



# Annual Report

Sydney Opera House  
Financial Year 2016-17



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**About Us**

**01**



# Our History

## 2017

Stage 1 Renewal works begin in the Joan Sutherland Theatre, with \$70 million of building projects to replace critical end-of-life theatre systems and improve conditions for audiences, artists and staff.

*Badu Gili*, a daily celebration of First Nations culture and history, is launched, projecting the work of five eminent First Nations artists from across Australia and the Torres Strait on to the Bennelong sail.

Launch of fourth Reconciliation Action Plan and third Environmental Sustainability Plan.

## 2016

The Vehicle Access and Pedestrian Safety project, the biggest construction project undertaken since the Opera House opened, is completed; the new underground loading dock enables the Forecourt to become largely vehicle-free.

## 2015

The Welcome Centre opens and wins the 2016 National Trust Heritage Award for Interpretation.

The NSW Government reserves \$202 million for Stage 1 Renewal projects; self-funded stage machinery upgrade for Joan Sutherland Theatre announced.

## 2013

The Opera House celebrates its 40th Anniversary; planning for the Decade of Renewal begins; the by-invitation group of supporters the Idealists formed.

### 2012

The Opera House creates the dedicated role of Head of Indigenous Programming and appoints Rhoda Roberts AO to the position.

### 2011

First Reconciliation Action Plan developed; Vehicle Access and Pedestrian Safety project begins.

### 2010

First Environmental Sustainability Plan launched.

### 2009

Western Foyers refurbished.

## 2007

UNESCO World Heritage listing: the Opera House is the youngest site to be listed and one of only two sites to be listed during the lifetime of its architect.

First Access Strategic Plan launched.

### 2006

Asian-language tours begin in Mandarin, Japanese and Korean.

### 2005

National Heritage listing.

### 2002

Utzon Design Principles published.

### 1999

Jørn Utzon re-engaged as design consultant to the Opera House.

## 1973

Opening Ceremony and Royal Concert with HM Queen Elizabeth II and HRH the Duke of Edinburgh.

### 1966

Jørn Utzon resigns.

### 1959

Work begins on Stage 1 of the Sydney Opera House – the foundations.

### 1957

Jørn Utzon wins Sydney Opera House design competition.

## 1954

The Hon. JJ Cahill, Premier of NSW, convenes a conference to discuss the establishment of an opera house in Sydney.



**2017 — *Badu Gili*,  
a daily celebration  
of First Nations  
culture and history,  
is launched.**



*Badu Gili.* Photo by Daniel Boud



Sydney Opera House. Photo by Hamilton Lund

## Who We Are

The Opera House is one of the 20th century's greatest buildings and one of the 21st century's busiest performing arts centres. Built to "help mould a better, more enlightened community", as then-NSW Premier Joseph Cahill said in 1956, it stands on Bennelong Point, which the local Gadigal people knew as Tubowgule, meaning "where the knowledge waters meet".

Tubowgule has been a gathering place for storytelling, feasting, culture and celebration for thousands of years. Its name is a reference to the magical energy liberated where salt and fresh water combine.

Since opening in 1973, Jørn Utzon's masterpiece has become a meeting place for matters of local, national and international significance as well as a site where arts of all kinds flourish. In this, the Opera House not only lives up to the mandate enshrined in its 1961 enabling Act, but continues the ancient traditions of this special place, now and into the future.



## **One of the 20th century's greatest buildings and one of the 21st century's busiest performing arts centres.**

Today, the Opera House attracts more than eight million visitors a year, of whom almost 1.5 million attend performances. The celebrated work of our seven flagship Resident Companies is complemented by a diverse program from Sydney Opera House Presents that ranges from classical music and dance to contemporary performance, theatre for children and First Nations art and performance.



Homeground Festival 2016, Weaving Workshop. Photo by Daniel Boud



*The Children's Republic of Sydney. Photo by One Day Somewhere Photography*

## More than eight million visitors and about 1,800 performances each year.

About 1,800 performances are presented each year across our six theatres and the Opera House Forecourt. Digital technology has also enabled the Opera House to reach beyond its site to a worldwide audience.

The Opera House is maintained and operated on behalf of the NSW Government and the people of NSW by the Sydney Opera House Trust. It is a not-for-profit public trading entity that this year generated nearly 87% of operating revenue through its own activities. The NSW Government provides the rest of its operating revenue and also funds the building's maintenance.

As a community asset that belongs to us all, the Opera House takes its responsibilities as a cultural leader seriously. Reconciliation with

Australia's First Nations people, education, access and care for the environment are embedded both strategically and in daily operations.

The Opera House is now well into the Decade of Renewal launched in its 40th Anniversary year. Utzon himself said that as time passed and needs changed, it was "natural to modify the building to suit the needs and techniques of the day". The incredible richness of the Opera House's heritage informs every step of this vital evolution to ensure the Opera House remains the symbol of modern Australia.

Who we are in the future will be defined by how we manage these competing claims. In doing so, we are guided by our vision: to be as bold and inspiring as the Opera House itself.



The Hon. Don Harwin MLC  
**Minister for the Arts**

We have the pleasure of presenting the Annual Report of the Sydney Opera House for the year ended 30 June 2017 for presentation to Parliament. This report has been prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Audit and Finance Act 1983*.



**Nicholas Moore**  
**Chairman**



**Louise Herron AM**  
**Chief Executive Officer**



Vivid LIVE, Air. Photo by Prudence Upton

# Vision, Mission and Values

## Our Vision

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

## Our Mission

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

## Our Values

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

Underpinning our values is safety, which is our greatest responsibility.





# Highlights

## Engaging with the Opera House



**800,031**  
attendances at  
Resident Companies  
performances



**384,881**  
attendances at  
Sydney Opera  
House Presents  
presentations



**123,671**  
attendances at  
performances for  
Young Audiences



**1.9 million**  
social media fans



**4.9 million**  
unique users of  
our website



**2.6 million**  
food and beverage  
transactions



**2.2 million**  
views of *Lighting  
the Sails: Audio  
Creatures* live stream



**1,468,386**  
attendances at  
performing arts  
events





Vivid LIVE, Deafheaven. Photo by Prudence Upton

## Experiences (pp.37-68)

### Performing Arts (pp.37-63)

- 1,468,386 attendances at 1,784 performances
- 800,031 attendances at 778 performances by Resident Companies
- 384,881 attendances at 697 Sydney Opera House Presents performances
- 123,671 attendances at 372 performances for young audiences
- *Lighting the Sails: Audio Creatures* live stream viewed 2.2 million times
- 59,300 attendances at 87 Talks & Ideas events
- 107,097 attendances at contemporary music performances

### Visitor Experience (pp.64-68)

- Revenue increases 5.6% to \$39.3 million
- More than 491,000 visitors take a tour, up from 437,000 in FY16
- Food and beverage revenue increases 7% to \$13 million
- More than 2.6 million food and beverage transactions



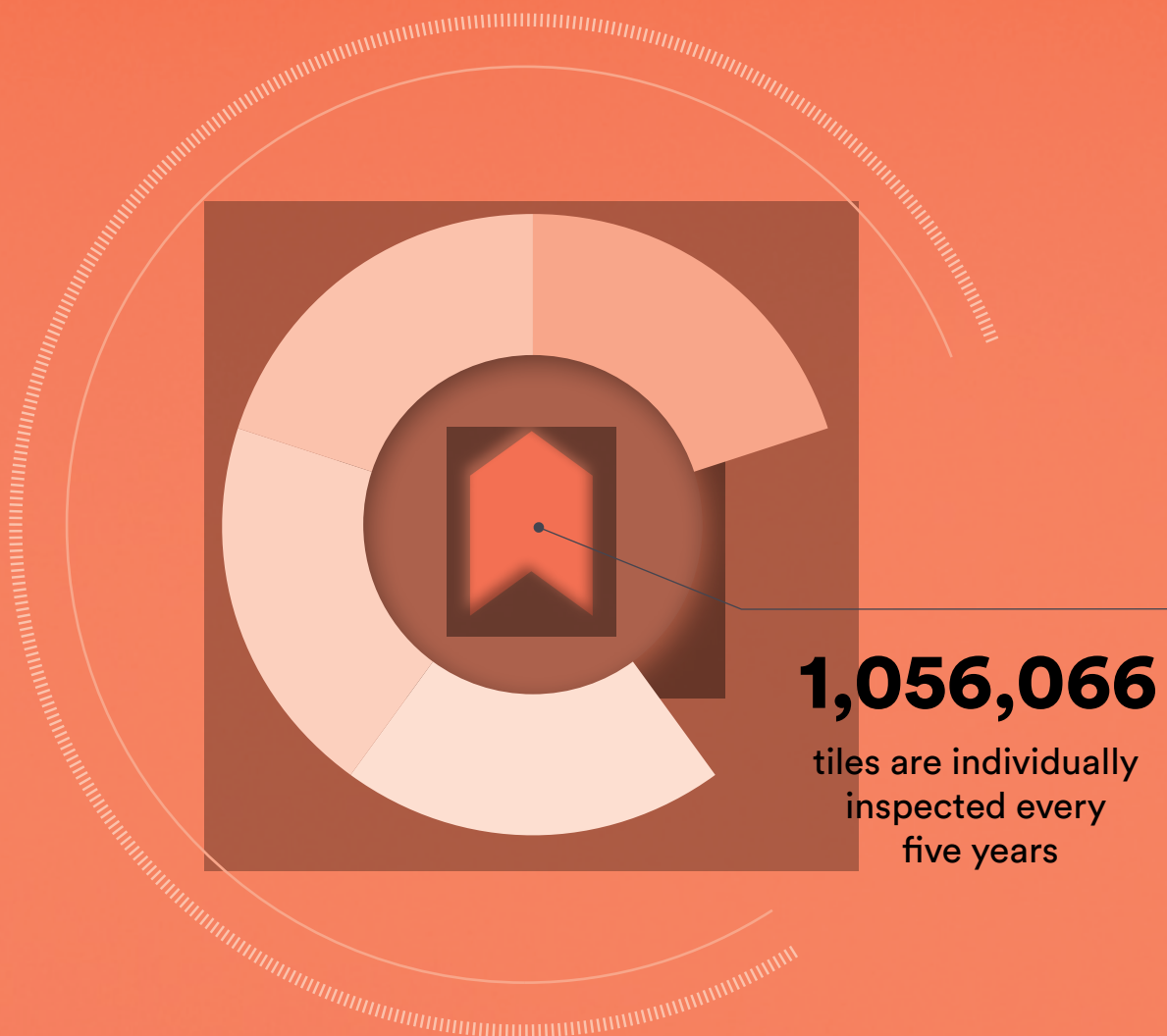
## **NSW Government provides \$26 million for additional upgrades to the Joan Sutherland Theatre, including accessibility works.**

### **Partners and Supporters (pp.69-72)**

- NSW Government provides \$26 million for additional upgrades to the Joan Sutherland Theatre, including accessibility works
- The Lounge, enabled by Samsung, opens
- EnergyAustralia joins as a Major Partner

### **The Building (pp.73-77)**

- Joan Sutherland Theatre closes for seven months for the replacement of critical machinery and systems
- Five-yearly “tap test” of Opera House tiles undertaken, involving individual inspection of 1,056,066 tiles



## 283% increase in video content views



**Opera House  
video content**  
from six million  
to 23 million



## Team and Culture (pp.78-93)

### Renewal (pp.78-83)

- First new website in a decade launched, built on Adobe Marketing tools that connect customers with the experiences most relevant to them
- 283% increase in views of Opera House video content, from six million to 23 million
- 1.9 million social media fans
- New Reconciliation Action Plan launched
- New Environmental Sustainability Plan launched
- Sixth consecutive hosting of annual Indigenous Literacy Day
- More than 5,000 people attend accessible performances and inclusive events
- Tap-to-collect printing system results in a reduction of 10% in print jobs and tens of thousands fewer pages being printed

### People and Capability (pp.85-91)

- Memorandum of Understanding negotiated with the Media Entertainment and Arts Alliance for staff affected by the temporary closure of the Joan Sutherland Theatre
- Australian designer Dion Lee announced as the creator of a new range of staff uniforms

### Safety, Security and Risk (p.92)

- The Opera House endorses 2017-19 Work Health and Safety Strategic Plan
- 2,849 hours of safety training undertaken, against a target of 1,423 hours

**More than 5,000 people attend accessible performances and inclusive events.**

**“A marketing team that delivered and designed a digital transformation project and journey with outstanding results and business outcome.”**

## Awards

### **Marketing Team of the Year 2017 Mumbrella Awards**

Marketing Team of the Year at the 2017 Mumbrella Awards, Australia's biggest and most respected media and marketing awards. The judges note that the team is: “A marketing team that delivered and designed a digital transformation project and journey with outstanding results and business outcome. Further, a team that clearly love doing what they do.”

### **Global Facebook Award**

Global Facebook Award for the #ComeOnIn campaign created by DDB Sydney. The award is made in the category of campaigns that fill people with awe. #ComeOnIn makes use of Principal Partner Samsung's technology to make contact with onsite visitors and invite them to come into the building to experience a show, a rehearsal, meet an artist backstage, take a tour, or dine in one of the award-winning restaurants and bars. In FY16 #ComeOnIn won nine Lions at the Cannes International Festival of Creativity.

### **Helpmann Awards**

Resident Companies productions and Sydney Opera House Presents presentations receive 41 nominations for 2017 Helpmann Awards, resulting in nine wins (announced in July 2017). Opera Australia has a bumper year, receiving 24 nominations and three wins.

### **Australasian Annual Reporting Award**

Silver Australasian Annual Reporting Award 2017.



