,168

Reconciliation of the carrying value of intangibles is set out below:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Intangibles – fair value at start of year	1,168	1,237	1,168	1,237
Additions	140	10	140	10
Reclassification	162	253	162	253
Disposals and write-offs	–	(21)	–	(21)
Amortisation	(352)	(311)	(352)	(311)
Intangibles – fair value at end of year	1,118	1,168	1,118	1,168

13. Fair Value Measurement of Non-Financial Assets

(a) Fair value hierarchy

2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment, excluding WIP				
Land	–	–	140,000	140,000
Buildings	–	–	2,101,493	2,101,493
Plant and equipment	–	–	113,259	113,259
Art collection	–	6,989	–	6,989
	–	6,989	2,354,752	2,361,741
There were no transfers between Level 1 and 2 during the year. Land has been reclassified from Level 2 to 3 in 2015-16. The unique features of the Opera House land - including heritage restrictions, zoning and location - make it difficult to find directly comparable market evidence on which to base an asset valuation. Plant and equipment was revalued in 2015-16 and has also been classified Level 2. The specialised or bespoke nature of much of the Opera House's plant and equipment makes it difficult to obtain reliable market comparisons. For more information about fair value hierarchy levels refer to the accounting policy note 1(k).				
2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment, excluding WIP				
Land	–	111,000	–	111,000
Buildings	–	–	1,952,996	1,952,996
Art collection	–	6,989	–	6,989
	–	117,989	1,952,996	2,070,985

(b) Valuation techniques, inputs and processes

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.

Type	Valuation technique
Land	Market approach: 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.
Buildings	Cost approach: the fair value of buildings is determined using a reproduction cost approach given the unique nature of the building. The valuation includes the building fabric, structure, finishes and fittings, and assesses these components using the standard Australian Institute of Quantity Surveyors (AIQS) elements with measured quantities and the application of current market rates to the measured quantities. No diminution in value has been recognised due to the on-going maintenance program and the long design and economic life of the assets.
Plant and equipment	Market or cost approach: the fair value of plant and equipment, where the gross carrying amount is greater than \$100k, has been determined using a direct sales comparison where possible; otherwise the cost approach has been used. The optimised replacement cost of the assets is calculated based on Australian Bureau of Statistics Indexes applied to historic costs, then adjusted to take into account the asset's useful life. For specialised plant and equipment, depreciated replacement cost is the most relevant valuation method. Plant and equipment with a gross carrying amount of less than \$100k is not subject to revaluation and is carried at cost as a proxy for fair value. These assets are not disclosed within the fair value hierarchy.
Art collection	Market approach: the fair value of collection assets is determined using quoted market prices for similar items.

(c) Reconciliation of recurring level 3 fair value measurements

2016	Buildings \$'000	Land \$'000	Plant and equipment \$'000
Fair value as at 1 July 2015	1,952,996	–	–
Additions / reclassifications	148,497	–	12,958
Revaluation increments / (decrements) recognised in other comprehensive income	–	–	–
Transfers from level 2	–	140,000	–
Transfers into the fair value hierarchy	–	–	101,909
Disposals	–	–	(24)
Depreciation and amortisation	–	–	(1,584)
Fair value as at 30 June 2016	2,101,493	140,000	113,259
2015	Buildings \$'000	Land \$'000	Plant and equipment \$'000
Fair value as at 1 July 2014	–	–	–
Additions / reclassifications	–	–	–
Revaluation increments / (decrements) recognised in other comprehensive income	–	–	–
Transfers from level 2	1,952,996	–	–
Disposals	–	–	–
Depreciation	–	–	–
Fair value as at 30 June 2015	1,952,996	–	–

14. Trade and Other Payables

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade creditors	1,745	2,150	1,745	2,150
Accrued expenses	9,457	5,848	9,235	3,860
Advance external ticket sales	7,992	5,834	7,992	5,834
GST payable	–	464	–	–
Other payables	698	356	279	215
Defined benefit liability	745	389	–	–
	20,637	15,041	19,251	12,059

Refer note 21 (b) and (d) for details regarding exposure to currency and liquidity risk related to trade and other payables.

15. Deferred Revenue

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Advance ticket sales	3,265	3,787	3,265	3,787
Hirer deposits	1,192	1,134	1,192	1,134
Income in advance	1,341	1,192	1,341	1,192
	5,798	6,113	5,798	6,113

16. Personnel Services Payable

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Personnel services payable	–	–	15,042	17,508
	–	–	15,042	17,508
Non-Current				
Personnel services payable	–	–	1,706	1,679
	–	–	1,706	1,679
	–	–	16,748	19,187

17. Provisions

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current and Non-Current Provisions				
Current				
Lease make good provision	324	99	324	99
Employee benefits	14,251	14,962	–	–
Fringe benefits	420	93	–	–
Total current provisions	14,995	15,154	324	99
Non-Current				
Lease make good provision	198	285	198	285
Employee benefits	1,706	1,679	–	–
Total non-current provisions	1,904	1,964	198	285
Total provisions	16,899	17,118	522	384

The current employee benefits provision includes annual recreation leave, of which \$2,874k is expected to be taken within the next 12 months, with the remaining \$1,328k after 12 months.

Reconciliations of the fair value of the lease make good provision is set out below:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Carrying amount at the start of the year	384	235	384	235
Additional provision	138	149	138	149
Provision released	–	–	–	–
Carrying amount at the end of the year	522	384	522	384

Under the lease agreements the Consolidated Entity is required to reinstate the leased premises located at Level 4 and 5, Pitt St; Level 3, Customs House, Leichhardt and St Peters Store in Sydney to the condition they were in at the lease commencement date.

18. Other Liabilities

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current and Non-Current Provisions				
Current				
Lease incentive	206	206	206	206
Total current other liabilities	206	206	206	206
Non-Current				
Lease incentive	516	722	516	722
Deferred rent	67	27	67	27
Total non-current other liabilities	583	749	583	749
Total other liabilities	789	955	789	955

19. 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 Opera House are provided by the Agency.

Nature of the benefits provided by the Fund

The SAS Trustee Corporation (STC) Pooled Fund (the 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 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 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 Fund will conform to 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 2015. The next actuarial investigation will be performed at 30 June 2018.

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;

Reconciliation of the net defined benefit liability / (asset)

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Net defined benefit liability / (asset) at start of year	389	(24)	(1,709)	(1,344)
Current service cost	293	61	55	409
Net interest on the net defined benefit liability / (asset)	12	(1)	(52)	(41)
Actual return on Fund assets less interest income	39	6	(71)	(26)
Actuarial (gains) / losses arising from changes in demographic assumptions	(82)	(36)	2,181	2,063
Actuarial (gains) / losses arising from changes in financial assumptions	276	54	5,838	6,168
Actuarial (gains) / losses arising from liability experience	(182)	(4)	427	241
Adjustment for effect of asset ceiling		(86)	(8,203)	(8,289)
Employer contributions	-	-	(24)	(24)

- 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 that legislative changes could be made which 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 fund amendments, curtailments or settlements during the year.

Reconciliation of the fair value of Fund assets

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at beginning of the year	9,228	1,760	63,261	74,249
Interest income	263	50	1,884	2,197
Actual return on Fund assets less interest income	(39)	(6)	71	26
Employer contributions	-	-	24	24
Contributions by participants	101	-	73	174
Benefits paid	(3,661)	(448)	(2,193)	(6,302)
Taxes, premiums and expenses paid	(21)	(6)	104	77
Fair value of Fund assets at end of the year	5,871	1,350	63,224	70,445

Reconciliation of the defined benefit obligation

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at beginning of the year	9,618	1,537	47,709	58,864
Current service cost	293	61	55	409
Interest cost	275	43	1,412	1,730
Contributions by participants	101	-	73	174
Actuarial (gains) / losses arising from changes in demographic assumptions	(82)	(36)	2,182	2,064
Actuarial (gains) / losses arising from changes in financial assumptions	276	54	5,838	6,168
Actuarial (gains) / losses arising from liability experience	(182)	(4)	427	241
Benefits paid	(3,662)	(447)	(2,193)	(6,302)
Taxes, premiums and expenses paid	(21)	(6)	104	77
Present value of defined benefit obligations at end of the year	6,616	1,202	55,607	63,425

Reconciliation of the effect of the asset ceiling

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Adjustment for effect of asset ceiling at beginning of the year	-	198	13,843	14,041
Interest on the effect of asset ceiling	-	6	419	425
Change in the effect of asset ceiling	-	(86)	(8,203)	(8,289)
Adjustment for effect of asset ceiling at end of the year	-	118	6,059	6,177

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

Fair value of Fund assets

All Fund assets are invested by STC at arm’s length through independent fund managers, assets are not separately invested for each entity, and it is not possible or appropriate to disaggregate and attribute Fund assets to individual entities. As such the disclosures below relate to total assets of the Fund.

As at 30 June 2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Asset Category				
Short-term securities	2,050,414	2,044,454	5,960	–
Australian fixed interest	2,720,589	2,724	2,717,865	–
International fixed interest	834,373	(1,358)	835,731	–
Australian equities	9,720,878	9,171,767	549,087	24
International equities	12,093,667	9,026,207	2,078,766	988,694
Property	3,650,267	1,113,253	618,946	1,918,068
Alternatives	7,115,949	470,130	3,122,185	3,523,634
Total	38,186,137	21,827,177	9,928,540	6,430,420

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

Short-term securities	5.4%
Australian fixed interest	7.1%
International fixed interest	2.2%
Australian equities	25.5%
International equities	31.7%
Property	9.6%
Alternatives	18.6%
Total	100%

Additional to the assets disclosed above, the Fund has provisions for receivables / (payables) estimated to be around \$2.83 billion at 30 June 2016. This gives a total estimated asset balance of \$41.01 billion.

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 directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts 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.

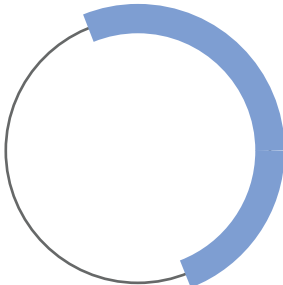
Fair value of entity’s own financial instruments

The disclosures below relate to total assets of the Fund.

The fair value of the Fund assets as at 30 June 2016 include \$189.6 million in NSW Government bonds.

Of the direct properties owned by the Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Fund with a fair value of \$222 million (30 June 2015: \$159 million).
- Health Administration Corporation occupies part of a property 50% owned by the Fund with a fair value of \$243 million (30 June 2015: \$204 million).



Significant actuarial assumptions at 30 June 2016

Assumption	2016
Discount rate	1.99% pa
Salary increase rate (excluding promotional increases)	2.50% pa 1 July 2016 to 30 June 2019, 3.50% pa from 1 July 2019 to 30 June 2021, 3.00% pa from 1 July 2021 to 30 June 2026 , and 3.50% pa thereafter
Rate of CPI increase	1.50% pa to 30 June 2016, 1.75% pa from 1 July 2016 to 2017, 2.25% from 1 July 2017 to 30 June 2018, and 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Fund. These assumptions are disclosed in the actuarial investigation report available from the Trustee's website. The report shows the pension mortality rates for each age.

Sensitivity analysis

The entity’s total defined benefit obligation as at 30 June 2016 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision that is calculated based on the asset level at 30 June 2016.

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	1.99%	0.99%	2.99%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	63,425	72,015	56,495

	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	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	63,425	67,244	59,941

	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)	63,425	63,640	63,217

	Base case	Scenario G higher mortality*	Scenario H lower mortality**
Defined benefit obligation (\$'000)	63,425	62,803	64,304

* Assumes the long-term pensioner mortality improvement factors for years post 2021 also apply for years 2016 to 2021
** Assumes the short-term pensioner mortality improvement factors for years 2016-2021 also apply for years after 2021

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

Asset-liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and were last reviewed following completion of the triennial review as at 30 June 2015. 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 2016 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*	5,599	1,014	30,616	37,229
Net market value of Fund assets	(5,870)	(1,350)	(63,225)	(70,445)

* There is no allowance for a contribution tax provision with the accrued benefits figure for AAS 25. Allowance for contributions tax is made when setting the contribution rates.

Contribution recommendations

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

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

Economic assumptions

The economic assumptions adopted for the 30 June 2015 actuarial investigation of the Fund are:

Weighted average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.8% pa
Expected rate of return on Fund assets backing other liabilities	6.8% pa
Expected salary increase rate (excluding promotional salary increases)	3.0% pa to 30 June 2019 then 3.5% pa thereafter
Expected rate of CPI increase	2.5% pa

Expected contributions for 2016

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Expected employer contributions	-	-	-	-

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 12.8 years.

Profit and loss impact

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Current service cost	293	61	55	409
Net interest	12	(1)	(52)	(41)

Other comprehensive income

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actuarial (gains) / losses on liabilities	11	14	8,446	8,471
Actual return on Fund assets less interest income	39	6	(71)	(26)
Change in the effect of asset ceiling	-	(86)	(8,203)	(8,289)
Total re-measurement in other comprehensive income	50	(66)	172	156

20. 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.

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

Foreign currency forward contracts	Asset \$'000		Liability \$'000		Net position \$'000	
	2016	2015	2016	2015	2016	2015
Euro	7,400	40	(7,747)	(41)	(347)	(1)
GBP	393	217	(471)	(204)	(78)	13
USD	220	391	(225)	(376)	(5)	15
Total	8,013	648	(8,443)	(621)	(430)	27

Refer note 21 (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 that 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 \$430k (2015: gain 27k). In the current year, these unrealised losses have been deferred in the hedging reserve to the extent the hedge is effective.



Reconciliation

Reconciliation of unrealised (loss) / gains on forward exchange contracts for the Parent and the Consolidated Entity is as follows:

	2016 \$'000	2015 \$'000
Carrying amount at the start of the year	27	(35)
Unrealised (loss) / gain on forward exchange contracts	(457)	62
Total unrealised (loss) / gain on forward exchange contracts	(430)	27

21. 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 2016 \$'000	Carrying amount 2015 \$'000
Financial assets (i)				
Cash and cash equivalents	7	N/A	59,737	77,121
Trade and other receivables	8	Loans and receivables (at amortised cost)	6,846	7,273
Derivative financial instruments	20	Designated and effective hedging instrument	8,013	648
Financial liabilities (ii)				
Trade and other payables	14	Financial liabilities (at amortised cost)	20,637	14,577
Derivative financial instruments	20	Designated and effective hedging instrument	8,443	621

(i) Excludes statutory receivables and prepayments such as GST (not within scope of AASB 7).
(ii) Excludes statutory payables and unearned revenue such as GST (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 Parent and the Consolidated Entity’s maximum exposure to credit risk at reporting date was:

	Note	2016 \$'000	2015 \$'000
Cash and cash equivalents	7	59,737	77,121
Trade and other receivables	8	6,846	7,273
		66,583	84,394

Cash and cash equivalents

Cash comprises cash on hand and bank balances with Westpac, ANZ and Commonwealth 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 year-end was 1.75% for Westpac operating accounts, 0% for the ANZ operating account and 0.65% for the CBA management account (2015: 0.90%). The TCorp Hour-Glass cash facility is discussed in note 21 (c) and 21 (f) below.

