

SYDNEY
OPERA HOUSE



The Business of
Inspiring Experiences

SYDNEY OPERA HOUSE TRUST ANNUAL REPORT 2003

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Our promise is to take people
on a journey from the ordinary
to the extraordinary, into a world
where the inspiration of the building
outside is reflected in all we do.

The Hon. Bob Carr, MP
Premier, Minister for the Arts and Minister
for Citizenship in New South Wales

Sir, we have the pleasure in presenting the
Annual Report of the Sydney Opera House for
the year ended 30 June 2003, for presentation
to Parliament. The report has been prepared in
accordance with the provisions of the Annual
Reports (Statutory Bodies) Act 1984 and the
Public Finance and Audit Act 1983.



Joseph Skrzynski AM
Chairman



Norman Gillespie
Chief Executive

Highlights

A highly successful year for the performing arts, with 1,730 performances attracting a total audience of over 1.2 million, an increase of 13%. Our programme in The Studio continues to push the boundaries and attract new audiences, with a total of 59,000 people attending 300 performances, an increase of 10%.

sydneyoperahouse.com attracts more people to our 24/7 online service. Online ticket sales increase by 103% to over 88,000 tickets.

Relationships with our major presenting partners were enhanced through new Service Level Agreements. One result is our first ever joint production with the Australian Ballet, offering audiences the rare opportunity to see a full scale new ballet *Wild Swans* by revered choreographer Meryl Tankard.

New food and beverage offers create a buzz on the lower concourse. The Opera Bar and Sidewalk Café have enlivened the site, and our business partner, Guillaume at Bennelong, is awarded Best New Restaurant by the Sydney Morning Herald's Good Food Guide 2003.

Jørn Utzon deepens his relationship with Sydney Opera House through the development of design concepts for the new look Reception Hall, which will result in a visually appealing and multi-functional space. Jørn Utzon is presented with Architecture's most prestigious award, the 2003 Pritzker Prize.

A multi-layered 5 year Strategic Plan is launched, defining who we are and what we want to be known for now and in the future, with clear guiding principles that will frame all our decision-making. The Plan encompasses 27 critical programmes supported by some 85 projects.

Chairman's Message



The year under review was one of the more active ones for the Trust, requiring it to deal with major management changes, a full Strategy Review, and unprecedented challenges in the international tourism and security environments.

The reorganisation of top management over the last year has allowed the Trust to appoint a new Chief Executive Officer, Norman Gillespie and five new executives in the team of seven on the executive, reporting to the CEO. This new team brings a broader dimension to the commercial and other skills available to the organisation as we and our industry partners gear up to meet the constant challenge of balancing innovation and development in the arts with the constraints of available resources.

The new management team has made a vigorous start, and the Trust has endorsed the updated Strategic Plan, developed by the CEO, executive and staff. The key priorities are detailed later in this Report.

Sydney Opera House finished the year with a small operating surplus, despite several significant financial challenges.

The unstable international environment has had a negative impact on tourist numbers to Sydney Opera House. Tour participation and retail sales were clearly affected, requiring strong cost containment measures to offset the revenue decline.

The international situation led to increased costs in site management and security. However, despite the general air of uncertainty in the economy, strong programming and promotion by our presenting partners and internal Producers Unit led 13% increase in audience numbers and a record box office turnover.

Momentum continues to build in the Venue Improvement Programme, with plans virtually complete for the refurbishment of the Reception Hall, design work well advanced for the Western Foyer Loggia and engineering and acoustic studies, as well as preliminary design work, progressing on the Opera Theatre.

The Trust is grateful for the support of the New South Wales Government, through its Ministry for the Arts, for the ongoing commitment to this complex programme and is pleased with the close collaboration between Jørn Utzon, his son, Jan and Richard Johnson in developing the designs and plans.

The awarding of the Pritzker Prize for Architecture to Jørn Utzon and the citation of the building as a masterpiece of the twentieth century, serve to strengthen the resolve of the Trust in its role as custodian to this great icon and its pre-eminent role in tourism and the arts in Australia and internationally. This year we developed a new Conservation Management Plan based on the Utzon Design Principles. This Plan will serve as the management document for any future heritage listings of the building.

The Trust is very pleased that the Strategic Partnerships that we formed with our Strategic Presenting Partners last year have already begun to reap practical results in joint activity in both marketing and artistic development. The sustainable future of the performing arts in Australia requires that we continue to deepen this collaboration in increasingly sophisticated and innovative ways.

Two new Trustees commenced on 12 August 2002. Jacqueline Kott brings to Sydney Opera House experience and expertise from a long and illustrious involvement in theatre, film and television, as an actor, teacher and committee member. Robert Leece brings unique experience from the Olympic Co-ordination Authority and will play a key role in overseeing the implementation of the Venue Improvement Programme, as Chair of Sydney Opera House Building Committee.

I would like to thank all our managers and staff for their commitment and hard work during a year of substantial organisational change and external challenges and I would like to thank my fellow Trustees for their contribution to and support of Sydney Opera House and its staff.

A stylized, handwritten signature in black ink, appearing to read 'J. Skrzynski'.

Joseph Skrzynski, AM
Chairman

CEO's Message



I am delighted in my first year as CEO to report a successful year for the performing arts at Sydney Opera House, recording the highest ever ticket sales and box office income at 521,168 and \$29m respectively. This reflected an increased number of performances and greater diversity of programming. This was achieved despite a testing backdrop of international events which affected the tourism industry worldwide and presented new security challenges.

Sydney Opera House now plays a key role in promoting and sustaining the Arts through significant support of our principal presenting companies, through our own productions, employment and training and in the commissioning of new works, such as Meryl Tankard's *Wild Swans*, a joint commission with The Australian Ballet.

Our success in attracting and engaging an increasingly diverse range of audiences was demonstrated in our newest and most versatile performance venue, The Studio. This year over 300 performances were presented, offering an eclectic mix of performance genres and showcasing a number of new artists. The total audience of 59,000 was an increase of 10% on the previous year. While the trial season on the Forecourt also succeeded in attracting new audiences, we have taken on board the feedback on the impact of the physical set-up. Future outdoor events will be contained to low infrastructure and be limited to shorter durations.

It has been a year of putting critical foundation blocks in place. This has included a substantially new executive team, highly skilled and highly committed; creating a powerful five year strategic plan with explicit priorities and projects, communicated to and understood by all staff; getting a meaningful performance management system in place for all our people; establishing a Conservation Management Plan where the heritage aspects of this great building are balanced with its role as a dynamic centre for the Arts.

The new executive team have embraced six key principles which determine our approach and priorities: a commitment to partnerships as the primary way to develop our activities; to significantly enhance the building and precinct both aesthetically and functionally; to drive a culture of flexibility in work practices which match the needs of our business; to enact a level of security awareness and alertness commensurate with a new era of risk and community expectation; a disciplined approach to business operations; and to promote youth education and youth audience development opportunities. This is the first time that this organisation has such a documented library of its key projects and their detail over the life of a strategic plan.

It has been a year of commencing an exciting program of building improvements, starting with box office facilities (due for completion in October 2003), a new Utzon designed Reception Hall interior (due August 2004),

a new stage door entrance and reception (due December 2003). I am also delighted to reopen to the public the Exhibition Hall which had been buried for years behind the Playhouse and used as temporary office accommodation.

A highlight of my year was undoubtedly the honour of meeting Jørn Utzon in Majorca and delivering to him the Pritzker Medal for Architecture which had been presented the evening before to his son Jan in Madrid. This prestigious award, architecture's 'Nobel prize', proudly recognised the extraordinary achievements of Utzon, particularly Sydney Opera House. Since then, Jørn Utzon has been actively engaged in developing designs for the improvement programme.

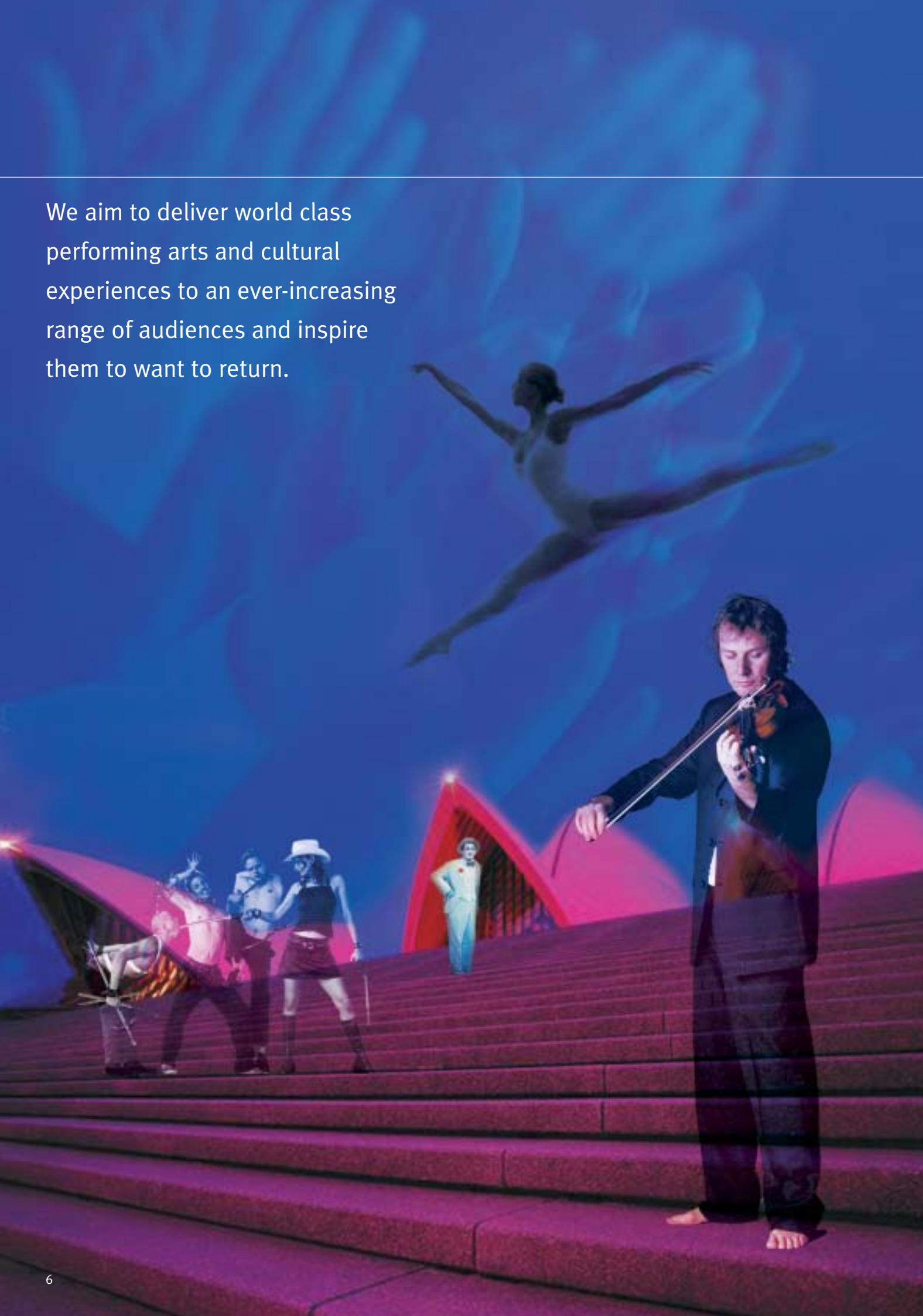
Finally, I would like to acknowledge the marvellous support by the NSW Government to our ambitions and ongoing operations. I would also like to thank my executive team for their support and leadership and the Trust for their encouragement and counsel. But most of all my thanks go to the staff for their openness and willingness to embrace significant change. None of our achievements would have been possible without their day-to-day dedication.

A stylized, handwritten signature in black ink, appearing to read 'N. Gillespie'.

Norman Gillespie
Chief Executive

Performing Arts

We aim to deliver world class performing arts and cultural experiences to an ever-increasing range of audiences and inspire them to want to return.



More performing arts and cultural experiences were seen by more people than ever before, with an increase of 13% in audience numbers over last year. A number of joint promotional and artistic activities were undertaken with our 4 Presenting Partners, including a number of highly successful co-presentations. Among those were a world premiere opera, a triumphant new Meryl Tankard ballet and a classic, emotionally charged Indigenous play. Funding and experiences for young people was increased and our most versatile venue, The Studio, continued to attract and engage new audiences.

Presentations	271
Total performances	1,730
Total audiences	1,252,846

Our achievements for 2002/03

The diversity of audience experiences increased, inside and outside, for all age groups and at a range of prices, with many free performances. 1,730 performances spanned the traditional and the contemporary, a range of cultures and many art forms.

Building on the partnerships with our Presenting Partners, new Service Level Agreements heralded the beginnings of proactive joint activity, including new presentations, promotions and direct links to Sydney Opera House box office online.

Artistic collaboration enabled us to create and present some runaway successes (*Wild Swans*, *The 7 Stages of Grieving*, *George and Jon Lord* and *the Sydney Symphony*, *Last Cab to Darwin*).

New artists, new experiences and new audiences were attracted and engaged at what is now, arguably, Australia's premier venue for innovative performing arts. The Studio presented an eclectic selection of over 300 affordable comedy, dance, cabaret and theatre performances realising a 10% increase in audiences.

Our annual celebration of Australia's Indigenous culture was broadened with the fourth, largely free, programme of visual arts, music, storytelling, literature and film. The 22 events were designed to promote an ongoing dialogue between cultures (*Message Sticks*. Advertising support by JC Decaux).

10 Year Performance Trends

Year	Performances	Audience	Average capacity
93/94	1,289	1,074,203	77%
94/95	1,201	1,047,037	76%
95/96	1,253	1,218,809	77%
96/97	1,266	1,205,730	80%
97/98	1,276	1,184,683	76%
98/99	1,339	1,169,978	77%
99/00	1,422	1,247,763	82%
00/01	1,434	1,124,976	83%
01/02	1,564	1,101,320	83%
02/03	1,730	1,252,846	83%
10 Year Average	1,377	1,147,396	79%

Performance by Venue 2002/03

Venues	Performances	Audience
Concert Hall	247	476,470
Opera Theatre	290	367,659
Drama Theatre	307	132,509
Playhouse	388	129,178
The Studio	306	59,542
Reception Hall	172	26,233
Outdoor	20	61,255
Total	1,730	1,252,846

Box Office vs 2001/02

Tickets	Difference	Turnover	Difference
521,168	+4%	\$29,296,944*	+10%

* Highest turnover ever recorded

“It’s been very exciting to see the success of our co-presentations with Sydney Opera House in the past year. We have worked much more closely together than at any other time in our entwined histories and it’s been hugely gratifying to see new audiences coming to performances and enjoying Sydney Symphony at Sydney Opera House for the very first time.”

Libby Christie
Managing Director
Sydney Symphony

Presentations	154
Total performances	466
Total audiences	490,427

Sydney Symphony

Presentations	36
Total performances	92
Total audiences	198,846

HIGHLIGHTS

Inspirational programming of a concerto for taiko drums and orchestra that featured the world’s leading taiko drummer, resulted in critical acclaim and a sell-out opening performance (*Hi-Ten-Yu*).

World premiere oboe concerto featured a remarkable performance by Diana Doherty, for whom the concerto was written, earning it outstanding reviews (*Lorin Maazel*).

Youthful artistry was showcased through the tonal excellence of 3 young Chinese Australians in sell-out performances (*Beethoven Triple Concerto, Rachmaninov Symphony No 2*).

A 10th Anniversary gala concert by Chief Conductor and Artistic Director Edo de Waart, reprised one of the landmark events of his tenure, part of Wagner’s Ring Cycle. (*Siegfried Idyll, The Valkyrie, Act 111*).

As good as it gets was the Sydney Morning Herald assessment of the technical mastery of a classic Beethoven symphony (*Beethoven Symphony no 5*).

World Premiere of a cross-cultural Indigenous work made huge impact with audiences and included the premiere performance of the Ntaria Ladies Choir at Sydney Opera House (*Message Sticks: Journey to Horseshoe Bend*).

This year, music at Sydney Opera House spanned form, style, culture and religion. There were programmes for children, youth and adults of every persuasion. Encompassed in a feast of music were sell-out performances, considerable critical acclaim, a celebration of a 10th Anniversary, 2 Australian premiere performances and 2 world premieres.

Sydney Opera House

Presentations	35
Total performances	213
Total audiences	65,732

HIGHLIGHTS

An inspirational introduction to Maestro Gelmetti, Chief Conductor and Artistic Director Designate, was achieved with a beautifully balanced Beethoven masterpiece (*Missa Solemnis*).

Bringing the inside outside, the Forecourt was trialled with a mix of free and paid events that ranged from symphony to soul and that played to a total audience of over 40,000 (*Jamiroquai Rocks the House, Sundown, Symphony Under the Sails, Testimony – The Legend of Charlie Parker, Incognita, Dream Home – A Performing Arts Fair*. Forecourt Opening Season sponsored by LG Electronics).

Acoustic met rock in a sell-out success when Sydney Opera House and Sydney Festival collaborated to present the Sydney Symphony playing an original composition for rock group and orchestra by Deep Purple’s Jon Lord (*George and special guest Jon Lord with the Sydney Symphony*).

Sunday afternoons became more laid back with our 5th season showcasing acoustically brilliant talent in an intimate environment (*The Studio Music Sessions: Tim Rogers, Yunchen Lhmo, Ensemble Offspring, Jeff Lang*).

Trans-continental artistry was showcased with an eclectic range of musicians from Australia and around the world who performed a selection of stunning works (*Capsis, Patrick Riguelle & The Rubio Quartet*).

Audiences met the unexpected in the Concert Hall when Denis James presented original scores to some iconic silent horror films, played on the Concert Hall Grand Organ (*The Phantom of the Opera, Nosferatu: A Symphony of Terror*).

Spanning music eras and styles, the reach of our Proms series was extended with a feast of music for the whole family (*Babies Proms, Primary Proms, Family Proms*).