Academy of St Martin in the Fields. Photo by Ken Leanfore

# Chairman's Message



As the Opera House undergoes its largest upgrade since opening in 1973, we are pleased that we continue to increase audience and visitor engagement while undertaking such major building works.

One of the world's busiest performing arts centres, the Opera House staged almost 1,800 performances over the past year to an audience of 1.5 million people (p.38).

It also significantly increased its digital audience, including almost quadrupling video views from six million to 23 million, extending its reach beyond the physical boundaries of Bennelong Point (p.91).

And it remains Australia's most popular tourist attraction, as well as a significant economic asset, receiving 8.2 million visitors a year and contributing \$775 million to the national economy each year. It was estimated by a 2013 Deloitte report to have an iconic value of \$4.6 billion\*.

The Decade of Renewal program launched in 2013 as part of the Opera House's 40th anniversary celebrations is designed to build on this legacy and ensure the Opera House remains a symbol of modern Australia.

Works totalling \$272 million, of which the NSW Government has committed \$228 million, will equip the building for challenges that did not exist when it was conceived and help us attract new generations of artists, audiences and visitors.

Already, a new loading dock has allowed the Forecourt to become vehicle-free, ensuring visitors can enjoy this public space as its creator, Jørn Utzon, intended.

In May 2017, the Joan Sutherland Theatre, one of the world's hardest-working theatres, closed its doors for the first time in 44 years to enable \$70 million of works to replace critical theatre equipment that has reached the end of its operational life and undertake other works to improve conditions for audiences, artists and staff.

\* Source: Deloitte, 2013, *How do you value an icon? The Sydney Opera House: economic, cultural and digital value.*



## The Opera House is estimated to have an iconic value of \$4.6 billion.

The theatre's Resident Companies, Opera Australia and The Australian Ballet, will return with full programs from early 2018. They have been integrally involved in planning the project and we thank them for their collaboration.

Future projects, including upgrades to the Concert Hall and entry and foyers, a new Creative Learning Centre and new Function Centre, are now well advanced in their planning and design.

Completing these projects in stages enables the Opera House to remain open and operating throughout the construction process and the management team has worked hard to ensure visitors can enjoy their Opera House experience with minimal disruption.

Those efforts are reflected in the strong average satisfaction score of 90% recorded in customer satisfaction surveys undertaken during the year (p.65).

In addition to the capital works program, the Opera House has progressed a number of operational improvements.

Under a new Environmental Sustainability Plan launched in August 2016, the Opera House aims to be carbon neutral by 2023 and achieve a 5 Star Green Star performance rating from the Green Building Council of Australia. The Opera House currently has a 4 Star rating, which is exceptional for a heritage building (p.82).

In April, we welcomed a new major partner, EnergyAustralia, to help the Opera House meet its environmental sustainability goals.

A new Reconciliation Action Plan commits the Opera House to increase the employment of First Nations people from 2.1% to 3% by 2019 (p.258).

A key event in First Nations programming was the launch of *Badu Gili*, an animation projected daily on to the Bennelong sail to celebrate First Nations culture and history. Showing at sunset and later in the evening, it has attracted hundreds of visitors each day since it was launched on 28 June (p.55).

A less visible project, but one of great importance to the Opera House's mission to inspire and strengthen the community, is the new Creative Leadership in Learning Program, a three-year partnership with five NSW public schools. It provided 1,440 hours of professional development to more than 300 teachers during the year (p.50).

As part of our extensive education outreach, we engaged with more than 18,500 primary and secondary students through a variety of curriculum-linked performances (p.50), while 22,000 people participated in our free Creative Play program designed to add to the experience of seeing a performance (p.48).



Sydney Opera House. Photo by Hamilton Lund



#### **Governance and Board**

I thank my fellow Trustees for their support and counsel, and CEO Louise Herron and the management team for their focus and determination. On behalf of the Trust and management, I would like to acknowledge Brenna Hobson's contribution as Trustee from January 2014 to April 2017, particularly for her contribution to the Audit and Risk Committee and her artistic programming, mentoring and recruitment advice. We wish her well with her new role as Executive Producer of the National Theatre of Scotland.

## **Staff members have shown great commitment through a time of change.**

#### **Thanks**

We could not operate without the generous support of the NSW Government. The Trustees thank the Government for the operational endowment and maintenance and capital grants it provides. We are grateful to the Hon. Don Harwin MLC, Minister for the Arts, and his predecessor, the Hon. Troy Grant MP, for their direction of the Government's cultural vision.

Our corporate partners and individual donors collaborate with us on a range of projects that ensure we provide a diverse and high-quality offering to our audiences and visitors. Their contribution is highly valued.

Finally, the Opera House's staff members have shown great commitment during a time of change and disruption. They embody our values of creativity, excellence, collaboration and accountability and we appreciate their dedication.



**Nicholas Moore**  
Chairman



# CEO's Message



In 2013 we embarked on our Decade of Renewal. With the closure of the Joan Sutherland Theatre (JST) in May, Stage 1 of Renewal is now in full swing. It has taken years of painstaking planning and preparation to get to this point and there is still so much to do, but as soon as the curtain came down on The Australian Ballet's final performance of *Nutcracker – The Story of Clara* on 20 May, a very different kind of choreography began to prepare the theatre for its extensive upgrade. The auditorium has been cleared and in June alone more than 50 pieces of equipment were removed.

The Theatre Machinery Project (TMP) is replacing infrastructure that is more than 40 years old and can no longer deliver the quality of performance today's artists, technical staff and audiences expect and deserve. There are also improvements being made to the pit and public areas that will greatly enhance the experience of all who come to the JST (p.74).

The works in the JST are the first major project in Stage 1 Renewal. They usher in a period of exciting change and evolution as, over the next few years, we bring to fruition a total of \$272 million worth of projects (p.74). None of this would be possible without the exceptional support of the NSW Government and the hard work and commitment of Opera House staff.

# Over the next few years, we bring to fruition a total of \$272 million worth of projects.

Together we are fulfilling the Mission we articulated some time ago:

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

Our Vision is to be as bold and inspiring as the Opera House itself.

*Badu Gili*, a celebration of First Nations history and culture each evening, demonstrates our commitment to creating a shared sense of belonging for all Australians. A mesmerising seven-minute animation is projected on to the Bennelong sail each evening, featuring the work of five eminent First Nations artists from across Australia and the Torres Strait. *Badu Gili*, which means “water light” in the local Gadigal language, attracted an estimated 16,000 people in its first month to the Opera House’s Monumental Steps and a live video of its launch on 28 June received 650,000 views in just two days (p.91).

A brilliant piece of contemporary art and timeless storytelling made possible by 21st-century technology, *Badu Gili* shows one of the 20th century’s most recognised and beloved buildings honouring the ancient traditions of the land on which it stands.

That is the essence of Renewal: tradition and heritage deeply informing the evolution of the work of art that is this building and the experiences that bring it to life every day for the millions of people who visit it each year.

In May this year we engaged the wonderful young Australian designer Dion Lee to create new uniforms for staff, who play such an essential part in delivering those experiences (p.86).

In March 2017 we launched the Opera House’s first new website in a decade (p.88). Our digital presence is an increasingly vital dimension of people’s experience of the Opera House. We have seen strong growth in video content views, Facebook reach, the number of social media fans and other forms of digital engagement (p.91) over the course of a year in which the Opera House also won Marketing Team of the Year at the Mumbrella Awards, announced in June 2017 (p.85).

Our Visitor Experience team was again responsible for a significant increase in the number of people taking a tour this year (p.66) and our Children, Families & Creative Learning team continued to expand our connection with students and teachers, both at the Opera House and across the state, country and region (pp.50-51).

**The family show  
*Circus 1903* was  
enjoyed by more  
than 32,000  
people.**





*Circus 1903*. Photo by Ken Leanfore

### Performing Arts

The Opera House enjoyed a year of artistic success across every programming stream. The concerts by the Academy of St Martin in the Fields and Joshua Bell were an outstanding success under the Sydney Opera House Presents banner. The associated education program will never be forgotten by students who took part. Crowded House celebrated the 20-year anniversary of its legendary Forecourt concert, the All About Women festival once again featured exhilarating speakers who attracted capacity audiences, and the family show *Circus 1903* was enjoyed by more than 32,000 people.

Vivid LIVE secured two Sydney-only performances from France's iconic electronic pop duo Air, which attracted significant interstate visitation.





Crowded House on the Forecourt. Photo by Daniel Boud

There were more than 800,000 attendances at performances by our superb Resident Companies – Australian Chamber Orchestra, Bangarra Dance Theatre, Bell Shakespeare, Opera Australia, Sydney Symphony Orchestra, Sydney Theatre Company and The Australian Ballet. I would like to make special mention of Bangarra's *Bennelong*, choreographed by Artistic Director Stephen Page, telling the story of the Eora man who once lived here and after whom Bennelong Point is named. There were full houses and widespread critical acclaim for this brilliant interpretation and reclamation of his story.

I thank Opera Australia and The Australian Ballet for their valuable input during planning for the Theatre Machinery Project. They return in 2018 to the JST, where they give nearly 300 performances a year between them. Before the JST closure Opera Australia's production of *My Fair Lady* set an Opera House record for the number of tickets sold.

In total almost 1.5 million people attended 1,784 performances at the Opera House.

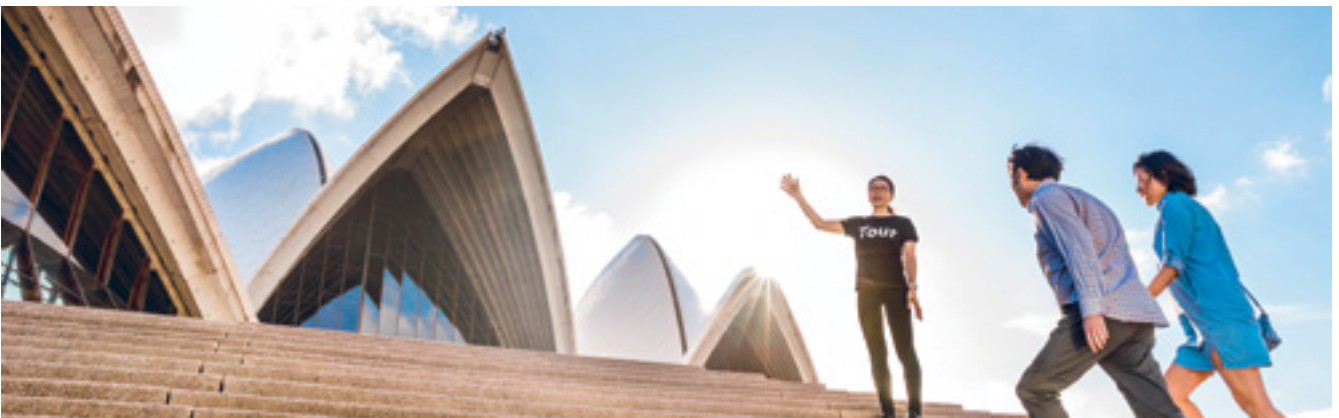
This year we farewelled Tim Calnin from the role of Director, Performing Arts. Tim accepted a position in Hong Kong as director of Tai Kwun: Centre for Heritage and Art and we wish him every success. Kate Dundas was subsequently appointed Executive Director of Performing Arts and took up her position in July 2017. Kate is a former director of ABC Radio and Deputy Secretary NSW Government Arts and Culture and we are delighted to have her with us.

### Visitor Experience

Our Visitor Experience team oversees a portfolio that includes tours, food and beverage and retail. As befits the position the culinary arts enjoy in Australian culture, the Opera House has a growing reputation as a food destination thanks to our relationship with a trio of hatted chefs – Peter Gilmore (Bennelong), Matt Moran (Opera Bar and Aria Catering) and Lauren Murdoch (Trippas White Group). The diversity and quality of their food gave us the stimulus to pilot a new dining tour, Taste of the Opera House, that we will expand in the future. Overall, there were more than 2.6 million transactions across our food and beverage outlets (p.67).

To deepen our engagement with visitors and help them make the most of their time with us, we established a roving Welcome Team this year to greet people to the precinct and offer help and information. Due to demand, in FY17 we added a one-hour tour in Mandarin to the existing highly popular half-hour offering (p.66). In all, more than 491,000 people took an Opera House tour, an increase of 13% on the previous year and above the 10% growth in inbound tourism to Sydney in FY17.

**More than 491,000 people took an Opera House tour, an increase of 13% on the previous year.**



Sydney Opera House tour. Photo by Cybele Malinowski

## **This year we welcomed EnergyAustralia as a Major Partner to help the Opera House deliver its Environmental Sustainability Plan (ESP) 2017-19.**

### **Partners and Supporters**

In November we were delighted to open The Lounge, enabled by Samsung, as a new area near our main Box Office where people can meet, relax, have something to eat and learn more about the Opera House. Our Principal Partner's technology animates the area, extending visitors' knowledge of the Opera House, our Renewal program and our Resident Companies. Last year Samsung renewed its Principal Partnership of the Sydney Opera House for five years. We are thrilled to continue this important relationship.

This year we also welcomed EnergyAustralia as a Major Partner to help the Opera House deliver its Environmental Sustainability Plan (ESP) 2017-19. EnergyAustralia joins an outstanding group of Major Partners – Adobe, Etihad Airways, Google, Intel and MasterCard. I would like to take this opportunity to thank them all for their support and engagement. Thanks also to Partners Airbnb, Interbrand, Maserati (which renewed for a further two years in FY17), Y&R Group and Zip.