At period end, the Consolidated Entity has placed funds on deposit with Westpac/St. George, NAB, ANZ, CBA/Bankwest, Macquarie Bank, Bank of Queensland, ING Bank and Suncorp. The deposits at balance date were earning an average interest rate of 2.49% (2015: 2.19%), while over the year the average interest rate was 2.77% (2015: 3.21%).

Trade and other receivables

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

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

	Carrying amount 2016 \$'000	Carrying amount 2015 \$'000
Sponsorship	1,281	848
Venue hire and related services	518	371
Precinct businesses	989	579
Sydney Opera House performances	10	378
Other	434	195
	3,232	2,371

Impairment losses

The ageing of The Parent and the Consolidated Entity’s trade receivables at reporting date was:

	Total \$'000	Not impaired \$'000	Considered impaired \$'000
2016			
Not past due	1,770	1,770	–
< 3 months past due	853	853	–
3 – 6 months past due	516	516	–
> 6 months past due	93	92	1
	3,232	3,231	1

	Total \$'000	Not impaired \$'000	Considered impaired \$'000
2015			
Not past due	1,062	1,062	–
< 3 months past due	1,233	1,233	–
3 – 6 months past due	57	57	–
> 6 months past due	19	4	15
	2,371	2,356	15

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

	2016 \$'000	2015 \$'000
Opening balance	(15)	–
Less: bad debts written off	14	–
Less: provision release	–	–
Add: additional provision	–	(15)

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.

(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 with cash advances held as short-term investments or at call.

The following are contractual maturities of financial liabilities for the Parent 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
2016					
Non-derivative financial liabilities					
Trade and other payables	(20,637)	(20,637)	(20,637)	–	–
Derivative financial liabilities					
Forward exchange contracts used for hedging:					
Outflow	–	(8,443)	(2,682)	(4,010)	(1,751)
Inflow	–	8,013	2,582	3,823	1,608
Net carrying amount of derivatives	–	–	–	–	–
	(20,637)	(21,067)	(20,737)	(187)	(143)

	Carrying amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6 to 12 months \$'000	Between 1 and 2 years \$'000
2015					
Non-derivative financial liabilities					
Trade and other payables	(14,577)	(14,577)	(14,577)	–	–
Derivative financial liabilities					
Forward exchange contracts used for hedging:					
Outflow	–	(621)	(482)	(84)	(55)
Inflow	–	648	508	85	55
Net carrying amount of derivatives	27	–	–	–	–
	(14,550)	(14,550)	(14,551)	1	–

The following table indicates the years 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 Parent 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
2016					
Foreign exchange contracts:					
Assets	8,013	8,013	2,582	3,823	1,608
Liabilities	(8,443)	(8,443)	(2,682)	(4,010)	(1,751)

	Carrying amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6 to 12 months \$'000	Between 1 and 2 years \$'000
2015					
Foreign exchange contracts:					
Assets	648	648	507	86	55
Liabilities	(621)	(621)	(482)	(84)	(55)

(c) Market risk

The Parent 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 Parent and the Consolidated Entity's exposure to interest rate risk (other than that affecting the TCorp Hour-Glass cash facility price as set out below) is limited to cash at bank. The impact to the Parent 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	
		2016 \$'000	2015 \$'000
Cash at Bank	+/- 0.25%	25	19

Other price risk

The Parent and the Consolidated Entity were previously exposed to "other price risk" primarily through the investment in the TCorp Hour-Glass investment facilities, which were held for strategic rather than trading purposes. These facilities were closed out in October 2015. The Opera House has no direct equity investments.

(d) Currency risk

Exposure to currency risk

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

2016	Euro \$'000	GBP \$'000	USD \$'000
Forward exchange contracts*	7,747	471	225
2015	Euro \$'000	GBP \$'000	USD \$'000
Forward exchange contracts*	41	204	376

* The forward exchange contracts relate to future forecast payments.

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 Parent 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 2015.

	2016		2015	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
Euro	189	–	1	–
GBP	12	–	5	–
USD	5	–	9	–

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 2015.

	2016		2015	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
Euro	(199)	–	(1)	–
GBP	(12)	–	(5)	–
USD	(6)	–	(10)	–
	(217)	–	(16)	–

(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:

	2016		2015	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Trade and other receivables	6,846	6,846	7,273	7,273
Cash and cash equivalents	59,737	59,737	77,121	77,121
Forward exchange contracts used for hedging:				
– Assets	8,013	8,013	648	648
Forward exchange contracts used for hedging:				
– Liabilities	(8,443)	(8,443)	(621)	(621)
Trade and other payables	(20,637)	(20,637)	(14,577)	(14,577)

(e) Fair value recognised in the statement of financial position

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2016				
Financial assets at fair value				
– Derivatives receivable	8,013	–	–	8,013
Financial liabilities at fair value				
– Derivatives payable	(8,443)	–	–	(8,443)

There were no transfers between level 1 and 2 during the year ended 30 June 2016.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2015				
Financial assets at fair value				
– TCorp Hour-Glass investment facility	–	18,218	–	18,218
– Derivatives receivable	648	–	–	648
Financial liabilities at fair value				
– Derivatives payable	(621)	–	–	(621)

There were no transfers between level 1 and 2 during the year ended 30 June 2015.

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.

22. Fundraising and Bequests

(a) Fundraising

The Opera House launched its Annual Giving Fund in March 2007, which is a perpetual fund.

The Sydney Opera House Annual Giving Program has been established to raise funds for the following activities (general purpose donations):

- 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;
- 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.

	2016 \$'000	2015 \$'000
Balance 1 July	1,097	1,830
Gross proceeds from fundraising appeals	1,928	1,179
Interest received on proceeds	39	41
Costs of fundraising	(237)	(252)
Net surplus from fundraising	1,730	968
Application of funds to activities	(1,396)	(1,701)
Balance to accumulated funds	334	(733)
Balance end of year	1,431	1,097

The net surplus from general purpose fundraising in 2016 of \$470^k (2015: \$453^k) was assigned to operating expenses in line with the Annual Giving Program objectives. Special purpose net surplus remained in the special purpose fundraising account.

(b) Foster Bequest

The Trust Deed relating to the bequest of the late Colin Foster (Foster 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 performance of, the art of opera.

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

	2016 \$'000	2015 \$'000
Balance 1 July	114	115
Interest income	3	4
Distribution	(2)	(5)
Surplus	1	(1)
Balance end of year	115	114

(c) Lindsay Bequest

The bequest of the late Joy Lindsay (Lindsay Bequest) provides that income derived from investment of the funds may be awarded annually to one or more financially deserving students of opera, the determination to be left to the discretion of the Opera House.

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

	2016 \$'000	2015 \$'000
Balance 1 July	640	–
Funds received	49	628
Interest income	19	12
Distribution	(13)	–
Surplus	55	640
Balance end of year	695	640

The accumulated funds at the end of 2016:

- Annual Giving Program (refer note 22(a)) was \$1,431k (2015: \$1,097k) of which \$961k (2015: \$644k) was special purpose and restricted to specific objectives;
- Foster Bequest (refer note 22 (b)) was \$115k (2015: \$114k);
- Lindsay Bequest (refer note 22 (c)) was \$695k (2015: \$640k).

23. Commitments

(a) Capital commitments

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

	2016 \$'000	2015 \$'000
Payable:		
Not later than one year	17,097	9,536
Later than one year and not later than five years	4,269	965
Total (including GST)	21,366	10,501

Capital commitments contracted for at year-end relate to building development projects. The commitments include input tax credits of \$1,147k recoverable from the Australian Taxation Office (2015: \$959k).

(b) Operating lease commitments

Leases of the Parent and the Consolidated Entity contracted as at the reporting date but not recognised as liabilities or assets are as follows:

	2016 \$'000	2015 \$'000
Payable:		
Not later than one year	1,220	1,511
Later than one year and not later than five years	2,825	3,286
Later than five years	66	9
Total (including GST)	4,111	4,806

Operating lease commitments payable comprise leases for office and storage premises. The commitments include input tax credits of \$374k recoverable from the Australian Taxation Office (\$2015: \$437k).

	2016 \$'000	2015 \$'000
Receivable:		
Not later than one year	1,664	1,534
Later than one year and not later than five years	5,964	3,514
Later than five years	3,723	4,603
Total (including GST)	11,351	9,651

Operating lease commitments receivable comprise lease arrangements with vendors for food and beverage and retail premises. The commitments include GST of \$1,032k payable to the Australian Taxation Office (2015: \$877k).

24. Contingent Liabilities and Assets

The Consolidated Entity 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 Consolidated Entity that reflect a contractor’s opinion in regard 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 Consolidated Entity in respect of the major Vehicle Access and Pedestrian Safety project (VAPS). The Consolidated Entity disputes the claims. The magnitude of the potential liability, if any, cannot at present be reliably estimated, and on this basis no provision has been made. Management is of the opinion that disclosure of any specific details about claims may be prejudicial to the interests of the Consolidated Entity.

25. Events After Reporting Date

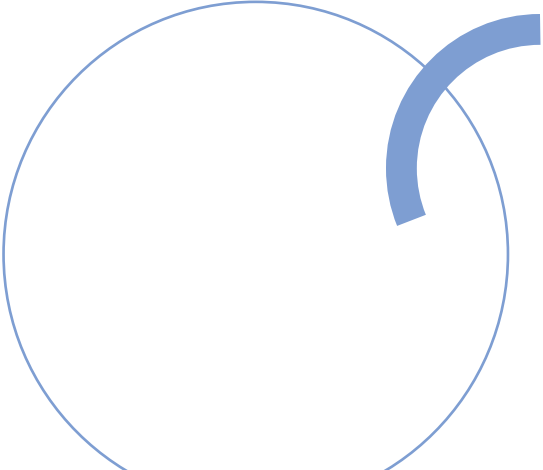
There are no events after reporting date that need to be disclosed.

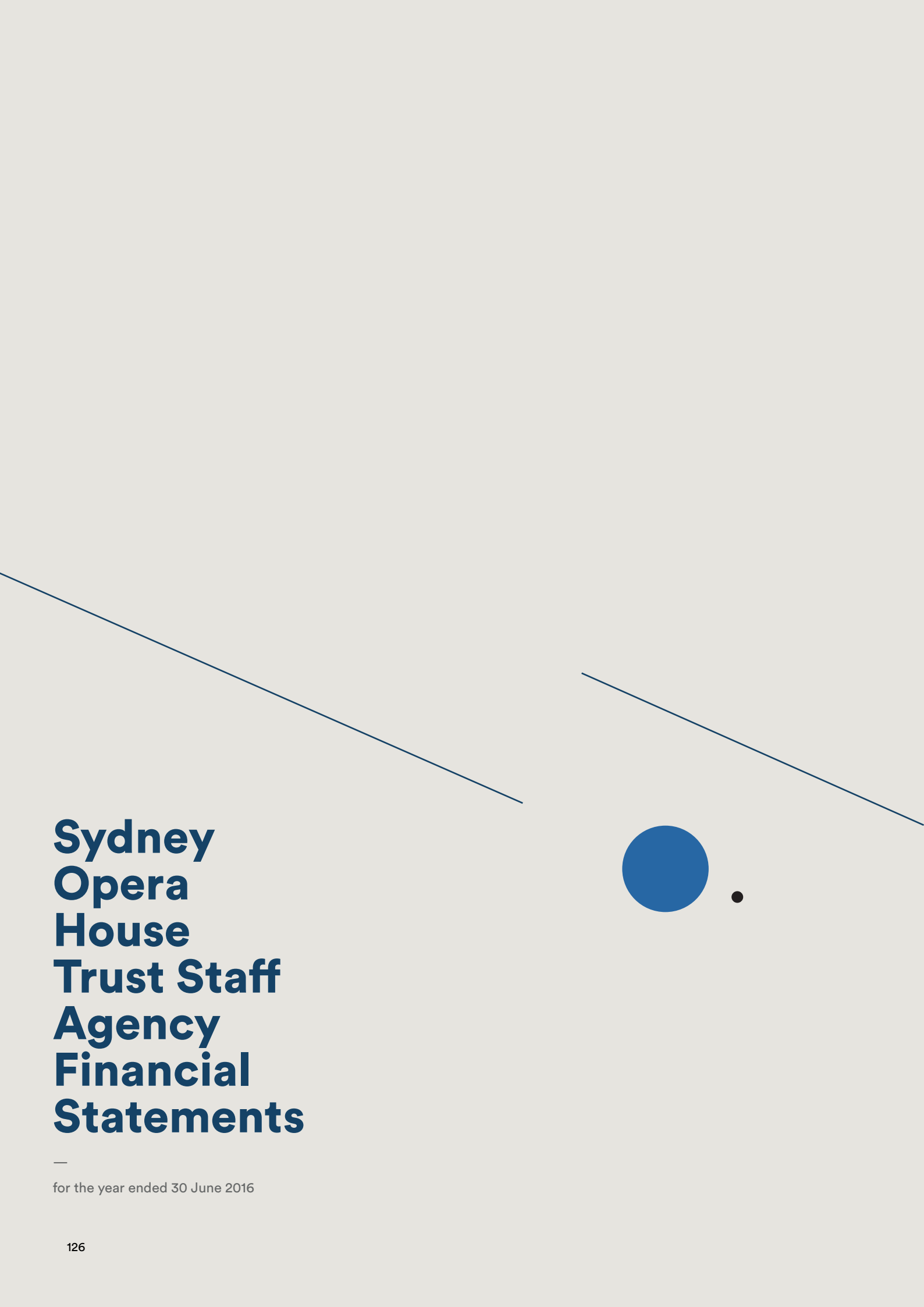
26. Notes to the Statement of Cash Flows

Reconciliation of the net result to net cash flows from operating activities:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result	(8,428)	4,255	(8,584)	4,313
Adjustments for revenue and expenses recognised in equity				
Defined benefit plan re-measurements	–	–	156	(58)
Depreciation, amortisation and make good	9,996	10,440	9,996	10,440
Capital sponsorship	(196)	–	(196)	–
Net (profit) / loss on sale of plant and equipment and assets written off	113	51	113	51
Increase / (decrease) in payables	3,567	(2,812)	3,567	(2,812)
Increase / (decrease) in personnel services and employee-related provisions	(2,128)	2,653	(2,128)	2,653
(Increase) / decrease in receivables	(341)	(413)	(341)	(413)
Decrease in inventories	6	27	6	27
Net cash flow from operating activities	2,589	14,201	2,589	14,201

End of Audited Financial Statements





Sydney Opera House Trust Staff Agency Financial Statements

—
for the year ended 30 June 2016

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Statement in accordance with Section 41c of the *Public Finance and Audit Act, 1983*

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:

1. In our opinion, the accompanying financial statements exhibit a true and fair view of the financial position of the Sydney Opera House Trust Staff Agency as at 30 June 2016, and financial performance for the year then ended.
2. 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 2015* and the *Treasurer's Directions*.

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



Louise Herron AM
Chief Executive Officer



Natasha Collier
Chief Financial Officer

Sydney
26 September 2016



Independent Auditor's Report

Sydney Opera House Trust Staff Agency

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statement of Sydney Opera House Trust Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2016, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statement:

- gives a true and fair view of the financial position of the Staff Agency as at 30 June 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.
- is in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section in my report.