Australian Chamber Orchestra

Presentations	8
Total performances	16
Total audiences	29,088

HIGHLIGHTS

A Helpmann Award followed when new territory was forged in a new collaboration with the Bell Shakespeare Company that combined music, acting and dance (*ACO – The Soldier’s Tale*).

The Australian Chamber Orchestra broadened its appeal in a heady mix of musical innovation with the Whitlams’ lead singer (*Tim Freedman meets ACO*).

Sydney Festival

Presentations	4
Total performances	13
Total audiences	14,524

HIGHLIGHTS

Monumental Music was experienced when a great contemporary Passion in musical canon opened this year’s festival (*La Pasion Segun San Marco*).

A Sydney premiere for orchestra and music when one of the world’s leading chamber ensembles presented a programme of works specially devised for Sydney (*London Sinfonietta*).

Ground-breaking world premiere featured a string quartet, a soloist and a children’s choir (*Close Your Little Eyes*).

Other Special Presentations

Celebrity artists were showcased by Frontier Touring Company with a selection of international greats in jazz, blues, pop, contemporary folk (*Diana Krall, Norah Jones, Jackson Browne, Art Garfunkel*).

Focus was on the lighter side with an immensely popular repertoire from the much loved Australian Philharmonic Orchestra (*Vienna Waits For You, The Best of British, Not New Year’s Eve, Springtime in Paris, The Italian Way*).

“Soon we shall celebrate 25 years of Sydney Theatre Company productions on the Drama Theatre stage. There have been many highlights, including *Proof* by American playwright David Auburn featuring a brilliant central performance by Jacqueline McKenzie; *Inheritance*, the popular and political new play by Australian playwright Hanne Rayson, and of course *The Way of the World* with Miriam Margolyes as a ravishing *Lady Wishfort*. A year of acclaimed and much loved STC productions.”

Robyn Nevin
Artistic Director
Sydney Theatre Company

Presentations	50
Total performances	898
Total audiences	337,910

A year of immense diversity in theatre, performed inside and out; from Shakespeare to Australian Indigenous theatre, from drama, comedy and musicals, to aerial and physical theatre; from plays and storytelling for children to mind games for all ages.

Sydney Theatre Company

Presentations	6
Total performances	276
Total audiences	117,583

HIGHLIGHTS

Extraordinary diversity was showcased in 6 wonderfully realised productions and 1 co-presentation with Sydney Opera House.

The highest grossing Sydney Theatre Company season ever was showcased at the Drama Theatre (*Proof*).

Classic, emotionally charged Indigenous Australian theatre this co-presentation with the Sydney Opera House played to full houses (*7 Stages of Grieving*).

A sell-out and extended premiere season was the response to Hanne Rayson's latest play (*Inheritance*).

Extraordinary set and costuming created a sumptuous adaptation of a 16th century classic (*Volpone*).

6 Helpmann Award nominations were earned from an epic adaptation of Dickens (*Great Expectations*).

Best Costume Design Helpmann Award for a riotous Congreve romp (*Way of the World*).

Sydney Opera House

Presentations	29
Total performances	384
Total audiences	123,095

HIGHLIGHTS

Pushing the boundaries, Kate Champions highly physical theatre blended multiple art forms (*Same, Same but Different*).

8 years in the making, an epic dramatic comedy was finally realised (*Last Cab to Darwin*. Advertising support by Network Outdoor).

A sell-out season was the response to the mind-expanding comedy from The Umbilical Brothers (*Speedmouse*).

Sport met art in challenging, funny, moving, physical theatre, with 6 actors playing 62 roles. Co-presentation with Ross Mollison Productions (*Alone it Stands*).

Confronting prejudice through laughter, humour with a message was presented from South Africa's leading satirist (*Foreign Aids-Pieter Dirk Uys*).

Our world premier outdoor presentation was an explosive collaboration across art forms on the Botanic Gardens Bennelong Lawn (*Incognita*).

Sydney Festival

Presentations	2
Total performances	16
Total audiences	25,903

HIGHLIGHTS

Spectacular and free family entertainment was realised with epic outdoor theatre (*Sticky*).

Black Chicks Talking gave the female Indigenous view in powerful, contemporary, challenging drama (*Black Chicks Talking*).

Bell Shakespeare Company

Presentations	2
Total performances	108
Total audiences	41,330

HIGHLIGHTS

Full houses greeted a fresh look at Hamlet in an electrifying production with comedy, action, spectacle and tragedy (*Hamlet*).

A dazzling contemporary production of Shakespeare's funniest work was fuelled by Ross Skiffington's magic tricks and driven by Phillip Johnstone's jazz score (*The Comedy of Errors*).

“Our season at Sydney Opera House included the world premiere of *Lindy*, Neil Armfield's superb production of Britten's *The Turn of the Screw* and a stunning title-role performance by Elizabeth Whitehouse in Shostakovich's *Lady Macbeth of Mtsensk*, resulting in her richly deserved Helpmann Award. Sydney Opera House is an increasingly close partner in bringing the experience of great opera to ever-growing audiences.”

Adrian Collette
Chief Executive
Opera Australia



Don Giovanni

Presentations	27
Total performances	185
Total audiences	233,389

Our operatic year encompassed 2 world premieres including the much anticipated *Lindy*; the world class trio of Simone Young, Teddy Tahu Rhodes and Jonathan Lemalu; history-making performances by a major international company; and the showcasing of new voices and awards to encourage development of the art form.

Opera Australia

Presentations	23
Operas	17
Total performances	177
Total audiences	226,498

HIGHLIGHTS

A Helpmann Award for Elizabeth Whitehouse was a richly deserved accolade for her title role performance (Shostakovich: *Lady Macbeth of Mtsensk*).

A debut role for Yvonne Kenny was one highlight in a work that showcased Opera Australia at its absolute best (Britten: *The Turn of the Screw*).

An eagerly anticipated world premiere encompassed a sensational production and title role performance by Joanna Cole (Henderson and Rodriguez: *Lindy*).

A superlative trio featured the extraordinary voices of Teddy Tahu Rhodes and Jonathan Lemalu under the musical direction of Simone Young (Mozart: *Don Giovanni*).

A world premiere co-presentation by Sydney Festival and Opera Australia showcased love, passion, infidelity and betrayal (*Love in the Age of Therapy*).

Other Special Presentations

A cross-cultural landmark was achieved when The International Foundation for the Arts and Culture presented the renowned Peking Opera Company, performing in Australia for the first time in its 80 year history (*Mei Langfang Peking Opera Company*).

Showcasing new performers, The City of Sydney Cultural Council presented 8 outstanding new singers (*McDonalds Operatic Scholarship Finals*).

Encouraging development of young artists, Opera Foundation Australia presented this award, with 6 finalists performing for one of seven Scholarships (*The Metropolitan Opera and Young Artist Study Award*).



“In our 30th year of performing at Sydney Opera House, it has been particularly exciting to embark on our first joint commission. *Wild Swans* is a wonderful work which came to us from the Sydney Opera House creative team and was one of our artistic highlights when it premiered during our autumn season. Each year we give over 80 performances in the Opera Theatre to our largest audience in Australia. We value our time in this iconic building and look forward to a long and creative partnership.”

David McAllister
Artistic Director
The Australian Ballet

Dance

Presentations	29
Total performances	170
Total audiences	167,986

This year the breadth and depth of dance was showcased, from new and traditional works of ballet to world class flamenco and cutting edge contemporary; from dancing through the decades on-screen to dancing here and now with the AusDance Awards.

The Australian Ballet

Presentations	7
Ballets	4
Total performances	87
Total audiences	115,164

HIGHLIGHTS

Helpmann Award for Best Ballet or Dance Work was won for Graeme Murphy’s superb production of a perennial masterpiece (*Swan Lake*).

Triumphant first joint commission by The Australian Ballet and Sydney Opera House was a stunning new ballet by Meryl Tankard and Elena Kats-Chernin (*Wild Swans*).

A lavish production of this ballet masterpiece was a resounding success with audiences (*Romeo and Juliet*).

Anniversary collaboration with the West Australian Ballet resulted in a 3 ballet program that also featured in this year’s ‘Introduction to Ballet’ (*United*).

Sydney Opera House

Presentations	12
Total performances	45
Total audiences	15,099

HIGHLIGHTS

International acclamation greeted a unique and sensual mix of North Indian and contemporary Western Dance (Akram Khan Dance Company: *Kaash*).

Powerful physical piece of dance theatre was presented in the Drama Theatre where electronic music and film images complemented the brilliant choreography (Australian Dance Theatre: *Age of Unbeauty*).

History was created when a new ballet was conceived from a ‘what would you like to see?’ national survey (Chunky Move: *Ballet for a Contemporary Democracy*).

Another medium was showcased in an international festival celebrating 20th century Dance on Screen (One Extra Dance: *Reel Dance*).

Experimental format and exciting fusion of form continued to attract a whole new audience in The Studio (*Dancetracks 3, 4 & 5*).

Sydney Dance Company

Presentations	1
Total performances	22
Total audiences	22,739

HIGHLIGHTS

An exciting new work and an audience winner was created for the Sydney Dance Company’s 19 dancers. The vision of acclaimed New York-based choreographer Stephen Petronio, inspired by Nick Cave’s music, was supported by an exquisite set of projected imagery by visual designer Ken Tabachnick and video artist Mike Daly (Stephen Petronio: *Underland*).

Other Special Presentations

Meryl Tankard’s Lifetime Achievement Award was one highlight in 2 awards ceremonies supported by Sydney Opera House that acknowledged almost every style of the genre (AusDance: 2002 Australian Dance Awards, Royal Academy of Dance: *Genee International Ballet Competition Finals*).

Exploration

“The Studio plays a pivotal role in Sydney Opera House’s commitment to the exploration of new experiences for companies, artists and audiences. This year, The Studio continued to offer a selection of some of Australia’s most adventurous artists, challenging the idea of genre-specific performance styles. This eclectic mix of small-scale contemporary work has created a unique profile for the Sydney Opera House and the role it plays in supporting and profiling independent artists.”

Virginia Hyam
Studio, Executive Producer
Sydney Opera House

Presentations	41
Total performances	251
Total audiences	103,713

In its 5th year, Sydney Opera House’s most versatile venue, The Studio, continued to attract and engage new audiences to an increasing number of new art forms, emerging artists and new theatrical experiences, all at accessible prices. To broaden the experience, the western foyers were enriched by complimentary exhibitions and installations.

HIGHLIGHTS

3 debut Sydney performances presented works ranging from the unexpected to the hybrid, to the truly bizarre (*Sucker, Decent Spinster, Upholster*).

New territory was forged in an interactive series of programmes where audiences become part of the creative process (*Scratch Night 1, 2 & 3*).

Increased diversity resulted from greater collaboration with partners (*Reel Dance*).

Premiere productions profiled new contemporary work (*Runners Up: Legs on the Wall, Songket*).

Continents, eras and art forms were showcased (*Festival of Asian Music and Dance, Salsa Sessions*).

Opportunities for new solo presentations were given to well known artists (Libby Gore: *Cherry on Top*; Tim Rogers of *You Am I*, Aya Larkin: *In Front of You*).

Full houses of new young audiences greeted our second season of live music and performance in night club format (*Dance Tracks 3, 4 & 5*).

Contemporary international artists blended classical and rock music and presented hip-hop in free-styling showmanship (*Patrick Riguelle & The Rubio Quartet, Benji Reid*).

Unique collaborative comedy played to sell-out crowds (co-presentation with Melbourne International Comedy Festival: *Dave Gorman*, Token Events: *A Very Tripod Christmas*).

Programming and marketing reach were helped by new cash sponsorship from Lavazza and ongoing contra sponsorship from Avant Card and The Brag.

FOYER EXHIBITIONS AND INSTALLATIONS

Installations spanned all manner of media and subject as they engaged the eye, the mind and the emotions (Christopher Dean: *From Balson to Boot Boys, Mikala Dwyer, She/Male Bodywork*).

Enriching the experience, an emotive suite of paintings in response to *7 Stages of Grieving* was on show for audiences in the Drama Theatre foyer (*Clinton Nain*).

Australia was depicted from outback to backyard, in one poetic and pop minimalist installation (Jon Campbell: *Big Backyard*).



“Sydney Opera House has a core commitment to provide programmes for young people. Many thousands of children of all ages have had their formative experiences of the performing arts through programmes such as Kids at the House. Resources for youth and education were increased this year and this will translate to more contemporary content, more diversity in programmes for a wider spread of youth audiences and a new emphasis on teenagers in coming years.”

Philip Rolfe
Executive Producer
Sydney Opera House

Youth and Education

Presentations	48
Total performances	327
Total audiences	128,381

This year’s programmes were designed for toddlers, teens and the whole family and spanned a diverse range of art forms and cultures in both education and entertainment. To broaden accessibility, Kids at the House audiences were offered affordable ticket prices, discount parking, child-friendly food and free tickets for teachers with school groups.

HIGHLIGHTS

Development of children’s imagination and creativity was the focus of Japan’s Theatre Kazenoko presentation (*Theatre Kazenoko – A World of Paper*).

Year of the Outback came alive for young audiences, helping to increase urban and regional collaboration and to define some new directions for our youth programming (Outback Youth Theatre: *Wide Open Road*).

Dialogue between cultures was the focus of a special educational programme of Indigenous visual arts, spoken word and music (*Message Sticks*).

Outback celebrations continued with a free contemporary art exhibition of work by young outback artists from New South Wales (*Out the Back*).

10 sell out performances of school holiday family entertainment were achieved with orchestral music and clever clowning (*The Conductor and the Clown*).

Movement and music style was explored in a special programme of 12 performances for youngsters of primary school age (*Primary Proms – Dance and Movement*).

Award winning production with puppetry, live music and acting delighted audiences of all ages (Patch Theatre: *Who Sank The Boat*).

Skateboards in the cloakroom were a testament to the popularity with 12 to 16 year old boys of 3 short works of movement-based theatre (*Benji Reid*).

Two ballet highlights proved just as popular with young audiences, with sell out performances for both The Australian Ballet productions (*Introduction to the Ballet: Wild Swans, United*).

Opera

Presenter	Production	Venue	Performances	Audience
City of Sydney Cultural Council	McDonald's Operatic Aria Scholarship Aria	Opera Theatre	1	1,382
International Foundation for Arts and Culture	Mei Lanfang Peking Opera Company	Concert Hall	3	3,509
Opera Australia	A Choral Spectacular	Opera Theatre	1	1,324
Opera Australia	A Gala Celebration for Carlo Felice Cillario	Concert Hall	1	1,581
Opera Australia	A Masked Ball	Opera Theatre	9	12,342
Opera Australia	Ariadne auf Naxos	Opera Theatre	6	6,730
Opera Australia	Beethoven Symphony No 9	Concert Hall	1	2,456
Opera Australia	Carmen	Opera Theatre	18	26,710
Opera Australia	Cavalleria Rusticana / Pagliacci	Opera Theatre	17	18,443
Opera Australia	Cinderella	Opera Theatre	10	12,925
Opera Australia	Der Freischutz	Opera Theatre	9	8,960
Opera Australia	Don Giovanni	Opera Theatre	14	20,313
Opera Australia	Il Signor Bruschino & La Scala di Seta	Opera Theatre	1	1,271
Opera Australia	Iolanthe	Opera Theatre	16	19,502
Opera Australia	La Boheme	Opera Theatre	9	11,106
Opera Australia	Lady Macbeth of Mtsensk	Opera Theatre	2	1,848
Opera Australia	Lindy	Opera Theatre	5	6,001
Opera Australia	Lucia Di Lammermoor	Opera Theatre	10	14,745
Opera Australia	New Years Eve Gala Concert	Concert Hall	1	2,615
Opera Australia	OperaEd Workshop	Reception Hall	2	140
Opera Australia	Orpheus in the Underworld	Opera Theatre	18	24,683
Opera Australia	Rigoletto	Opera Theatre	10	13,229
Opera Australia	The Romantic Tradition	Opera Theatre	1	976
Opera Australia	The Turn of the Screw	Opera Theatre	7	6,747
Opera Australia	Tosca	Opera Theatre	9	11,851
Opera Foundation Australia	The Metropolitan Opera Study Awards	Opera Theatre	1	555
Sydney Festival and OzOpera	Love in the Age of Therapy	Drama Theatre	3	1,445
Total			185	233,389

Dance

Presenter	Production	Venue	Performances	Audience
Ausdance NSW	2002 Australian Dance Awards	Opera Theatre	1	951
Bjelke-Petersen Bros	Bjelke-Petersen National Seniors Finals	Concert Hall	1	2,678
China Xinjiang Folk Dances and Song	China Xinjiang Folk Dances and Song	Concert Hall	1	2,103
City of Sydney Cultural Council	McDonald's Ballet Scholarships	Concert Hall	1	2,436
City of Sydney Cultural Council	School Dance Groups	Concert Hall	3	2,918
Department of Education and Training	Call Back	The Studio	6	1,288
Nataraj Cultural Centre	Kathak Classical Dance	The Studio	1	206
Royal Academy of Dance	Genee International Ballet Competition Finals	Opera Theatre	1	1,473
Sydney Dance Company	Underland	Opera Theatre	22	22,739
Sydney Opera House	Age Of Unbeauty	Drama Theatre	6	1,580
Sydney Opera House	Akram Khan Dance Company - Kaash	Drama Theatre	5	2,569
Sydney Opera House	Chunky Move - Wanted: Ballet for a Contemporary Democracy	The Studio	10	1,855
Sydney Opera House	Dance Tracks 3 - Breaks of Asia	The Studio	2	696
Sydney Opera House	Dance Tracks 4 - Vive Le Evolution	The Studio	2	632
Sydney Opera House	Dance Tracks 5 - Gender (Off)ender	The Studio	2	650
Sydney Opera House	Scratch Night 2 - B.P.M (Beats per minute)	The Studio	1	350
Sydney Opera House	Upholster	The Studio	7	1,206
Sydney Opera House/ One ExtraDance	Reel Dance Festival	The Studio	6	803
Sydney Opera House/ Sydney Dance Company	Insights into Dance	Opera Theatre	1	927
Sydney Opera House/ The Australian Ballet	Introduction to the Ballet	Opera Theatre	2	2,900
Sydney Opera House/ The Australian Ballet	The Art of Pas De Deux	Opera Theatre	1	931
The Australian Ballet	Celebrating our Choreographers	Opera Theatre	1	87
The Australian Ballet	Celebrating our Repertoire	Opera Theatre	1	83
The Australian Ballet	Romeo & Juliet	Opera Theatre	21	30,080
The Australian Ballet	Saturday at 5 - Meet our Dancers	Opera Theatre	1	148
The Australian Ballet	Swan Lake	Opera Theatre	22	32,221
The Australian Ballet	United!	Opera Theatre	20	24,994
The Australian Ballet	Wild Swans	Opera Theatre	21	27,551
The McDonald College	Ballet performance	Opera Theatre	1	931
Total			170	167,986