Our private donors are a cherished part of the Opera House family. They support our mission through their gifts, advocacy and advice. They engage deeply with our projects, many of which would simply not happen without them. *Badu Gili* was enabled by the Opera House, its Idealist donors and the Australia Council for the Arts. It is a shining example of what we can achieve together. It has been wonderful to see the blossoming of our Idealists, the donor group established during our 40th Anniversary year in 2013.





The Lounge, enabled by Samsung. Photos by Anna Kučera



### Team and Culture

The Opera House worked closely with staff to prepare for the closure of the Joan Sutherland Theatre for seven months and a Memorandum of Understanding was negotiated with the Media Entertainment & Arts Alliance (MEAA). Despite the disruption caused by the JST closure the Opera House recorded a strong staff engagement score of 70% (p.85).

In October we finalised a new Enterprise Agreement between the Opera House and the MEAA and achieved significant improvements in employment conditions (p.86).

In FY17 we launched our fourth Reconciliation Action Plan (RAP) and third Environmental Sustainability Plan (ESP). Our current Access Strategic Plan, the Opera House's fourth, is in its second year. Each of these plans strengthens the Opera House's connection with the society we live in and the world around us. We work to forge stronger and more meaningful links with First Nations people, care for the environment and to make our building and programs open and welcoming to all (pp.78-83).

### Financial Performance

Self-generated revenue of \$106.4 million represented 86.9% of operating revenue (p.111). The Visitor Experience portfolio delivered total revenue of \$39.3 million, a 5.6% increase on the FY16 result. This included tours revenue growing by 16% over FY16 and food and beverage generating \$13 million in revenue for the Opera House, 7% ahead of last year (p.67). Social media revenue increased 36% over FY16 to \$1.9 million and mobile revenue by 26.4%, from \$8.7 million to \$11 million (p.91).

**Social media revenue increased 36% over FY16 to \$1.9 million and mobile revenue by 26.4%, from \$8.7 million to \$11 million.**

### **Thanks**

Renewal is exciting and essential, but also challenging, as we tackle large projects while maintaining the excellence of our daily operations and experience. I thank our Trustees, led by Chairman Nicholas Moore, for their vision, strong support and wise counsel during this unprecedented time.

Opera House staff have been asked to embrace change and have risen magnificently to the call. It is a great privilege to work with them. I give particular thanks to our new Director, Building, Ian Cashen, who has taken over the immense responsibility of delivering Stage 1 Building Renewal. I would also like to thank Chief Financial Officer Natasha Collier, who departed at the end of FY17. Natasha made an outstanding contribution as CFO and member of the Executive Team, including driving many significant improvements to the business, our budgeting and reporting.

On 1 April 2017, the Opera House transferred from the Department of Justice to the Department of Planning and Environment. I thank the NSW Government and our colleagues in both departments. They are our steadfast partners in keeping alive the flame lit by Jørn Utzon 60 years ago when his design won a competition to design an opera house for this great city.

A handwritten signature in black ink, appearing to read 'Louise', followed by a long, sweeping horizontal flourish.

**Louise Herron AM**  
**Chief Executive Officer**

**The Year's  
Activity**

**02**



All About Women festival. Photo by Prudence Upton

# Experiences

## Performing Arts

The Opera House's performing arts activity grows more diverse and broad-ranging each year. In addition to ticketed events in the Opera House's six theatres and the Forecourt, there are free activities in foyers and the Northern Broadwalk that attract tens of thousands of people, including large numbers of children. The new daily light-and-sound experience *Badu Gili*, projected each evening on to our eastern Bennelong sail, has become a must-see (p.55). Digital outreach takes the Opera House to regional and remote Australia so those unable to be physically present can participate in festivals such as All About Women. Finally, the world at large is invited to share our vision of being as bold and inspiring as the Opera House itself through our many digital broadcasts, including the annual Lighting the Sails during Vivid LIVE.



## 800,031 attendances at 778 performances by Resident Companies.

Seven flagship Resident Companies, our in-house presenting arm Sydney Opera House Presents (SOHP) and an eclectic group of venue hirers are responsible for programming our ticketed events in the theatres and external spaces. The FY17 program encompassed nearly 1,800 performances, ranging from the superlative Academy of St Martin in the Fields with music director and soloist Joshua Bell to contemporary music legend Crowded House celebrating 20 years since the band first performed on the Forecourt. SOHP presentations St Martin in the Fields, cabaret act *Hot Brown Honey* and young people's show *Jump First, Ask Later* won 2017 Helpmann Awards (announced in July) and Helpmann Awards also went to Resident Companies Bell Shakespeare, Opera Australia and The Australian Ballet.

In FY17 total attendance was 1,468,386 at 1,784 events, slightly down on last year. This was partly due to the closure in May of the Joan Sutherland Theatre for replacement of critical theatre machinery (p.74) and to a reduction in ticketed SOHP events to enable an expansion of events for children including Creative Play and Digital Creative Learning (p.48; p.51).

There were 800,031 attendances at 778 performances by Resident Companies, 384,881 attendances at 697 SOHP performances and 262,575 attendances at 280 events by venue hirers.

Our free activities, including Creative Play and the annual Australia Day Forecourt concert presented in association with the NSW Government's Department of Premier and Cabinet, attracted 90,000 attendees.

In consultation with heritage adviser Alan Croker, the Opera House developed frameworks and heritage guidelines for outdoor events and obtained a new Development Application that sets parameters for Forecourt presentations.

## Resident Companies

### Australian Chamber Orchestra

In June 2017 the ACO took part in the Vivid LIVE festival with the sell-out and critically acclaimed Concert Hall premiere of *Mountain*, a visual and aural experience in which the ACO accompanied Jennifer Peedom's exhilarating film shot in some of the world's wildest, most beautiful and challenging high-altitude landscapes. The "cinematic and musical odyssey", narrated by Willem Dafoe, included music composed by ACO Artistic Director Richard Tognetti.

The ACO celebrated five centuries of Italian music under the guest directorship of Giovanni Sollima in July 2016. Sollima featured in one of the Opera House's best performing videos for

the ACO, which received nearly 38,000 views.

In November, the ACO welcomed back guitarist Slava Grigoryan after an absence of 16 years to play Rodrigo's *Concierto de Aranjuez* for an audience of more than 2,500 people, and in February guest director Pekka Kuusisto led the *Murder and Redemption* program, which interwove Janacek's *Kreutzer Sonata* with John Adams's *Shaker Loops*. Tognetti, Helena Rathbone and Satu Vänskä were soloists in a popular concert of Bach violin concertos in April. That concert was nominated for a 2017 Helpmann Award for best chamber and/or instrumental ensemble concert.



Australian Chamber Orchestra, *Mountain*. Photo by Maria Boyadgis



Bangarra Dance Theatre, *Bennelong*. Photo by Vishal Pandey



Bell Shakespeare, *Richard 3*. Photo by Prudence Upton

### Bangarra Dance Theatre

Artistic director Stephen Page's 24th work for Bangarra Dance Theatre, *Bennelong*, was an exceptional success. Page's first full-length piece since 2014's *Patyegarang*, *Bennelong* experienced such strong demand before opening in late June 2017 that its Drama Theatre season was extended. Reviewers were united in their praise, with *The Sydney Morning Herald* calling *Bennelong* "an extraordinarily powerful work, a benchmark in Australian dance creativity".

The production had special resonance for the Opera House, which is situated on Bennelong Point. Woollarawarre Bennelong was a Wangal man of the Eora nation, abducted by Governor Arthur Phillip in 1789 and introduced to European ways. He was a conduit between the British and the original custodians of the land and his story was recorded and documented in early colonial diaries. He even travelled to London as a guest of Governor Phillip but despite his importance he remains a shadowy figure to many today. Page's work is an act of homage and reclamation.

In June, senior Bangarra dancer Elma Kris was nominated for a Helpmann Award for best female dancer in a ballet, dance or physical theatre production for her role in Page's *Nyapanyapa*, part of the trilogy *OUR land people stories*, which opened at the Opera House in June 2016 and continued into the early part of FY17. *OUR land people stories* was nominated as best dance production at the Helpmanns.

### Bell Shakespeare

Bell Shakespeare enjoyed immense popular and critical success in March 2017 with *Richard 3*, directed by Artistic Director Peter Evans. Kate Mulvany, who was also the production's dramaturg, took on the title role to widespread acclaim. *The Australian* called Mulvany's Richard "fascinating. She brings a new perspective to this great villain, not because she is a woman (she plays the role as a man) but because of the level of humanity that she allows to emerge ..." Mulvany won the 2017 Helpmann Award for best female actor in a play. Peter Evans also directed a production of *Othello* at the Opera House in October 2016 that the *Australian Book Review* reviewed as "overall a triumph of intelligent insight that moves us emotionally and grabs us intellectually".

Bell Shakespeare co-presented *Mercy* for the Festival of Dangerous Ideas, an exploration of justice and law versus compassion, inspired by *The Merchant of Venice*. Associate Director James Evans directed the education season of *A Midsummer Night's Dream*, produced in partnership with the Opera House, which was performed for 8,754 students and teachers. In addition, school groups had access to performances of *Othello* and *Richard 3* at the Playhouse.





Opera Australia, *King Roger*. Photo by Jeff Busby

### Opera Australia

Opera Australia's Sydney Summer Season was the highest selling in the company's history, with ticket sales of more than \$14 million between New Year's Eve and April 1 for performances in the Joan Sutherland Theatre. More than 100,000 people attended revivals of *La traviata*, *La bohème* and *Tosca* along with Australian premieres of new productions of *Cavalleria Rusticana* and *Pagliacci* and *King Roger*, the first opera performed in Polish in Australia.

Also in FY17, director John Bell's new production of *Carmen*, set "somewhere resembling today's Havana", played to sold-out houses from June to August 2016. Following his profound productions of *Don Giovanni* and *The Marriage of Figaro*, acclaimed British director Sir David McVicar returned to the Opera House to direct his third and final opera in Mozart's *Da Ponte*

cycle, *Così fan tutte*. A ground-breaking new production of Dennis Watkins and Alan John's *The Eighth Wonder*, retitled *Sydney Opera House – The Opera* for the occasion, was performed on the Forecourt in front of the building that inspired it. The music was relayed individually to patrons via state-of-the-art headphones, making it the Opera House's first "silent" opera.

In the 60th anniversary year of the Broadway premiere of *My Fair Lady*, and in Opera Australia's 60th birthday year, OA teamed with producer John Frost to recreate the original 1956 production of Lerner and Loewe's imperishable musical. The first Eliza, Dame Julie Andrews, directed. The production holds the record for selling more tickets than any other show in Opera House history.

### Sydney Symphony Orchestra

The Sydney Symphony Orchestra's chief conductor and artistic director, David Robertson, led the SSO in enthralling performances of three Stravinsky ballet scores, *The Rite of Spring*, *The Firebird* and *Petrushka*. They were created for the Ballets Russes and are among the most loved and influential scores in all dance. Robertson scheduled them within a two-week period to allow listeners to "hear Stravinsky growing and exploring and at the same time appreciate the incredible qualities that these ballets share in common despite their surface differences". All received outstanding reviews and *The Rite of Spring* and *The Firebird* were nominated for 2017 Helpmann Awards.

Also nominated for a Helpmann Award was the Australian debut appearance of exciting Russian pianist Daniil Trifonov, 25, for his *Young Russians: Prokofiev, Shostakovich & Rachmaninoff* concert for the SSO.

Other important concerts were George Gershwin's *Porgy and Bess*, the fourth instalment in David Robertson's Opera in the Concert Hall series, which starred bass-baritone Alfred Walker and soprano Nicole Cabell, and, for family audiences, the John Williams score of *Harry Potter and the Philosopher's Stone* while the film played on a giant screen in the Concert Hall.

The world premiere of *Spirit of the Wild*, Australian composer Nigel Westlake's concerto for SSO principal oboe Diana Doherty, was greeted with a standing ovation in February. Doherty played with "an athletic virtuosity and almost inhuman breath control", wrote *Limelight* in its review.



Sydney Symphony Orchestra, *Porgy and Bess*. Photo by Keith Saunders



Sydney Theatre Company, *A Midsummers Night's Dream*. Photo by Brett Boardman



The Australian Ballet, *Nijinsky*. Photo by Jeff Busby

### Sydney Theatre Company

In FY17 Sydney Theatre Company showcased a range of productions to Opera House audiences. STC Artistic Director Kip Williams's *A Midsummer Night's Dream* brought a surreal vision to the Shakespeare classic and took audiences deep into a forest of desire. *A Flea in Her Ear*, by Georges Feydeau, adapted by Andrew Upton and directed by Simon Phillips, was followed by Michael Gow's modern classic *Away* – a moving portrayal of Australian families, directed by Matthew Lutton in a co-production with Malthouse Theatre. New Australian play *Talk*, written and directed by Jonathan Biggins, was a sharp new take on modern journalism and the 24-hour news cycle. In all more than 91,000 people attended STC shows in the Drama Theatre.

### The Australian Ballet

Choreographer John Neumeier's *Nijinsky* was staged in the Joan Sutherland Theatre in November to standing ovations for the dancers and for the Australian Opera and Ballet Orchestra (from 2017 known as the Opera Australia Orchestra) under The Australian Ballet's chief conductor Nicolette Fraillon. Principal artist Kevin Jackson won the 2017 Helpmann Award for best male dancer in a ballet, dance or physical theatre production for his performance in the title role.

Graeme Murphy's beloved "Gum-Nutcracker", *Nutcracker– The Story of Clara*, celebrated its 25th anniversary in 2017 and was rapturously received by audiences and critics alike. Created in 1992 for TAB, the work reaffirmed its standing as a modern Australian classic and an unfailing crowd-pleaser. It was the last production on the Joan Sutherland Theatre stage before its seven-month closure to enable the Theatre Machinery Project.