I am independent of the Staff Agency in accordance with the auditors independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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

The Chief Executive Responsibility for the Financial Statements

The Chief Executive is responsible for preparing 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 are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive must assess the ability of the Staff Agency to continue as a going concern unless operations will be dissolved by and Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting.

Auditor’s Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>
The description forms part of my auditor’s report.

My opinion does *not* provide assurance:

- that the Staff Agency carried out their activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Karen Taylor
Director, Financial Audit Services

Sydney
27 September 2016

Sydney Opera House Trust Staff Agency
Statement of Profit or Loss

—
for the year ended 30 June 2016

		2016	2015
Revenue	Note	\$'000	\$'000
Sale of goods and services	2	62,861	60,149
Expenses			
Employee-related expenses	3	(62,705)	(60,207)

The accompanying notes form part of these financial statements.

Sydney Opera House Trust Staff Agency
Statement of Other Comprehensive Income

—
for the year ended 30 June 2016

		2016	2015
	Note	\$'000	\$'000
Net result		156	(58)
Other comprehensive income			
Items that will not be reclassified to net result			
Defined benefit plan re-measurements	8	(156)	58
Other comprehensive income		(156)	58
Total comprehensive income		—	—

The accompanying notes form part of these financial statements.

Sydney Opera House Trust Staff Agency

Statement of Financial Position

—
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Trade and other receivables	4	16,748	19,187
Other non-financial assets	5	1,588	1,733
Total current assets		18,336	20,920
Liabilities			
Current liabilities			
Other payables	6	1,960	4,186
Provisions	7	14,670	15,055
Total current liabilities		16,630	19,241
Non-current liabilities			
Provisions	7	1,706	1,679
Total non-current liabilities		1,706	1,679
Total liabilities		18,336	20,920
Net assets		—	—
Equity			
Accumulated funds		—	—
Reserves		—	—
Total equity		—	—

The accompanying notes form part of these financial statements.

Sydney Opera House Trust Staff Agency

Statement of Changes in Equity

—
for the year ended 30 June 2016

	Note	Accumulated Funds \$'000	Total Equity \$'000
Balance at 1 July 2015		—	—
Net Result		156	—
Other comprehensive income			
Defined benefit plan re-measurements	8	(156)	—
Total comprehensive income		(156)	—
Balance at 30 June 2016		—	—
Balance at 1 July 2014			
Net result for the period		(58)	(58)
Other comprehensive income			
Defined benefit re-measurements	8	58	58
Total comprehensive income		58	58
Balance at 30 June 2015		—	—

The accompanying notes form part of these financial statements.

Sydney Opera House Trust Staff Agency

Statement of Cash Flows

for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Receipts			
Personnel services		-	-
Total receipts		-	-
Payments			
Employee-related		-	-
Total payments		-	-
Net cash from operating activities	15	-	-
Cash flows from investing activities			
Net cash from investing activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase in cash		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

The accompanying notes form part of these financial statements.

Sydney Opera House Trust Staff Agency

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2016

1. Summary of Significant Accounting Policies

(a) Reporting entity

Sydney Opera House Trust Staff Agency (the Agency), is a NSW 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 is regarded as a special purpose entity, established specifically to provide personnel services to the Sydney Opera House Trust (the Parent) to enable it to exercise its functions. The Agency undertakes no other activities other than the provision of personnel services to the Parent.

The Agency is a reporting entity that is controlled by the Parent. Accordingly, these financial statements are consolidated into the financial statements of the Parent. The Consolidated Entity is referred to as “Sydney Opera House” or “the Opera House”.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (AASBs or AASs), which include Australian Accounting Interpretations;
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions issued by the Treasurer, including Treasury Circulars (TCs) and Treasury Policy Papers (TPPs).

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

The financial statements were authorised for issue by the Chief Executive Officer (CEO) of the Sydney Opera House on 26 September 2016.

(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) Basis 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 judgments

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgments, 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 judgments 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.

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

(h) Comparative information

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

(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 are 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 reliably measurable until all contingencies relating to the supply of personnel services are resolved.

Personnel services revenue is income for services provided to the Parent by the Agency. The revenue is offset by a corresponding expense.

(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 recognised in the net result for the year 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 the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, 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 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 15-09 *Accounting for Long Service Leave and Annual Leave*. Actuarial advice obtained by NSW Treasury has confirmed that the use of a nominal approach (using 7.9% of the nominal value of annual leave, scaled to 9.29% to reflect the average entitlement of Agency employees) 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.

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 15-09 *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 10-year government bond rate of 1.98% (2015 3.01%).

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

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.

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 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.

v. 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 either to 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) New or revised Australian Accounting Standards and Interpretations

i. Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year. There are no new or revised Australian Accounting standards taking effect for accounting periods beginning after 1 July 2015 which have an impact on the Agency.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, but will be relevant to the Agency as discussed below.

- **AASB 2015-6 regarding Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities regarding AASB 124 Related Party Disclosures and AASB 1049 Whole of Government and General Government Sector Financial Reporting**
AASB 2015-6 extends the scope of AASB 124 to include not-for-profit public sector entities. AASB 124 requires reporting entities to disclose related party relationships, transactions and outstanding balances within their financial statements. The Agency will be required to make these disclosures prospectively from 1 July 2016.
- **AASB 2016-2 regarding Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 Statement of Cash Flows**
AASB 2016-2 requires entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The standard applies to reporting periods beginning on or after 1 January 2017. Since the Agency does not hold any cash balances or directly engage in any cash transactions, this standard is not expected to materially affect the Agency.

2. Revenue

	2016 \$'000	2015 \$'000
Personnel services revenue	62,861	60,149
	62,861	60,149

3. Employee-Related Expenses

	2016 \$'000	2015 \$'000
Salaries and wages (including employee leave)	(54,529)	(52,433)
Superannuation – defined contribution plans	(4,227)	(4,042)
Superannuation – defined benefit plans	(352)	(506)
Payroll tax and fringe benefits tax	(3,443)	(3,039)
Workers compensation insurance	(70)	(101)
Other expenses	(84)	(86)
	(62,705)	(60,207)

4. Trade and Other Receivables

	2016 \$'000	2015 \$'000
Current		
Personnel services receivable	16,748	19,187
	16,748	19,187

Details regarding the Agency's financial risk management policies are disclosed in Note 9.

5. Other Non-Financial Assets

	2016 \$'000	2015 \$'000
Personnel services revenue	1,588	1,733
	1,588	1,733

Prepaid superannuation

The funding position at 30 June 2016 of the three defined benefit schemes related to personnel services received has been advised by Pillar Administration. These are the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non Contributory Superannuation Scheme (SANCS).

	Estimated reserve account funds		Accrued liability		Prepaid contributions	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Defined benefit asset						
SSS	57,165	49,418	(55,607)	(47,709)	1,558	1,709
SANCS	1,232	1,561	(1,202)	(1,537)	30	24
	58,397	50,979	(56,809)	(49,246)	1,588	1,733
Defined benefit liability						
SASS	5,870	9,229	(6,615)	(9,618)	(745)	(389)
	5,870	9,229	(6,615)	(9,618)	(745)	(389)
Total	64,267	60,208	(63,424)	(58,864)	843	1,344

The defined benefit liability for the Consolidated Entity's defined benefit plans has been included in payables – employee benefits (refer to Note 6).

6. Other Payables

	2016 \$'000	2015 \$'000
Accrued salaries and wages and associated on-costs	642	2,129
GST payable	573	1,668
Defined benefits liability	745	389
	1,960	4,186

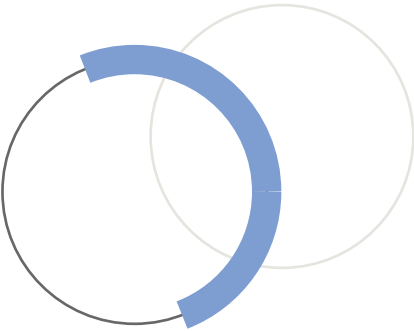
Details regarding the Agency's financial risk management policies are disclosed in Note 9.

7. Provisions

	2016 \$'000	2015 \$'000
Current and non-current provisions		
Current provisions		
Employee benefits and related on-costs		
Recreation leave	4,202	3,937
Long service leave	8,474	8,557
Payroll tax	287	274
Redundancies	1,287	2,194
Fringe benefits tax	420	93
Non-current provisions		
Employee benefits and related on-costs		
Long service leave	1,267	1,236
Payroll tax	439	443

Expected annual recreation leave to be taken within the next 12 months is \$2,874k, with the remainder of \$1,328k after 12 months.

	2016 \$'000	2015 \$'000
Aggregate employee benefits and related on-costs		
Provisions – current	14,670	15,055
Provisions – non-current	1,706	1,679
Accrued salaries, wages and associated on-costs (note 6)	642	2,129
Defined benefits liability (note 6)	745	389
	17,763	19,252



8. Employee Defined Benefits

Nature of the benefits provided by the Fund

The SAS Trustee Corporation (STC) Pooled Fund (the 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 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 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 NSW Government undertakes to ensure that the Fund will conform to 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 NSW 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 2015. The next actuarial investigation will be performed at 30 June 2018.

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 that legislative changes could be made which 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 Fund amendments, curtailments, or settlements during the year.

Reconciliation of the net defined benefit liability / (asset)	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Net defined benefit liability / (asset) at start of year	389	(24)	(1,709)	(1,344)
Current service cost	293	61	55	409
Net interest on the net defined benefit liability / (asset)	12	(1)	(52)	(41)
Actual return on Fund assets less interest income	39	6	(71)	(26)
Actuarial (gains) / losses arising from changes in demographic assumptions	(82)	(36)	2,181	2,063
Actuarial (gains) / losses arising from changes in financial assumptions	276	54	5,838	6,168
Actuarial (gains) / losses arising from liability experience	(182)	(4)	427	241
Adjustment for effect of asset ceiling	–	(86)	(8,203)	(8,289)
Employer contributions	–	–	(24)	(24)
Net defined benefit liability / (asset) at end of year	745	(30)	(1,558)	(843)

Reconciliation of the fair value of Fund assets	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at beginning of the year	9,228	1,760	63,261	74,249
Interest income	263	50	1,884	2,197
Actual return on Fund assets less Interest income	(39)	(6)	71	26
Employer contributions	–	–	24	24
Contributions by participants	101	–	73	174
Benefits paid	(3,661)	(448)	(2,193)	(6,302)
Taxes, premiums and expenses paid	(21)	(6)	104	77

Reconciliation of the defined benefit obligation	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at beginning of the year	9,618	1,537	47,709	58,864
Current service cost	293	61	55	409
Interest cost	275	43	1,412	1,730
Contributions by participants	101	–	73	174
Actuarial (gains) / losses arising from changes in demographic assumptions	(82)	(36)	2,182	2,064
Actuarial (gains) / losses arising from changes in financial assumptions	276	54	5,838	6,168
Actuarial (gains) / losses arising from liability experience	(182)	(4)	427	241
Benefits paid	(3,662)	(447)	(2,193)	(6,302)
Taxes, premiums and expenses paid	(21)	(6)	104	77
Present value of defined benefit obligations at end of the year	6,616	1,202	55,607	63,425

Reconciliation of the effect of the asset ceiling	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Adjustment for effect of asset ceiling at beginning of the year	–	198	13,843	14,041
Interest on the effect of asset ceiling	–	6	419	425
Change in the effect of asset ceiling	–	(86)	(8,203)	(8,289)
Adjustment for effect of asset ceiling at end of the year	–	118	6,059	6,177

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

Fair value of Fund assets

All Fund assets are invested by STC at arm's length through independent fund managers. Assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute Fund assets to individual entities. As such, the disclosures below relate to total assets of the Fund.

As at 30 June 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Asset category				
Short-term securities	2,050,414	2,044,454	5,960	–
Australian fixed interest	2,720,589	2,724	2,717,865	–
International fixed interest	834,373	(1,358)	835,731	–
Australian equities	9,720,878	9,171,767	549,087	24
International equities	12,093,667	9,026,207	2,078,766	988,694
Property	3,650,267	1,113,253	618,946	1,918,068
Alternatives	7,115,949	470,130	3,122,185	3,523,634
Total**	38,186,137	21,827,177	9,928,540	6,430,420

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

Short-term securities	5.4%
Australian fixed interest	7.1%
International fixed interest	2.2%
Australian equities	25.5%
International equities	31.7%
Property	9.6%
Alternatives	18.6%
Total	100%

** Additional to the assets disclosed above, at 30 June 2016 the Fund has provisions for receivables / (payables) estimated to be around \$2.83 billion. This gives a total estimated asset balance of \$41.01 billion.

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 directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts 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.

Fair value of entity's own financial instruments

The disclosures below relate to total assets of the Fund.

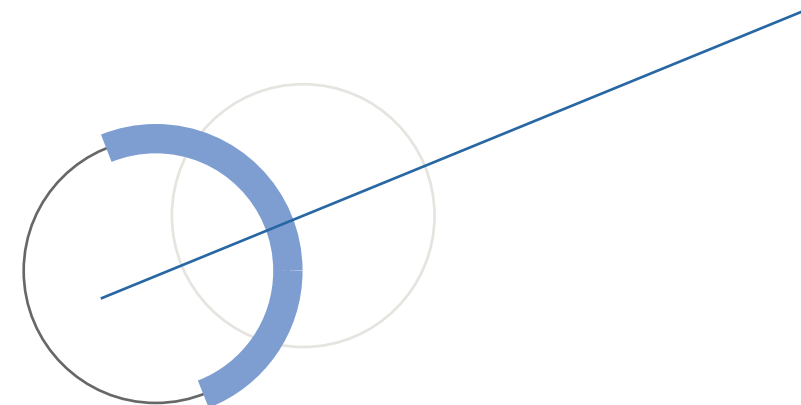
The fair value of the Fund assets as at 30 June 2016 includes \$189.6 million in NSW government bonds.

Of the direct properties owned by the Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Fund with a fair value of \$222 million (30 June 2015: \$159 million).
- Health Administration Corporation occupies part of a property 50% owned by the Fund with a fair value of \$243 million (30 June 2015: \$204 million).

Significant actuarial assumptions at 30 June 2016

Assumption	2016
Discount rate	1.99% pa
Salary increase rate (excluding promotional increases)	2.50% pa 1 July 2016 to 30 June 2019, 3.50% pa from 1 July 2019 to 30 June 2021, 3.00% pa from 1 July 2021 to 30 June 2026, and 3.50% pa thereafter
Rate of CPI increase	1.50% pa to 30 June 2016, 1.75% pa from 1 July 2016 to 2017, 2.25% from 1 July 2017 to 30 June 2018, and 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 actuarial investigation of the Fund. These assumptions are disclosed in the actuarial investigation report available from the Trustee's website. The report shows the pension mortality rates for each age.



Sensitivity analysis

The entity’s total defined benefit obligation as at 30 June 2016 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2016.

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	1.99%	0.99%	2.99%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	63,425	72,015	56,495

	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	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	63,425	67,244	59,941

	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)	63,425	63,640	63,217

	Base case	Scenario G higher mortality*	Scenario H lower mortality**
Defined benefit obligation (\$'000)	63,425	62,803	64,304

* Assumes the long-term pensioner mortality improvement factors for years post 2021 also apply for years 2016 to 2021
**Assumes the short-term pensioner mortality improvement factors for years 2016-2021 also apply for years after 2021

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

Asset-liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and were last reviewed following completion of the triennial review as at 30 June 2015. 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 2016 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*	5,599	1,014	30,616	37,229
Net market value of Fund assets	(5,870)	(1,350)	(63,225)	(70,445)

* There is no allowance for a contribution tax provision with the accrued benefits figure for AAS 25. Allowance for contributions tax is made when setting the contribution rates.