Exploration

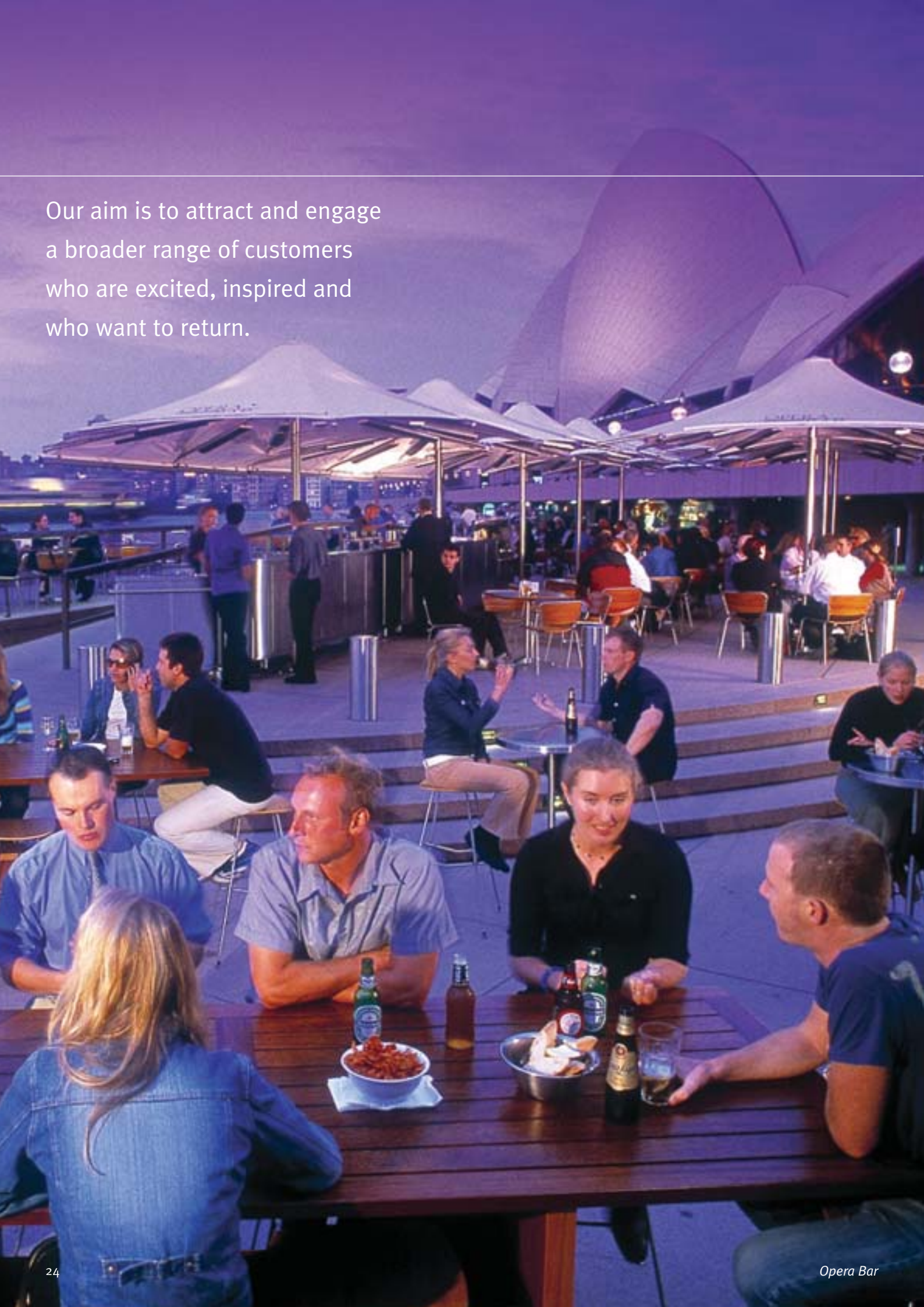
Presenter	Production	Venue	Performances	Audience
Australian Chamber Orchestra	Tim Freedman meets the ACO	Concert Hall	2	4,532
Carnivale 2002	Phoenix Love	The Studio	2	228
Mundo Latino & The Australia-Latin America Foundation	The Definitive Salsa Sessions	The Studio	2	706
Opera Australia	Lindy	Opera Theatre	5	6,001
Sydney Festival and OzOpera	Love in the Age of Therapy	Drama Theatre	3	1,445
Sydney Opera House	Age Of Unbeauty	Drama Theatre	6	1,580
Sydney Opera House	Akram Khan Dance Company - Kaash	Drama Theatre	5	2,569
Sydney Opera House	Aya Larkin - In Front Of You	The Studio	3	557
Sydney Opera House	Benji Reid	The Studio	5	1,063
Sydney Opera House	Body-Celebration of the Machine	The Studio	10	1,390
Sydney Opera House	Chunky Move - Wanted: Ballet for a Contemporary Democracy	The Studio	10	1,855
Sydney Opera House	Dance Tracks 3 - Breaks of Asia	The Studio	2	696
Sydney Opera House	Dance Tracks 4 - Vive L' Evolution	The Studio	2	632
Sydney Opera House	Dance Tracks 5 - Gender (Off)ender	The Studio	2	650
Sydney Opera House	Decent Spinster	The Studio	9	1,162
Sydney Opera House	Drew Crawford - Lounge Music	The Studio	1	226
Sydney Opera House	Happy Side Show	The Studio	6	1,388
Sydney Opera House	Libbi Gorr in Dirty Sweet Cherry On Top	The Studio	10	1,448
Sydney Opera House	Message Sticks - Frank Yamma & Wicked Beat Sound System	The Studio	3	878
Sydney Opera House	Patrick Riguelle & the Rubio Quartet - The Juliet Letters	The Studio	1	200
Sydney Opera House	Runners Up - Legs on the Wall	The Studio	18	2,778
Sydney Opera House	Scratch Night 1 - Elena Knox in DisMiss	The Studio	1	162
Sydney Opera House	Scratch Night 2 - B.P.M (Beats per minute)	The Studio	1	350
Sydney Opera House	Scratch Night 3 - Audiotheque - Cinema for the Ear	The Studio	1	245
Sydney Opera House	Stalker Theatre Company - Incognita	Outdoors	11	4,451
Sydney Opera House	Sucker	The Studio	10	2,101
Sydney Opera House	Sunday Music Sessions - Tim Rogers	The Studio	2	541
Sydney Opera House	Upholster	The Studio	7	1,206
Sydney Opera House	Wide Open Road	The Studio	7	977
Sydney Opera House/ Eastern Music Association	Festival of Asian Music and Dance	The Studio	7	1,105
Sydney Opera House/Griffin Theatre Company	Songket	The Studio	17	2,946
Sydney Opera House/The Melbourne International Comedy Festival	Dave Gorman	The Studio	13	3,299
Sydney Opera House/ One Extra Dance	Reel Dance Festival	The Studio	6	803
Sydney Opera House/ Ross Mollison Productions	D'Arranged Marriage	The Studio	14	2,797
Sydney Opera House/ Song Company	Stimmung	The Studio	1	208
Sydney Opera House/Sydney Festival	george, and special guest Jon Lord with the Sydney Symphony	Concert Hall	3	7,762
Sydney Symphony	Meet the Music - Journey to Horseshoe Bend	Concert Hall	2	4,678
Sydney Symphony	TalkOz and Shostakovich Symphony No. 5	Concert Hall	3	5,978
The Australian Ballet	Wild Swans	Opera Theatre	21	27,551
Token Events	A Very Tripod Christmas	The Studio	14	3,860
What Is Music?	What Is Music? Festival	The Studio	3	709
Total			251	103,713

Youth and Education

Presenter	Production	Venue	Performances	Audience
AICM Student Concert	Student Choral Concert	Reception Hall	1	200
Australian Girls Choir	Choral Performance	Concert Hall	1	1,813
Australian International Conservatorium of Music	Youth Chamber Orchestra	Reception Hall	1	120
Board of Studies NSW	Encore	Concert Hall	2	5,091
City of Sydney Cultural Council	McDonald's Ballet Scholarships	Concert Hall	1	2,436
City of Sydney Cultural Council	School Dance Groups	Concert Hall	3	2,918
Department of Education and Training	2003 Primary Choral Concert	Concert Hall	1	1,935
Department of Education and Training	Call Back	The Studio	6	1,288
Department of Education and Training	Festival of Instrumental Music	Concert Hall	4	7,123
Department of Education and Training	Primary Choral Festival	Concert Hall	4	7,748
Granville District Schools' Spectacular	Granville District Schools' Spectacular	Concert Hall	1	2,100
International Concert Attractions	The Big, Big Christmas Show	Concert Hall	5	8,120
International Foundation for Arts and Culture	Mei Lanfang Peking Opera Company	Concert Hall	3	3,509
Jeunesses Musicales Denmark	Danish Youth Symphony Orchestra	Concert Hall	1	601
Kambala Girls School	Kambala Music Festival	Concert Hall	1	2,150
Michael Coppel	Jamiroquai Rocks the House	Outdoors	1	5,999
Opera Australia	OperaEd Workshop	Reception Hall	2	140
Opera Foundation Australia	The Metropolitan Opera Study Awards	Opera Theatre	1	555
Ryde School Music Festival	Ryde Schools Music Spectacular	Concert Hall	1	2,500
Suzuki Graduation Concerts	Graduation Recital	Concert Hall	1	1,513
Suzuki Graduation Concerts	Graduation Recital	Reception Hall	15	3,000
Sydney Festival	Close your little eyes	The Studio	6	919
Sydney Opera House	Babies Proms - Asian Music	Reception Hall	18	2,157
Sydney Opera House	Babies Proms - Bang a Drum	Reception Hall	18	3,013
Sydney Opera House	Babies Proms - Belly Dancing	Reception Hall	18	2,631
Sydney Opera House	Babies Proms - Dress Ups	Reception Hall	16	969
Sydney Opera House	Babies Proms - Indigenous Australian Music	Reception Hall	18	2,769
Sydney Opera House	Babies Proms - Jazz Music	Reception Hall	18	3,485
Sydney Opera House	Babies Proms - Mexican	Western Foyer	18	3,585
Sydney Opera House	Benji Reid	The Studio	5	1,063
Sydney Opera House	Conductor & the Clown	The Studio	10	2,789
Sydney Opera House	Primary/Family Proms - Dance & Movement	Reception Hall	12	1,793
Sydney Opera House	Primary/Family Proms - Jazz	Western Foyer	10	1,458
Sydney Opera House	Theatre Kazenoko - A World of Paper	Reception Hall	5	748
Sydney Opera House	Theatre Kazenoko - A World of Paper	The Studio	11	1,529
Sydney Opera House	Who Sank the Boat	Playhouse	32	12,592
Sydney Opera House	Wide Open Road	The Studio	7	977
Sydney Opera House/ Sydney Dance Company	Insights into Dance	Opera Theatre	1	927
Sydney Opera House/ Sydney Theatre Company	7 Stages of Grieving	The Studio	37	8,207
Sydney Opera House/ The Australian Ballet	Introduction to the Ballet	Opera Theatre	2	2,900
Sydney Opera House/ The Australian Ballet	The Art of Pas De Deux	Opera Theatre	1	931
Sydney South East Music	School performances	Concert Hall	1	2,023
Sydney Symphony	Meet the Music	Concert Hall	1	2,273
Sydney Symphony	Young Performers Awards Final	Concert Hall	1	2,700
Terry Bale	Kernow Choir & SBS Youth Orchestra	Concert Hall	2	1,053
The McDonald College	Ballet performance	Opera Theatre	1	931
United World Club	International Youth Concert	Concert Hall	1	800
United World Club	Sydney Youth Musical	Concert Hall	1	2,300
Total			327	128,381

The Broader Experience

Our aim is to attract and engage a broader range of customers who are excited, inspired and who want to return.



Changes to the food and beverage experience at Sydney Opera House were made to ensure that it now complements the diversity and quality of the performances. Other steps we took this year to enhance the total customer experience included enlivening the Lower Concourse and improving our online services. Our continued focus on finding ways to engage with and inspire our customers resulted in the development of new Customer Service Standards, which will be implemented across the organisation over the coming year.

HIGHLIGHTS

More Sydney Opera House experiences were enjoyed by more people than ever this year, with a total of 2,397 events encompassing live performances, functions, weddings, lectures, film shoots, installations and exhibitions - a 4% increase on last year.

New food and beverage offers were a resounding success, attracting new customers, providing a variety of experiences. Extra seating was also installed to support the café life within the precinct and allow more people to soak up the ambience.

Our business partner Guillaume at Bennelong was awarded Best New Restaurant by the Sydney Morning Herald Good Food Guide 2003.

Better relationships with our customers online resulted in the doubling of ticket sales to 88,286. We're now talking to more customers more often. We sought feedback through surveys and we are driving more traffic to the website (sydneyoperahouse.com).

Steps towards improved customer service were taken, through moving guided tours tickets sales within the SOH Store and the introduction of a set timetable for tours, which are now available on the half hour.

Our first Special Occasions package was a local market success when we trialled The Amore Valentine's package developed with the Sydney Symphony. A romantic evening of dining and music resulted in full bookings for our business partner *Guillaume at Bennelong* and *Aria* restaurants.

Tourism numbers were down but our overall business performance was stable in a year impacted by international events. Our focus on broadening the total experience, on quality offerings and on our local customers all helped stabilise overall business results.

A comprehensive review of security arrangements was undertaken by Commonwealth, State and private sector professionals, in response to a heightened national security threat following the terrorist attacks in the U.S. in 2001 and the Bali bombing in 2002. Initial steps taken have resulted in physical modifications to key points around the site, procedural changes and additional security staff, with the strategic focus on security continuing into 2003/2004.

Continuing the mutual benefits for a 12th straight year, our principal sponsorship from Lexus allowed us to enhance the overall customer experience and afforded Lexus drivers a range of special services.

Guided Tours vs 2001/2002

No. of People	Difference
229,100	-13%

E-Newsletter Subscribers vs 2001/2002

Subscribers	Difference
27,572	+74%

Building and Facilities

Our goal is to maintain and enhance the iconic status of the Sydney Opera House as a cultural landmark, performing arts centre and architectural masterpiece.

A framework was put in place for the upgrading and long-term management of our venue to meet the master architect's original design and vision. Plans and designs for the implementation of our Venue Improvement Programme were developed. Construction began on the first stage of new facilities in the Box Office Foyer. Numerous projects were also undertaken to ensure that our technical services and information technology keeps pace with the 21st century.

Venue Improvement Programme

Consolidating our renewed relationship with the Master Architect, this year Jørn Utzon collaborated with Sydney Opera House on the practical realisation of the Venue Improvement Programme. He hosted on separate occasions our Consultant Architect, Richard Johnson and CEO Norman Gillespie in Majorca and he was represented in Sydney by his son Jan.

Pritzker Prize jury cited Sydney Opera House as one of the 20th century's greatest buildings when they awarded Jørn Utzon architecture's 'Nobel Prize'.

Towards creating the first interior to realise the architect's vision, designs for the Reception Hall were developed, which will provide a multi-purpose space for performances and functions and feature first ever Utzon designed wall tapestry.

To enhance the orchestra experience, we undertook the first comprehensive study of the Opera Theatre that will increase the size of the orchestra pit and enhance overall performer experience.

To transform the Western Broadwalk and realise the Utzon vision of situating all venues within the Harbour setting, design concepts were completed that will bring the Western Foyers to life.

To increase quality, accessibility and quantity, construction began on new Box Office toilet facilities which will double female facilities.

Building and Maintenance

Better levels of internal customer service for all users of Sydney Opera House was the reason for creation of an operations centre, providing one central point for all maintenance and support requests.

Resolving challenges, improving energy efficiency, increasing capacity and safety, these were the focus of a number of building services projects this year (*Bennelong Kitchen exhaust filtration systems; improvement to heating, ventilation and air conditioning systems; commencement of overhaul of all electrical switchboards*).

Performing Arts

Sound for the Forecourt, better sound for the Concert Hall was the result of the commissioning of a new sound system for performances.

Concert style lighting for all indoor and outdoor venues was achieved through the commissioning of new high-tech lighting and lighting control systems.

First step to state-of-the-art digital broadcasting and recording was taken with the completion of the cabling for a new fibre optic network.

New performance opportunities opened up with the purchase of a new concert piano and improvements to the Grand Organ in the Concert Hall.

Rare opportunity for a substantial makeover of the dressing rooms and Foyer, winch overhaul and evaluation of the smoke management system, was provided by a 2 week dark period in the Drama Theatre.

I.T.

Reliable and secure network services to meet our current and future customer needs resulted from the improvements and standardisation of server technology and the network operating system.

Better analysis of customer requirements and more customer friendly online ticketing were the primary benefits from upgraded box office software and reduced transaction steps.

Increased productivity, improved access and integration was the result of a total desk-top upgrade to Microsoft Office XP and redeveloped intranet, both supported by user training.