The *Symphony in C* program featured George Balanchine's one-act homage to classical ballet alongside a group of divertissements that included two works by company members: *Little Atlas* by Alice Topp and *Scent of Love* by Richard House. The program also featured the Australian farewell performance of Australian-born Damian Smith of San Francisco Ballet, who partnered Robyn Hendricks in Christopher Wheeldon's *After the Rain* pas de deux.

At the end of 2016 American Ballet Theatre and Bolshoi Ballet Principal David Hallberg appeared at the Opera House in *Coppélia*, making a return to the stage after a long absence due to injury. Hallberg spent 2016 in the care of TAB's world-class medical team. In February, he was announced as TAB's first international resident guest artist.



**Sydney Opera  
House Presents  
is committed to  
nurturing emerging  
and independent  
Australian artists.**



## Sydney Opera House Presents

Nearly 385,000 people attended Sydney Opera House Presents (SOHP) ticketed events in FY17, resulting in revenue of \$23.8 million.

In line with our Performing Arts Strategy, SOHP has shown its commitment to identifying and nurturing emerging and independent Australian artists and is undertaking a research project to identify where the Opera House can bring the most value in this area. An Emerging Artists Program for young classical and opera artists was established with the generous philanthropic support of the Yarranabbe Foundation. It enables up to 10 presentations in the Utzon Room each year for three years, with five presentations taking place in FY17.

In addition, the Utzon Music Series, in its ninth year in FY17, provides an opportunity for audiences to experience classical concerts by established and emerging artists in an intimate setting.

**372 performances for young audiences staged at the Opera House to a combined audience of 123,671.**



Creative Play. Photo by Anna Kučera

### Children, Families & Creative Learning

The Opera House continued its deep commitment to presenting live performance for young audiences, expanded free activities for children and created new partnerships and digital programs that reached far beyond Bennelong Point.

There were 372 performances for young audiences staged at the Opera House to a combined audience of 123,671. The shows included the return of critically acclaimed Danish company Teatret Gruppe 38 with *A Sonatina*, a thought-provoking theatrical experience for audiences aged six and above; and the Helpmann Award-winning *Jump First, Ask Later*, a highly physical performance in which personal stories of young Australians from diverse backgrounds in Western Sydney were punctuated with parkour.

*The Children's Republic of Sydney* was presented in the Studio and Western Foyers during the April school holidays and asked the question: If the children of Sydney crafted

their ideal nation, what would it look like? The free event was designed to empower young voices as children took part in activities such as sewing a national flag and creating a podcast. The event fostered engagement with audiences that don't normally attend performances at the Opera House.

In January, *The Funatorium: Mad Hatter's Tea Party* had 22 performances in the Studio for more than 8,000 audience members. Stellar performers from the worlds of circus and cabaret hosted a tea party inspired by *Alice's Adventures in Wonderland*. Directed by former Circus Oz artistic director Mike Finch, *The Funatorium* was designed to tour. It was seen in Melbourne and Canberra in early FY18.

In FY17 22,000 people participated in Creative Play, a free program of interactive installations in the foyers for children and their families designed to complement their experience of seeing performances with an opportunity to be creative.





*The Funatorium: Mad Hatter's Tea Party. Photo by Anna Kučera*



**“This conference was one of the best I’ve been to in my 20+ years of teaching.”**

The Creative Learning Program engaged with more than 18,500 primary and secondary students through a variety of curriculum-linked performances, which included *The Seven Stages of Grieving*; a twist on a classic children’s story re-titled *The Wolf & Peter*; and UK artist Jess Thom’s *Backstage in Biscuit Land*, which gave senior students insights into Tourette Syndrome via a comic tour de force.

The new Creative Leadership in Learning Program is a three-year partnership with five NSW public schools exploring creativity in learning. Liverpool Boys High School, Victoria Park Avenue Public School, Lansvale Public School, Casula High School and St Johns Park High School each has a program tailored to its requirements and uses the Opera House’s artists, performances and heritage building to explore creativity. In FY17 the Opera House delivered more than 55 unique events involving 445 students and provided 1,440 hours of professional development to 316 teachers.

A key component of the program is the exploration of ways in which discovery, play and collaboration can drive dynamic learning environments. The Creative Leadership in Learning Program’s work in this area is based on research by academics from Queensland University of Technology, the University of Sydney and Charles Sturt University.

The Opera House also hosted 120 teachers, academics and principals at Schools of the Future, an interactive learning conference led by leading national and international innovators. One participant commented: “This conference was one of the best I’ve been to in my 20+ years of teaching. It was well thought-out, outcomes clear, guest speakers informative and inspiring, and venue second to none. Well done and thank you.”

The Digital Creative Learning Program engaged with a total of 8,557 students at 165 schools from across Australia through live and interactive workshops, tours, streamed performances and Q&As with artists. The Opera House launched its first podcast for children, *This Kid Life*, a free program designed to expand experiences beyond the Opera House's traditional offerings. It met its initial target of 3,000 downloads and was picked up by Spotify and by our Major Partner Etihad Airways for in-flight entertainment. A new partnership between the ABC and the Opera House enabled selected performances to be broadcast and the creation of short-form content, which in FY17 included the vocational learning series *Would You Rather Be A ...?*

With support from the Australia-Korea Foundation and in partnership with the Asia Education Foundation, the Opera House delivered the second pilot of a live and interactive digital intercultural learning program to South Korean and Australian schools. The project exceeded all target numbers with 28 project-specific digital learning sessions delivered to 22 schools across Australia and Korea. A total of 1,271 students participated.



*Jump First, Ask Later.* Photo by Daniel Boud



## **More than 107,000 attendances at contemporary music performances, including 40,913 attendances at Vivid LIVE.**

### **Contemporary Music**

A program notable for its many critical and financial successes drew more than 107,000 attendances at contemporary music performances, including 40,913 attendances at Vivid LIVE. Among the Vivid LIVE highlights were enduring British dance music group Underworld, which brought club culture and a party atmosphere to the Concert Hall; internationally celebrated French electronic pop duo Air; and young Melbourne band Camp Cope, which inaugurated the Drama Theatre as a contemporary music venue. Air's appearance attracted international media attention to the Opera House and Vivid LIVE, and significant interstate visitation to Sydney. The duo's performance was taken to the world via video, attracting 350,000 views.

In the wider contemporary music program, notable events were three exclusive, sold-out concerts performed in the round by feted English rock group The Stone Roses and a sell-out Concert Hall show from legendary singer Mary J. Blige that introduced new patrons to the Opera House.





*Hot Brown Honey.* Photo by Daniel Boud

## “Exploring the culture around us as it morphs and changes.”

### Contemporary Performance

The inaugural BingeFest, the Opera House’s first new festival in five years, celebrated screen, digital and pop culture over two days in December. Founder and curator Danielle Harvey, the Opera House’s Head of Contemporary Performance, designed BingeFest as a way of “exploring the culture around us as it morphs and changes”. Highlights included a talk by Julie Snyder, co-producer of the influential American podcast *Serial*, on binge-worthy journalism; sold-out overnight screenings of cult favourite *Buffy the Vampire Slayer*; and Beyoncé vs Rihanna dance classes.

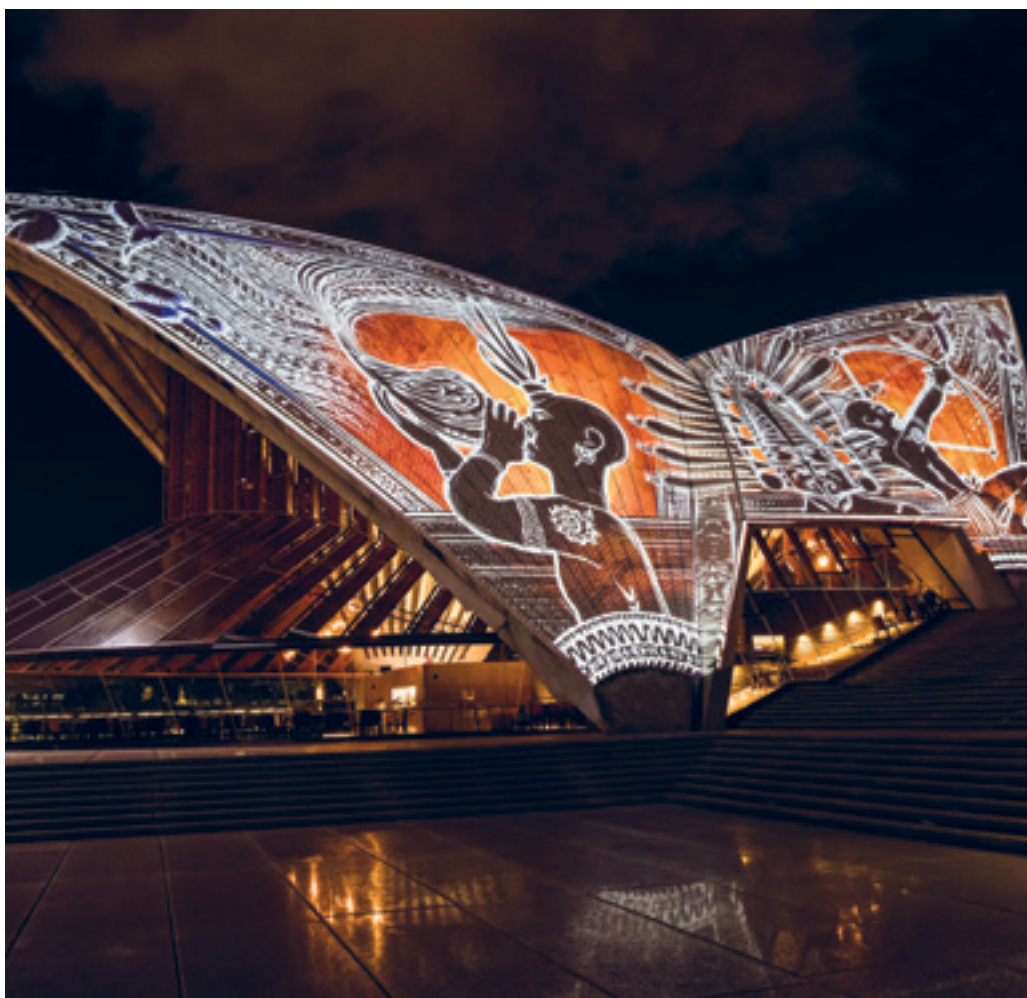
FY17’s family Christmas show *Circus 1903* built on the highly successful brand of *The Illusionists* trilogy to create a turn-of-the-century circus spectacular for the Concert Hall that performed to an audience of nearly

32,500. It was part of The Balnaves Foundation Open House Program, which makes \$5 tickets to selected shows available to families experiencing social or financial hardship.

The Kibbutz Contemporary Dance Company performed *Horses in the Sky* in the Drama Theatre and also facilitated dance workshops for people living with Parkinson’s Disease, both made possible with support from Opera House philanthropists. Canadian circus troupe Cirque Alfonse delighted nearly 12,000 audience members with *Barbu*, a mix of circus, cabaret, comedy and live music in the Studio; also in the Studio, the radical, subversive and wildly stimulating Helpmann Award-winning cabaret show *Hot Brown Honey* had a return season at the Studio before heading to the Edinburgh Festival Fringe.

### First Nations

On 28 June 2017 the Opera House launched *Badu Gili*, a seven-minute animation that celebrates Australia's First Nations culture and history. It is projected daily on to the eastern Bennelong sail. *Badu Gili*, which means "water light" in the language of the site's traditional owners, the Gadigal people, explores ancient stories in a contemporary form made accessible to all. *Badu Gili* was curated by Rhoda Roberts AO, the Opera House's Head of First Nations Programming, and weaves together the work of five great artists from across Australia and the Torres Strait Islands.



*Badu Gili*. Photo by Daniel Boud

Seasonal change in Australian flora and fauna is seen via the art of Jenuarrie (Judith Warrie), Frances Belle Parker, Alick Tipoti, the late Lin Onus and the late Minnie Pwerle, accompanied by a soundscape composed by Damian Robinson, featuring vocals from Richard Green, Djakapurra Munyarryun, Cecil McLeod, Taryn Beatty, Honey Beatty and Travis De Vries. The animation was enabled by the Opera House, its Idealist donors and the Australia Council for the Arts and was launched to coincide with the 50th year of the 1967 Referendum, on the eve of NAIDOC week and with the world premiere of *Bennelong* from Opera House Resident Company Bangarra Dance Theatre.

*Badu Gili* attracts up to 700 people a day to the Podium at the top of the Monumental Steps. Video of the launch was viewed 650,000 times by the end of June.

Homeground is the Opera House's annual, free celebration of First Nations music, dance, art and culture. Alignment of the festival with the October school holidays resulted in higher attendance by families with children. The expanded 2016 program built on the growth of 2015 and had a strong digital programming focus, including internationally celebrated Australian artist Lynette Walworth's virtual reality film. A live stream on Facebook of the opening ceremony received 31,000 views.