Contribution recommendations

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

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

Economic assumptions

The economic assumptions adopted for the 30 June 2015 actuarial investigation of the Fund are:

Weighted average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.8% pa
Expected rate of return on Fund assets backing other liabilities	6.8% pa
Expected salary increase rate	3.0% pa to 30 June 2019 then 3.5% pa
Expected rate of CPI increase	2.5% pa

Expected contributions for 2016

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Expected employer contributions	-	-	-	-

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 12.8 years.

Profit and loss impact

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Current service cost	293	61	55	409
Net interest	12	(1)	(52)	(41)
Defined benefit cost	305	60	3	368

Other comprehensive income

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actuarial (gains) / losses on liabilities	11	14	8,446	8,471
Actual return on Fund assets less interest income	39	6	(71)	(26)
Change in the effect of asset ceiling	–	(86)	(8,203)	(8,289)
Total re-measurement in other comprehensive income	50	(66)	172	156

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 Opera House has established an Audit and Risk Committee, which has overall responsibility for the establishment and oversight of the risk management framework of the Parent 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 on their activities.

A formal business risk assessment is undertaken to identify and analyse the risks faced by the Parent 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 from 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.

	Note	Measurement basis	Carrying amount 2016 \$'000	Carrying amount 2015 \$'000
Financial assets				
Receivables and prepayments	4,5	Amortised cost	18,336	20,920
Financial liabilities				
Other payables	6	Amortised cost	(1,387)	(2,518)

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 Parent, 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 Parent. The Agency has no exposure to foreign currency or interest rate risk and does not enter into commodity contracts.

10. Segment Reporting

The Agency operates exclusively as one business segment in the provision of personnel services to the Parent. Its area of operations is wholly within the State of New South Wales.

11. Commitments

There were no commitments contracted for at reporting date

12. Auditor’s Remuneration

The audit fee for the statutory audit of the Agency is assumed by the Parent. The audit fee for the Agency for the period ended 30 June 2016 was nil (2015: nil).

13. Contingent Liabilities

At reporting date there were no legal matters outstanding or other contingent liabilities which are expected to result in material claim against the Agency.

14. Events After the Reporting Date

There are no events after reporting date which need to be disclosed.

15. Reconciliation of Operating Result to Cash Flows Used in Operating Activities

	2016 \$'000	2015 \$'000
Net result	156	(58)
Adjustments for revenue and expenses recognised in equity		
Defined benefit plan re-measurements	(156)	58
Movement in applicable statement of financial position items		
(Increase) / decrease in receivables and prepayments	2,584	(2,330)
Increase / (decrease) in employee-related and other payables	(2,226)	(76)
Increase / (decrease) in provisions	(358)	2,406
Net cash from operating activities	–	–

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Account Payment
Performance Indicators

Aged Analysis at the End of Each Quarter

Quarter	Current (i.e. 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
All suppliers					
September	14,085	1,405	285	120	162
December	20,200	2,224	520	153	171
March	17,781	3,511	704	232	338
June	22,601	4,090	1,167	271	276
Small business suppliers					
September	247	0	0	0	0
December	404	0	0	10	0
March	195	0	0	0	0
June	372	0	0	0	0

Accounts Due or Paid Within Each Quarter

Measure	Sept	Dec	Mar	June
All suppliers				
Number of accounts due for payment	3,074	4,080	3,889	4,858
Number of accounts paid on time	2,320	2,749	2,197	2,847
Percentage of accounts paid on time (based on number of accounts)	75%	67%	56%	59%
Dollar amount of accounts due for payment	\$16,058,677	\$23,268,501	\$22,565,393	\$28,405,433
Dollar amount of accounts paid on time	\$14,085,242	\$20,199,837	\$17,780,580	\$22,601,195
Percentage of accounts paid on time (based on \$)	88%	87%	79%	80%
Target percentage for accounts paid on time	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	4	0	0
Interest paid on overdue accounts	0	201	0	0

In accordance with the payments of accounts circular (NSW Treasury Circular NSW TC 11 -12), Sydney Opera House Trust is required to pay interest on late payment of accounts from small businesses. There are 64 small businesses registered with the Opera House as at 30 June 2016 with \$201 being paid on overdue accounts. Communications continue with suppliers inviting small businesses to register via remittances. The Opera House website under Corporate Information, Doing Business with Sydney Opera House makes reference to small businesses.

Accounts Due or Paid Within Each Quarter

Measure	Sept	Dec	Mar	June
Small business suppliers				
Number of accounts due for payment	27	32	49	62
Number of accounts paid on time	27	28	49	62
Percentage of accounts paid on time (based on number of accounts)	100%	88%	100%	100%
Dollar amount of accounts due for payment	\$246,853	\$413,931	\$194,940	\$371,900
Dollar amount of accounts paid on time	\$246,853	\$404,153	\$194,940	\$371,900
Percentage of accounts paid on time (based on \$)	100%	98%	100%	100%
Target percentage for accounts paid on time	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	4	0	0
Interest paid on overdue accounts	0	201	0	0

As at reporting date the Opera House had 64 registered small businesses. Two businesses were eligible for interest on overdue accounts. The total interest paid was \$201 as per above schedule. Payment delays resulted from difficulties 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 in the financial and eProcurement systems.

Budget

	Year ended 30 June 2016 \$'000	Year ended 30 June 2017 \$'000
General Operations		
Revenue		
NSW Treasury endowment and other funding	13,068	13,294
Self-generated revenue	96,597	101,205
Total revenue – general operations	109,665	114,499
Expenses		
People expenses	53,367	56,189
Other operating expenses	57,179	60,684
Total expenses – general operations	110,546	116,872
Gain/(loss) from general operations	(881)	(2,374)
Building		
Revenue		
Building maintenance – government grant	33,185	33,757
Building renewal – government grant and other funding	–	–
Total revenue – building	33,185	33,757
Expenses		
Depreciation and amortisation	10,546	11,708
Other expenses	32,489	34,439
Total expenses – building	43,035	46,146
Gain/(loss) from building	(9,850)	(12,389)
Net result for the year		
	(10,731)	(14,763)

Code of Conduct

The Code of Conduct is designed to ensure the actions and decisions of all staff are consistent with the vision, goals and standards of the Opera House. The Code was revised in June 2016 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; media interactions (including social media); post-separation employment; and child protection.

A new e-learning module is currently in the design phase for a re-launch expected in the first quarter of FY17.

The Opera House Trustees have a separate Trustee Code of Conduct, which outlines expected standards of behaviour. It encompasses: accountability 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, also 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.

Razorfish – Strategy consultation on new website: \$70,000.

Six consultancies of \$50,000 or less cost a total of \$154,580 in the following areas: information technology (1); environmental (1); organisational review (2); and other matters (2).

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.

[Handwritten signature]

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 Tourism team delivers guided tours to visitors and maintains close relationships with tourism and hospitality operators booking on behalf of tour groups, independent travellers and guests.

The Opera House continued to invest in training and development in FY16, including programs covering safety, manual handling, evacuation and warden duties; customer service; conflict resolution; Front of House refresher courses; and Code of Conduct awareness. New staff are inducted with customised training.

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 positive tools for change and improvement.

All customer feedback is recorded and managed in a single repository, the Tessitura customer relationship management system.

Overall Unsolicited Feedback FY08-FY16

1,688 complaints were registered this year, an increase of 111% on FY15 (798 complaints). 228 compliments were recorded, a decrease of 21% compared with FY15 (289 compliments).

Type of Feedback	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Negative	1,688	798	741	715*	522	744	631	661	266
Positive	228	289	195	189	144	166	132	83	54

* 6 additional items of feedback relating to this period in the category of Event/Performance were received post submission.

Unsolicited Feedback by Category for FY16

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	36
Booking fees	0	11
Front of House	54	17
Marketing	1	47
Wilson Car Park	0	14
Event/performance	26	107
Policies and procedures	10	77
Pricing	0	13
Seating	0	63
Venues and precinct	13	107
Retail and food	22	73
Ticketing services	73	59
Tourism	26	20
Website	0	1,034*
Other	3	10
Total	228	1,688

* The unprecedented response to Vivid LIVE 2016 programming meant demand for tickets significantly outweighed supply, causing marked website congestion.

Key initiatives undertaken in FY16 to improve the customer experience include:

- Commencement of a digital transformation project, part of which includes implementation of an online waiting room to minimise website downtime when high-demand events that cause congestion are on sale.
 - Introduction of electronic ticketing and entry scanning to minimise ticket collection wait times onsite.
 - Steps taken to increase seating capacity in our main public foyer pre-performance and throughout the day.
- A trial opening of theatre foyers earlier before performances with a greater range of food and beverage offerings.
 - Monitoring and adapting seating descriptions and warnings associated with restricted-view seats in response to feedback.
 - Adapting procedures for administration of missing ticket replacement in response to feedback.

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 17,965 passengers with no recorded incidents.

Courtesy Shuttle Bus Passengers FY07-FY16

Year	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
No. of Passengers	17,965	19,645	18,639	18,146	18,800	16,300	18,000	17,000	15,000	13,000

Customer Research

The Opera House undertook two pieces of paid research in September 2015:

Agency: Repucom
Subject: Brand valuation of the Opera House brand
Driver/Outcomes: The research was conducted to better understand the value of the Sydney Opera House brand. It provided quantitative data around the brand and provided a financial valuation with which to value more accurately the benefits of corporate partnerships with the Opera House.

Agency: Hall & Partners
Subject: Sponsorship Research
Driver/Outcomes: The research was conducted to understand the brand alignment of the Sydney Opera House with its corporate partners and illustrate shared values and audiences. It also provided data points to measure the brand recall of our corporate partners by Opera House customers.

Presenter Satisfaction Measurement Surveys

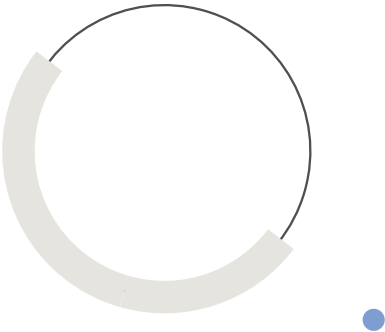
Annual performance reviews continued with Resident Companies. Sydney Symphony Orchestra, The Australian Ballet, Bell Shakespeare and Sydney Theatre Company participated. A review with Opera Australia was not possible due to unavailability of key staff. Bangarra Dance Theatre reviews are held biennially and were not undertaken this year.

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 convenes regularly after meetings to monitor progress and ensure service improvement. The process is led by the Opera House’s Resident Companies account manager.

Participating companies and Opera House staff engaged strongly with the process and gave comprehensive feedback. Excellent scores from participating companies for all areas of the business remained consistent with previous years. A score under 5 is uncommon, indicating a high level of satisfaction.

Business areas that have historically scored well (6 or 7 out of 7 from each company) did so again in FY16. These included: venue hire; 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.

Marketing continues to build excellent relationships with all Resident Companies. Building Development and Maintenance, Box Office operations and Technical teams’ scores remained consistent with the strong level of previous years.



Digital Information Security Policy Attestation

I, Louise Herron, am of the opinion that the Sydney Opera House had a partially compliant Information Security Management System in place during the financial year being reported on, consistent with the Core Requirements set out in the NSW Government *Digital Information Security Policy*. A fully compliant Information Security Management System is expected to be in place by March 2017.

In the meantime, the interim controls in place are adequate to mitigate significant risks to the digital information and digital information systems of the Sydney Opera House. There is no agency under the control of the Sydney Opera House which is required to develop an Information Security Management System in accordance with the NSW Government *Digital Information Security Policy*.

The Department of Justice, the controlling agency for Sydney Opera House, has determined that certified compliance with *AS ISO/IEC 27001:2015 Information technology – Security techniques – Information security management systems – Requirements* is not required.

Disability Inclusion Plan

The new three-year Sydney Opera House Access Strategic Plan 2016-18 was launched by the NSW Minister for Disability Services in March 2016. The Plan focuses on giving all customers equal access to our facilities, performances and experiences as well as providing leadership in the area of accessibility and the arts.

Highlights include:

- For the first time at a performing arts venue, the Opera House programmed *Oddysea*, an immersive sensory theatre experience designed specifically for young people with profound and complex disabilities.
- The Opera House and Dance for Parkinson’s Australia, in partnership with Mark Morris Dance Group’s Dance for PD program, presented the first session in our new Dancing Connections Series. Each session in this series of high-quality Dance for Parkinson’s classes is linked to a specific dance performance taking place at the Opera House, the first being The Australian Ballet’s *Swan Lake*.
- The Sydney Opera House Accessibility Masterplan was completed and includes concept designs to inform future Building Renewal accessibility upgrades.

- Accessibility was again a key consideration at events and in customer service operations. Designated accessible viewing areas on the Forecourt and customer transport accommodations were available for major events including New Year’s Eve celebrations and Vivid LIVE events, ensuring that visitors with disabilities were provided with a seamless and accessible experience.
- The Opera House collaborated with Accessible Arts and Sydney Philharmonia Choirs to live stream the first signing choir performance of Handel’s *Messiah* in Auslan, presented in tandem with Sydney Philharmonia Choirs. In a first for the Opera House the live stream was both captioned and audio-described.
- The Opera House continued to support emerging artists with disabilities to showcase their work at the Opera House with Can You See Me? Company, an initiative of Cerebral Palsy Alliance, performing its latest work *Water Angle* in the Studio.
- A new Sesame lift was installed in the Bennelong restaurant entrance, providing mainstream access to the lower dining level.
- The Opera House won a prestigious NSW Government Green Globe award, honouring leadership in social sustainability, particularly with respect to our accessibility programs.
- A quarterly online access e-newsletter was launched to inform audiences with disabilities of accessible experiences, performances and programs at the Opera House. A new Access Theatre Guide is available online in alternative formats.
- The Opera House’s Access Program continued its regular suite of accessible performances and experiences including: Starting with Art at the House; Bella in the House and Bella Plus in the House; Accessible Babies Proms and Sing and Play sessions; Vivid audio-described tours; as well as a program of captioned, audio-described, Auslan-interpreted and Autism-friendly performances.

Electronic Service Delivery

Ticket Scanning

The Opera House carried out its first wide trials of electronic ticketing at performances in the Concert Hall, Joan Sutherland Theatre, and Western Foyers venues. Front of House staff used handheld wireless scanners to validate audience members’ tickets.

Virtual Waiting Room

In partnership with Danish company Queue-it, the Opera House implemented a virtual waiting room. When customers vie for tickets to popular shows on the website, this cloud software places them into an orderly queue. It ensures a consistent online customer experience even during periods of unprecedented demand.

Government Radio Network

A distributed antenna system was completed and the Opera House adopted the NSW Telco Authority’s Government Radio Network (GRN). Departments including Building, Performing Arts, and Safety, Security and Risk use a state-of-the-art digital trunked radio system throughout the Opera House. It allows other GRN users (including the Ambulance Service of NSW and Fire & Rescue NSW) to use their two-way radios inside the Opera House.