Valuable technology advice and support, new skill sets and assistance in critical areas of our business were some of the benefits of the primary business partnership with Hewlett-Packard.

Our People and Culture

We are creating a workplace where our staff are customer focused, inspired to achieve outstanding results and supported to realise their potential.

A 5 year Strategic Plan was developed and launched, giving us clear and focused direction and a new portfolio structure to support the key business outcomes that we have identified. Our people provided performing arts leadership in lighting and audio design and services to other national and international performing arts centres. Our successful re-registration as a Training Organisation for the Entertainment Industry will ensure that we continue to be proactive in developing industry skills.

HIGHLIGHTS

Helping us deliver on our promise of 'inspiring experiences', we launched a 5 year strategic plan, with tangible initiatives commenced throughout the organisation (Strategic Plan 2003/8).

Getting ready to serve our customers better, our new organisation structure came into effect. A new CEO and 80% of a new Executive Team were recruited and 4 of the 6 business portfolios were restructured providing newly defined roles and a breadth and depth of skills.

The foundations of a new performance management culture were established with the introduction of a formal scheme, the first time that a single scheme has been implemented for all staff (*Performance Planning and Review Scheme*).

Customer benefits from a review of our work practices resulted in greater efficiencies and predictability in our guided tours and more staff during performance intervals. To streamline operations, a single loading dock was identified to improve operations and service the needs of multiple food and beverage operators.

Honouring our commitment to the development of Indigenous Performing Arts, the second intake of Indigenous trainees was completed, with 2 of them gaining the nationally recognised qualification of Certificate II in Entertainment. A further 3 high calibre candidates commenced in May 2003.

Supporting the broader industry and developing industry skills, our staff provided lighting and audio design and technical services to other national and international performing arts centres and performing companies, including The Esplanade, a new centre in Singapore, for their opening season for whom we also hosted crew work experience.

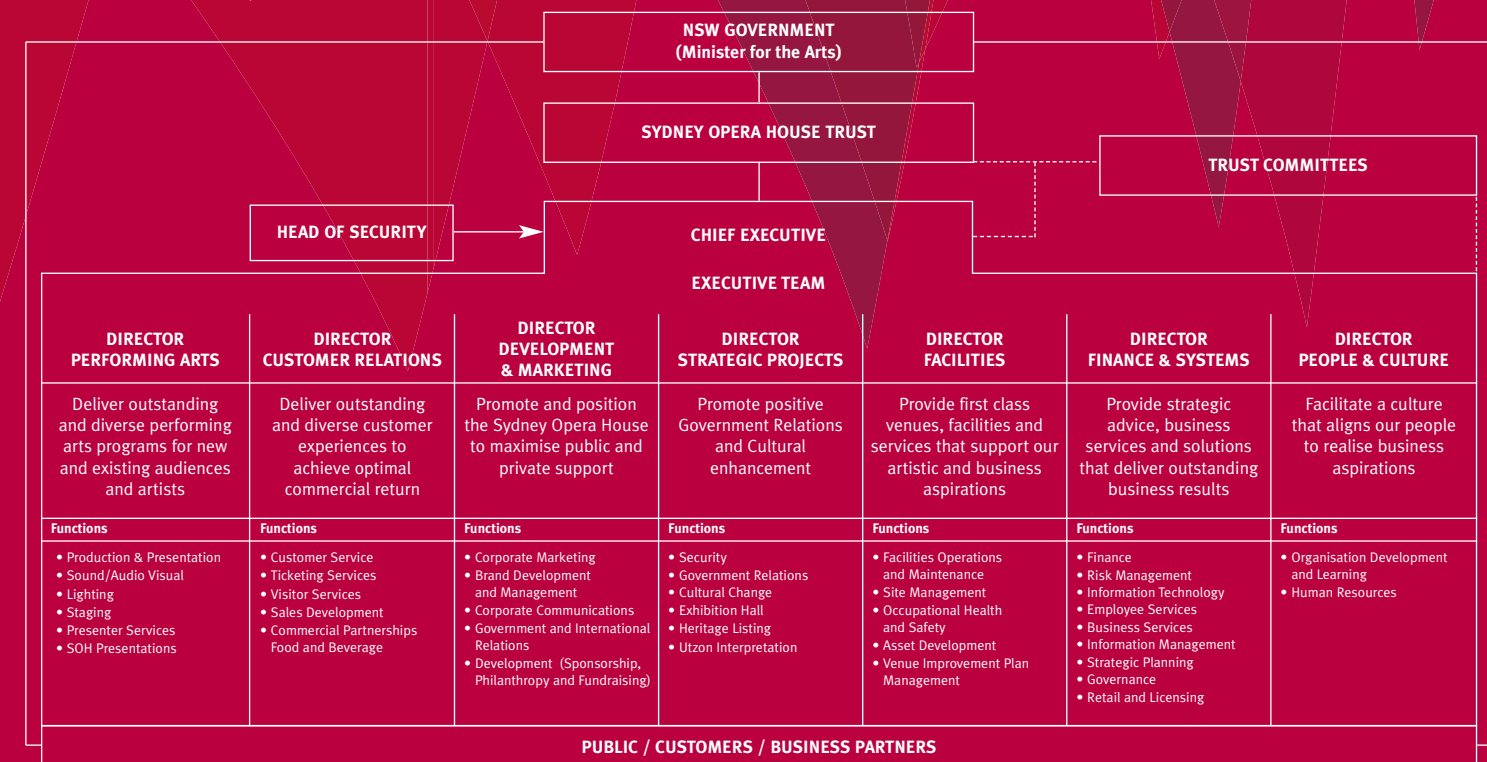
To enable us to continue to deliver nationally recognised training qualifications, we successfully re-registered with the NSW Training Authority as a Registered Training Organisation to 2007. 3 staff gained Certificates this year, 2 in Entertainment and 1 in Lighting, bringing the total issued to 79.

We also monitored training and assessment of 4 Sydney Convention and Exhibition staff trainees for Certificates I and II in Entertainment.

Supporting our development of responsive and efficient work practices, an extension of one year to the Enterprise Development Agreement 2000 was registered. This slightly amended Agreement will see us through to a new EDA, which will address all work practices, to be finalised by November 2003.

Five Year Comparison of Staff

	02/03	01/02	00/01	99/00	98/99
Total Permanent Staff	246	226	239	242	214
Total Non-Permanent Staff	388	412	377	397	378
Equivalent Full-Time					
Permanent Staff	237	218	230	234	208
Equivalent Full-Time Non-Permanent Staff	141	125	137	107	101
Total Equivalent Full-Time	378	343	367	341	309





JOSEPH SKRZYNSKI, AM, CHAIRMAN, appointed 1996, is Managing Director of the investment funds manager Castle Harlan Australian Mezzanine Partners. His past positions include President of the Australian Venture Capital Association Limited, Deputy Chairman of the Major Organisations Fund of the Australia Council, Chairman of the Australian Film & Television School, and member of the Boards of Sydney Dance Company, Belvoir Street Theatre and Aboriginal Arts and Crafts. Joseph is the Chair of the Sydney Opera House Trust and Performance Review Committee and a member of the Risk Management Committee and Building Committee.



JOHN BALLARD, appointed 2000, is currently Chief Executive Officer and Managing Director of Southcorp, one of the world's largest premium branded wine companies. A former Director of Woolworths Limited, CSR Limited and Chairman of Wattyl Limited, John also previously held several managing director roles, and worked in Europe and Asia for many years. John has an MBA from Columbia University in New York with a major in Marketing and International Business.



GAIL BURKE, appointed 2000, is Managing Director and Head of BNP Paribas Securities Services Australasia, a leader in international investment operations and outsourcing. Previously Gail was Executive Director at Macquarie Bank where she was the Chief Information Officer for 11 years and the Chief Operating Officer for the Financial Services Group. Gail provides support regarding e-environment initiatives and IT infrastructure and is a member of the Sydney Opera House Risk Management Committee.



DIANE GRADY, appointed 1996, is a Director of Woolworths Limited, BHP Steel Limited, Wattyl Limited and Lend Lease US Office Trust. Diane was previously a global leader in the organisation and change management practice of McKinsey & Co. and headed the firm's retailing and marketing practice in Australia. Diane previously has been involved in the food and beverage transition and cultural change initiatives at the Sydney Opera House and is a member of the Sydney Opera House Performance Review Committee.



JACQUELINE KOTT, appointed 2002, has a long and illustrious involvement in theatre, film and television as an actor, teacher and committee member. Jacqueline is a former member of the Australia Council, Board of Management of the Seymour Centre, Board of NIDA and advisory panel for the theatre department at the University of Western Sydney. Jacqueline brings her invaluable venue management experience to the Sydney Opera House.

Sydney Opera House Trust Committees, memberships, attendances

The Sydney Opera House 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. A Trustee is not to hold office for four consecutive terms. The Trust must include at least two persons who have knowledge of, or experience in the performing arts.

New Trustees appointed as of August 2002 were Robert Leece and Jacqueline Kott.

Membership of committees, frequency of meetings and attendance figures for the year are set out below.

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

The Trust and Business Committee met 9 times. Attendance figures were Joseph Skrzynski 9 (9), John Ballard 7 (9), Gail Burke 8 (9), Diane Grady 9 (9), Jacqueline Kott 8 (8), Robert Leece 8 (8), Tim McFarlane 6 (9), Rhoda Roberts 6 (9), Barbara Ward 7 (9), Dennis Watkins 9 (9).

The Trust Risk Management Committee met 11 times. Attendance figures were Tim McFarlane 10 (11), Joseph Skrzynski 11 (11), Gail Burke 7 (11).

The Trust Infrastructure Committee met twice and in June 2003 merged with the Building Committee. Attendance figures for the Infrastructure Committee were Joseph Skrzynski 0 (2) and Barbara Ward 2 (2). Attendance figures for the Building Committee were Robert Leece 6 (6), Joseph Skrzynski 5 (6) and Dennis Watkins 6 (6).

The Top Team Committee met 3 times and in May 2003 changed its name to Performance Review Committee and increased membership from two to four. Attendance figures were Joseph Skrzynski 2 (3), Diane Grady 2 (3), Gail Burke 1 (1) and Jacqueline Kott 1 (1).

All absences were formally noted and Trustees were excused from attending the specific meetings.

The Sydney Opera House Appeal Fund with membership identical to the Trust met once.

A new Code of Conduct for Trustees was developed and endorsed by the Trust in February 2003.

A Trust Planning Session was held in April 2003 attended by Trustees and the Executive team. The focus of the session was on the role of Trustees and Management and the Strategic Plan 2003-2008. The session also included a briefing by the Ministry of the Arts on Government Boards and Trusts, the legislative framework of the Sydney Opera House Trust and the key Government relationships and reporting requirements.



ROBERT LEECE, appointed 2002, is currently Chairman of EWT Pty Ltd, a waste management technology company and Director of the Sydney Olympic Park Authority, and Director of Parramatta Rail Link. Robert, as Deputy Director-General of OCA was responsible for development and construction of all Olympic venues, the City Festival and was Chief Executive of Olympic Roads and Transport Authority during the 2002 Sydney Olympic Games. Robert is Chair of the Sydney Opera House Building Committee which will oversee the implementation of the Sydney Opera House's Venue Improvement Programme over the next four years.



TIM McFARLANE, appointed 1997, is Managing Director of The Really Useful Company Asia Pacific Pty Ltd, the Australian subsidiary of Andrew Lloyd Webber's Really Useful Group. He is also Regional Director, responsible for Asia, New Zealand and South Africa. He sits on the executive council of the Entertainment Industry Employer's Association and is also on the national councils of Musica Viva and the Adelaide Festival. Tim is Chair of the Sydney Opera House Risk Management Committee.



RHODA ROBERTS, appointed 1998, a member of the Bundjalung Nation, Wiyebeal Clan of Northern NSW and South East Queensland is a partner in the Public Event Group and is the Artistic Director for Sydney Dreaming, an international annual indigenous festival. Rhoda who was previously Co-Creative Director of the Awakening Segment of the Opening Ceremony for the Sydney 2000 Olympic Games is currently Co-Creative Director Rugby World Cup 2003 Opening Ceremony Earth Segment as well as a Journalist for ABC Radio National AWAYE program and a Presenter/Reporter for the national weekly music program Deadly Sounds. Rhoda's background in programming has been of particular value to the Sydney Opera House, especially through the Message Sticks program.



BARBARA WARD, appointed 1999, is Chairman of Country Energy and a Director of the Commonwealth Bank of Australia, Rail Infrastructure Corporation and Lion Nathan Limited. Barbara is also a member of the Board of Allens Arthur and Robinson and the Australia Day Council of NSW. Barbara's balance of corporate and community experience reflects the Sydney Opera House's goal to deliver financial results without compromising our cultural and community objectives.



DENNIS WATKINS, appointed 1996, is a writer, producer, director, broadcaster and actor and has worked at the Sydney Opera House in his various roles since 1974, including work for Opera Australia, Sydney Symphony, Sydney Theatre Company, ABC Radio and the Trust itself. A former Mardi Gras Festival Director, Commissioning Editor of ABC TV Comedy and Creative Consultant to Fox Studios Backlot, Dennis also wrote the libretto for the widely acclaimed opera about the Sydney Opera House, The Eighth Wonder. Dennis is dedicated to promoting the contemporary performing arts in Australia and is Chair of the Sydney Opera House Conservation Council.

We are committed to leveraging the Sydney Opera House brand, assets and business results to enable continued investment in the performing arts, cultural activities and audience reach.



Financials

FINANCIAL OVERVIEW

Overall 2002/03 was a successful year for Sydney Opera House. A modest profit of \$83,000 was achieved from operating activities.

Revenue from venue rentals increased by \$1m, to \$5.7m. The increased level of venue activity also saw an increase in technical and other support provided to presenters and a resulting higher level of cost recoveries from these activities. Audience attendance for performances increased by 13% and the Box Office turnover was the highest ever, resulting in increased booking fees.

There were 642 performances of Sydney Opera House presentations in 2002/2003 at a cost of \$5.5m, compared with 467 performances at a cost of \$5.7m in 2001/2002. The lower cost in 2002/2003 reflected an increase in the number of co-presentations, where revenue and expenses are shared. Overall the Sydney Opera House invested a net \$2.9m in presentations in 2002/2003, compared with \$2.7m in 2001/2002.

The increase in presentations and audience numbers was a significant achievement given the wider environmental factors in 2002/2003. A substantial downturn in international tourism, largely attributable to SARS, saw a sharp decline in guided tour and retail revenues during the last quarter of the year. Cost containment measures assisted in reducing the overall impact on the operating profit.

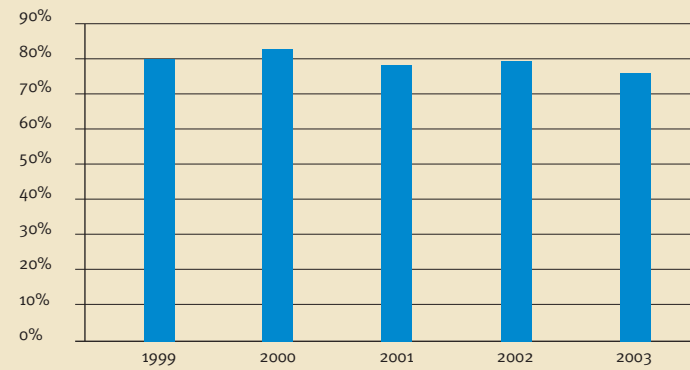
Changes in the international security environment resulted in the need to increase security personnel on the site. During 2002/2003 Sydney Opera House security was provided by a mix of in-house security staff, supplemented by external security resources. The Government provided additional endowment funding to ensure recommended security personnel levels could be implemented and maintained.

Significant progress was made on the Venue Improvement Programme, with design work completed for the Reception Hall.

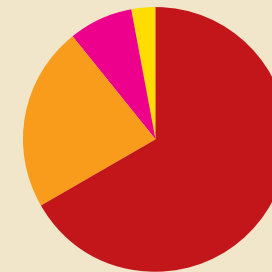
Building refurbishment and maintenance expenditure in 2002/2003 was \$16.4m. Major projects included refixing of precast façade cladding (\$1,546,300), air-conditioning scheduled maintenance (\$1,440,000), design and commencement of construction of the box office toilets (\$722,600), replacement of stage audio equipment (\$361,000), replacement of stage effects systems (\$217,500), upgrades of stage machinery and control systems (\$715,400) and Grand Organ electronic upgrade (\$140,000).

	2003 \$000	2002 \$000
Operating activities		
<i>Revenues</i>		
Operating Revenues	32,736	32,139
Government Endowment	11,572	9,683
	<u>44,308</u>	<u>41,822</u>
<i>Expenses</i>		
Operating Expenses	44,225	42,146
Operating Profit/Loss	83	(324)
Other Activities		
<i>Revenues</i>		
Total Asset Management Grants	19,293	19,152
Other Capital Grants	718	30,333
Asset-related Revenues & Adjustments	1,043	1,235
	<u>21,054</u>	<u>50,720</u>
<i>Expenses</i>		
Building Refurbishment & Maintenance Expenses	16,414	15,471
Depreciation	12,390	12,345
Prepaid Superannuation	1,599	4,816
	<u>30,403</u>	<u>32,632</u>
Surplus/(Deficit) from Ordinary Activities	(9,266)	17,764

**Earned Income to Total Expenditure %
(excluding building maintenance and capital payments)**

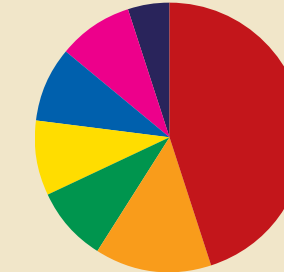


Sources of Funding for Operating Activities



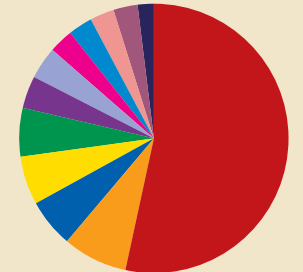
Self-Generated Commercial	68%
Endowment	23%
Self-Generated Fundraising	6%
Interest	3%

Commercial Revenue Sources



Venue Rental & Recoveries	45%
Tourism Services	14%
Trust Presentations	9%
Fundraising	9%
Box Office	9%
Retail and Merchandise	9%
Food and Beverage	5%

Operating Expenses



Salaries and Related	55%
Trust Presentations	8%
Marketing	6%
Facility	6%
Fees for Service	6%
Administration	4%
Other	4%
Tourism	3%
Incremental Security	3%
Merchandising (incl. Joint Ventures)	3%
Consumables & Minor Equipment	2%

SYDNEY OPERA HOUSE TRUST

STATEMENT IN ACCORDANCE WITH SECTION 41C (1C) OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

Pursuant to Section 41C (1C) of the Public Finance and Audit Act, 1983, and in accordance with a resolution of the Sydney Opera House Trust, we being members of the Trust, 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 2003, and transactions 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 Regulation, 2000, and the Treasurer's Directions.