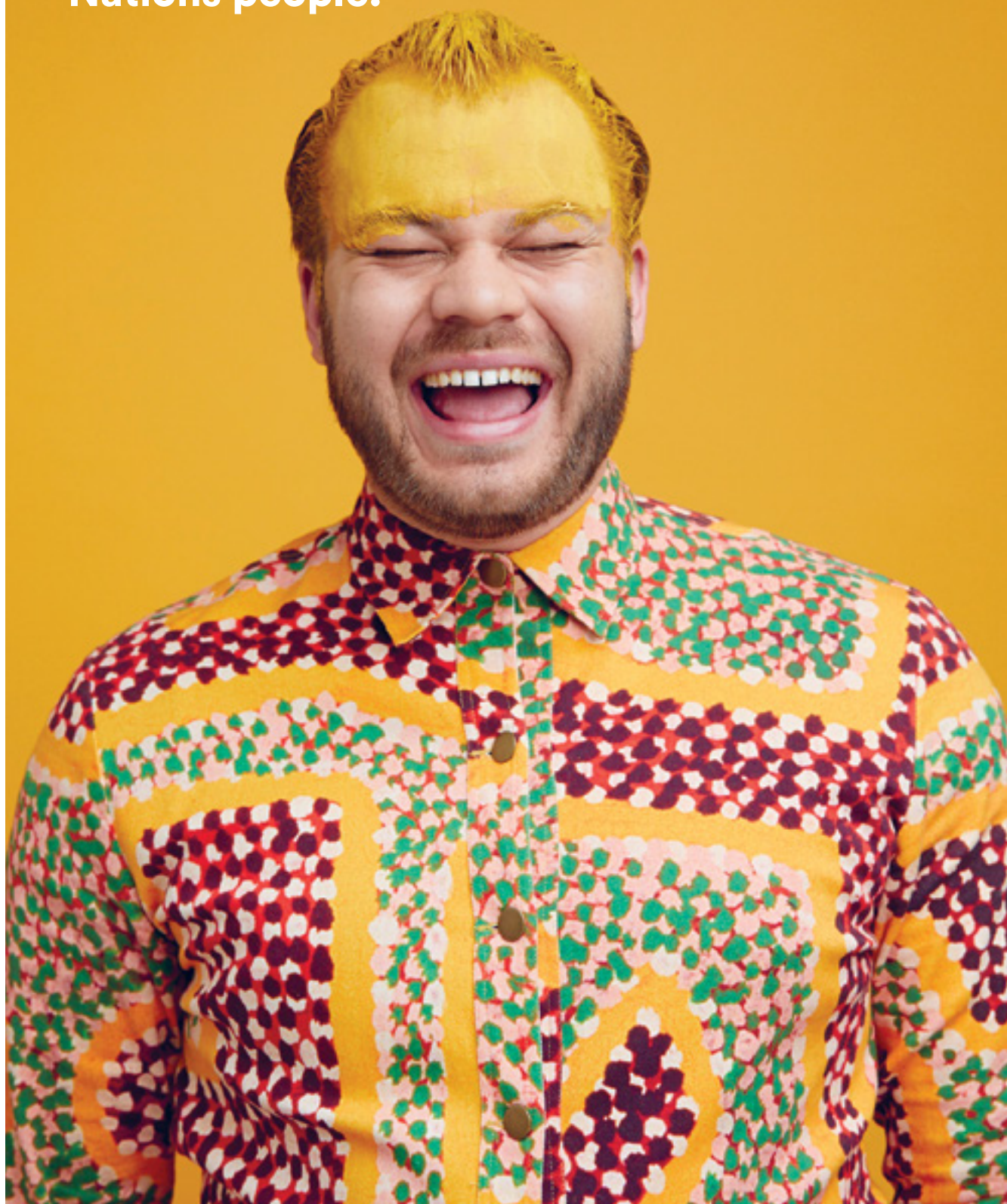
The second iteration of *Dance Rites*, the national dance competition for Aboriginal and Torres Strait Islander people, attracted 170 participants representing 12 communities from NSW, Queensland, Western Australia and the Torres Strait. They competed for a total prize pool of \$20,000. *Dance Rites* 2016 was made possible through a grant from the Australia Council for the Arts and generous philanthropic support from the Creative Music Fund.

*Deadly Voices from the House* was launched in 2015 as a weekly radio show hosted by the Opera House's Head of First Nations Programming Rhoda Roberts AO. In 2016 *Deadly Voices* became a monthly podcast featuring prominent figures from all corners of First Nations culture, nationally and internationally. On the 50th anniversary of the 1967 Referendum, the Opera House presented *Deadly Voices Live: The Accidental Activist*. Building on the new podcast series, the live forum featured three influential leaders, Tara Houska, Bradley Moggridge and Dayne Pratzky (also known as the Frackman), who campaign for political, social or cultural change. The same evening, we supported the Australia Council for the Arts' 10th annual National Indigenous Arts Awards, held at the Opera House.

**A seven-minute animation that celebrates Australia's First nations culture and history.**



**We work to  
forge stronger and  
more meaningful  
links with First  
Nations people.**







Academy of St Martin in the Fields. Photo by Ken Leanfore

### International

In one of the greatest artistic successes of the year, London-based and world-renowned chamber orchestra Academy of St Martin in the Fields received five-star reviews for its Opera House concerts in April, featuring violin virtuoso Joshua Bell. The orchestra also undertook an education project, facilitated by the Opera House in partnership with the NSW Department of Education. Thirty-four young Sydney-region students participated in a two-and-a-half day music composition workshop, culminating in a Concert Hall performance with players from the orchestra in front of an invited audience of family and friends. The students also attended an Academy of St Martin in the Fields concert. The group was joined by a further 58 students from regional conservatoriums to watch an open dress rehearsal by the Academy of St Martin in the Fields.

### Talks & Ideas

The wide-ranging FY17 Talks & Ideas program attracted nearly 60,000 attendances, with events reaching nearly 90% capacity in total. Talks by economist Thomas Piketty, music legend Patti Smith, popular philosopher Alain de Botton and former US Director of Intelligence James Clapper attracted full houses. American broadcaster Ira Glass featured in a spoken word/contemporary dance hybrid performance in the Concert Hall titled *Ira Glass: Three Acts, Two Dancers, One Radio Host* and also led an insightful journalism workshop for students and media in the Studio.

The fifth annual All About Women festival was again a resounding success, attracting more than 11,000 attendances. A record 26 associated satellite events were held at centres across Australia and in New Zealand, an increase of 36.8% over FY16, and were attended by 1,488 people, an increase of 38.4%. Among the new satellite centres was The Peninsula School, Mt Eliza. This was the first time All About Women was live-streamed to a school. There were three Western Sydney venues, 11 in regional NSW, 19 in other parts of regional Australia and two international venues. The satellite events featured locally produced talks and panels as well as live streams from the Opera House. ABC TV broadcast an All About Women-themed session of Q&A.



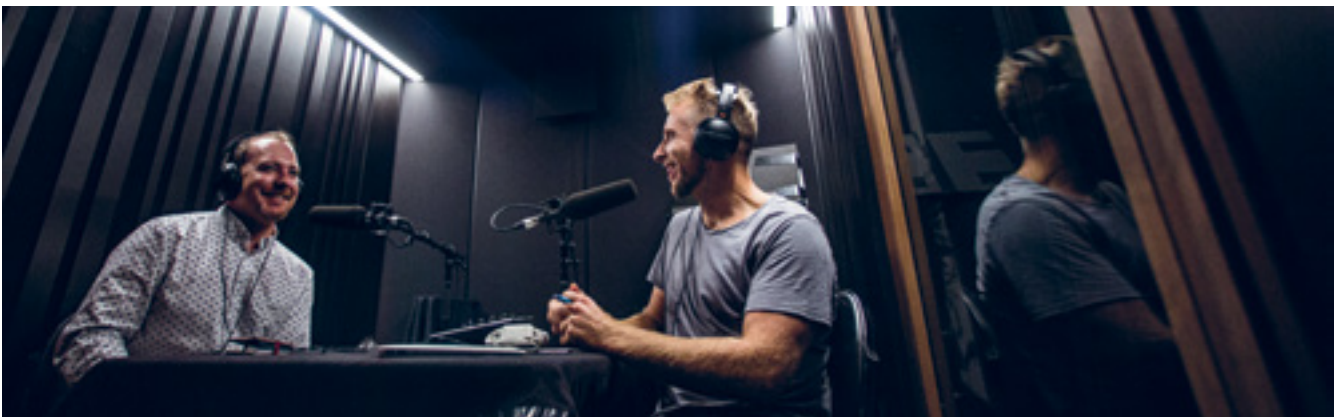
All About Women festival. Photo by Prudence Upton

The eighth annual Festival of Dangerous Ideas attracted 24,976 attendances at 37 events, with a further 2,000 attendances at regional and interstate satellite locations. The FODI-themed Q&A broadcast on ABC TV attracted 944,000 viewers. The Opera House collaborated with Bell Shakespeare to present a sold-out performance/panel hybrid event entitled *Mercy*, exploring themes of law and justice through *The Merchant of Venice*. Satellite events featuring live streams from the Opera House and locally produced talks and panels were held in 16 venues across Australia.

FODI is replaced in FY18 with a new event, Antidote, a festival of arts, ideas and action.

Under the FODI banner the Opera House presented 239 individual sessions in total and sold more than 157,000 tickets as well as engaging with many thousands more via digital content and satellite sites.

Also under the Talks & Ideas banner, in FY17 the Opera House created three seasons of *It's a Long Story*, a new podcast series about the moments that made the people who shape our culture. At 30 June there had been 16 episodes featuring guests including Geena Davis, Henry Rollins, Deng Thiak Adut, Lionel Shriver, Josh Thomas and Alicia Garza.



*It's a Long Story.* Photo by Teresa Tan

**The eighth annual Festival of Dangerous Ideas attracted 24,976 attendances at 37 events.**



**A record 26  
All About Women  
satellite events  
were held across  
Australia and in  
New Zealand.**





## **More than a quarter of a million people attended recitals, schools concerts, orchestras, community events, competitions and performances.**

### **Venue hirers**

The diverse range of offerings from venue hirers often introduces patrons to the Opera House for the first time. More than a quarter of a million people attended recitals, schools concerts, orchestras, community events, competitions and performances by artists representing many different cultures, among other events.

The NSW Department of Education and Communities Arts Units gave primary and secondary students the opportunity to perform in choral and instrumental concerts to audiences totalling nearly 17,000. The Just for Laughs comedy festival spanned 20 performances and played to a total audience of 17,484.

Crowded House's four concerts, held on the Forecourt to mark the 20th anniversary of the band's first appearance at the Opera House, attracted a capacity crowd of 24,000.

## **The Future**

Resident Companies Opera Australia and The Australian Ballet return to the revitalised Joan Sutherland Theatre.

New family show *The Unbelievables* brings the world's best performers in circus, magic and acrobatics to the Concert Hall in December.

The new Antidote festival of art, ideas and action takes place at the Opera House in September and is streamed live to centres around Australia.

First Nations festival Homeground and the third *Dance Rites* competition take place in November on the Forecourt.

New Zealand's Lorde becomes the youngest artist to perform on the Forecourt when she appears in November in two concerts that feature her second album, *Melodrama*.

Expansion of the Creative Leadership in Learning program.

*The Funatorium: Mad Hatter's Tea Party*, created and produced by SOHP, is presented in Melbourne, Canberra and Brisbane.



Sydney Opera House. Photo by Hamilton Lund

## Visitor Experience

The Visitor Experience portfolio encompasses tours, food and beverage, ticketing, visitor services, retail and licensing. It was established last year to increase the connection and level of service provided to the more than eight million people a year who visit the Opera House, which is one of the world's busiest performing arts centres and one of the world's most loved and recognised buildings. A new role, Head of Visitor Services, was added in FY17 to strengthen the team led by the Director, Visitor Experience.

Key developments were the introduction of *Badu Gili*, the free, daily celebration of First Nations culture (p.55); removing almost all vehicles permanently from the Forecourt following last year's opening of our underground loading dock; enhanced opportunities for engagement with visitors enabled by the Opera House's Digital Transformation project (p.88); and the new Welcome Team. The Welcome Team roves the precinct to greet visitors and give assistance, including guest services for the accessible drop zone, way-finding and providing visitors with the opportunity to engage with the Opera House by providing information about all onsite experiences including tours and shows.

The Lounge, enabled by Samsung, opened in November. Created in collaboration with our Principal Partner Samsung, it has enlivened the main Box Office Foyer by providing a place where visitors can relax, eat, have a coffee and learn more about the Opera House, its Resident Companies and our Renewal projects through the latest Samsung technology.

The Welcome Centre on the Lower Concourse, which opened in FY16, had its first full year of operation as a meeting and commencement point for tours, an information desk, orientation hub, a place to buy tickets to a performance or a tour, and a retail store.

The collection of customer feedback is now undertaken via an increased number of methods, including mystery visits, The Lounge, the Welcome Team and online. In FY17 the customer satisfaction score averaged 90% satisfaction.



The Lounge, enabled by Samsung. Photo by Anna Kučera



## **Visitor Experience revenue was \$39.3 million, a 5.6% increase on FY16.**

### **Revenue**

Visitor Experience revenue was \$39.3 million, a 5.6% increase on FY16's \$37.2 million. The growth further builds on last year's strong result, which showed a 16% increase in revenue over FY15. Tours and food and beverage each contributed more than \$13 million to the revenue result.

### **Tours**

Tours continued their upward trend in FY17, reflecting the increase in tourist visitation reported by Destination NSW in March 2017. There was a 13% increase in the number of people taking a tour, with the number rising from 437,000 in FY16 to more than 491,000 in FY17. Revenue increased by 16%. Tours conducted in Mandarin were once more exceptionally popular and reflected our increasingly effective Chinese tourism strategy. A one-hour Mandarin tour was added to the established half-hour tour and more than 161,000 people attended the two offerings. Tours conducted in Japanese and Korean also experienced strong demand, showing increases in numbers of 31% and 18% respectively.