Disaster Recovery

The Opera House awarded a tender for Disaster Recovery as a Service. Operating from GovDC Silverwater, this service will improve recovery time, reduce capital expenditure, and further align the Opera House with NSW Government Cloud Policy.

High-density Wi-Fi

High-density Wi-Fi was installed in the Concert Hall. Nearly 1,500 patrons connected simultaneously during TEDxSydney. This permanently installed system increases in-the-moment digital engagement with the Opera House and presenters.

Adobe Marketing Cloud

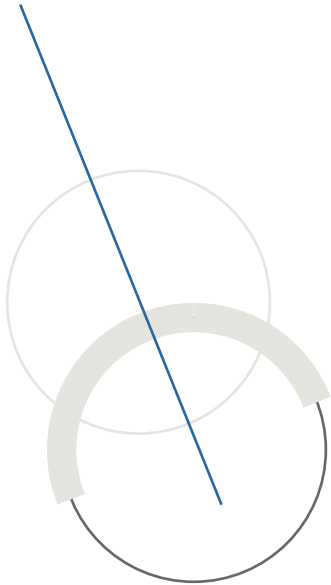
The Opera House entered into a corporate partnership with Adobe Systems and began to transition to the Adobe Marketing Cloud, including in the areas of web analytics, social media management, and email direct marketing.

Information Management

The Opera House’s first Information Management team was created. It is responsible for advice and operations relating to records management, cyber security, privacy, right to information, and collaboration platforms.

Guided Tours Technology

As part of our commitment to deliver inspiring tour experiences, the Opera House implemented a new wireless digital audio system for guided tours. The system meets increasing demand for tours by providing more receivers and improves the tour experience through high-quality audio.



Environmental Sustainability

Environmental Sustainability Plan
FY16 Achievements

In FY16 the Opera House completed the final year of Environmental Sustainability Plan 2014-16 (ESP 2014-16). Environmental Sustainability Plan 2017-19 was developed and approved and a Renewal Sustainability Framework has been developed in preparation for the planned Building Renewal program.

Use resources efficiently and responsibly

Conserve Water

The ESP 2014-16 water efficiency target was achieved. In FY16 the water use per total attendance (performances and tours) was 12% below the baseline of the FY10-FY14 average water use.

Water use in absolute numbers continues to increase. However, when increased attendance is taken into account, our efficiency appears to be improving.

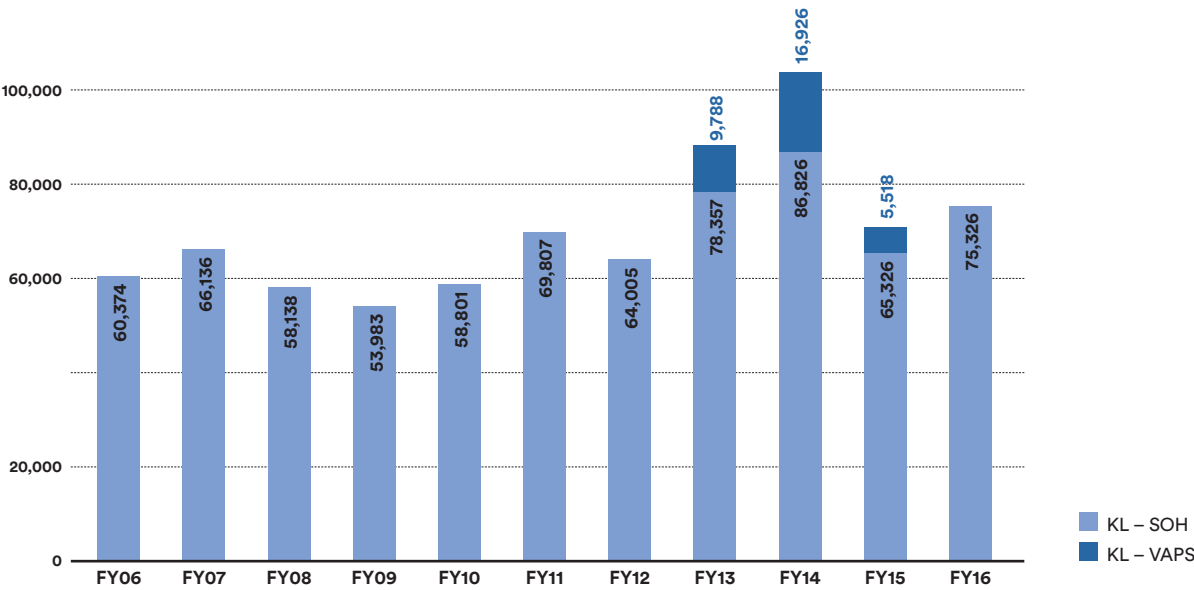
Water use (ML)	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Sydney Opera House	75	65	87	78	64	70	59	54	58	66
VAPS*	0	6	17	10	–	–	–	–	–	–
Total	75	71	104	88	64	70	59	54	58	66

* Vehicle Access and Pedestrian Safety project.

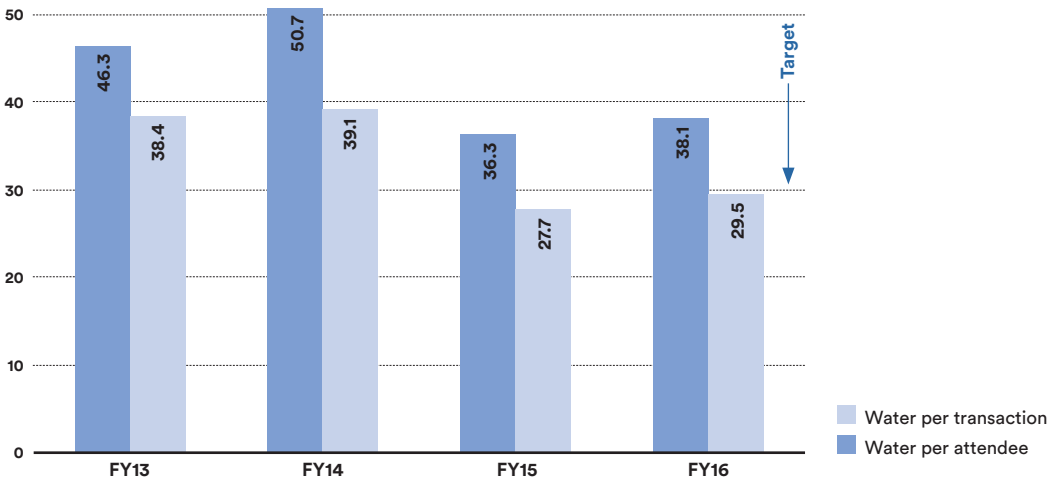
Water efficiency	FY16	FY15	FY14	FY13	FY12	FY11
Water use per attendee (kL/attendee)*	36	33	50	45	38	43
Water use per transaction (kL/attendee)*	28	39	38	35	46	–

* Performance measure reflects revised ESP target. Water use (L total) is divided by total attendance for performances and tours.

Annual Water Consumption (kL)



Annual Water Consumption Per Attendee / Per Transaction (kL)



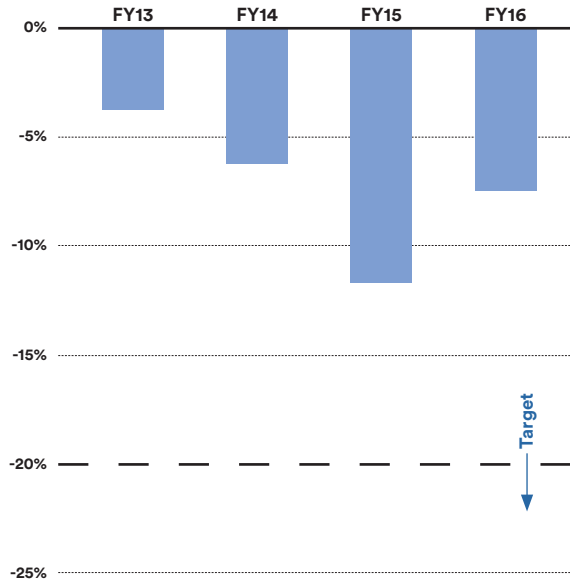
Reduce Electricity Consumption

Electricity use has risen for the first time in several years. It is noted that the new underground loading dock and underground offices were opened in early 2016. Greater total floor space led to increased general light, power and air-conditioning requirements.

Electricity use* (MWh)		FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Sydney Opera House		16,859	17,872	18,282	17,376	17,825	18,688	17,707	18,730	19,056
Offsite leases (office and storage)		210	241	243	335	281	273	277	209	164

* Reported electricity use includes all operations on Bennelong Point including food and beverage tenancies. Major construction project (VAPS) ceased in FY16 while energy use in the underground loading dock and basement offices commenced. Offsite leases (office and storage) are included in electricity use targets.

Electricity Consumption (% reduction)



The ESP 2013-16 target of 20% electricity reduction compared to the FY01 baseline was not achieved. In FY16 there was a 10% reduction in relation to the FY01 baseline compared with the FY15 reduction of 16%. As noted above, it is believed this increase is related to the new underground loading dock and offices.

The ESP 2017-19 has modified the electricity baseline to align with the Green Building Council of Australia performance baseline. This is the average of electricity use over the five years preceding the commencement of energy-efficiency projects (in our case FY03-FY08). Using this baseline, for FY16 we report a 7% reduction in electricity use.

During FY16 the following energy-saving initiatives were implemented:

- Work continues on the installation of a new Building Management System, predicted to improve indoor environment quality and efficiency of the HVAC system.
- A contract was awarded for the supply of replacement chillers for the air-conditioning system, predicted to provide more efficient cooling of the building.

Reduce Waste

The Opera House achieved its ESP 2014-16 target of increasing to 40% waste diversion from landfill. In FY16 65% was achieved.

A new waste sub-contract was implemented, using best-practice recycling guidelines and reporting requirements. The recycling facilities in the new underground loading dock and the co-operation of our food and beverage operators has increased recycling and reduced the amount of waste going to landfill. A successful trial of OzHarvest donations in the new loading dock during Vivid LIVE has resulted in an ongoing program being introduced.

Year	FY16		FY15		FY14		FY13	
Stream	Tonne*	Percentage^	Tonne*	Percentage^	Tonne*	Percentage^	Tonne*	Percentage^
Recycling	803.7	65%	452.1	36%	403.6	38%	397.4	35%
General	430.5	35%	770.5	64%	654.7	62%	725.9	65%
Total	1234.2	100%	1222.6	100%	1058.3	100%	1123.3	100%

* Note this figure does not include disposal of construction waste, liquid waste, or large items donated to reverse garbage. FY16 recycling percentage by weight calculation: general waste – actual weight; mixed recycling – site-specific density x bins, minus 5% contamination; organics – site-specific density x bins, minus 5% contamination. Other streams (cardboard, office paper, e-waste, lights, toners and polystyrene) – industry average density (BBP) x bins, no contamination rate applied.

^ Percentage by weight.

Improve Environmental Risk Management

The Opera House is committed to active risk management. The following initiatives were implemented in FY16:

- Earth Check accreditation achieved for systems for managing environmental risks.
- Executive training in incident response and environmental risk.
- A legal intern seconded to work with the Environmental Manager on improving environmental risk and compliance.

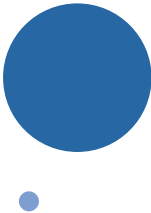
Embed, Engage and Inspire

Develop an environmentally aware staff culture:

- Staff champions Green Team the SEALS (sustainable environment action leaders) established and actively delivering sustainability projects.
- Sustainability information continues as part of the induction program.

Collaborate with Partners

- In September 2015 the Opera House received a NSW Government Green Globe award for social sustainability initiatives, particularly in relation to our Reconciliation Action Plan and Access Strategic Plan.
- In March 2016, the Opera House hosted a Sustainability tour as the opening session of the National Green Cities Conference, attended by building and sustainability specialists from across Australia.
- In August 2015, the Opera House’s achievement of a 4 Star Green Building Council of Australia rating was publicly announced.



Engage and Inspire Our Audiences

The Opera House continued to engage and inspire audiences and visitors. Vivid LIVE, the All About Women festival, For Thought: Hope for the Planet, and eco-musical *Get Grubby* were carbon neutral in FY16, offset by 100% GreenPower and biodiverse tree-planting offsets from Greenfleet.

A video aimed at children featured the cast of *Get Grubby*, explaining why the production’s carbon footprint was calculated and how emissions were offset. This was featured by the World Bank’s Connect4Climate initiative and as an ABC Splash online education resource.

Carbon Footprint

The Opera House produced 17,417 metric tonnes of carbon dioxide equivalent for FY16. Emissions have been calculated for the full fuel cycle in accordance with Department of Climate Change and Energy Efficiency National Greenhouse Accounts (NGA) Factors August 2015; DEFRA UK Government conversion factors for Company Reporting 2016; and EPA Victoria Publication 1562 April 2014.

The Opera House had the completeness of emissions sources, accuracy and robustness of data, key assumptions, emissions factors, calculations and methodologies verified by qualified third-party auditors.

Greenhouse Gas Emissions FY10-FY16

Source	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Scope 1 – Direct emissions							
Natural gas	–	–	–	147	105	126	91
Refrigerants	481	468	390	401	394	398	398
Fuel use by fleet vehicles	5	5	6	5	8	8	4
Scope 2 – Electricity							
Electricity from buildings (Sydney Opera House, tenancies and offsite leases)	17,128	16,898	17,932	19,637	18,773	19,193	20,288
GreenPower ¹	(1,183)	(1,133)	(1,210)	(1,174)	(2,010)	(1,729)	(1,205)
Net emissions from electricity	15,945	15,765	16,722	18,463	16,764	17,463	19,083
Scope 3 – Indirect emissions							
Flights – International ²	112	178	89	223	217	N/A	N/A
Flights – Domestic ³	11	N/A	N/A	N/A	N/A	N/A	N/A
Office paper	9	9	15	14	17	19	N/A
Publications paper	58	38	60				
Waste	778	859	978	854	991	837	482
Taxis	49	50	N/A	N/A	N/A	N/A	N/A
Total	17,417	17,374	18,326	20,107	18,495	18,851	20,057

¹ GreenPower purchase was 6% for July 2015-June 2016 and an additional 162MWh was purchased for Vivid LIVE, All About Women, Get Grubby and For Thought: Hope for our Planet, in order to make each event 100% GreenPower.

² Flights in FY15 included international flights only. In FY16 domestic flights data is reported for the first time. A new flight-booking policy means domestic flight purchases are possible to track and report.

³ In line with the ESP commitment to include one extra scope 3 emission every year, emissions from domestic flights are added this financial year.

Equal Employment Opportunity (EEO)

EEO Initiatives and Achievements FY16

- Continued promotion of Aboriginal and Torres Strait Islander employment through the active marketing of roles, including bulk employment roles, through First Nations recruitment networks.
- Hosted a second careers day for Aboriginal and Torres Strait Islander students to provide them with practical support and guidance in resume writing and interview skills to help prepare for entry into the workforce while showcasing employment opportunities within the Opera House and with our presenting partners and other cultural institutions.
- Four Aboriginal and Torres Strait Islander work-experience programs delivered.
- Four Aboriginal and Torres Strait Islander school-based students completed traineeships with Ticketing and Front of House.
- One former school-based trainee received casual employment in Ticketing and two former school-based trainees remain casually employed within the Front of House team.
- The Opera House hosted three interns (one in Sound and two in Marketing) in collaboration with the Cultural Office of the Chinese Consulate and one intern was placed in Finance as part of the Australia-Korea Foundation intern program.