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

JOSEPH SKRZYŃSKI AM
CHAIRMAN

TIM MCFARLANE
TRUSTEE

SYDNEY, 3 OCTOBER 2003



GPO BOX 12
SYDNEY NSW 2001

**INDEPENDENT AUDIT REPORT
SYDNEY OPERA HOUSE TRUST**

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Sydney Opera House Trust:

- (a) presents fairly the Trust's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Trustees' Role

The financial report is the responsibility of the Trustees of the Sydney Opera House Trust. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Trustees in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Trustees had failed in their reporting obligations.

My opinion does not provide assurance:

- about the future viability of the Trust,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

G J Gibson FCPA
DIRECTOR OF AUDIT

SYDNEY, 14 OCTOBER 2003

BEGINNING OF AUDITED FINANCIAL REPORT

**Sydney Opera House Trust
Statement of Financial Performance
for the year ended 30 June 2003**

	NOTE	2003 \$000	2002 \$000
Revenues from ordinary activities			
State Government grants - recurrent	3 4	17,865	15,835
State Government grants - capital	3 4	13,718	43,333
Other revenues	3	31,569	31,293
Total Revenue		63,152	90,461
Expenses from ordinary activities			
Depreciation	3 17	(12,390)	(12,345)
Other expenses	3	(60,698)	(61,074)
Total Expenses		(73,088)	(73,419)
Share of net profits for joint ventures accounted for using the equity method	3 22	670	722
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	3	(9,266)	17,764
Net increase in Trust funds	23	1	...
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		1	...
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	23	(9,265)	17,764

The accompanying notes form part of this financial report.

**Statement of Financial Position
as at 30 June 2003**

	NOTE	2003 \$000	2002 \$000
CURRENT ASSETS			
Cash	13	36,415	33,349
Receivables	14	3,035	3,159
Other financial assets	15	10,000	15,000
Inventories	16	249	257
TOTAL CURRENT ASSETS		49,699	51,765
NON-CURRENT ASSETS			
Property, plant and equipment	17	583,643	588,766
Superannuation	20	12,663	14,871
TOTAL NON-CURRENT ASSETS		596,306	603,637
TOTAL ASSETS		646,005	655,402
CURRENT LIABILITIES			
Payables	19	7,528	8,039
Provisions	20	1,694	1,641
TOTAL CURRENT LIABILITIES		9,222	9,680
NON-CURRENT LIABILITIES			
Provisions	20	2,797	2,471
TOTAL NON-CURRENT LIABILITIES		2,797	2,471
TOTAL LIABILITIES		12,019	12,151
NET ASSETS		633,986	643,251
EQUITY			
Trust funds	23	108	107
Accumulated funds	23	202,358	211,624
Asset revaluation reserve	23	431,520	431,520
TOTAL EQUITY		633,986	643,251

The accompanying notes form part of this financial report.

**Statement of Cash Flows
for the year ended 30 June 2003**

	NOTE	2003 \$000	\$000	2002 \$000	\$000
		INFLOWS/ (OUTFLOWS)		INFLOWS/ (OUTFLOWS)	
Cash flows from operating activities					
Payments to suppliers and employees		(61,789)		(57,718)	
Receipts from operations		32,826		33,326	
Interest received		1,830		952	
Cash flows from Government grants		31,583		59,168	
Net cash flows from operating activities	32.1	4,450		35,728	
Cash flows from investing activities					
Payments for property, plant and equipment		(6,405)		(3,411)	
Proceeds from sale of plant and equipment	17	21		81	
Purchase of investments		...		(15,000)	
Proceeds from sale of investments		5,000		...	
Net cash flows from investing activities		(1,384)		(18,330)	
Net increase in cash held		3,066		17,389	
Cash and cash equivalents at beginning of year		33,349		15,951	
CASH AND CASH EQUIVALENTS AT END OF YEAR	13 32.2	36,415		33,349	

The accompanying notes form part of this financial report.

**SYDNEY OPERA HOUSE TRUST NOTES TO AND
FORMING PART OF THE FINANCIAL REPORT FOR
YEAR ENDED 30 JUNE 2003**
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
1.1.1 Reporting Entity

The Sydney Opera House Trust, as a reporting entity, is responsible for the Sydney Opera House Appeal Fund as a controlled entity.

The Sydney Opera House Trust is constituted as a body corporate by the Sydney Opera House Trust Act, 1961.

1.1.2 Basis of Accounting

The financial report is a general purpose financial report which has been prepared on an accruals basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the Public Finance and Audit Act and Regulation and Treasurer's Directions.

The financial report has been prepared on the basis of historical cost and, unless otherwise stated, does not take into account changing money values or current valuation of non-current assets.

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

Unless otherwise specified the accounting policies are consistent with those of the previous year.

Figures shown in the financial report have been rounded to the nearest \$1,000.

1.1.3 Changes in Accounting Policy

The following changes in reporting have been made in the 2002/03 financial statements.

Cash and Other Financial assets

The market value of the Trust's Hour-Glass cash facilities and T-Corp investments (<90 days) have been included within Cash in the Statement of Financial Position due to the highly liquid nature of that type of investment. This change is necessary to fully comply with Australian Accounting Standard AAS36 –Statement of Financial Position. The amount of Hour-Glass facilities at 30 June 2003 is \$13,891,874 (\$19,802,006 at 30 June 2002). The amount of T-Corp investments (>90 days) at 30 June 2003 is \$10,000,000 (\$15,000,000 at June 2002). The 2001/02 comparative figures have been amended to reflect the new policy. (See note 13).

Internal Recoveries related to employee related maintenance expenditure and publicity and advertising expenditure.

Internal recoveries for employee related maintenance expenditure and advertising expenditure for Trust presentations were previously reported in the Statement of Financial Performance on a grossed up basis. Employee related expenses and publicity and advertising expenditure were grossed up with an equal and offsetting amount reported against the revenue item costs recovered. Commencing the 2002/03 financial year, internal recoveries of employee related expenses and publicity and advertising expenditure will be reported on a net basis.

This change in accounting policy has been made to improve the relevance and reliability of the Trust's financial information and has no effect on the Statement of Financial Performance surplus or deficit for the 2002/03 and previous financial years. The effect on employee related expenditure is to reduce that reported expenditure by \$4,268,011 for the 2002/03 financial year (\$3,493,911 for 2001/02), whilst the effect on publicity and

advertising expenditure is to reduce that expenditure by \$725,912 for the 2002/03 financial year (\$768,390 for 2001/02). The effect of these changes on costs recovered is to reduce that revenue by \$4,993,923 (\$4,262,301 for 2001/02). The 2001/02 comparative figures have been amended to reflect the new policy (See notes 3 & 8).

1.1.4 Accounting for Good & Services Tax (GST)

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

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

1.2 DOUBTFUL DEBTS

Following a review of debtors accounts, it is considered that adequate provision has been made for doubtful debts.

1.3 EMPLOYEE BENEFITS AND OTHER PROVISIONS
1.3.1 Salaries and Wages, Annual Leave, Sick Leave and On-costs.

Liabilities for salaries and wages (including non-monetary benefits) and annual leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

Sick leave accrued by Trust employees is all non-vesting. 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.

The outstanding amounts of payroll tax, workers' compensation insurance premiums which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

1.3.2 Long Service Leave and Superannuation

Long service leave is measured on a short-hand basis. The short-hand method is based on the remuneration rates expected to be paid at reporting date for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

Prepaid superannuation contributions are recognised in the Statement of Financial Position as required by Treasury policy.

1.4 Joint Venture Inventories

Trust share of joint venture inventories are stated at the lower of cost and net realisable value. The cost is calculated using the first-in-first-out basis.

1.5 Other Financial Assets

Other financial assets comprising fixed term deposits with NSW Treasury Corporation are shown at cost value whilst Hour-Glass investments in the cash facilities are shown at market value.

1.6 Plant and Equipment

Plant and equipment costing \$5,000 and above are capitalised as are individual items costing less than \$5,000 that form part of an asset network costing over \$5,000 in aggregate.

1.7 Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with Treasury policy "Guidelines for Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price i.e. the replacement cost of the asset's remaining future economic benefits. The recoverable amount test has not been applied to non-current assets as the Trust is a not-for-profit entity where the future economic benefits comprising those assets are not primarily dependent on the assets' ability to generate net cash inflows.

Each class of physical non-current assets is revalued every five years and 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 was revalued in 1999/00, building, plant and equipment and works of art in 2000/01, by independent valuers.

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

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

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as revenue in the surplus / deficit.

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

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

1.8 DEPRECIATION

Depreciation is calculated on a straight line basis in order to write off the carrying amounts of property, plant and equipment assets over their expected useful life.

Depreciation rates are shown hereunder:

Category of Assets	Rate of Depreciation %
Building Services	10.0
Computer hardware	33.3
Plant and equipment	10.0
Office machines	20.0
Photographic equipment	33.3
Communications equipment	33.3
Theatrical equipment	20.0
Tools and test equipment	20.0
Safety equipment	33.3
Computer software	20.0
Motor vehicles	20.0
Forklifts	10.0
Grand Organ	1.0
Amortisation of leasehold improvements	20.0 & 33.3

Collections, comprising original works of art, are expected to appreciate in value and accordingly are not depreciated.

As the Sydney Opera House building is considered to be a very long-lived asset, depreciation has not been charged on the building fabric.

1.9 INSURANCE

The Trust's insurance activities are conducted through the New South Wales Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the fund manager based on past experience.

1.10 RECOGNITION OF REVENUES
1.10.1 Government Grants and contributions from other bodies

Government grants and contributions from other bodies are recognised as revenues when the Trust obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained upon the receipt of cash.

1.10.2 Other Revenues

Revenues from Trust operations as a performing arts centre comprises revenue from the provision of goods and services. Revenue is recognised when the Trust obtains control of the assets that result from them.

Interest (investment and bank) is recognised as it accrues.

Rent revenue is recognised in accordance with AAS17 - Accounting for Leases.

2. SYDNEY OPERA HOUSE APPEAL FUND

As the Sydney Opera House Appeal Fund is a controlled entity of the Trust, the operations of the Appeal Fund are incorporated into the Trust's financial report. The objectives, operations and activities of the Fund relate to the appeal for, and receipt of, gifts of money or other property to be used for works and acquisitions of items related to the performing arts and to the production, presentation, publication, promotion, preservation or housing of, or training in the performing and other branches of the arts. (See note 24).

3. REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES

	NOTE	2003 \$000	2002 \$000
Revenues from ordinary activities			
State Government grants - recurrent	4	17,865	15,835
State Government grants - capital	4	13,718	43,333
		<u>31,583</u>	<u>59,168</u>
Catering		1,355	2,038
Rentals	5	5,662	4,660
Costs recovered	6	9,723	8,526
Trust presentations	9	2,567	2,996
Guided tours		2,480	2,633
Tourism packages and events		1,657	2,352
Booking fees		2,088	1,658
Merchandising, licensing & shop rental	22	260	320
Interest		2,381	1,021
Miscellaneous revenue	7	1,861	3,338
In-kind benefits	10	1,535	1,751
		<u>31,569</u>	<u>31,293</u>
		63,152	90,461
Joint ventures	22	2,250	2,417
		<u>65,402</u>	<u>92,878</u>
	NOTE	2003 \$000	2002 \$000
Expenses from ordinary activities			
Employee related	8	21,983	21,020
Trust presentations	9	5,506	5,696
Electricity		922	819
Administrative expenses		2,616	2,326
Repairs and maintenance		15,109	15,310
Cleaning		1,334	1,204
Publicity and advertising		2,005	2,006
Minor stores		902	648
Merchandising and licensing		18	8
Tourism packages and events		1,340	2,065
Telephone and postage		352	343
General insurance		656	550
Fees for services rendered		6,151	3,397
Audit fees	11	38	34
Doubtful debts	14	126	...
Upgrade program		...	496
Loss on disposal of assets	17	41	336
Superannuation	20	1,599	4,816
		<u>60,698</u>	<u>61,074</u>
Depreciation	17	12,390	12,345
		<u>73,088</u>	<u>73,419</u>
Joint ventures	22	1,580	1,695
		<u>74,668</u>	<u>75,114</u>
Surplus/(Deficit) from ordinary activities		<u>(9,266)</u>	<u>17,764</u>

4. STATE GOVERNMENT GRANTS

	2003 \$000	2002 \$000
Recurrent		
Statutory endowment	11,572	9,683
Maintenance endowment	6,293	6,152
	<u>17,865</u>	<u>15,835</u>
Capital		
Total asset management	13,000	13,000
Other Capital	718	30,333
	<u>13,718</u>	<u>49,333</u>
	<u>31,583</u>	<u>59,168</u>

5. RENTALS

This item represents earnings derived from the hire of the Concert Hall, Opera Theatre, Drama Theatre, Playhouse, The Studio, Reception Hall, foyers, rehearsal rooms, outdoor facilities and office areas.

	2003 \$000	2002 \$000
Opera Theatre	2,029	1,921
Concert Hall	2,307	1,657
Drama Theatre	545	507
Playhouse	250	309
The Studio	94	82
Other	437	184
	<u>5,662</u>	<u>4,660</u>

6. COSTS RECOVERED

Hiring agreements provide that the Trust be reimbursed for technical and other costs incurred in relation to performances.

	2003 \$000	2002 \$000
Employee related	7,178	6,491
General recoveries	2,545	2,035
	<u>9,723</u>	<u>8,526</u>

See note 1.1.3 regarding change in accounting policy in relation to internal recoveries.

7. MISCELLANEOUS REVENUE

	2003 \$000	2002 \$000
Sponsorship expenses recouped	7	194
Ticket printing	116	93
General sponsorship revenue	1,040	857
Asset recognition	...	1,552
Publicity revenue	50	33
Program sales commission	201	171
Other	447	438
	<u>1,861</u>	<u>3,338</u>

8. EMPLOYEE RELATED EXPENSES

	2003 \$000	2002 \$000
Salaries, wages and allowances (including recreation leave)	18,775	17,333
Penalty rates	2,347	2,225
Overtime	985	870
Meal money	51	49
Workers' compensation insurance	753	933
Payroll tax	1,357	1,299
Employer superannuation contribution	1,955	1,678
Parking reimbursement	28	21
Redundancy costs	...	106
	<u>26,251</u>	<u>24,514</u>
Charged to maintenance expense	(4,268)	(3,494)
	<u>21,983</u>	<u>21,020</u>

9. TRUST PRESENTATIONS

Financial operations were:

	2003 \$000	2002 \$000
Revenue	2,567	2,996
Expenses	(5,506)	(5,696)
(Deficit)	<u>(2,939)</u>	<u>(2,700)</u>

10. IN-KIND BENEFITS AND DONATIONS

	2003 \$000	2002 \$000
In-kind donations	286	282
In-kind contra benefits	1,249	1,469
	<u>1,535</u>	<u>1,751</u>

In-kind contra benefits and donations are expensed to appropriate items in the Statement of Financial Performance, or in the case of capital items, capitalised to appropriate asset classes.

11. AUDIT FEES

The fee payable to the Auditor-General's Office for the 2002/03 audit of the financial report was \$38,000 (\$33,800 in 2001/02).