There was a successful pilot of a new dining tour, Taste of the Opera House, designed to highlight the Opera House's breadth of food diversity and quality in addition to its standing as a food destination. The pilot gained significant media coverage and achieved great success with both a local and international market.



Sydney Opera House tour. Photo by Cybele Malinowski

## Food and Beverage

Opera House revenue from food and beverage increased 7% on FY16, generating \$13 million. As with tours, the growth follows a particularly strong FY16, in which Opera House food and beverage revenue increased 20%. In FY17 there were more than 2.6 million food and beverage transactions (2.5 million in FY16). The Opera House benefited from a full year of working in partnership with three hatted chefs – Peter Gilmore (Bennelong), Matt Moran (Opera Bar and Aria Catering) and Lauren Murdoch (Trippas White Group).

The Lounge, enabled by Samsung opened in November 2016 with Trippas White Group providing food and beverage services.

## Retail and Licensing, Ticketing

Retail revenue declined slightly to \$1.2 million (\$1.3 million in FY16). A new retail range celebrating the Opera House in the Sydney skyline was rolled out in addition to the launch of a new Lego Skyline model, which also contributed to the ongoing success of the licensing business. Licensing revenue stayed steady at \$0.4 million. Ticketing brought revenue of \$6.6 million.

### **The Future**

Development of a First Nations tour and extension of food and beverage options to complement the daily Lighting the Sails experience *Badu Gili*.

Expansion of the dining tour Taste of the Opera House with a roll out to the corporate and trade markets.

Bespoke range of retail items featuring the Opera House 3D font, Utzon tapestry and *Badu Gili* due in early FY18, in addition to collaboration products with a number of premium Australian brands.

Development of new face-to-face and online customer-service training modules for staff and contractors.

# Partners and Supporters

Our greatest supporter, the NSW Government, provided an endowment of \$12.8 million, which represented 10.4% of operating revenue. The NSW Government also provided \$33.6 million for maintenance of the building and site.

Our Partners enable the fulfilment of our mission to treasure and renew the Opera House for future generations of artists, audiences and visitors, and to inspire and strengthen the community through everything we do. We work with them to identify ambitious projects that enhance the experience of the Opera House, capture imaginations and engage people onsite and across the globe.

Highlights include:

- Samsung Electronics Australia launches The Lounge, enabled by Samsung near the main Box Office Foyer in November 2016.
- EnergyAustralia joins as a new Major Partner in January 2017.
- Maserati renews its Partnership for a further two years.
- Major Partner Adobe was our presenting partner for the inaugural Schools of the Future Conference in May, which featured international experts in the fields of education, innovation and technology.

## EnergyAustralia joins as a new Major Partner in January 2017.



The Opera House is now the biggest player in the Australian arts sponsorship market. Total cash sponsorship was \$3.9 million in FY17 (\$3.7 million in FY16). The total value of sponsorship (cash and contra) in FY17 was \$6.9 million.

The Lounge, enabled by Samsung has been well received by guests and enables us to share stories about our past, present and future. Samsung Galaxy View and Galaxy Tab S2 tablets showcase the Opera House's extensive presence on the Google Cultural Institute. People can also experience what it is like to stand on top of the Opera House sails with Samsung Gear VR.

With Principal Partner Samsung we continue to explore ways to future-proof the Opera House through technological innovation.

Working with Major Partner EnergyAustralia we will continue to deliver on our Environmental Sustainability Plan (ESP) to help the Opera House reach carbon neutrality by 2023. With their support, we will adopt cleaner energy solutions onsite and lead by example by operating in a more energy-efficient and sustainable way.

Major Partner Intel's technology allowed more than 360,000 people see an installation on the Forecourt that gave a taste of Vivid LIVE

performances taking place inside the Opera House. An in-concert experience integrated Intel's emerging technology into an artist's show in the Concert Hall, and the Opera House was the backdrop for the first live public appearance of Intel's *Drone 100*, a seven-minute performance in which 100 illuminated drones appeared above Sydney Harbour in a choreographed routine to music played by the Sydney Youth Orchestra.

We also created a series of music videos with Intel, naming rights partner of our Intel Broadcast Studios, to highlight the Contemporary Music program. Called *Nooks & Crannies*, the series was a showcase for emerging artists, who were seen in hidden or unexpected parts of the Opera House. *Nooks & Crannies* videos received nearly 350,000 views and had a Facebook reach of more than 1.4million.

The Opera House and Maserati announced a renewal of their Partnership for a further two years. The luxury carmaker will remain Event Partner for the All About Women festival. In collaboration with Maserati, in March 2017 we produced *Seeing is Believing*, a piece of digital content that encouraged young girls to realise their aspirations. The video received 540,000 views.

***Seeing is Believing* is a piece of digital content that encouraged young girls to realise their aspirations.**



MADE by the Opera House. Photo by Prudence Upton

Our Major Partner Etihad Airways flew more than 40 members of the world-renowned chamber orchestra Academy of St Martin in the Fields to Sydney in April for concerts that were rapturously received and ranked among the artistic highlights of the year.

With the assistance of Major Partner Adobe we implemented their digital-marketing suite to help improve the way we engage and interact with our customers.

In FY17 philanthropy revenue reached \$1.7 million. Our donors supported projects in the areas of artistic programing, community programs and professional development. Achievements included an Emerging Artists Program established with the support of the Yarranabbe Foundation; the continuation of The Balnaves Foundation Open House Program, providing low-cost tickets to people experiencing social or financial disadvantage; access for disadvantaged students enabled by The Greatorex Foundation; and the Creative Music Fund and Opera House donors' continued support for *Dance Rites*, our national First Nations dance competition.

Social media specialist Claire Joachim became the first Opera House staff member to be awarded the Lloyd Martin Travelling Scholarship for Emerging Arts Leaders, now in its third year. The \$20,000 award is enabled by the generous support of the Alexandra and Lloyd Martin Family Foundation and honours the memory of Lloyd Martin, the Opera House's longest-serving general manager (1978-97). It is open to current staff members of the Opera House or any of its seven Resident Companies.

The Multidisciplinary Australian Danish Exchange – MADE by the Opera House – had its fourth iteration in FY17. Each year the program enables five Australian and five Danish tertiary students in the fields of architecture, engineering and design to spend time in each other's country and forge cross-disciplinary links. The program honours the international collaboration that made construction of the Opera House possible and is supported by firms and foundations with a special interest in culture and the built environment. The initiative was introduced in our 40th Anniversary year, 2013, and by the time of its completion in 2023 will have 100 alumni.

### **The Future**

Projects to honour the centenary of Opera House architect Jørn Utzon's birth.

The reopening of the Joan Sutherland Theatre signals the start of celebrations for the Opera House's 45th Anniversary in October 2018.

Fifth year of MADE by the Opera House exchange program

Fourth year of the Lloyd Martin Travelling Scholarship for Emerging Arts Leaders



Sydney Opera House. Photo by Hamilton Lund

# The Building

## Building Renewal

There are \$272 million worth of projects in Stage 1 Renewal, funded by the NSW Government and the Opera House. Stage 1 includes a suite of upgrades in the Joan Sutherland Theatre that lead into a larger program of Renewal works funded by a \$202 million investment by the NSW Government. In total, the NSW Government has committed \$228 million to renew the Opera House in the biggest upgrade to the building since it opened in 1973.



## Joan Sutherland Theatre projects

On 20 May 2017 the Joan Sutherland Theatre (JST) closed for our essential Theatre Machinery Project (TMP), a \$44 million replacement of critical theatre machinery systems that has been self-funded by the Opera House as part of Stage 1 Renewal. The NSW Government committed a further \$26 million for the SAVE (Safety, Accessibility and Venue Enhancement) project, a group of works that take advantage of the theatre's seven-month closure.

Completed TMP and SAVE plans were given Planning and Heritage approval by the NSW Government.

The SAVE project includes:

- A new follow-spot room that improves follow-spot performance and upgrades working conditions for the operator.
- Improved conditions in the pit that include acoustic baffling and enabling better sight lines between conductor and musicians.
- Installation of an electro-acoustic enhancement system that improves music quality for the audience through better distribution of the natural sound of the orchestra around the venue.
- A wheelchair-accessible lift that will take people to each level of the Northern Foyer, opening up this space to less mobile patrons and those in wheelchairs.
- Expansion of the women's toilets in the Northern Foyer, increasing the number of stalls from eight to 14 and including one accessible bathroom.

## Stage 1 Renewal planning – other projects

In addition to the JST projects, future projects worth \$202 million will upgrade front-of-house spaces and the Concert Hall. In FY16, the Opera House prepared its detailed business case for the additional Stage 1 Renewal projects. The Final Business Case Gateway Review for Stage 1 Renewal was completed in September 2016 and found that the program was strong in all assessment categories. The Gateway Review involves assessment of service needs, consideration of alternatives, preliminary estimates of costs and estimates of project timing. Following the completion of the business case, the NSW Government committed \$202 million to deliver these projects.

Detailed planning and design continued in FY17 for other Stage 1 Renewal projects: the upgrading of Concert Hall acoustics, theatre machinery and accessibility; transforming office space into a new Creative Learning Centre; bringing the Function Centre into the envelope of the building; refreshing entry and foyer areas; and invigorating the area under the Monumental Steps, now vehicle-free.

→  
Joan Sutherland Theatre backstage. Photo by Zak Zakarij



**The Building team undertook nearly 27,000 preventative maintenance jobs and nearly 40,000 maintenance jobs in all.**

## Other Projects

In FY17 the Building team undertook nearly 27,000 preventative maintenance jobs and nearly 40,000 maintenance jobs in all.

The five-yearly “tap test” of Opera House tiles was undertaken to gauge their condition. This involved the individual inspection of 1,056,066 tiles over a four-week period in April 2017, taking approximately 700 person hours to complete. Minimal deterioration was detected and was in line with observations at previous inspections.

Our underground loading dock, built during the Vehicle Access and Pedestrian Safety (VAPS) project, is now being used to its full potential, eliminating almost all vehicles from the Forecourt.

We completed our Concrete Conservation Framework, undertaken with the assistance of The Getty Foundation’s “Keeping It Modern” grant.

Opera House staff members were relocated from Customs House to join others already accommodated in Pitt St offices.

### **The Future**

The Joan Sutherland Theatre reopens.

Detailed planning and design  
work continues for other Stage 1  
Renewal projects.





Homeground. Photo by Joseph Mayers

# Team and Culture

## Renewal

### Engagement with First Nations People, Arts and Culture

In August 2016 we launched the Opera House's Reconciliation Action Plan 2017-19, our fourth since 2011 (p.257). It celebrates the ages-old unbroken history of First Nations creativity by supporting artistic activity and commits the Opera House to measurable standards across the business in employment, education and training for Aboriginal and Torres Strait Island people.

A cluster of events at the Opera House leading up to NAIDOC Week 2017 worked on three levels. The launch of *Badu Gili* heightened international awareness of the richness of Australia's First Nations visual arts and storytelling; a new Bangarra Dance Theatre work premiered in the Drama Theatre ahead of a national tour (p.41); and Opera House staff gained heightened awareness of First Nations culture through participation in National Reconciliation Week activities.

Highlights included:

- *Badu Gili*, a seven-minute animation featuring the work of five eminent artists, was live-streamed on June 28 and before the end of June had received 650,000 views.
- Bangarra Dance Theatre's *Bennelong* was choreographed by the company's Artistic Director Stephen Page and brought alive for audience members the story of the man who gave his name to the land on which the Opera House stands – Bennelong Point, known to the original custodians as Tubowgule, the place "where the knowledge waters meet".
- During National Reconciliation Week (27 May-3 June) the Opera House held events that drew capacity attendance from staff members and represented a 135% increase in participation over FY16. In July 2016, the Opera House launched a new e-learning module on First Nations culture and history that has been completed by one third of staff.
- The second *Dance Rites* competition for Aboriginal and Torres Strait Islander people was held during the annual Homeground festival in October (p.56). The number of dancers increased from 150 in FY16 to 170, representing 12 locations in NSW, Queensland, Western Australia and the Torres Strait. A new Opera House volunteer program resulted in 12 staff being available to assist participants during the event.
- The Opera House's Head of First Nations Programming, Rhoda Roberts AO, hosted *Deadly Voices from the House*, formerly a radio show that was developed in FY17 into a monthly podcast. It features prominent national and international figures from First Nations cultures.



*Badu Gili*. Photo by Daniel Boud

For the sixth consecutive year we held Indigenous Literacy Day at the Opera House to support the activities of the Indigenous Literacy Foundation (ILF). The ILF runs literacy programs for First Nations children in rural and very remote Australia and gives away tens of thousands of new books annually. Indigenous Literacy Day is the ILF's major fundraising and awareness-raising event of the year. We collaborated with the ILF on 7 September 2016 to host 400 guests at the Opera House for a morning that included reading, music and celebration. Among those attending were students from Tjuntjuntjara Remote Community School, who had travelled 3000km to be present. Also present were ILF patron Dame Quentin Bryce; didgeridoo master and ILF ambassador William Barton; and Lifetime ambassador and author Andy Griffiths.

The Opera House's employment, development and training programs included the employment of an Aboriginal and Torres Strait Islander tour guide and an associate producer for First Nations Programming; a staff member seconded to two different areas of the business for skills development; and a career pathways program attended by 73 students in total. The career pathways program has three strands – the annual Aboriginal and Torres Strait Islander Careers Day, traineeships and work experience to provide insights, encouragement and potential employment opportunities.

Practical support for education was given when the Opera House was able to find a new home for more than a quarter of the pieces of furniture not needed when staff moved out of Customs House. In accepting the furniture, Eora College, a Sydney-based vocational organisation that caters to the educational needs of First Nations people, was able to partner with the Opera House to divert about 1.75 tonnes of furniture from landfill.