EEO Initiatives FY17

- Development of an Aboriginal and Torres Strait Islander attraction, recruitment and retention strategy with other cultural initiatives.
- Online cultural awareness training module introduced for all existing and new employees to complete.
- Continuation of the annual careers day for Aboriginal and Torres Strait Islander students.
- Further work-experience and traineeship programs for Aboriginal and Torres Strait Islander students.
- Continuation of the Workplace Giving staff-engagement program to facilitate charitable donations to charity partners.
- Continuation of our relationship with the Chinese Consulate and the Australia-Korea Foundation by offering intern opportunities.
- Currently in the design and consultation phase of a pilot exchange program with Copenhagen Concert Hall.
- Work with our Accessibility Manager to re-establish our relationship with the Stepping Into program, offering paid internship opportunities to university students with a disability.

Table A. Trends in the Representation of EEO Groups

EEO Group	Benchmark or Target	FY16	FY15	FY14	FY13	FY12
Women	50%	51.02%	45.2%	46.6%	44.5%	46%
Aboriginal and Torres Strait Islander people	2.6%	2.37%	2.0%	1.6%	1.9%	1.6%
People whose first language was not English	19.0%	14.99%	16.1%	14.3%	15.5%	14.6%
People with a disability	N/A	1.69%	2.3%	2.5%	2.9%	3%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.2%	0.0%	0.2%	0.2%

Table B. Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target		FY14	FY13	FY12
Women	100		107	105	101
Aboriginal and Torres Strait Islander people	100		N/A	N/A	N/A
People whose first language was not English	100		80	87	86
People with a disability	100		N/A	N/A	N/A
People with a disability requiring work-related adjustment	100		N/A	N/A	N/A

Note: Staff numbers at 30 June 2016. 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).

Note: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels. The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Fire Safety

The final stage of the fire hydrant and hose reel upgrade program was completed during the year and integrated with the building’s new loading dock and sprinkler pump room. An annual fire safety statement is expected to be issued for the building under the *Environmental Planning and Assessment Regulation 2000* by November 2016.

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 (Public Access) Act 2009* (the GIPA Act), the Opera House conducted a review of the information it makes publicly available and updated its agency information guide. The access application form was also updated, together with details on the Opera House’s disclosure log and government contracts register. These improvements provide clearer guidance on how to seek information, informally and formally, and streamline the process for seeking information.

The Opera House Access to Information Policy, which was reviewed this year to emphasise plain English, outlines how we comply with the GIPA Act. It was published on the Opera House website.

Additionally, the following policies were updated and published on the Opera House website: Code of Conduct, Gifts and Benefits, Lost and Found Property and Sponsorship.

Number of Access Applications Received – Clause 7(b) of the GIPA Regulation

During the reporting period, the Opera House received two formal access applications under the GIPA Act.

Number of Refused Applications for Schedule 1 Information – Clause 7(c) of the GIPA Regulation

During the reporting period, the Opera House did not receive any application for information referred to in Schedule 1 of the GIPA Act.

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Media	0	2	0	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisation or community group	0	0	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

* More than one decision can be made in respect of a particular access application. In such cases, a recording has been made in relation to each decision.

Table B: Number of applications by type of application and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information)	0	2	0	1	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* More than one decision can be made in respect of a particular access application. In such cases, a recording has been made in relation to each decision.

Table C: Invalid applications

Reason for Invalidity	No. of applications
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
Access applications that are partly personal information applications and partly other	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the Government Information (Public Access) Act 2009

	No. of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
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*

	No. of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	2
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

* More than one decision can be made in respect of a particular access application. In such cases, a recording has been made in relation to each decision.

Table F: Timeliness

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within timeframe (deemed refusal)	0

Table G: Number of applications reviewed under Part 5 of the Government Information (Public Access) Act 2009 (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	1	0	0
Internal Review following recommendation under section 93 of the Act	1*	0	0
Review by NSW Civil &Administrative Tribunal	0	0	0

* This application was received by the Opera House in FY16. However, the review under section 93 of the GIPA Act in relation to this application was in FY17.

Table H: Applications for review under Part 5 of the Government Information (Public Access) Act 2009 (by type of applicant)

	No. of applications for review
Applications by access applicants	1*
Applications by persons to whom information the subject of access application relates (section 54 of the Government Information (Public Access) Act 2009)	0

* This application was received by the Opera House in FY16. However, the review under section 93 of the GIPA Act in relation to this application was in FY17.

Heritage Management

We have continued to meet our obligations as a State, National and World Heritage-listed site through the ongoing development of our risk management and heritage awareness initiatives and the Conservation Management Plan (CMP).

Following public comment in July 2015 the CMP 4th Edition is undergoing final edits; a publication date of December 2016 is anticipated.

Heritage interpretation continues to be developed and has been included in the Welcome Centre, which opened in October 2015. The Welcome Centre won a National Trust Heritage Award for Interpretation in May 2016.

The Getty: Keeping it Modern Concrete Conservation project has enabled us to develop a program for monitoring concrete condition and consider the future use of predictive modelling to inform conservation, heritage risk management and asset management planning. In addition, oral and video history from those who worked on the construction of the building has been collected.

Significant progress has been made in heritage management during 2016. An overarching Heritage Management Strategy is being developed to provide a framework that will redefine how heritage risk is managed and how heritage awareness can be embedded across the organisation.

Augmenting the strategy will be a new edition of the Heritage Risk Management Plan and a plan for heritage awareness change management. The aim is to affect a cultural change towards heritage.

In June 2016 the existing Heritage Risk Management Policy was incorporated in the new staff Code of Conduct. This important move acknowledges heritage management as a house-wide responsibility in the same manner as safety, security and sustainability.

The Conservation Council met twice during FY16 and provided advice on a range of projects including:

- Conservation Management Plan 4th Edition
- Concrete Conservation Strategy
- Timber Sourcing Strategy
- Vehicle and pedestrian management
- Utzon/Le Corbusier tapestry
- Opera Bar refurbishment
- Accessibility Masterplan
- Western Foyers refurbishment

Indigenous

The Opera House is committed to respecting, embracing and celebrating Aboriginal and Torres Strait Islander culture and making this commitment integral to daily life at the Opera House.

In 2011 the Opera House became the first performing arts organisation in Australia to launch a Reconciliation Action Plan (RAP). The RAP is the organisation's formal commitment to the promotion of reconciliation values internally and externally.

In the five years since the Opera House joined Reconciliation Australia's RAP Program, many initiatives and a range of programs have become a part of core business. Today, the RAP touches every aspect of Opera House operations.

FY16 marks the completion of the Opera House's third RAP (2014-16). The year's highlights are listed below. The incoming 2017-19 RAP builds on the foundations established throughout the Opera House's reconciliation journey and will strengthen and expand strategies in the following key areas:

- Cultural awareness, competency and engagement
- Deepening relationships
- Advocacy and storytelling
- Artistic, professional and organisational development

FY16 Highlights

The work of six First Nations artists was projected onto the Opera House sails for *Lighting the Sails: Songlines* at Vivid LIVE. The animated visual art display was commissioned exclusively for the Opera House and directed by the Opera House's Head of Indigenous Programming, Rhoda Roberts AO. The opening was live streamed on Facebook and is the most successful video content produced by the Opera House (see Spotlight, p.33).

Inspired by the successful North American Powwow circuit and the Kapa Haka festival in New Zealand, the Opera House launched *Dance Rites*, a national Aboriginal and Torres Strait Islander dance competition. The project revives a range of vanishing cultural practices including dance, language, traditional instruments and skin markings to ensure they are passed from one generation to the next. With more than 150 participants from 10 communities across NSW, Queensland and the Torres Strait Islands, the competition culminated in a final round watched by a capacity crowd on the Opera House's Western Broadwalk during the Homeground festival (see Spotlight, p.47).

The inaugural *Homeground Talks* took place on 27 May 2016, the 49th anniversary of the successful 1967 referendum on Aboriginal and Torres Strait Islander rights. In this new forum for provocative conversations about contemporary First Nations issues, influential artists, activists and academics debated matters such as economic opportunity and sovereignty.

Cultural Awareness and Engagement

Opera House staff participate annually in cultural engagement activities during National Reconciliation Week. In FY16 a Bennelong tour explored the First Nations history of Tubowgule (the Gadigal name for the land on which the Opera House stands). A tour of the Royal Botanic Gardens, led by a First Nations guide, revealed traditional uses for the native trees and plants as medicine, tools and food.

To increase staff understanding of Aboriginal and Torres Strait Islander cultures, histories and achievements, a cultural awareness e-learning module was launched.

An Opera House staff member was appointed Head of Ceremonies at the Boomerang Festival, an annual, multi-arts and multi-venue event within Bluesfest, held on Bundjalung lands in northern NSW. This two-week, cross-organisational learning and mentorship project allowed the sharing of production and technical expertise and cultural knowledge.

Insurance

Insurance coverage of the Opera House is predominantly provided by the NSW Treasury Managed Fund, a self-insurance scheme administered by GIO (property, public liability and motor vehicle) and by Allianz (workers compensation).

The property policy protects Sydney Opera House assets and the properties for which it holds long-term leases.

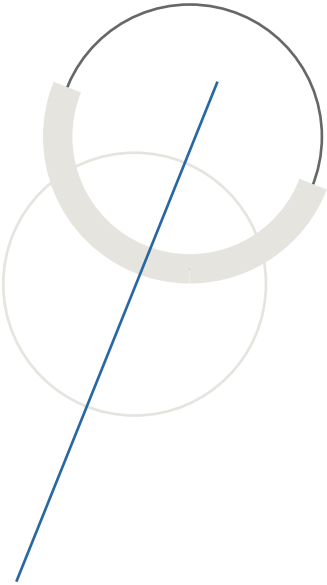
In FY16 the Opera House had three miscellaneous claims (totalling \$113,236), six property claims (\$50,687), no motor vehicle claim (\$0) and four liability claims (\$17,139). Under the workers compensation policy 20 new claims were lodged.

The table below shows the total cost of premiums excluding GST, arriving at the cost per employee over the past five years.

		FY15 \$	FY14 \$	FY13 \$	FY12 \$
Motor vehicle		5,460	6,480	3,320	3,290
Property		659,560	732,100	700,100	646,150
Public liability		311,120	334,370	349,560	359,660
Workers comp.		664,455	691,909	820,530	1,124,200
Miscellaneous		31,050	23,310	17,270	12,800
Total employees		850	857	759	847
Cost per employee		1,967	2,087	2,468	2,534

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, which is provided by SLE Worldwide Australia Pty Limited and underwritten by Lloyds of London.



Investment Performance Measure

Investments are placed with banks at interest rates equivalent to, or greater than, the relevant NSW Treasury Corporation Hour-Glass Investment Facility benchmark.

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 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 2016 was valued at \$140 million.

Legal

The *Sydney Opera House Trust By-law* was remade on 1 September 2015 in accordance with the *Subordinate Legislation Act 1989*. The process involved internal and external consultation with stakeholders including the public, Resident Companies, the Sydney Opera House Trust, commercial partners and relevant government departments and agencies.

Based on the submissions received, the Parliamentary Counsel's Office finalised the *Sydney Opera House Trust By-law*, which was approved by the Minister for the Arts and the Governor. The remade By-law expanded the prohibition on taking food or drink into an auditorium to apply to outdoor auditoriums, created an offence in relation to launching or landing unmanned aerial vehicles and aircraft from the premises, extended the offence of mooring a vessel on the premises to launching a vessel, and also empowered an authorised officer to remove or to direct a person to remove an unlawfully landed aircraft from the premises.

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, cabaret, talks, and community and cultural engagement initiatives.

The presentations included large and small-scale performances across the venues, from Sydney Opera House Presents, Resident and supported companies, and other presenters.

FY16 highlights of Sydney Opera House Presents presentations identified under the Multicultural Policies and Services Plan:

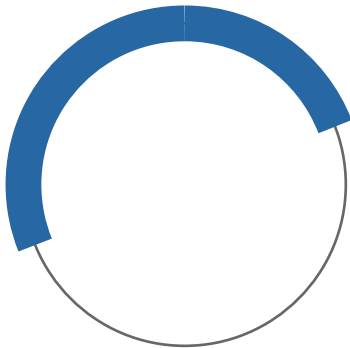
- **Deadly Voices from the House (year-round project)**
Recorded in the Opera House's Intel Broadcast Studio and hosted by Head of Indigenous Programming Rhoda Roberts AO, this weekly radio show highlights relevant issues and art, including special guests and new contemporary First Nations music.
- **Azar Nafisi (July 2015)**
Iranian writer and academic Azar Nafisi spoke to Talks & Ideas audience members about her bestselling novel *Reading Lolita in Tehran*.
- **Theatre Iolo's *Adventures in the Skin Trade* (July 2015)**
Award-winning Welsh company Theatre Iolo presented its stage adaptation of Dylan Thomas's coming-of-age novel as part of the Creative Learning program.
- **Pinchas Zukerman Trio (August 2015)**
The Israeli-Canadian maestro led South African cellist Amanda Forsyth and Canadian pianist Angela Cheng in this critically acclaimed Utzon Music Series recital.
- **Sylvie Guillem – *A Life in Progress* (August 2015)**
Acclaimed French dancer Sylvie Guillem appeared at the Opera House for her final Australian performances before retiring, following a 35-year career.
- **Festival of Dangerous Ideas (September 2015)**
The seventh Festival of Dangerous Ideas featured local, national and international speakers, including Murong Xuecun from China and Suki Kim from South Korea.

- **Homeground (November 2015)**
Homeground is the Opera House’s public celebration of First Nations art and culture. The 2015 festival featured Australian artists including Archie Roach and Oka; Canadian band A Tribe Called Red; and Tibetan artist Tenzin.
- **Dance Rites (November 2015)**
The inaugural iteration of the national Aboriginal and Torres Strait Islander dance competition, produced by the Opera House and designed to celebrate and maintain First Nations culture, dance, language and stories, attracted dance groups from Far North Queensland, regional and remote NSW, and the Torres Strait.
- **José González (February 2016)**
Swedish singer-songwriter José González made his Opera House debut in the Concert Hall and recorded an intimate performance inside the northernmost sail for a video content piece supported by Intel.
- **Goran Bregović (February 2016)**
Bosnian composer and musician Goran Bregović returned to the Opera House with his 19-piece Weddings and Funerals Orchestra, featuring Balkan epics and choral suites.
- **All About Women (March 2016)**
This year’s day-long festival of ideas and talks on issues important to women featured North Korean-born author Hyeonseo Lee, Russian journalist Masha Gessen and First Nations Canadian activist Crystal Lameman.
- **Asha Bhosle (March 2016)**
Indian singer Asha Bhosle celebrated a 60-year career in music and Hindi cinema in the Concert Hall as part of her farewell world tour.
- **MAD SYD (April 2016)**
Acclaimed Danish chef René Redzepi’s MAD food symposium made its Australian debut at the Opera House and included talks by Italy’s Massimo Bottura and African activist farmer Chido Govera.
- **Homeground Talks (May 2016)**
The inaugural *Homeground Talks* featured speakers from Papua New Guinea and Australian First Nations.
- **Hot Brown Honey (June 2016)**
Tackling topics such as gender, race, and colonialism, this political cabaret featured performers from Samoan, Tongan, Indonesian, African, and Gamiliroi (Australian) backgrounds.
- **Saltbush (June 2016)**
Multimedia performance *Saltbush*, a collaboration between Italian and First Nations Australian artists, had a return season at the Opera House as part of the Children, Families & Creative Learning program.