12. TRUSTEES' REMUNERATION

Trustees' remuneration is based on the following rates:

	Per Annum
Chairman	\$2,465
Trustees	\$1,460

13. CASH AND BANK

	2003 \$000	2002 \$000
Cash on hand	48	42
Cash at bank	539	252
Joint venture cash	50	30
Appeal Fund cash	5	5
Hour-Glass cash facilities	13,892	19,802
T-Corp short term investments	21,653	12,997
Appeal Fund short term investment	120	114
Foster Bequest short term investment	108	107
	<u>36,415</u>	<u>33,349</u>

14. RECEIVABLES

	2003 \$000	2002 \$000
Trade debtors, less provision for doubtful debts	1,039	1,200
Accrued revenue	1,242	776
Prepayments	155	418
Joint venture	56	46
GST input credits	345	394
Other receivables	198	325
	<u>3,035</u>	<u>3,159</u>

Transactions on the Provision for Doubtful Debts account for the past two years were:

	2003 \$000	2002 \$000
Balance 1 July	17	60
Provision for year	126	...
	<u>143</u>	<u>60</u>
Debts written off	(1)	(43)
Balance 30 June	<u>142</u>	<u>17</u>

15. OTHER FINANCIAL ASSETS

	2003 \$000	2002 \$000
NSW Treasury Corporation fixed term deposit	10,000	15,000
	<u>10,000</u>	<u>15,000</u>

16. INVENTORIES

	2003 \$000	2002 \$000
Finished goods – joint ventures – at cost	249	257
	<u>249</u>	<u>257</u>

17. PROPERTY, PLANT AND EQUIPMENT

	2003 \$000	2002 \$000
Land – at fair value	68,000	68,000
Building, building services – at fair value	529,241	527,699
Less accumulated depreciation/amortisation	(42,975)	(36,972)
	<u>486,266</u>	<u>490,727</u>
Total – Land and Buildings	<u>554,266</u>	<u>558,727</u>
Plant and equipment – at fair value	59,642	57,191
Less accumulated depreciation	(37,940)	(31,658)
Total – Plant and Equipment	<u>21,702</u>	<u>25,533</u>
Collections – works of art – at fair value	2,669	2,669
Work in progress – at fair value	5,006	1,837
	<u>583,643</u>	<u>588,766</u>

Depreciation and amortisation expense

	2003 \$000	2002 \$000
Depreciation		
Building & building services	5,958	5,897
Plant and equipment	6,387	6,448
Amortisation		
Leasehold improvement	45	...
	<u>12,390</u>	<u>12,345</u>

Loss on Disposal of Non-Current Assets

	2003 \$000	2002 \$000
Proceeds from disposal of property, plant and equipment	21	81
Written down value of assets disposed	(62)	(417)
Net (loss) on disposal of property, plant and equipment	<u>(41)</u>	<u>(336)</u>

Reconciliations

Reconciliation of carrying amounts of Property, Plant and Equipment are set out below:

2003	Land and Building \$000	Plant and Equipment \$000	Work in Progress \$000	Collections \$000	Total \$000
Carrying amount at start of year	558,727	25,533	1,837	2,669	588,766
Additions	1,542	1,710	4,077	...	7,329
Disposals	...	(62)	...	...	(62)
Reclassification	...	908	(908)	...	...
Depreciation	(6,003)	(6,387)	...	...	(12,390)
Carrying amount at end of year	<u>554,266</u>	<u>21,702</u>	<u>5,006</u>	<u>2,669</u>	<u>583,643</u>

The value of work in progress represents plant and equipment, roof lighting and the Venue Improvement Plan capital works not completed at 30 June 2003.

18. LEASES

The Trust's leases are all operating leases where the lessor effectively retains all risks and benefits incidental to the ownership of the leased asset. Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred. Operating lease expenses in 2002/03 were \$259,258 (\$150,946 in 2001/02).

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.

19. PAYABLES

	2003 \$000	2002 \$000
Accrued salaries, wages and on-costs	717	574
Advance ticket sales	2,070	2,757
Hirers' deposits	160	76
Accrued expenses	1,426	1,674
Revenue in advance	40	150
Trade and other payables	2,821	2,590
Joint ventures	294	218
	<u>7,528</u>	<u>8,039</u>

20. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS

20.1 Employee benefits and related on-costs

	2003 \$000	2002 \$000
Annual leave and leave loading	1,594	1,536
Long service leave	2,897	2,576
	<u>4,491</u>	<u>4,112</u>

Aggregate employee benefits and related on-costs

	NOTE	2003 \$000	2002 \$000
Leave Provisions - current		1,694	1,641
Leave Provisions – non-current		2,797	2,471
Accrued salaries, wages and on-costs	19	717	574
		<u>5,208</u>	<u>4,686</u>

20.2 Superannuation

The funding position at 30 June 2003 in respect of the three defined benefits schemes, namely the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS) has been advised by Pillar Administration:

Fund	Estimated Reserve Account Funds		Accrued Liability		Prepaid/(Liability) Contributions	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000
SASS	3,480	1,930	2,708	2,212	772	(282)
SSS	32,397	35,862	20,873	20,730	11,524	15,132
SANCS	1,513	1,046	1,146	1,025	367	21
	<u>37,390</u>	<u>38,838</u>	<u>24,727</u>	<u>23,967</u>	<u>12,663</u>	<u>14,871</u>

The calculation of SASS, SSS and SANCS liabilities is based on the full requirements of AAS25 – Financial Reporting by Superannuation Plans. The financial assumptions that have been applied for the calculations are:

	2003/04	2004/05	2005/06
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	4.0	4.0	4.0
Rate of increase in CPI	2.5	2.5	2.5

Assumptions with regards to rates of mortality, resignation, retirement and other demographics are those to be used for the 2003 triennial valuation.

The assessment is based on membership data as at 31 March 2003.

The Trust was granted a contribution holiday in respect of SASS, SSS and SANCS employer contributions during 2002/03. After adjusting for the contribution holiday, the sum of \$1,599,383 was charged to expenses in the Statement of Financial Performance to reflect the assessment by Pillar Administration of the 2002/03 prepaid contribution amount. The 2001/02 recognition of the assessed prepayment resulted in an expense of \$4,816,376 in the Statement of Financial Performance.

21. TRUST FUNDS - FOSTER BEQUEST

The Trust Deed relating to this bequest provides that revenue derived from investment of the funds may be applied to an award for study in fields relating to the training for, and performances of, the art of opera.

An award of \$4,500 was made in 2002/03 (\$5,000 in 2001/02).

22. MERCHANDISING AND LICENSING

22.1 Interest in Joint Ventures

The Trust holds an interest in two joint ventures with International Management Group of America Pty Ltd in the operation of souvenir merchandise shops located in the box office foyer and in the lower concourse.

The Trust's share of the operating profits in 2002/03 was \$669,695 (\$722,626 in 2001/02). At 30 June 2003 the Trust's 60% and 65% equity in the joint ventures was:

	2003 \$000	2002 \$000
Furniture fittings and equipment (less depreciation)	49	56
Inventory	249	256
Receivables	56	6
Cash	50	30
	<u>404</u>	<u>348</u>
Less payables	294	218
	<u>110</u>	<u>130</u>

These amounts have been included with the assets and liabilities of the Trust within the appropriate classification.

22.2 Licence Agreement

Licences have been granted to a number of organisations for the use of the registered Sydney Opera House trademark and designs. The Trust's share of earnings in 2002/03 was \$61,530 (\$67,588 in 2001/02).

22.3 Shop Rental

Shop rental received during the financial year amounted to \$171,760 (\$205,401 in 2001/02).

22.4 Other Merchandising

Sales of CD-ROMS, books and various items totalled \$27,036 in 2002/03 (\$47,201 in 2001/02).

23. CHANGES IN EQUITY - OTHER THAN TRANSACTIONS WITH OWNERS AS OWNERS

	Accumulated Funds		Asset Revaluation Reserve		Trust Funds		Total	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Balance 1 July	211,624	193,860	431,520	431,520	107	107	643,251	625,487
Surplus/(Deficit)	(9,266)	17,764	...	...	1	...	(9,265)	17,764
Balance 30 June	<u>202,358</u>	<u>211,624</u>	<u>431,520</u>	<u>431,520</u>	<u>108</u>	<u>107</u>	<u>633,986</u>	<u>643,251</u>

The asset revaluation reserve represents the value of increments credited to the reserve on the revaluation of non-current assets.

24. SYDNEY OPERA HOUSE APPEAL FUND

As a controlled entity the financial report of the Sydney Opera House Appeal Fund has been incorporated into the Trust's financial report.

Financial operations were:

	2003 \$000	2002 \$000
Revenue	6	5

The assets and liabilities of the Appeal Fund as at 30 June were as follows:

	2003 \$000	2002 \$000
Cash	125	119
Accumulated Funds	<u>125</u>	<u>119</u>

These amounts have been included within the assets and liabilities of the Trust under appropriate classifications.

25. COMMITMENTS FOR GOODS AND SERVICES

	2003 \$000	2002 \$000
--	---------------	---------------

Goods and services contracted for at 30 June and not otherwise accounted for in the Statement of Financial Position are estimated.

Payable:

- not later than one year	12,890	9,730
- later than one year and not later than five years	6,507	1,311
Total including GST	<u>19,397</u>	<u>11,041</u>

The commitments are inclusive of the Goods and Services Tax for which input tax credits of \$1,763,364 are expected to be recoverable for the Australian Taxation Office in respect of 2002/03 commitments (\$1,003,727 for 2001/02).

26. CAPITAL COMMITMENTS

	2003 \$000	2002 \$000
--	---------------	---------------

Capital expenditures contracted for at 30 June and not otherwise accounted for in the Statement of Financial Position are estimated.

Payable not later than one year (including GST)	264	334
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The commitments above are inclusive of the Goods and Service Tax for which input tax credits of \$24,000 are expected to be recoverable from the Australian Taxation Office in respect of 2002/03 commitments (\$30,363 for 2001/02).

27. CONTINGENT LIABILITIES

As in 2001/02, a contingent liability in the sum of \$356,666 exists in relation to a claim by the NSW Department of Commerce (previously known as the NSW Department of Public Works and Services). The sum claimed represents legal costs related to settlement of the edge tile contract legal action. The NSW Department of Commerce is the former Project Manager of the Sydney Opera House Upgrade Program, under which the edge tile contract took place. The Trust does not accept the claim and the matter has been referred to the Crown Solicitor for advice. A Goods and Services Tax input credit of \$32,424 would be available to the Trust should payment of the sum of \$356,666 eventuate.

A contingent liability in the sum of \$155,119 exists in relation to a Statement of Claim lodged by a shop licensee in connection with certain commercial matters relating to the operations of a concourse shop licence. Any legal settlement in relation to this contingent liability would not be subject to the Goods and Services Tax.

28. MATERIAL ASSISTANCE PROVIDED AT NO COST OR AT NOMINAL COST

All material assistance has been accounted for in the financial report.

29. PAYMENTS TO CONSULTANTS

In the year ending 30 June 2003, consultants were paid a total of \$230,910 (2001/02 - \$933,642).



**INDEPENDENT AUDIT REPORT
SYDNEY OPERA APPEAL FUND**

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Sydney Opera House Appeal Fund:

- (a) presents fairly the Fund's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Members' Role

The financial report is the responsibility of the Members' of the Sydney Opera House Appeal Fund. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Fund in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Members had failed in their reporting obligations.

My opinion does not provide assurance:

- about the future viability of the Fund,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

G J Gibson FCPA
DIRECTOR OF AUDIT

SYDNEY, 14 OCTOBER 2003

SYDNEY OPERA HOUSE APPEAL FUND

**STATEMENT IN ACCORDANCE WITH SECTION 41C (1C)
OF THE PUBLIC FINANCE AND AUDIT ACT, 1983**

Pursuant to Section 41C (1C) of the Public Finance and Audit Act, 1983, and in accordance with a resolution of the Sydney Opera House Appeal Fund, we being members of the Fund, 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 Appeal Fund as at 30 June 2003, and transactions 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 Regulation, 2000, and the Treasurer's Directions.

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

JOSEPH SKRZYNSKI AM
MEMBER

TIM MCFARLANE
MEMBER

SYDNEY, 3 OCTOBER 2003

31. AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely to significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

32 NOTES TO THE STATEMENT OF CASH FLOWS

32.1 Reconciliation of surplus/(deficit) from ordinary activities to net cash flows from operating activities

	2003 \$000	2002 \$000
Surplus/(deficit) from ordinary activities	(9,266)	17,764
Depreciation	12,390	12,344
Increase in provision - leave	379	422
Increase in provision - doubtful debts	125	...
Increase in payables	...	2,658
Decrease in payables	(881)	...
Decrease in receivables	2,207	4,290
Reduction in inventories	8	140
Net loss on sale of plant and equipment	41	336
Decrease in joint venture capital assets	7	...
Assets recognised	...	(1,552)
Increase in trust funds	1	...
Capital in-kind sponsorship	(561)	(674)
NET CASH FROM OPERATING ACTIVITIES	4,450	35,728

32.2 Reconciliation of Cash

For the purpose of the statement of cash flows, cash comprises cash on hand, at bank and Hour-Glass cash facilities and fixed term deposits. Cash at 30 June as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position (see note 13)

	2003 \$000	2002 \$000
Cash and cash equivalents	36,415	33,349

END OF AUDITED FINANCIAL REPORT

30. FINANCIAL INSTRUMENTS

Australian Accounting Standard AAS33 - Presentation and Disclosure of Financial Instruments, has application to the Trust's financial report.

The classes of instruments included in the Trust's financial report is set out below along with the terms, conditions and accounting policies applicable to these instruments as at 30 June 2003 (balance date).

Cash

Cash is recorded at nominal values for cash on hand and cash held in bank accounts. Interest is earned on daily bank balances. T-Corp Hour-Glass cash facilities are valued at market value.

Receivables

All trade debtors are recognised as amounts receivable at balance date. Receivables are carried at the nominal value of amounts due, less a provision for doubtful debts. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). Invoices are issued on 30 day terms.

Other Financial Assets

The Trust's other financial assets are restricted to fixed term deposits with NSW Treasury Corporation. Fixed term investments were predominantly for periods between 30-90 days during 2002/03 (30-90 days in 2001/02). The investments were earning an average interest rate of 4.91% per annum at 30 June 2003 (5.02% at 30 June 2002).

Payables

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 are settled in accordance with the policy set out in Treasurer's Direction 219.01. If payment terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

Credit Risk Exposures

The credit risk on financial assets of the Trust is represented by the carrying amounts of the financial assets recognised on the Statement of Financial Position net of any provision for doubtful debts, at balance date.

Interest Rate Risk

All Trust investments, totalling \$45,772,960 at balance date (\$48,019,665 at 30 June 2002), are for fixed specified periods and interest rates, or are invested in the NSW Treasury Corporation Hour-Glass cash facility.

Cash at bank, totalling \$538,427 at balance date (\$251,951 at 30 June 2002), is subject to an arrangement with the Trust's banker whereby interest rates paid are tied to the Reserve Bank cash rate less 1%.

Interest rate risk exposure on other financial assets and liabilities is not considered applicable.

Net Fair Value

The net fair value of all financial assets and liabilities of the Trust approximates their carrying value.

**BEGINNING OF AUDITED FINANCIAL REPORT
SYDNEY OPERA HOUSE APPEAL FUND**
**Statement of Financial Performance
for the year ended 30 June 2003**

	2003 \$000	2002 \$000
Revenues from ordinary activities		
Interest	5,884	5,200
	5,884	5,200
Expenses from ordinary activities		
Bank charges	60	58
	60	58
Surplus from ordinary activities	5824	5,142
Total changes in equity other than those resulting from transactions with owners as owners	5824	5,142

Statement of Financial Position as at 30 June 2003

	NOTE	2003 \$000	2002 \$000
Current Assets			
Cash	6	124,918	119,064
Receivables		32	62
Total Current Assets		124,950	119,126
Equity			
Accumulated Funds	8	111,438	106,257
Regina Ridge Fund	8	13,512	12,869
Total Equity		124,950	119,126

Statement of Cash Flows for the year ended 30 June 2003

	2003		2002	
	\$	\$	\$	\$
	INFLOWS/ (OUTFLOWS)	INFLOWS/ (OUTFLOWS)	INFLOWS/ (OUTFLOWS)	INFLOWS/ (OUTFLOWS)
Cash flows from operating activities				
Payment to suppliers	(60)		(58)	
Receipts from interest	5,914		6,413	
Net cash used in operating activities	5,854		6,355	
Cash at beginning of year	119,064		112,709	
Cash at end of year	124,918		119,064	
Represented by - Cash	124,918		119,064	

Reconciliation of net cash used in operating activities to operating result:

	2003 \$000	2002 \$000
Operating surplus	5,824	5,142
Decrease in receivables	30	1,213
Net cash used in operating activities	5,854	6,355

The accompanying notes form part of this financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR YEAR ENDED 30 JUNE 2003**
1. Summary of Significant Accounting Policies

The financial report is a general purpose financial report which has been prepared on an accruals basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the Public Finance and Audit Act and Regulations and Treasurer's Directions.

The financial report has been prepared on the basis of historical cost and, unless otherwise stated, does not take into account changing money values or current valuation of non-current assets.

The Fund 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.

Unless otherwise specified the accounting policies are consistent with those of the previous year.

1.1 Change in Accounting Policy

The Fund's short term fixed investment with NSW Treasury Corporation has been reclassified from Other financial assets to Cash in the Statement of Financial Position. This change is necessary due to the highly liquid nature of the investment which was for a period of 91 and 90 days at June 2003 and June 2002 respectively, and to fully comply with Australian Accounting Standard AAS36 – Statement of Financial Position. The 2001/2002 comparative figure has been amended.

2. Revenue Recognition

Government grants and contributions from other bodies are recognised as revenues when the Fund obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained upon the receipt of cash.

Revenues from Fund activities are recognised on provision of goods sold and services rendered.

Interest (investment and bank) is recognised as it accrues.

3. Cash

Cash at bank is stated at nominal value, whilst NSW Treasury Corporation fixed term investment is shown at cost.

4. Commitments for Goods and Services

There were no outstanding commitments as at 30 June 2003.

5. Contingent Assets and Liabilities

There are no known contingent assets or liabilities.

6. Financial Instruments

Australian Accounting Standard AAS33 - Presentation and Disclosure of Financial Instruments has application to the Appeal Fund financial report.

The financial assets of the Appeal Fund at 30 June 2003 are:

Cash	2003 \$	2002 \$
Cash at Bank	5,361	5,224
Fixed term investment	119,557	113,840
	124,918	119,064
Receivables	32	62

Fixed term investment interest rates varied between 4.70% per annum and 5.10% per annum during 2002/03 (4.20% and 5.10% in 2001/02).