Indigenous Literacy Day. Photo by Prudence Upton

# More than 5,000 people attended accessible performances and inclusive events.

## Access

The Opera House's access strategy is driven by our fourth three-year Access Strategic Plan. It came into operation in 2016 and runs until 2018.

Highlights from Year 1 of the Plan include:

- More than 5,000 people attended accessible performances and inclusive events, including AUSLAN, live-captioned, audio-described and autism-friendly performances as well as touch tours, supported Sing & Play programs and inclusive workshops and programs.
- A residency program for musicians on the autism spectrum was piloted during Vivid LIVE.
- The Australian Ballet Education Unit and the Opera House's Access Program collaborated to give students with a disability an inclusive workshop and performance program. There was also a Professional Development session for teachers. More than 400 people participated (p.232).
- Two sold-out dance workshops for people with Parkinson's disease and their carers were presented by the Dancing Connections initiative, a collaboration between the Opera House Access Program and Dance for Parkinson's Australia. The workshops were facilitated in association with the Kibbutz Contemporary Dance Company and The Australian Ballet Education Unit.
- Christopher Davies, artistic director of British multi-sensory theatre company Bamboozle Theatre, presented a masterclass in ways of presenting theatre for people with multiple and complex disability.
- Talks & Ideas programming included the experiences and perspectives of speakers with a disability.
- Accessibility considerations were built into the new Opera House website, which was extensively tested by Vision Australia with consultation provided by Guide Dogs NSW.
- Captioning and hearing loop systems were upgraded.
- A survey of 81 customer-facing staff members identified areas for further training and awareness in relation to accessible customer service. The survey informed a staff accessibility awareness forum and online disability awareness resources.





Sydney Opera House. Photo by Hamilton Lund

## Sustainability

The Opera House and its energy supplier EnergyAustralia announced a Major Partnership in April 2017 to help the Opera House deliver on its Environmental Sustainability Plan (ESP) 2017-19, which includes achieving a 5 Star Green Star performance rating from the Green Building Council of Australia. The Opera House currently has a 4 Star rating, which is exceptional for a heritage building. Under the two-year agreement the Opera House and EnergyAustralia will collaborate with national science agency CSIRO on a new industry think tank focusing on:

- Delivering a strategy to enable the Opera House to achieve Net Zero (carbon neutral) certification by 2023 – a key objective of the current ESP.
- Identifying and implementing sustainable energy solutions to be trialled by the Opera House as part of its long-term carbon-reduction strategy.

The first think tank identified potential projects for exploration, including onsite storage energy systems, drawing on multiple data sources to monitor and moderate temperature throughout the Opera House, and peer-to-peer renewable energy sharing.

The Opera House is also working with EnergyAustralia and CSIRO to establish a decision-making framework to determine which initiatives will have optimal environmental impact. The Opera House aims to finalise its Net Zero strategy and associated projects in FY18.

FY17 Sustainability results (p.235) include:

- The introduction in October of a tap-to-collect printing system that has resulted in a 10% reduction in print jobs and tens of thousands fewer pages being printed.
- 13 tonnes of steel recycled from the Joan Sutherland Theatre ahead of its closure for the Theatre Machinery Project.
- Electricity consumption decreased by 1% compared with FY16 and by 8% compared with the revised five-year baseline average.
- Successful trial implementation of water-efficient devices and flow regulators in kitchen and bathroom amenities.
- The FY17 waste recycling rate exceeded the ESP target by 2%.
- Vivid LIVE was carbon neutral.



Sydney Opera House. Photo by Hamilton Lund





**Despite the disruption caused by the JST closure, the Opera House recorded a strong staff engagement score of 70%.**

## People and Capability

### Staff and Brand

The Opera House worked closely with staff to prepare for the closure of the Joan Sutherland Theatre (JST) for seven months (p.74) and a Memorandum of Understanding was negotiated with the Media Entertainment & Arts Alliance (MEAA). Those affected have either been deployed to other roles or have taken accrued leave. Everyone has been given direct advice and feedback.

Despite the disruption to staff caused by the JST closure the Opera House recorded a strong staff engagement score of 70%.

The Opera House's Marketing team, which brings together Digital, Insights & Optimisation, Campaign, Partnerships and Creative Studio groups, won the Mumbrella Award for Marketing Team of the Year, announced in June. The Opera House's Digital Transformation, focus on content creation and curation across social and digital channels, and Brand Renewal were key areas of achievement. The team was particularly recognised for its leadership in driving results and its effectiveness in working collaboratively. The judges called the results outstanding and added that the Opera House has a team "that clearly love doing what they do".



In FY17 the Opera House continued to engage with young people via work experience, internships and exchange programs. At the end of 2016 about 20 students from a variety of schools spent a week at the Opera House to gain an overview of the range of opportunities. First Nations students were offered a series of events in our career pathways program. That includes the annual Aboriginal and Torres Strait Islander Careers Day and other experiences of work possibilities at the Opera House. The program was attended by a total of 73 students.

The Opera House hosted international interns from China, Korea and Singapore and developed an exchange program with the Royal Danish Theatre. Two Opera House employees will work in Denmark while the JST is closed. A reciprocal exchange will take place in early 2018.

A new leadership development program was launched to the recently formed Technology Leadership team and will be delivered later to other leadership teams across the organisation. There were more than 5,400 hours of training delivered to more than 2,100 attendees throughout the Opera House at 247 events.

A staff survey on disability access informed a four-hour forum attended by staff from Food and Beverage, Security, Front of House, Fire Safety, Nurses Unit, Visitor Experience, Event Operations and Sydney Opera House Presents. The session aimed to raise awareness of customer service and communication strategies, event access considerations and Opera House access services. A resource package including an audio recording was made available online for staff unable to attend.

In October 2016 we finalised a new Enterprise Agreement between the Opera House and the MEAA. This three-year agreement provides for a 2.5% annual wage increase for approximately 96% of the Opera House's employees, consistent with the NSW Public Sector Wages Policy, while achieving some incremental yet significant improvements in employment conditions. These changes include improvements in roster conditions that more flexibly accommodate standard business activity, more flexible shift and ordinary hour penalty conditions, the phased removal of recording and broadcast allowance, improved security of employment, and commitments to address employee fatigue.

Young Australian designer Dion Lee was announced in May as the creator of a new range of uniforms for more than 600 Opera House staff, including those in Front of House, tour guides and backstage crew. Lee's initial concepts feature sculptural elements inspired by the Opera House. The process of design and manufacture is expected to take up to 12 months and is being undertaken in consultation with a committee of staff members from frontline teams. It will be more than 10 years since the Opera House's corporate look has been changed.

In May Kate Dundas, former Deputy Secretary NSW Government Arts and Culture, was announced as Executive Director of Performing Arts and Edwina Throsby, former TEDxSydney Head of Curation, was announced as Head of Talks & Ideas.

Other developments in FY17:

- By December 2016, the Opera House met transitional provisions of the new *Government Sector Employment (GSE) Act 2013* and completed our Senior Executive Implementation under the GSE.
- The Privacy Management Policy and Plan was updated in October 2016. The Customer Privacy Statement was updated in March 2017. A privacy impact assessment tool was launched for internal projects and the team conducted privacy training.
- Acceptable Information and Technology Use and Surveillance Policy: a new acceptable use policy was promulgated in June 2017. This replaces the 2012 systems and security policy. It is 75% shorter, is transparent about workplace monitoring and cyber security controls, and applies to all staff and contractors.
- Our electronic document and records management system was replaced in March. The new system simplifies records management and improves compliance with the NSW State Records Act.

<b>Five-year comparison of staff as at 30 June 2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Total Permanent Staff	217	177	189	209	236
Equivalent Full-Time Permanent Staff	186.84	153.62	157.69	176.59	191.42
Total Non-Permanent Staff (includes casuals)	693	706	625	608	651
Equivalent Full-Time Non-Permanent Staff (includes casuals)	339.88	381.81	355.62	319.97	300.96
Total Full-Time Equivalent (includes casuals)	526.72	535.43	513.31	496.55	492.38

*Data is calculated over the last pay period of each financial year.*

*Total staff numbers include current casual staff who did not work in the last pay period of the financial year.*

## **The website redesign was the first major refresh for 10 years and since its launch the Opera House has seen an 11.4% increase in unique visitors.**

### **Digital Transformation**

Digital Transformation has changed the way the Opera House communicates and engages with customers. Central to the project is the new website, which was fully operational in March 2017. Its redesign was the first major refresh for 10 years and since its launch the Opera House has seen an 11.4% increase in unique visitors. Software giant Adobe, one of our Major Partners, is the software supplier and Sponsor SapientRazorfish built the site.

The website now integrates with the Tessitura e-commerce database for transactions such as performance tickets, guided tours and philanthropy. In FY17 more than 700,000 tickets were sold via the website out of a total of more than 1.2 million tickets sold through all Opera House channels.

Adobe has also been crucial to another area of Digital Transformation. Adobe Campaign helps the Opera House give customers a seamless experience when they act on marketing emails

and land on the website; Adobe Target makes it possible to test content quickly and determine the words and images that speak best to our customers; and Adobe Audience Manager helps identify audience segments so that only those most likely to buy a ticket receive an offer. In addition, Adobe Analytics enables the Opera House to identify website trends and spot issues before they affect customers.

Digital Transformation was delivered by a cross-functional project team. The Technology department worked with Adobe to move the Opera House's web servers from the onsite data centre to a cloud service managed by Adobe. The in-house team also integrated the Tessitura ticketing and customer relationship management software with the Adobe Marketing Cloud.

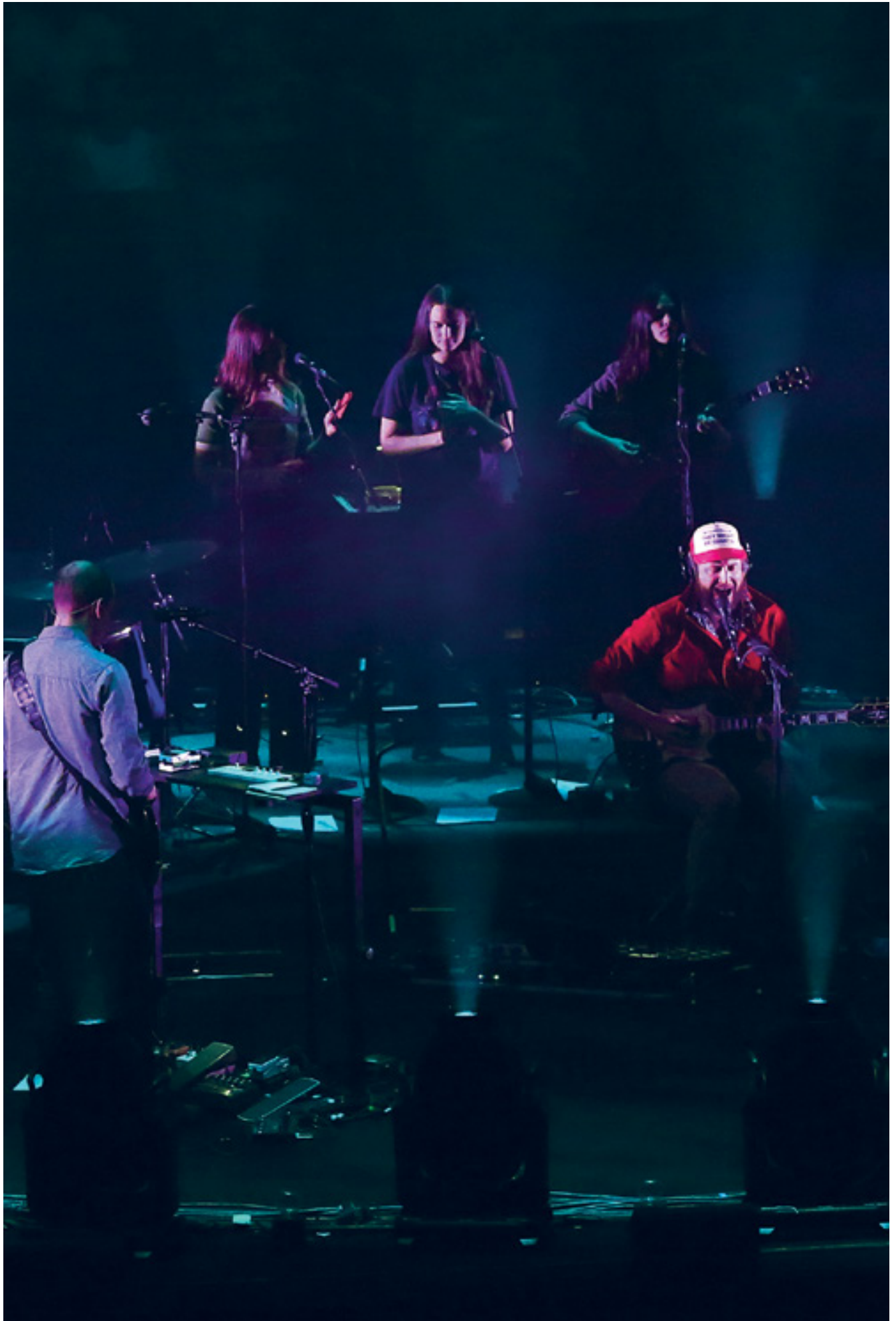
Digital Transformation was integral to our success at the 2017 Mumbrella Awards, where the Opera House won Marketing Team of the Year.