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, German and Spanish.
- Communicate via a range of translated material and interpreters.
- Present opportunities to a culturally diverse range of artists, audiences and the community through events, services and consultation.



Overseas Travel

Opera House staff undertake overseas travel for business reasons, including sourcing performing arts product, touring programs and representing the Opera House at key industry forums. The following travel in FY16 was approved by the Secretary, Department of Justice.

Name of Officer	Position	Destination/s	Purpose of Visit	From	To
Bridgette Van Leuven	Head of Children, Families & Creative Learning	UK	To attend Edinburgh International Festival, Edinburgh Fringe Festival, British Council Showcase. Meetings in London and Edinburgh to discuss future programming.	15/8/15	30/8/15
Fiona Pride	Head of Programming, Sydney Opera House Presents	Austria; UK	To attend Edinburgh International Festival, Edinburgh Fringe Festival. Meetings in London and Edinburgh to discuss future programming.	4/8/15	16/8/15
Sean O'Reilly	Application Support Analyst	Orlando, Florida, US	To attend the annual Tessitura Learning and Community Conference to provide deeper engagement with the system.	15/8/15	22/8/15
Krystal Nolan	Business Systems and Client Services Manager	Orlando, Florida, US	To attend the annual Tessitura Learning and Community Conference to provide deeper engagement with the system. To meet key staff at Disneyworld.	11/8/15	22/8/15
Monika Townsend	Sales Account Manager	Japan; South Korea	To attend Tourism Australia's Walkabout Japan Mission, meet Japanese buyers and carry out additional targeted sales visits to key wholesalers. Attend Destination NSW workshop in South Korea and carry out targeted sales visits to key agents in South Korea.	5/9/15	17/9/15
Sarah Duthie	Head of Sales, Tours and Experiences	India; Singapore	To attend Tourism Australia's India Travel Mission.	25/8/16	2/9/15
Rhoda Roberts	Head of Indigenous Programming	Limerick, Ireland	To speak at SEM-ICTM Forum.	11/9/15	18/9/15
Christopher Linning	Manager, Building Information	Denmark; Sweden	To present Sydney Opera House BIM implementation to a European BIM Standards conference.	10/9/15	20/9/15
Ben Marshall	Head of Contemporary Music	Los Angeles, San Francisco, US	To attend <i>The Simpsons</i> ' season launch at Universal Studios to finalise negotiations for the show's creator, Matt Groening, to make his Australian debut at the Opera House as part of <i>Graphic 2016</i> in a Sydney-only appearance.	23/9/15	1/10/15
Danielle Harvey	Head of International Development and Senior Producer, Talks & Ideas	Los Angeles, Minneapolis, New York, US	Meet with key contacts from BAM, Lincoln Center, the Walker Art Centre, Minneapolis, Bing Theatre LA and the CAA. Meetings essential for building new relationships and maintaining relationships with agents, speakers and art centres cultivated during past trips.	26/9/15	6/10/15
Louise Herron	Chief Executive Officer	South Korea	To attend and speak at the annual Association of Asia Pacific Performing Arts Centres (AAPPAC) Conference.	12/10/15	17/10/15
Jamie Dawson	Senior Producer, Children, Families & Creative Learning	Ireland; Netherlands; London	To attend acclaimed children's festivals De Betovering Festival and Baboro Festival, recognised as examples of artistic and cultural programming for children.	13/10/15	23/10/15
Fiona Pride	Head of Programming, Sydney Opera House Presents	UK; France	Attend a conference organised by Institut Français and ONDA dedicated to performing arts in Paris.	7/10/15	16/10/15
Sarah Duthie	Head of Sales, Tours and Experiences	US	Attend Destination NSW's USA Mission, designed to showcase Sydney and NSW tourism products, destinations and experiences to key North American trade partners, agents, product managers and front-line wholesale staff through meetings, workshops, tradeshow and seminars in order to increase visitor expenditure.	31/10/15	20/11/15

Name of Officer	Position	Destination/s	Purpose of Visit	From	To
Danielle Harvey	Head of International Development and Senior Producer, Talks & Ideas	Los Angeles, Minneapolis, New York, US	To further develop the Opera House's standing as a vibrant centre for ideas and debate. The Opera House is considering expanding its existing Talks & Ideas festivals with new festivals such as For Thought, the Bloggers Festival, and an Australian version of the <i>New Yorker</i> Festival.	6/11/15	16/11/15
Lou Rosicky	Head of Staging	Germany; Austria	With the theatre consultants Theatreplan to meet with delivery departments of the two final tenderers for the Theatre Machinery Project and inspect the tenderers' proposed control systems, workshops and warehouse. Also vital for clarification of technical and commercial queries with the TMP tender.	15/11/15	20/11/15
Louise Herron	Chief Executive Officer	Abu Dhabi, UAE; New York	To attend the International Society for the Performing Arts (ISPA) Congress in New York and ISPA committee and board meetings. In UAE to meet Etihad Airways senior executives to discuss Etihad's major partnership with the Opera House, due for renewal in early 2016.	9/1/16	17/1/16
Ann Mossop	Head of Talks & Ideas	Paris, France	To see a number of talks and meet with a prominent academic and agency director to discuss potential presenters for the Talks & Ideas annual program. Attend several presentations and exhibitions of interest for the FY17 program.	18/12/15	22/12/15
Sarah Duthie	Head of Sales, Tours and Experiences	US	To attend Tourism Australia's North America 2016 Marketplace and Australia Tourism Summit, showcasing Australian tourism products, destinations and experiences to key North American travel, aviation, hospitality and industry executives involved in the US outbound holiday market for travel to Australia.	18/2/15	4/3/15
Michelle Dixon	Director, Safety, Security and Risk and General Counsel	US; UK	To gather intelligence from leading peer organisations so the Opera House is aware of relevant risks and practices and implementing reasonably practical controls to ensure the Opera House is a safe and secure site for all who work or visit.	21/2/16	4/3/16
Jade McKellar	Director, Visitor Experiences	US; UK	To develop relationships with senior managers of leading cultural and performing arts centres internationally, gain insight into innovation in the visitor experience design and commercial offerings, and review best practice in the intersection of visitor operations and security.	21/2/16	4/3/16
Leigh Brezler	Partnerships Account Manager	UAE	Partnership workshops to discuss strategic pillars and implementation for the next contract period (five years) with senior executives at Etihad.	16/1/16	18/1/16
Sarah Duthie	Head of Sales, Tours and Experiences	China	To attend the annual Greater China Mission 2016, a joint Destination NSW and Tourism Queensland sales mission in Xiamen and Beijing. Conduct additional sales calls to Shanghai.	13/3/16	23/3/16
Louise Herron	Chief Executive Officer	Canada	To attend TED Global 2016, an exclusive international conference celebrating invention and innovation.	15/2/16	18/2/16
Chris Daniels	Head of Digital Transformation	Las Vegas, US	To attend Adobe's Summit, the annual global digital marketing conference bringing together Adobe clients from around the world to enhance the clients' knowledge of how to market better to customers, improve engagement and increase revenue.	19/3/16	26/3/16
Danielle Harvey	Head of International Development and Senior Producer, Talks & Ideas	Austin, US	The Opera House is considering expanding its existing Talks & Ideas festivals. South By South West (SXSW), offers the unique convergence of original music, independent films, emerging technologies, keynote speaker sessions, workshops and exhibitions.	10/3/16	17/3/16
Lou Rosicky	Head of Staging	Germany; Denmark	A part of the Theatre Machinery Project involves replacing the rear lifts at a cost of \$6.8 million. The contractor has suggested an alternate design. A visit required to assess first-hand and reach a decision.	31/1/16	4/2/16

Name of Officer	Position	Destination/s	Purpose of Visit	From	To
Paul Shumack	Manager Contract and Projects Group	UK; Austria	To attend design meetings in relation to the Theatre Machinery Project and discuss major commercial issues to be resolved including: intellectual property, offsite payments and the security of the offsite equipment, construction program, novation of the contract, clarifying the responsibility of the contractor and the managing contractor. Major design issues to be resolved include rear lifts, dimmers and infrastructure that will affect the design.	29/3/16	8/4/16
Lou Rosicky	Head of Staging	UK; Austria	As above.	29/3/16	8/4/16
Fiona Pride	Head of Programming, Sydney Opera House Presents	Cuba	To attend the premiere of a large-scale new performance by the Carlos Acosta Company and consider programming for an Opera House season, attend a showcase of other Sadler's Wells touring work, and conduct programming meetings in Cuba, Havana.	6/4/16	12/4/16
Ben Marshall	Head of Contemporary Music	US	To attend the Big Ears Festival in Nashville and other performances and secure contemporary music acts for the 2017 and 2018 year-round seasons; scope any potential projects that may be suitable for the Vivid or Graphic festivals; view the newest acts in the commercial contemporary music industry and potentially secure NSW-exclusive acts where possible.	30/3/16	7/4/16
Greg McTaggart	Director, Building	UK; US; France; Denmark	Gain an understanding of how overseas performing arts centres meet the functional needs of their venues and use evolving technology in their theatres. Attend meetings in Denmark with partners of the Multidisciplinary Australian Danish Exchange (MADE) to discuss delivery of the 2016-17 MADE program. Meet Jan Utzon re contract negotiations and concept designs for Renewal. Attend a reception at the Royal Palace in Copenhagen to celebrate MADE and announce a further project initiated by the Opera House with support from Danish partners.	11/5/16	22/5/16
Jamie Dawson	Senior Producer, Children, Families & Creative Learning	Edinburgh, London, UK	To attend the Imagine Festival in Edinburgh and consider productions for programming in the Creative Learning and Kids at the House programs and develop relationships with artistic directors, programmers, producers, organisations and artists.	25/5/16	8/6/16
Caroline Grandjean-Thomsen	Project Coordinator, Building Strategy and Planning	Denmark	To interview the MADE Danish Partners and contributors to assess progress, gain feedback on the program in Denmark in preparation for a three-year program review. Attend a Royal Palace reception to announce important project initiated by the Opera House with support from Danish partners. Meet Jan Utzon re Renewal concept designs.	17/5/16	21/5/16
Tim Calnin	Director, Performing Arts	China	To speak at the Cultural Leadership Summit 2016 in Hong Kong on collaboration between venues and Resident Companies as well as external arts organisations. To present a keynote address on the subject of artistic and entrepreneurial collaborations between performing arts companies and festivals and the venues and performing arts centres in which they perform.	28/5/16	2/6/16
Louise Herron	Chief Executive Officer	Denmark	To develop strategic collaborations and explore philanthropic opportunities with key stakeholders in Denmark.	13/5/16	19/5/13
Chris Burn	Production Manager	US	To observe all key production and event-delivery elements of Hopelessness show and meet key production personnel ahead of Anohni's Sydney season to discuss challenges and solutions for the Vivid LIVE season.	16/5/16	20/5/16
Bridgette Van Leuven	Head of Children, Families & Creative Learning	South Korea	To attend K Fellowship Tour, an intercultural arts program supported by the Asia Education Foundation. It provides digital cultural experiences for students to explore global perspectives. The newly opened Asia Cultural Centre in Gwangju is an ideal partner for the Opera House's Creative Learning Centre.	26/6/16	2/7/16
Tim Calnin	Director, Performing Arts	Germany; Israel	To meet with Daniel Barenboim and orchestra management to discuss in-depth plans for the tour including repertoire, schedule and contractual terms. Commence discussions with the Israel Philharmonic Orchestra.	17/6/16	24/6/16

Privacy Management

The Opera House Privacy Management Policy and Plan, which was reviewed this year, outlines how we comply with the principles of the *Privacy and Personal Information Protection Act 1998* (the PPIP Act) and the *Health Records and Information Privacy Act 2002* (the HRIP Act). It includes:

- Descriptions of the main kinds of personal and health information held by the Opera House.
- How to access and amend personal and health information held by the Opera House.
- Procedures for privacy complaints and internal reviews.
- Customer Privacy Statement.
- Details of how the Opera House protects the privacy of its customers, including visitors to its website, are available at sydneyoperahouse.com

To obtain copies of the Opera House’s latest Customer Privacy Statement, Privacy Management Policy and Plan 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

The Opera House conducted one internal review in response to an application under section 53 of the PPIP Act during 2015-16. In this matter, breach of privacy in relation to the Information Protection Principles (IPPs) was not found under the PPIP Act.

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 was reviewed and amended 2 March 2016 and 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 ongoing and new actions were taken during the year to ensure that staff are aware of the content of the public interest disclosures policy and protections under the *Public Interest Disclosures Act, 1994*:

- Executive, Legal and all of the HR team participated in Public Interest Disclosures Training with the NSW Ombudsman.
- Public interest disclosures requirements were incorporated into the Code of Conduct for staff.
- Code of Conduct and Public Interest Disclosures Policy were included in all starter packs for new employees.
- Online compliance and awareness training modules for Code of Conduct and Cash Handling continued to be offered with modules for Public Interest Disclosures and Gifts and Benefits implemented.

Risk Management

Risk Management Program

The Opera House recognises risk is inherent in its business and that effective management of risk allows for resources to be allocated efficiently, provides greater certainty and is central to achieving our objectives. This is consistent with the Strategic Priority – Risk Management Step Change.

The Opera House is compliant with *Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03)* published by the Treasury.

The Opera House uses *ISO AS/NZS 31000:2009 Risk Management Standard* to improve decision-making and to minimise the impact of events that may affect our ability to stage performances; offer inspiring visitor experiences; our reputation; compliance with its regulators; or affect the safety and security of employees, patrons, visitors, Resident Companies or contractors.

The Opera House is committed to the continual improvement of its risk management program. The appointment of the Director, Safety Security and Risk (as Chief Audit Executive) and the Chief Risk Officer in FY16 are testament to the importance the Opera House places on risk management. The Chief Risk Officer is responsible for maintaining and implementing the Opera House’s risk management framework, which sets out the whole-of-business approach to managing risk.

The Director, Safety, Security and Risk and the Chief Risk Officer regularly report to the Audit and Risk Committee, whose overall objective is to provide independent assistance to the Trust in fulfilling its responsibilities in relation to financial reporting, risk management, compliance and the audit function.

Auditing (also refer Corporate Governance p.73)

The Opera House has outsourced its internal audit function by contracting the services of external audit providers. In FY16 audits were carried out by Deloitte Touche Tohmatsu (Deloitte). Deloitte conducted risk-based audits as directed by the Chief Audit Executive in accordance with a Plan endorsed by the Sydney Opera House Trust Audit and Risk Committee.