7. Accounting for the Goods and Services Tax (GST)

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

8. Changes in Equity

	Accumulated Funds		Regina Ridge Fund		Total	
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
Balance						
1 July	106,257	101,681	12,869	12,303	119,126	113,984
Surplus	5,181	4,576	643	566	5,824	5,142
Balance						
30 June	111,438	106,257	13,512	12,869	124,950	119,126

9. After Balance Date Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely to significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

END OF AUDITED FINANCIAL REPORT
BUDGET
FIRST DETAILED BUDGET FOR THE YEAR ENDING 30 JUNE 2003

INCOME	\$000
Endowment and capital grants	29,243
Catering	2,212
Rentals	5,362
Costs Recovered	8,812
Trust presentations	3,169
Guided tours	3,336
Tourism packages and events	1,862
Booking fees	1,740
Merchandising and licensing and shop commission	136
Interest	885
Miscellaneous revenue	1,974
In-kind benefits	2,256
	60,987
Joint Venture	2,751
TOTAL	63,738

EXPENDITURE	\$000
Employee related	21,086
Trust presentations	6,008
Electricity	910
Administrative expenses	3,622
Repairs and maintenance	25,342
Cleaning	1,340
Publicity and advertising	2,708
Minor stores	816
Merchandising and licensing	110
Tourism packages and events	1,337
Fees for services rendered	3,376
Audit fees	34
Joint Ventures	1,740
TOTAL	68,429
(Deficit) before depreciation	(4,691)
Depreciation	12,300
(Deficit) after depreciation	(16,991)

OUTLINE BUDGET FOR THE YEAR ENDING 30 JUNE 2004

INCOME	\$000	\$000
Government grants		
Endowment	13,348	
Maintenance	6,448	
Total Asset	13,000	
VIP	9,780	
		42,576
Revenue from operations		33,292
TOTAL		75,868
EXPENDITURE	\$000	\$000
Salaries and related expenditure		23,493
Other operating expenditure		24,042
Maintenance and Capital grants expenditure		25,521
TOTAL		73,056
Surplus before depreciation		2,812
Depreciation		12,464
(Deficit) after depreciation		(9,652)

Government Reporting

ACCOUNT PAYMENT PERFORMANCE INDICATORS

The schedule of accounts payable for the four quarters of the 2002/2003 financial year and the amounts involved are as follows:

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
September	8,794	300	54	18	14
December	9,761	784	77	9	5
March	7,580	969	461	16	59
June	10,382	373	71	54	26

Accounts paid on time within each quarter

Quarter	Total Accounts Paid on Time			Total Amount Paid \$000
	Target %	Actual %	\$000	
September	92	96	8,794	9,180
December	92	92	9,761	10,636
March	92	83	7,580	9,085
June	92	95	10,382	10,906

The number of accounts paid on time this year was 91.5% (92% in 2001/2002). Delays in the payment of accounts occur on occasions due to the need for clarification of charges and rates claimed on some invoices. There was no interest paid on creditor accounts during the 2002/2003 financial year.

CODE OF CONDUCT

The Code of Conduct was updated this year with a new policy on Harassment, Bullying and Violence in the Workplace. The policy was communicated to staff, contractors and business partners. A review of the code of conduct is planned for the 2003/2004 year.

CONSULTANTS

In accordance with NSW Government guidelines, projects for which consultants received more than \$30,000 are listed individually. Those that involved payments of \$30,000 or less are grouped under a total figure.

Added Value Group – Brand Strategy Research \$32,700

Enterprise IG – Brand Strategy Development \$55,106

In addition, 14 Consultancies of \$30,000 or less cost a total of \$143,104.

CUSTOMER EXPERIENCE

Sydney Opera House's commitment to customer service is set out in our Guarantee of Service and reinforced by the goals and strategies in the Business Plan and Code of Conduct.

Improving the customer experience was identified as a corporate priority for 2002/2003 and will continue to be so in 2003/2004. Sydney Opera House welcomes and values all feedback.

Customer Research

As part of the commitment to improve services, facilities and the overall customer experience, Sydney Opera House undertakes periodic customer research.

During the 2002/03 year the following research was undertaken with the assistance of Woolcott Research and The Added Value Group:

The Studio – November 2002

Evaluation of the effectiveness of the The Studio's marketing activities through quantitative and qualitative research. The aim was to assess the source of awareness and perceptions of The Studio's programme of events and contents and to assess individual performances. Overall, the research highlighted that the marketing programme is effective in reinforcing The Studio's image, in informing about upcoming events, in assisting with the assessment of each event and in contributing to the decision-making process. The research recommendations have been implemented for all subsequent marketing campaigns.

Forecourt Research – November 2002 to February 2003

Research conducted on the Forecourt Opening Season indicated that it was successful in generating event enjoyment, sponsorship awareness and attracting infrequent/new attendees to Sydney Opera House. Self-completion questionnaires (which included a competition) and telephone interviews with attendees were conducted for all Forecourt Opening Season events: *Sundown, Jamiroquai, Dream Home, Symphony Under the Sails, Testimony and Incognita.*

Brand Research

Conducted by The Added Value Group, this research assessed the relevance of the brand strategy to outside stakeholders, including tourists, frequent, regular, occasional and non-user groups. The key deliverables were: to understand current perceptions of Sydney Opera House; to assess the market's perceptions of Sydney Opera House vision, including relevance to needs and ability to motivate; to gauge perceptions of promotional offers; to gauge the general appeal of the master brand and logos and the appeal of the visual identities. The outcome of the brand research has informed decisions regarding next steps in the visual expression of Sydney Opera House brand externally. Work in this regard is ongoing.

Online e-surveys – throughout the year

Quarterly e-surveys were conducted with INHOUSE subscribers (monthly e-newsletter) to ascertain response to design, layout, content, purchasing patterns and overall useability. A self-completion questionnaire was emailed to all subscribers and participants were required to answer and return a short questionnaire to be eligible to win tickets to a performance. Most respondents were fairly frequent visitors to Sydney Opera House and the most frequent method of finding the website was through using a search engine. The majority indicated 'looking for information on performances' as the primary reason for visiting, with booking a ticket the second. Purchasing via the internet has been done by at least 8 in 10 respondents. The results from each survey have been used to further enhance the appeal of the website and e-newsletters. There is now a focus on competitions in each e-newsletter and design and layout are continually refreshed.

Kids at the House – commenced June 2003 (ongoing into 2004)

A competition was used to gather audience profile information, analyse purchasing behaviour and inform future events and marketing campaigns. This research will provide valuable feedback on the promotional approach adopted for these events and will inform the development of the youth and education focus. No results are available at time of printing.

Segmentation study and data analysis – June 2003 (ongoing into 2004)

Initial stages of data analysis to ascertain key segments commenced in June 2003 with quantitative and qualitative research to continue into early 2004.

The types of research proposed for the 2003/2004 year include:

- segmentation study to understand our target segments
- events guide research to assess the usage patterns and areas for development
- customer satisfaction study (tourism, retail, food and beverage)
- audience profiling for specific Sydney Opera House Presents events.

Customer feedback procedures continue to be included in staff training. These are further reinforced and modified where necessary when major public events are taking place at Sydney Opera House e.g. New Year's Eve celebrations.

Customer Feedback System

In addition to specific customer research on performances and special events, over the past 12 months 207 people contacted Sydney Opera House about a range of issues.

Overall feedback 1998 to 2003

Type of Feedback	02/03	01/02	00/01	99/00	98/99
Negative	177	70	106	145	322
Positive	17	6	34	75	84
Suggestions	13	5	6	6	15

Feedback by category for 2002/03

Category	Positive	Negative	Suggestion
Presentations – Other Presenters	-	9 (5%)	-
Presentations – SOH Presents	1(6%)	3 (2%)	-
Customer Service – Business Partners	-	-	-
Customer Service – Patrons/Public	12 (70%)	59 (33%)	1 (8%)
Customer Service – Presenters	-	-	-
Access	-	30 (17%)	4 (31%)
Quality and Value – Overall Experience	2 (12%)	13 (7%)	-
Quality and Value – Service and Products	-	5 (3%)	1 (8%)
Site and Venue Presentation	2 (12%)	38 (22%)	4 (31%)
Other	-	20 (11%)	3 (22%)

Negative feedback, which had been in decline over recent years, increased in the year under review, largely due to dissatisfaction with the impact of the physical structure of the Forecourt trial venue. The aim of the Forecourt as a new performance venue was to attract new and diverse audiences, to increase public accessibility and to balance this with the goal of providing a high quality experience for all patrons and visitors. The feedback received has played a major role in the evaluation of this first trial season and the future use of the Forecourt.

DISABILITY ACTION PLAN

The purpose of our Access Strategic Plan 1998-2007 is to ensure that the Sydney Opera House is recognised as a leader and innovator in providing barrier-free access to the building, to the site and to services.

We are also committed to providing productive employment and career development opportunities for people with disabilities.

Access Goals

Two primary access goals have been identified for Sydney Opera House's access plan:

Goal 1 - Improved facilities

Sydney Opera House will provide world class building and site facilities to create a welcoming and hospitable environment so that activities can be enjoyed by everyone. They will include barrier-free paths of travel to and within theatres, performance spaces, foyers, function areas, restaurants, shops and employee work areas.

Goal 2 - Improved services

Patrons will enjoy world class services at the Sydney Opera House including an exemplary standard of customer service and an expanded range of barrier-free accessible attractions and services so that activities can be enjoyed by everyone.

Achievements

To celebrate International Day of People with Disabilities, Sydney Opera House collaborated with 23 Arts organisations to provide the 'Accessing the Arts' programme formally launched by the Premier on 3 December 2002. Sydney Opera House revamped its access tour with the assistance of Accessible Arts and the Australian Quadriplegic Association, including training for staff and offered three guided tours a day for the period 3-7 December for people who used wheelchairs or had specific access requirements. The tours which were provided at a concession rate were also open to staff of carer associations. Sydney Opera House has commenced planning for participation in International Day of People with Disabilities 2003.

The external advisory group of peak disability access organisations set up in May 2001, met on 3 April 2003 to discuss and provide feedback to Sydney Opera House on the Venue Improvement Programme progress and International Day of People with Disabilities.

Sydney Opera House, working in partnership with the Royal Blind Society and the presenting companies listed below, provided 9 audio described performances this year as follows:

- *Great Expectations*, Drama Theatre, Sydney Theatre Company, two performances in November and one in December 2002
- *The Way of the World*, Drama Theatre, Sydney Theatre Company, two performances in March 2003
- *Inheritance*, Drama Theatre, Sydney Theatre Company, two performances in May 2003
- *Birthrights*, Playhouse, Ensemble Theatre, two performances in June 2003.

In June 2003, work commenced on two new accessible toilets in the Box Office Foyer which are due for completion in October 2003. The toilets are part of the Box Office Foyer Toilets redevelopment, the design of which was inspired by the Sydney Opera House's original architect Jørn Utzon.

ENERGY MANAGEMENT

Sydney Opera House is committed to sustained energy management principles and to achieving savings in energy use.

Sydney Opera House put its energy contract out to tender in May, with Country Energy the successful bidder. One notable change to the new contract is an increase of the ‘green power’ component from 5% to 6%.

Sydney Opera House is continuing the implementation of the programme of works towards a reduction in energy usage. The programme includes: provision of a Secondary Chilled Water Pumping System, with more efficient cooling coils allowing higher chill water temperatures to be used; an interface between Sydney Opera House booking system and the building management control system so that optimum conditions can be maintained without increasing energy usage by taking advantage of the outside air temperature. Subject to continuation of funding, this work is scheduled for completion during 2004/2005.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Sydney Opera House’s EEO Annual Report submitted to the Office of the Director of Equal Opportunity in Public Employment measures the activities of the organisation in the following key reporting areas:

- a diverse and skilled workforce
- improved employment access and participation by EEO groups
- a workplace culture displaying fair practices and behaviour
- managers and staff who are informed, trained and accountable for EEO
- needs-based programs for EEO groups
- fair policies and procedures
- EEO outcomes that are included in agency planning
- an environment where staff views are heard
- a sound information base.

Sydney Opera House is committed to equity and diversity in its workforce. The following EEO-related projects and achievements have taken place in 2002/2003:

- continued development of fair workplace policies – implementation of Harassment, Bullying and Violence in the Workplace Policy, launched to staff at Safety Week by the Hon. John Della Bosca MLC
- 1 week program of training, information and discussion for Safety Week, in May 2003, open to all staff
- performance management skills training provided to all management and supervisory staff, to assist in enabling consistent and meaningful performance feedback to be given to all staff
- implementation of 1st phase of the revised Performance Planning and Review Scheme (PPRS) in March 2003, covering all staff including casuals
- continuation of regular organisation-wide open forums with the CEO, in a new format emphasising interaction and staff questions
- improvement and re-launch of a regular internal newsletter, with a newsletter committee consisting of volunteers. The focus is on general organisation news and information for all staff
- second intake of Indigenous Traineeship completed in August 2002 with 2 Trainees successfully achieving Certificate II, statements of attainment towards Certificate III and work in the Industry
- third intake of Indigenous Traineeship received strong applicant interest and 3 high calibre candidates commenced in May 2003, all with demonstrated experience in their chosen field of Staging, Lighting or Sound/Audio Visual
- strong participation by a number of staff in the national review of the Entertainment Industry Training Package to ensure improvements and updates to the package reflect the diverse roles and skills in the industry

- participation of staff in internal opportunities for career development
- harassment awareness workshops rolled out to staff, in partnership with WorkCare Australia
- OH&S general awareness workshops rolled out to all staff, in partnership with MEAA, to ensure understanding of legislation, personal rights and responsibility
- successful re-registration with the NSW Training Authority to deliver training, conduct assessments and issue nationally recognised qualifications in accordance with the Australian Quality Training Framework to 2007
- issue of further qualifications to staff in Entertainment bringing the total qualifications issued to staff by Sydney Opera House as a Registered Training Organisation in Entertainment and Assessment & Workplace Training to 79
- commencement of holistic assessment practice through a pilot workshop in June 2003, introducing a more accessible recognition system to enable more experienced staff to gain Entertainment qualifications
- organisation of the Spokeswomen’s Programme with regular events for staff participation and information
- continued implementation of the Venue Improvement Programme, including improved access for people with disabilities.

Table A - Trends in the Representation of EEO Groups ¹

EEO Group	Benchmark or Target	% of Total Staff ²				
		2000	2001	2002	2003	
Women	50%	33%	36%	36%	35%	
Aboriginal people and Torres Strait Islanders	2%	0.9%	0.4%	0.4%	0.4%	
People whose first language was not English	19%	14%	14%	15%	15%	
People with a disability	12%	7%	2%	6%	6%	
People with a disability requiring work-related adjustment	7%	2.4%	4.3%	2.4%	1.8%	

Table B. Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target	Distribution Index ³				
		2000	2001	2002	2003	
Women	100	89	97	96	100	
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	
People whose first language was not English	100	94	96	96	96	
People with a disability	100	108	n/a	n/a	n/a	
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	

¹ Staff numbers as at 30 June.
² Excludes casual staff
³ A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO 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 EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.

ETHNIC AFFAIRS

Sydney Opera House continued its commitment to multicultural programming this year.

During 2002/2003 programs included the *Festival of Asian Music and Dance; Breaks of Asia; Babies Proms – Asian, Indigenous, Mexican, Bellydancing; Pieter Dirk Uys’ Foreign Aids* (South Africa); *Kazenoko World of Paper* (Japan) and *Rubio Quartet* (Belgium). Support of Carnivale initiatives continued this year, including *Tufu and Hanging on the Tail of a Goat*, Studio music sessions including *Yung Chen Lhamo, Dance Tracks 4* including French DJ-BNX and ID.

Sydney Opera House will continue programs of community hirings, multicultural arts programming and supporting Carnivale in 2003/2004. Events planned include Audiotheque *Cinema for the ear in a small, small world; Sunset to Sunrise A Tribute to Vasilis Tsitsanis; Little Asia Dance; Slava and Endorphin* and *Dance Tracks Global Beats*.

During the year the majority of organisation-wide learning and development programs included a multicultural awareness component. Sydney Opera House is committed to ensuring that future learning and development initiatives will incorporate these multicultural components.

Information brochures are available in eight languages: Spanish, Italian, German, Portuguese, Japanese, French, Mandarin and Modern Chinese. These will be continually updated and reprinted where necessary.

FREEDOM OF INFORMATION

No application under the Freedom of Information Act 1989 was received during the year under review. No applications were received in 2001/2002.

Freedom of Information Statement of Affairs Functions and Structure

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

The Trust is charged with:

- the administration, care, control, management and maintenance of the building and site;
- the management and administration of the Sydney Opera House as a performing arts and conference centre;
- the promotion of artistic taste and achievement in any branch of the musical, operatic, dramatic, terpsichorean, visual or auditory arts; and
- scientific research into, and the encouragement of new and improved forms of entertainment and methods of presentations.

Sydney Opera House theatres, halls, reception rooms, foyers and surrounding areas are hired out to performing companies and other organisations for a wide range of purposes, including performances, exhibitions, conventions, seminars, lectures and receptions.

In addition, the Sydney Opera House undertakes a number of entrepreneurial activities to compliment the conventional range of attractions presented by resident companies and other entrepreneurs.

Sydney Opera House Trust has ten members. Trustees are appointed by the Governor on the nomination of the Minister for the Arts and their three year terms are timed to start on alternate years. If otherwise qualified, Trustees are eligible for re-appointment and may serve no more than three consecutive terms.

The Chief Executive of Sydney Opera House is the General Manager who is supported by an executive team of seven. Staff of Sydney Opera House are subject to the regulations and policies of the NSW Public Service concerning industrial relations and personnel.

Public Participation in Policy Formulation

The Trustees represent the public in the management and functioning of Sydney Opera House. For advice on access issues Sydney Opera House also has set up an Access Advisory Committee.

Access

Requests under the Freedom of Information Act 1989 for access to documents held by Sydney Opera House Trust and must be made by written application accompanied by a fee of \$30 and addressed to:

Coordinator Corporate Information
 Sydney Opera House
 GPO Box 4274
 Sydney NSW 2001

Enquiries may be directed to the Coordinator Corporate Information between the hours of 10am and 4pm, Monday to Friday. Contact details are listed below.

Coordinator Corporate Information
 Telephone: (02) 9250 7424
 Fax: (02) 9247 3651
 Email: foi@soh.nsw.gov.au

Policy documents held by the Trust include:

- Annual Report
- Strategic Plan
- Equal Employment Opportunity Management Plan
- Code of Conduct
- Guarantee of Service
- Ethnic Affairs Priorities Statement
- Corporate Policy Manual
- Privacy Management Plan
- Agendas and Minutes of Trust and other Committee meetings, administrative memoranda, minutes, correspondence, reports and working papers relating to the carrying out of the functions of the Trust.

INDIGENOUS

Sydney Opera House is committed to the process of Reconciliation and supports both Indigenous arts and Indigenous employment in the performing arts and entertainment industry. This year Sydney Opera House:

- presented Message Sticks 2003, an annual celebration of contemporary Indigenous culture
- completed the second intake of Indigenous Traineeships
- commenced the third intake of Indigenous Traineeships, with 3 Trainees beginning the 12 month program.

The annual celebration of contemporary Indigenous culture Message Sticks, which has established a strong identity as a successful arts and community festival, was presented again this year with individual program elements developed in collaboration with Indigenous advisors. Message Sticks 03, a largely free program, comprised of 22 events over a two week period and included visual arts, music, story telling, schools workshops, a Koori Kulcha quiz night, literature and film.

Indigenous Traineeship

In 1999, Sydney Opera House committed to offer 10 Traineeship opportunities for Indigenous people. The Traineeships are based predominantly in the areas of Staging, Lighting and Sound/Audio Visual. As a Registered Training Organisation, Sydney Opera House can enable Trainees to work towards nationally recognised qualifications in Entertainment. The Traineeships enable increased participation in and accessibility to the industry for Indigenous people.

Since 1999, 10 Indigenous people have been offered Traineeship opportunities; 6 have completed their 12-month Traineeships and 3 are currently working towards completion. The Trainees experience on and off-the-job experience and training, working towards Certificates II and III in Entertainment.

Sydney Opera House completed its second intake of Indigenous Traineeships in August 2002, with 2 Trainees successfully gaining nationally-recognised qualifications and work in the industry. The third year of Indigenous Traineeship received a strong and enthusiastic level of applicant interest and 3 high calibre candidates commenced in May 2003, all with demonstrated experience in their chosen field of Staging, Lighting or Sound/Audio Visual.

INSURANCE

Adequate insurance is held by Sydney Opera House for all identified risks. Sydney Opera House is a member of the NSW Treasury Managed Fund under a managed fund scheme administered by GIO Australia Ltd. A table showing the total cost of premiums excluding GST, arriving at the cost per employee over the past five years, is set out below.

	02/03 \$	01/02 \$	00/01 \$	99/00 \$	98/99 \$
Motor Vehicle	2,110	2,252	1,546	2,191	2,407
Property	329,500	299,314	299,000	227,602	246,056
Public Liability	321,070	245,101	188,450	125,792	115,540
Workers' Comp.	583,310	895,699	586,459	489,580	520,917
Miscellaneous	3,410	2,790	3,103	2,666	2,996
TOTAL COST	1,239,400	1,445,156	1,078,558	847,831	887,916
Total Employees	631	638	616	639	576
COST PER EMPLOYEE	1,964	2,265	1,751	1,327	1,542

INVESTMENT PERFORMANCE MEASURE

Investments are placed with NSW Treasury Corporation at interest rates equivalent to, or greater than the relevant benchmark Hour-Glass Investment Facility.

LEGAL

There have been no changes to Sydney Opera House Trust Act, 1961 and supporting By-law.

KEY TARGETS AND PRIORITIES

Sydney Opera House Vision: To Excite and Inspire the Imagination

Goal 1 - Be Australia's pre-eminent showcase for the performing arts and a national and international leader in the presentation of world class performing arts and cultural events.

Goal 2 - Attract and engage a greater and broader range of customers, who are excited and inspired and want to return.

Goal 3 - Maintain and enhance the iconic status of the Sydney Opera House as a cultural landmark, performing arts centre and architectural masterpiece.

Goal 4 – Create a workplace where people are customer focussed, inspired to achieve outstanding results and realise their potential.

Goal 5 – Leverage the Sydney Opera Brand, assets and business results to enable continued investment in the performing arts, cultural activities and audience reach.

Key priorities achieved for 2002/2003 included:

- development of a business model to test the feasibility of unified ticketing with a group of major presenting companies
- implementation of full partnership agreements with major presenting partners and Service Level Agreements with Opera Australia, The Australian Ballet and Sydney Symphony

- extension of the role of the Sydney Opera House as an innovative presenter and programmer through co-production with major presenting partners and utilisation of The Studio as a venue for innovative and contemporary works, development of a program for free and paid events for the Forecourt
- negotiation and implementation of a variation to Enterprise Development Agreement
- development of a program for the Sydney Opera House's 30th Birthday in October 2003
- implementation of Stage 1 of the Brand Strategy
- progression of the implementation of phase 1 of the Venue Improvement Programme
- improvement of customer experiences, services and financial return through the development of a customer service strategy; an integrated sales and service model; implementation of new commercial products; development of the Lower Concourse as an integrated commercial precinct; work with business partners to develop new food and beverage and retail/licensing products and business opportunities
- implementation of the new organisation management structure and functional alignment
- establishment of an organisation development strategy including a revised and improved performance management system for all staff.

Key priorities that will commence or will be completed in the 2003/2004 year include:

- Enhance Events Management System process and procedures
- Recording Studio – commence planning to establish an integrated recording studio and media suite
- Enhance existing tour product and explore the development of new tour products
- Integration of box office and tourism tour ticket sales
- New Enterprise Development Agreement 2003
- Develop and commence implementation of a workforce replacement and succession plan
- Review Sydney Opera House By-law 1998
- Review and enhance young audiences and education programmes
- Implement management development programme for 2003/2004
- Implement enhanced Security Strategy and Plan
- Full year implementation of Performance Planning and Review Scheme
- In collaboration with Strategic Presenting Partners, develop framework for a common ticketing and marketing platform (Unified Customer Support System)
- Implement new uniforms for front line customer service staff.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

There was a decrease in the number of work related injuries (including journey injuries) for Sydney Opera House of approximately 10% from the previous year.

Sydney Opera House has been working to ensure compliance with the new NSW OH&S Act and Regulation. In line with this, Sydney Opera House has continued to play a leading role in developing risk assessment procedures related to productions in conjunction with our strategic presenting partners including the Sydney Symphony Orchestra, Opera Australia, Sydney Theatre Company and The Australian Ballet. During the year Sydney Opera House rolled out a number of OH&S training programs, including OH&S awareness and risk management training, to Sydney Opera House staff and staff of our business partners and service providers.

Sydney Opera House OH&S committee also ran a very successful Safety Week, launched by Hon. John Della Bosca MLC, and with the full support of NSW Labor Council and MEAA.

Year	Number of Injuries
1998/1999	373
1999/2000	299
2000/2001	296
2001/2002	299
2002/2003	265

OVERSEAS TRAVEL

Virginia Hyam, Executive Producer, Studio.

- 19 August-5 September 2002, Scotland, England and France. Attended Edinburgh Fringe Festival and visit other performances and companies in Scotland, England and France.
- 30 April-7 May 2003, England. Attended Decibel Performing Arts Showcase, Manchester, upon invitation from the organisers the British Arts Council.

Philip Rolfe, Executive Producer, Producers Unit.

- 24 October-6 November 2002, Singapore and China. Attended opening season of The Esplanade, the 4th Shanghai Performing Arts Fair and Shanghai International Arts Festival.

Christopher Tooher, Producer, Producers Unit.

- 2-30 November 2002, Canada and USA. Attended CINARS Arts Market in Montreal and the BAM Next Wave Festival in New York and met with representatives from various arts companies.
- 12-23 June 2003, Denmark and Belgium. Attended performances by New Danish Dance Theatre and meet with Belgian Arts Council, Rosas Dance Company and Kaaitheater Performing Arts Centre.

Carolyn Stewart-Smith, Manager, Planning and Governance.

- 4-8 December 2002, Macau. Attended Association of Asia Pacific Performing Arts Centres (AAPPAC) 6th Annual General Meeting and Conference and Executive Council Meeting as Secretary-General.

Norman Gillespie, Chief Executive Officer.

- 4-8 December 2002, Macau. Attended Association of Asia Pacific Performing Arts Centres (AAPPAC) 6th Annual General Meeting and Conference and Executive Council Meeting as Chairman.
- 11-25 May 2003, Japan, Spain and England. Attended Invitation Program of Agency for Cultural Affairs (in conjunction with New National Theatre, Tokyo and subsequently attended the 2003 Pritzker Architecture Prize Ceremony awarded to Jørn Utzon in Madrid followed by visits to various performing arts centres in London.

Sarah Duthie, Tourism Development Coordinator, Tourism Services.

- 2-6 April 2003, New Zealand. Attended and participated in the Annual Oztalk Tradeshow in New Zealand, coordinated by Tourism NSW and The Australian Tourist Commission.

PRIVACY MANAGEMENT

Sydney Opera House has undertaken an audit of its personal information collections in accordance with the *Privacy and Personal Information Protection Act 1998*, and as required under s 33 of the Act prepared a Privacy Management Plan.

The Privacy Management Plan includes:

- a Privacy Management Action Plan
- descriptions of the major collections of personal information held by the Sydney Opera House
- an evaluation of the Sydney Opera House's compliance with the Act
- procedures for facilitating the public's right to access information held on them
- procedures for privacy complaints and internal reviews.

It is anticipated that the issues surrounding the Privacy Code of Practice on Access to records of public sector agencies for research purposes will be resolved satisfactorily in the coming year.

In the year under review Sydney Opera House received no requests for Internal Review under the Privacy and Personal Information Protection Act 1998.

A review of Sydney Opera House's Privacy Management Plan is currently underway. Once the review is completed the Privacy Management Plan will be updated and a copy provided to Privacy NSW.

For a copy of Sydney Opera House's current Privacy Management Plan and/or to make enquiries about privacy issues, please contact:

Coordinator Corporate Information
 Sydney Opera House
 GPO Box 4274
 SYDNEY NSW 2001
 Telephone: (02) 9250 7424
 Fax: (02) 9247 3651
 Email: privacy@soh.nsw.gov.au

PUBLICATIONS

The Sydney Opera House produced this year:

- Sydney Opera House 2002 Annual Report
- Bi-monthly Events guide
- Utzon Design Principles
- Venue Improvement Plan
- Kids at the House brochure and promotional material
- The Studio 6 month program brochure and promotional material
- Message Sticks brochure and program
- Event brochures and flyers
- Shop at Sydney Opera House flyers and promotional material
- Discover and Discover More brochures in the following languages: Chinese (Simplified), Chinese (Traditional), English, French, German, Italian, Japanese, Portuguese, Spanish.

The Sydney Opera House Annual Report 2003 is available on CD and on the internet at sydneyoperahouse.com. The total costs for production of the annual report including design, copywriting, print format copies, multimedia CDs, and internet version was \$47,550.

RISK MANAGEMENT

Sydney Opera House Trust Risk Management Committee ensures that obligations are met with respect to financial reporting, internal controls and risk management, along with compliance with all laws, regulations and codes of ethics.

Audits

Performance and compliance audits were carried out by the Internal Audit Bureau on a variety of business processes and systems, including:

- Review of Personnel and Payroll
- Events Based Management System - Events Settlements and Trust Presentation Reconciliation
- Tourism Services
- Accounts Payable, Corporate Credit Cards and Petty Cash
- Workers Compensation Management
- Purchasing and Tendering
- Selection, Recruitment and Induction of Staff
- Personnel Planning and Management
- Sydney Opera House Presentations.

Business process and system improvement recommendations were monitored by the Trust Risk Management Committee.

SENIOR EXECUTIVE SERVICE

There are seven senior executive service positions at Sydney Opera House. Five positions are filled by women. As at 30 June 2003 the Chief Executive of Sydney Opera House was Norman Gillespie. The Chief Executive's total remuneration package was \$250,000. Key achievements this year are outlined in the Key Targets and Priorities section.

WAGE AND SALARY MOVEMENTS

A 4% and 5% wage increase was awarded to staff covered by the Crown Employees (Public Sector Salaries – January 2000) Award effective from the first pay period commencing on and after 1 January 2003 and 1 July 2003 respectively.

Sydney Opera House successfully negotiated with the Media Entertainment and Arts Alliance to extend Sydney Opera House Enterprise Development Agreement 2000 for a period of approximately one year until 7 November 2003, with a 4% pay increase being awarded.

WASTE AND RECYCLING MANAGEMENT

Sydney Opera House continues its waste recycling program in accordance with government guidelines. To date, clean recycling waste has consisted of cardboard and paper, glass, plastic and metal containers using the Visy commingle system, scrap metal and cooking oil.

Since last year's audit Sydney Opera House has implemented further improvements such as construction waste material separation. Visy continues to support Sydney Opera House's programme through updates on the future of the industry, highlighting where future changes will affect Sydney Opera House.

Over the last 12 months two audits have been carried out in line with government guidelines. Recommendations include building on the previous year's improvements, further reducing paper going to land fill, continued improvement of commingle procedures and construction waste separation and reporting, with the aim of reducing the land fill component of the waste.

WOMEN'S ACTION PLAN

Sydney Opera House is strongly supportive of the Government's philosophy in relation to women and the whole of government approach to addressing women's issues and concerns. Sydney Opera House is committed to the advancement of women in all forms of cultural, artistic and work life.

Education and Training

Since becoming a Registered Training Organisation in December 1999, Sydney Opera House has awarded 16 qualifications in Entertainment and 11 qualifications in Assessment and Workplace Training to women within Sydney Opera House. This year, Kate O' Neill was awarded Certificate IV in Entertainment (Lighting) from the Entertainment Training Package. The qualification was received as part of participation in a pilot group testing Certificate IV Entertainment resources, developed by Sydney Opera House with funding from NSW Department of Education and Training.

Women undertook specific skills development training in a range of areas including Events Based Management System, general workplace safety training, dealing with challenging customer issues, spokeswomen's training and assertiveness skills. In addition, 75 women out of a total of 149 participants participated in the Performance Planning and Review System rollout training this year; 33 in Performance Management Skills and 43 in OH&S Legislation.

Women comprise 33% of the Indigenous Traineeship 2003 intake, and 40% of the total Indigenous Traineeship intakes.

Decision Making and Leadership

One of the outcomes following the organisation realignment of 2002/2003 was the formation of a new Executive, 60% of which are women.

Of the overall Sydney Opera House workforce, women comprise 29% of the permanent workforce, 57% of the part-time and 54% of the casual. In total, women comprise 46% of the overall workforce.

Management development programmes included performance management and feedback skills, project management and financial awareness courses. An average of 47% of participants were women, reflecting the high proportion of women in middle to senior level leadership positions.

In May 2003, a new leadership team was launched, consisting of middle and senior level managers, with a clear objective to lead the organisation in realising its vision and goals. Women comprise 52% of this team.

Spokeswomen

Whilst the focus of the Spokeswomen's Programme is directed towards women in non-managerial roles, it also provides a springboard for all women wanting to advance their skills and facilitate access to information. The Spokeswomen's Programme at Sydney Opera House is committed to the advancement of women in the public sector and the performing arts. The Programme aims to enhance individuals' capacity to maximise productivity, whilst at the same time, build morale and encourage women to achieve their full potential.

The Spokeswomen of Sydney Opera House in 2002/2003 were Lindsay Monteath, Theatre Technical Services Staging, Sally Tingle, Presenter Services and Ann Toltz, Tourism.

Events this year included:

- 9 women attended the Springboard Programme – the programme is designed for women in non managerial roles who wish to undertake personal development to further individual goals, both personally and work related
- IWD – International Women's Day was held earlier this year in collaboration with Spokeswomen from Royal Botanic Gardens, NSW State Library and the department of Land and Water Conservation. The aim of IWD is to celebrate the diversity and achievements of women

- Self-Defence workshops run by Penny Gulliver
- Christmas Morning Tea – this event continues the tradition of telling Sydney Opera House women's stories
- Australia's Biggest Morning Tea/Cancer Council which raised over \$900
- The Spokeswomen attended the annual Spokeswomen's conference and workshops focusing on Family Friendly Workplace Practices and Mentoring.

In December 2003 elections will be held to elect a new group of Spokeswomen. The Spokeswomen will continue to work towards identifying and supporting the needs of women in the workplace.

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Note: audited financial statements appear on pages 36 to 49.
 Financial information elsewhere in this report is unaudited.

BUSINESS PARTNER



PRINCIPAL SPONSOR



MAJOR SPONSOR



SPONSORS



Contact Information

Hours of Operation

Sydney Opera House is open daily except for Christmas Day and Good Friday.

Box Office

Open from 9.00am to 8.30pm Monday to Saturday.

Telephone: 61 2 9250 7777

TTY: 61 2 9250 7347

Facsimile: 61 2 9251 3943

Email: bookings@sydneyoperahouse.com

Mail: Box Office, Sydney Opera House,
PO Box R239, Royal Exchange Sydney,
NSW 1225 Australia

Bookings for performances and events can also be made online at sydneyoperahouse.com.

Discovery Tours

Operate between 9am and 5pm daily (except Christmas Day and Good Friday) and take about one hour depending on theatre availability.

Telephone: 61 2 9250 7209

TTY: 61 2 9250 7347

Facsimile: 61 2 9247 8349

Administration

Administration hours are from 9.00am to 5.00pm weekdays.

Telephone: 61 2 9250 7111

TTY: 61 2 9250 7347

Facsimile: 61 2 9250 7666

Email: infodesk@sydneyoperahouse.com

Address: Sydney Opera House, Bennelong Point,
Sydney NSW Australia 2001

Postal Address: Sydney Opera House,
GPO Box 4274, Sydney NSW Australia 2001

Web Address

sydneyoperahouse.com

soh.nsw.gov.au

Car Parking

Sydney Opera House Carpark is operated by Enacon Pty Ltd and is open from 6.30am to 1.00am, seven days a week.

Entry to the carpark is via the Sydney Opera House end of Macquarie Street.

Telephone: 61 2 9247 7599

Annual Report Project Team

Carolyn Stewart-Smith, Rachel Hawke, Shelley Stephens, Jane Johnson (Sydney Opera House); Can Elmaskaya (Calligram™); Lyn Gamwell (Fineline); Deniz Nalbantoglu (Webling)

Photography

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