The FY16 Internal Audit Plan included the following reviews, which were completed and reported to the Audit and Risk Committee:

- Sydney Opera House Presents event production
- Project Management – Building Renewal Stage 1
- Partnerships
- GSE Act compliance and Fitness for Duty
- Financial Information Systems

In addition, the following review from FY15 was completed and reported to the Audit and Risk Committee in FY16:

- Lower Concourse Bar and Restaurant

Internal Audit and Risk Management Attestation Statement for the 2015-2016 Financial Year for the Sydney Opera House Trust (“the Trust”) and Controlled Entity Sydney Opera House Trust Staff Agency

We, the Trust, are of the opinion that the Trust has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements

		For each requirement, please specify whether compliant
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with <i>AS/NZS ISO 31000:2009</i>	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the “model charter”	In transition
Audit and Risk Committee		
3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency’s governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the “model charter”	Compliant

Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Peter Mason, 23 March 2015 to present. Independent Member, 1 January 2012 to 21 January 2014
- Independent Member, Brenna Hobson, 22 January 2014 to present
- Independent Member, Catherine Brenner, 13 May 2009 to 31 December 2015
- Independent Member, Jillian Segal, 21 March 2016 to present

Departures from Core Requirements

We, the Trust, advise that the internal audit and risk management processes for the Sydney Opera House Trust depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*:

1. The departure from the core requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements.

Departure	Reason for departure and description of practical alternative measures implemented
In transition	
Core requirement 2.3	An Internal Audit Charter consistent with the content of the “model charter” was endorsed by the Audit and Risk Committee in March 2016

I, Nicholas Moore, on behalf of the Trust in accordance with the resolution of 18 September 2015 declare that these processes demonstrate that the Sydney Opera House Trust has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Trust and the controlled entity Sydney Opera House Trust Staff Agency.

Nicholas Moore
Chair, Sydney Opera House Trust
8 August 2016

Agency Contact Officer
Marg Kaye, Chief Risk Officer

Telephone (02) 9250 7311
Email mkaye@sydneyoperahouse.com

Business Continuity and Emergency Preparedness

In FY16 the Opera House focused on structure and training for business resilience teams. This included creating a dedicated space for event control, including emergency response, crisis management and business recovery. Training was held in the areas of command and control, roles and responsibilities. Exercises involving our crisis management and business continuity teams were held, as were exercises in major event planning for all stakeholders.

Our emergency training program for all staff, contractors, Resident Companies and other stakeholders continues. A new emergency management framework and plan has been developed and will be released in the first quarter of FY17. Our business resilience plans will be reviewed in the first half of FY17. During FY16 the Opera House worked closely on planning and training with relevant government agencies.

Performance Statement

Louise Herron AM
Chief Executive Officer, SES Level 6
Appointment at Level 6
commenced on 6 August 2012
Total remuneration package: \$381,800pa

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 14 May 2015. 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 are maintained through the efforts of the management team and the client arts companies that perform in it.

Senior Executive Service

Band		FY15	
		Female	Male
4		0	0
3		1	0
2		0	0
1		6	7

Band	Range \$	Average remuneration	
			FY15 \$
4	441,201 to 509,750		–
3	313,051 to 441,200		373,200
2	248,851 to 313,050		–
1	174,500 to 248,850		178,375

In FY16 6.7% of the Opera House’s employee-related expenditure was related to senior executives compared with 5.2% in FY15.

Wage and Salary Movements

A 2.50% 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 2015.

A 2.50% 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 2015.

A 2.50% wage increase applied to Senior Executive Service staff effective from 1 July 2015 as per the *Statutory and Other Offices Remuneration Act 1975*.

Workplace Health and Safety (WHS)

Highlights FY16

- Opera House Executive Team members participated in 89 individual safety interactions; the Executive Safety Interaction program facilitated communication on WHS issues between leaders and front-line staff.
- Fifteen meetings between Opera House Health and Safety Representatives and Management Sponsors were held this year.
- The LTI Frequency Rate has continued its downward trend, dropping from 25 in FY11 to 8.9 in FY16.
- Total days of absence associated with workers compensation claims has reduced over the past five years, with days lost now 72% lower than in FY13.
- As a result of the Opera House Safety Culture Review, more than 100 managers and supervisors have attended the half-day Safety Leadership training in the past two financial years.
- Safety Management Systems audits were conducted for a record number of third parties: eight resident building contractors, five food and beverage operators and three building projects.
- The Trust endorsed the CEO Safety Strategy Framework, providing focus and priority KPIs for the next two years.
- After extensive consultation, planning and change management, the Opera House forecourt transitioned smoothly to a pedestrian-priority zone; there have been no safety-related incidents associated with this transition.
- The new loading dock commenced limited operations in December 2015 and full operations by June 2016; new safety inductions and safe-work procedures were developed and rolled out.
- The WHS Incident and Hazard Reporting database transitioned to a new platform.
- During 2015 Safety Month celebrations, which attracted record attendance, more than 250 people attended the key event, a talk by Qantas Captain Richard de Crespigny.

Risk Management

In FY16 risk-based audits for confined spaces, the High Risk Register and dangerous goods were held, resulting in significant improvements. They include:

- New forklifts with upgraded safety features purchased for the new loading dock.
- The Wind Management System, comprising an anemometer installed on the A2 sail and site-specific wind software, became operational, assisting the management of risks during high wind.

Staff Training, Support and Motivation

There were 1,746 hours of safety-related training, including:

- 71 desk-based staff completed a 30-minute online ergonomic screening tool to determine their risk of injury.
- 73 staff from the Performing Arts portfolio attended manual handling training and 26 attended height safety training.

Incident Reports (Staff-Related) FY10-FY16

Year	Number of incidents
FY16	147
FY15	158
FY14	207
FY13	225
FY12	215
FY11	245
FY10	282

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 has trended downwards to a 10-year low of 20 new claims while total hours worked for all Opera House employees slightly rose.

New Workers Compensation Cases Lodged FY10-FY16

Year	Number of new workers compensation cases*
FY16	20
FY15	24
FY14	24
FY13	31
FY12	45
FY11	42
FY10	48

* Includes all new workers compensation cases including provisional liability (including no cost claims) and declined liability claims.

Lost Time Injury Disease Incident and Frequency Rates FY10-FY16

Year	LTID^ Incident rate	LTID^ Frequency rate
FY16	19.6	19.6
FY15	20.8	20.8
FY14	25.9	25.9
FY13	32.5	32.5
FY12	31.2	31.2
FY11	52.56	52.56
FY10	57.45	57.45

^ Lost Time Injury Disease (LTID) Incident rate is the number of work-related lost time injuries (1 day or more) per 1,000 employees.

LTID Frequency rate is the number of work-related lost time injuries (1 day or more) per million hours worked.

The Opera House’s workers compensation deposit premium reduced for the fourth year in a row to a record low. The FY16 deposit premium is 59% lower than the FY12 premium. This is attributed to prevention programs, and injury management and early prevention programs.

Health Promotion and Wellbeing

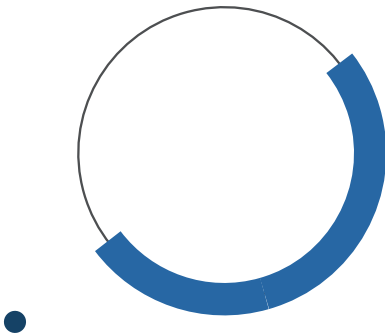
- 329 immunisations were administered this year in the influenza vaccination and awareness program, with good participation from our presenting partners.
- Yoga and Pilates classes two days each week continue to have good attendance from many departments and excellent reviews.
- In FY16 four targeted health promotion days were run: RUOK?, Pink Ribbon, men’s health and flu vaccination. All health promotions received positive participation rates and feedback.
- In FY16 the Opera House commenced online ergonomic assessments for all office-based staff.

Statutory/Government Reporting

Details of injuries and prosecutions under Occupational Health and Safety Act 2011

There were seven incidents notified to WorkCover NSW in FY16. Three notifications were for dangerous occurrences (no injury or illnesses sustained) and four were serious-injury notifications due to the staff member receiving immediate treatment as a hospital in-patient.

There were no WorkCover investigations, prosecutions or notices issued. The Opera House was issued with two Authority to Enter permits from an Electrical Trades Union authorised permit holder making enquiries about an electrical safety matter.



ACKNOWLEDGEMENTS AND CONTACT

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 donor groups for your loyalty and ongoing generosity which allow us to plan reliably for the Opera House’s future. Our Founding Donors (*) have supported the Opera House since the introduction of the Opera House’s philanthropy program in 2007 and our Founding Idealists (~) are the first members of the Opera House’s by-invitation donor group, established in 2013. Our Utzon/Le Corbusier tapestry donors (^) have made possible the acquisition of *Les Dés Sont Jetés*, the tapestry commissioned by Jørn Utzon from fellow master architect Le Corbusier.

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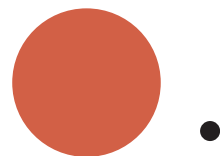
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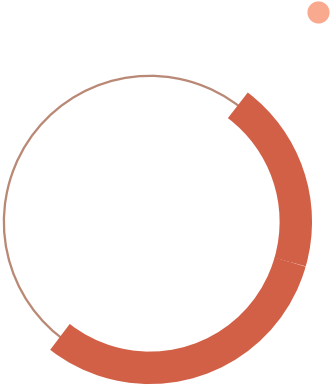
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Contact Information

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
- P: Box Office
Sydney Opera House
GPO Box 4274
Sydney NSW 2001 Australia

Bookings for performances and events can also be made online at 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
- W: sydneyoperahouse.com
- E: bookings@sydneyoperahouse.com
- P: Contact Centre
Sydney Opera House
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Sydney NSW 2001 Australia

Car Parking

Wilson Parking operates a car park at the Opera House open from 6am to 1am, seven days a week. Entry via the Opera House end of Macquarie Street, Sydney.

- 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 and 5pm, also available in French, German and Spanish. French tours are offered once a day on Monday, Wednesday and Friday, German tours are offered once a day, Monday to Friday, and Spanish tours are offered once a day on Tuesday and Thursday only.

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 9.15am and 4.15pm.

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 an 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.

- T: 61 2 9250 7250 or 9250 7777
- F: 61 2 9250 7096
- W: sydneyoperahouse.com/tours
- E: tourism@sydneyoperahouse.com

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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:
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Internet relay users connect to the NRS
(www.relayservice.com.au) and then ask for:

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Administration and General Enquiries

General enquiries can be made 9am to 5pm, weekdays.

T: 61 2 9250 7111
F: 61 2 9251 6410
F: 61 2 9251 6410 (International)
E: infodesk@sydneyoperahouse.com

A: Sydney Opera House
Bennelong Point
Sydney NSW Australia 2000

P: Sydney Opera House
GPO Box 4274
Sydney NSW 2001 Australia

W: sydneyoperahouse.com or soh.nsw.gov.au

Annual Report Project Team

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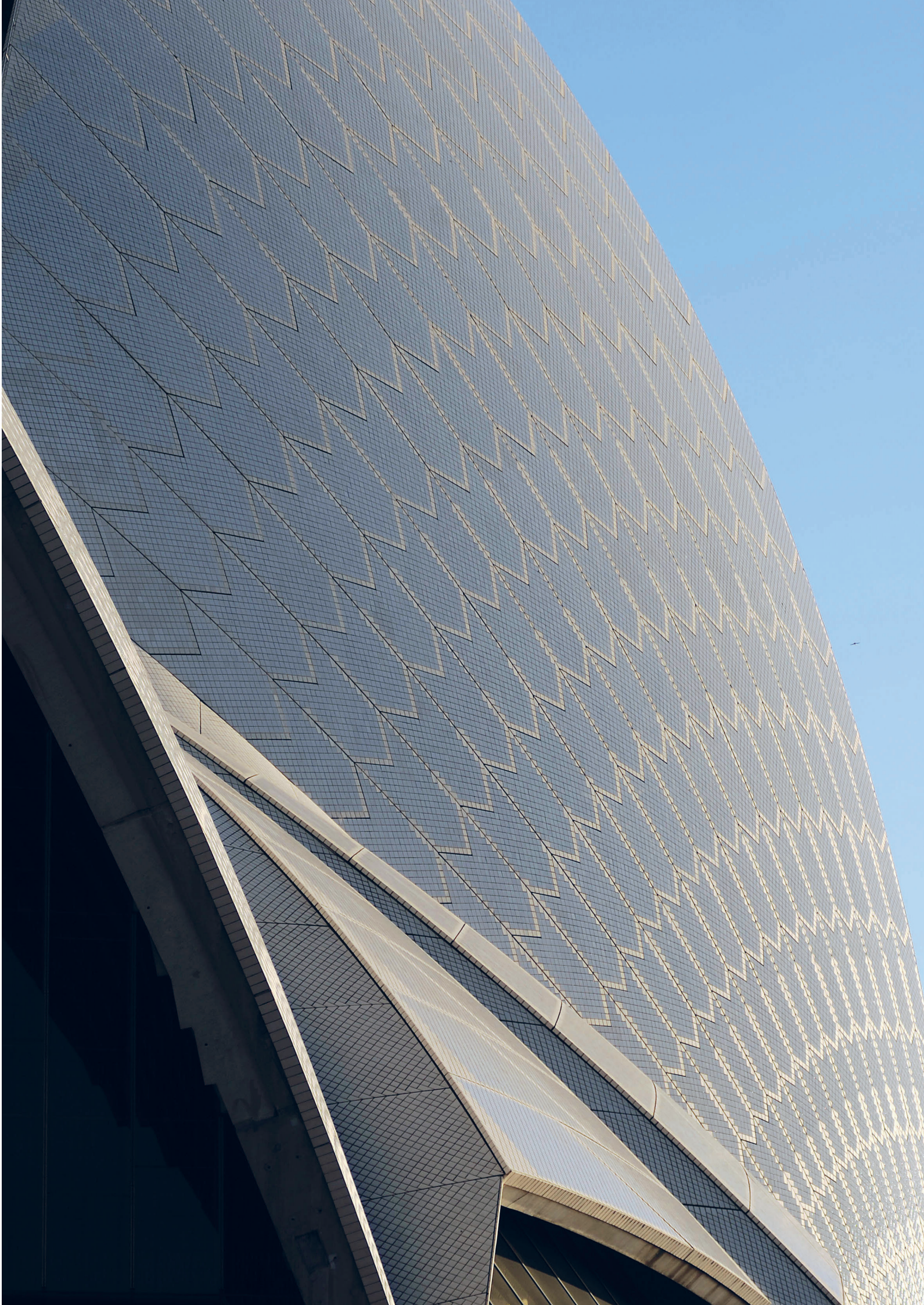
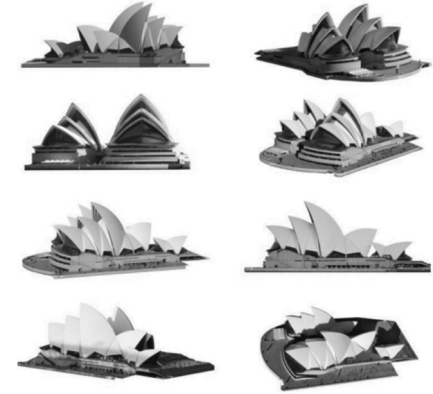
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