Also in FY17:

- Free high-density WiFi was made available in the Western Foyers venues for the Festival of Dangerous of Ideas in September.
- A trial of roving electronic ticket sales on the Forecourt was a success during the Opera Australia season of *Sydney Opera House – The Opera* in October 2016 and for some of OA's Summer Season performances. The process gave patrons a quick alternative to buying tickets at the Welcome Centre on the Lower Concourse or the internal Box Office.
- More than 290 training sessions on Adobe Marketing suite were completed by more than 70 people, developing technical skills and digital competency.
- As part of the *Badu Gili* project a timed projection system capable of high quality, daily outdoor projection was installed.
- The digital signage system was extended into the car park in collaboration with Principal Partner Samsung and Lower Concourse digital signage was upgraded, also in collaboration with Samsung.
- Technology infrastructure including the stage management and theatre intercom systems was successfully removed from the Joan Sutherland Theatre, to be re-integrated on completion of the Theatre Machinery Project.
- Ticket scanning was introduced for all Resident Companies. Entry to Opera House venues is now controlled by ticket scanners for tickets sold through our channels and those of the Resident Companies.

**In FY17 more than  
700,000 tickets were  
sold via the website.**





Vivid LIVE, Bon Iver. Photo by Prudence Upton

## Digital Reach and Revenue

In FY16 the Opera House received six million\* views of its video content. In FY17 that number reached 23 million, an increase of 283%. A newly created digital video specialist role combined with the first social media strategy in four years resulted in greater video production quality and increased reach for Opera House videos across social media channels. Facebook video views increased from 4.4 million to 12.8 million and there were 44.8 million minutes of video watched on Opera House YouTube channels. Among the most popular videos was Bon Iver's *Heavenly Father*, recorded at the Vivid LIVE festival in May 2016. It had exceptional staying power, recording 2.7 million views in FY17 to add to its FY16 total of 200,000 views. The live stream of Vivid LIVE's centrepiece *Lighting the Sails: Audio Creatures* attracted 2.2 million views. Also popular was a video of Homer Simpson promoting the Graphic festival, with 1.5 million views.

The launch in late June of the daily light-and-sound celebration of First Nations culture, *Badu Gili* (p.55), was live-streamed and had a total reach of nearly 1.2 million. By the end of June 2017 *Badu Gili* video views exceeded 650,000.

Our social media fans increased in number from 1.5 million in FY16 to 1.9 million in FY17; Facebook reach increased from 168 million to 242 million; and Facebook followers from nearly 800,000 to more than one million, an increase of 35.4% over the previous year. Instagram followers increased 50.6% on FY16 to more than 80,000 and Twitter followers from 119,082 to 142,294. Increased engagement resulted from a focus on bespoke social media content, including Facebook live videos, short Instagram videos and user-generated content.

In FY17 there were 4.9 million unique users of our website compared with 4.4 million the previous year. Those users accessed the site across 7.1 million website sessions.

Website revenue decreased slightly over FY16, attributable in part to the closure of the Joan Sutherland Theatre for improvements. Despite this, there were increases in revenue from email marketing, social media and mobile devices. Email marketing revenue increased from \$6.9 million last year to \$8.1 million; social media revenue increased 36% over FY16 to \$1.9 million; and mobile revenue showed an increase of 26.4%, from \$8.7 million to \$11 million.

Gross online revenue accounts for 40% of gross box office revenue, an increase of 8% on FY16.

**Instagram followers  
increased 50.6% on FY16  
to more than 80,000.**

\* Differs from FY16 report where total number of video views was over-estimated.

## Safety, Security and Risk

### Safety, Health and Wellbeing

The Opera House endorsed the 2017-19 Work Health and Safety Strategic Plan, which is designed to improve safety culture, systems, risk management and capability. Executive team members engaged in 65 individual safety interactions and there were monthly safety meetings and weekly safety inspections in relation to the Joan Sutherland Theatre closure.

Other FY17 results:

- There were 2,849 hours of safety training undertaken, achieved against a target of 1,423 hours.
- A Health Management Committee was established.
- Seven risk-based audits were undertaken.
- A revised Fatigue Management Policy was published in April.
- The Opera House participated in the NSW Government's Get Healthy at Work program.
- The Lost Time Injury Disease rate increased from 8.9 in FY16 to 11.4 in FY17, although improved significantly in the last quarter of FY17 and there has been a 55% decrease in the rate compared with FY11.
- Lost work days in association with workers compensation claims increased from 73 lost days in FY16 to 145 lost days in FY17, with one claim accounting for 47% of all lost days.

### Security and Risk

Our strategic objective is to embed safety, security and risk management deeply within our organisational culture. We continued emergency training for all staff, contractors, Resident Companies and other stakeholders. Training for our Emergency Planning and Response Group increased by 50% and we instituted armed offender training.

We continued training exercises in major event planning for all stakeholders.

Security Information and Event Management, firewall, and email security systems were upgraded by the cyber security team. This enabled prompt and precise incident response in a year of high-profile cyber attacks internationally.

### **The Future**

Commitment to increase employment of First Nations people from 2.1% of the workforce in 2017 to 3% by 2019.

Homeground festival and *Dance Rites* First Nations dance competition take place on the Forecourt.

Patrons using wheelchairs to have access for the first time to all levels of the Northern Foyer of the Joan Sutherland Theatre.

Introduction of new uniforms for Opera House staff designed by Dion Lee.

In-building mobile phone coverage extended.



# Organisation Chart



# Executive Team



**Louise Herron AM**  
**CEO**

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

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

Stage 1 Renewal includes more than \$270 million in capital works to upgrade performance halls and open new spaces to the public as well as improving the artistic and visitor experiences for the Opera House's 8.2 million annual visitors and the more than 1.5 million people who attend a performance each year.



**Natasha Collier**  
**Chief Financial Officer (to 23/06/2017)**

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

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



**Ian Cashen**  
**Director, Building**

**Qualifications** BEng (Civil)  
(University of Wollongong)

With formal training as a civil engineer, Ian has more than 20 years' experience in construction and asset management. His experience spans the asset lifecycle including the development of strategies, planning and delivery of capital projects, and operations and maintenance management.

Ian joined the Opera House in 2016 after 12 years with infrastructure advisory firm Evans & Peck (now known as Advisian). Ian was a Principal of the firm responsible for providing a range of high-value advisory services to clients as well as managing the operations of the NSW branch, comprising 70 consulting staff.

Ian's earlier career included experience in design and project management of high-profile projects including a number of the Sydney Olympics venues. With this as a foundation he developed broader expertise, fulfilling leadership roles for delivery of major projects as well as reform initiatives for improving operations and maintenance of major assets.



**Brook Turner**  
**Director, Engagement & Development**

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

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

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



**Fatima Abbas**  
**Director, People & Culture**

**Qualifications** BSc/Psy (Hons),  
MPsy (Org), MPA

Fatima has executive-level experience in human resources management, corporate planning and strategy, and organisational change management. Fatima joined the Opera House in October 2016, having previously worked in the financial services (superannuation) industry for several years.

Fatima oversees our human resources, industrial relations, organisational development and learning, and change management teams.



**Timothy Calnin**  
**Director, Performing Arts (to 28/03/2017)**

**Qualifications** BA (Hons) (University of Melbourne)

Tim joined the Opera House in November 2015 to take up the newly created position of Director, Performing Arts, with overall responsibility for presentations and public programs, relations with the Resident Companies, and all productions and events. Tim has held senior positions with leading musical and artistic organisations in Australia, Europe and Asia.

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

In 2003 he became Artistic Consultant of the Hong Kong Philharmonic Orchestra before being appointed Chief Executive in 2005. During his six years in Hong Kong, Tim expanded the orchestra's education, professional development and community engagement programs, broadened its sponsorship and philanthropy programs and took the orchestra on frequent tours to Beijing, Shanghai and Guangzhou. He returned to Australia in 2010 to become General Manager of the Australian Chamber Orchestra (ACO).

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





**Jade McKellar**  
**Director, Visitor Experience**

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

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

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



**Michelle Dixon**  
**Director, Safety, Security & Risk**

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

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

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



# Corporate Governance

## The Trust

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

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

The Trust's role is generally to:

### Objectives and Role

The Trust's objectives are to:

- Administer, care for, control, manage and maintain the Sydney Opera House building and site;
  - Manage and administer the site as an arts centre and meeting place;
  - Promote artistic taste and achievement in all branches of the performing arts; and
  - Foster scientific research into and encourage the development of new forms of entertainment and presentation.
- Contribute to and oversee management's development of strategy and goals in line with the objects and functions of the Trust as set out in the *Sydney Opera House Trust Act 1961* and with reference to the policy objectives of the NSW Government for State Cultural Institutions;
  - Oversee management's implementation of the strategy and goals; and
  - Develop and review corporate governance principles and policies.



## Committees, Memberships, Attendances

The Trust consists of 10 members appointed by the Governor on the nomination of the Minister. A Trustee holds office for three years and is eligible for reappointment for no more than three consecutive terms. The Trust must include at least two persons who have knowledge of, or experience in, the performing arts.

Existing Trustees Mr Christopher Knoblanche AM, Ms Jillian Segal AM and Mr Phillip Wolanski were reappointed from 1 January 2017 to 31 December 2019. Ms Brenna Hobson resigned on 26 April 2017 to take up a new role as Executive Producer of the National Theatre of Scotland. A replacement is yet to be appointed.

Agenda items for the six Trust meetings held during the period included: Building Renewal projects and contracts, including: the Theatre Machinery Project (TMP) and Safety, Accessibility and Venue Enhancement (SAVE) projects for the Joan Sutherland Theatre (JST); FY18 Budget; recurrent asset maintenance program; Sydney Opera House Presents (SOHP) program; Conservation Management Plan 4th Edition; delegations; FY16 financial statements; *Badu Gili* (daily First Nations Lighting the Sails project); and food and beverage. The Trust monitored and reviewed: overall business performance; Vehicle Access and Pedestrian Safety (VAPS) project; work health and safety; people and culture; and security.

### Audit and Risk Committee

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

Five meetings were held this year with key agenda items including: Enterprise Risk Framework; FY18 Budget; SOHP program; quality assessment and improvement manual and reports (internal audit); business continuity plans, delegations; performing arts projects; security; internal controls; FY16 and FY17 financial statements; work health and safety performance; food and beverage; cyber security; risk appetite; and fraud control plan.

### Building and Heritage Committee

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

Five meetings were held, with key agenda items including: Building Renewal projects and contracts, including the TMP and SAVE projects for the JST; FY18 recurrent asset maintenance program; monitoring the financial status and progress of building projects; annual fire safety statement; maintenance contracts; VAPS; and the Eminent Architects Panel (EAP).



## Conservation Council

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

Five meetings were held, with key agenda items including: Building Renewal designs; Conservation Management Plan; intrusive items removal progress; outdoor events and associated infrastructure; EAP; vehicle and pedestrian management; concrete roof shell pedestals; concrete conservation strategy; precinct colour palette; bronze elements on handrails and barriers; MADE by the Opera House; and planning and heritage approvals. In addition, Conservation Council members met outside of formal meetings to review various Building Renewal designs.

## Visitor Experience Committee

The Visitor Experience Committee provides advice to the Trust on visitor experience and engagement strategies. Four meetings were held with key agenda items including: digital transformation; food and beverage; vehicle-free Forecourt; *Badu Gili* (daily First Nations Lighting the Sails project); other sails lightings; brand study; digital strategic framework; visitor experience dashboard and key performance indicators.

## Eminent Architects Panel

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

Four meetings were held, with key agenda items including: Building Renewal designs; Accessibility Masterplan; precinct vehicle and pedestrian management; outdoor events and associated infrastructure; Conservation Management Plan; furniture; lighting; signage; bronze elements on handrails and barriers; branding guidelines; precinct colour palette; infrastructure; site entry infrastructure; Opera Bar, Bennelong Restaurant and Western Foyer refurbishments; MADE by the Opera House; and planning and heritage approvals.

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

The figure directly following the person's name is the number of meetings attended during the year and the second figure indicates the number of possible attendances.  
Management are Members of the Conservation Council only and attend the Trust and Committee meetings as appropriate.  
Rajeev Maini was replaced by Conservation Council member Sarah Jane Brazil on 21 November 2016. Greg McTaggart retired from the Opera House Executive on 20 October 2016 and became a member of the Conservation Council on 1 January 2017.



*Lighting the Sails: Audio Creatures, directed by Ash Bolland. Photo by Daniel Boud*

# The Trust

Trust Members as at 30 June 2017



## Nicholas Moore

Joined the Trust 22 July 2015

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

**Qualifications** BCom, LLB (University of NSW), FCA

### Background

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

### Government and Community Involvement

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



## The Hon. Helen Coonan

Joined the Trust 1 January 2012

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

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

### Background

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

### Government and Community Involvement

Sydney Harbour Foreshore Authority (Chair), Crown Resorts Foundation (Chair), Obesity Australia Limited (Non-Executive Director), Stone & Chalk (Mentor), and Chief Executive Women (Member).

### Other Directorships

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





### **Matthew Fuller**

Joined the Trust 1 January 2016

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

**Qualifications** GAICD, FWCMT

### **Background**

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

### **Government and Community Involvement**

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



### **Brenna Hobson**

Joined the Trust 1 January 2014 and served until 26 April 2017.

Member of Audit and Risk Committee.

**Qualifications** MM (Arts Administration)

### **Background**

Brenna's career in theatre management and production began in 1994. Since then she has been Production Coordinator and Production Manager at Belvoir, Production Manager at Bangarra Dance Theatre, General Manager at Jigsaw Theatre Company in Canberra and Executive Director at Belvoir. In June 2017, she took up the position of Executive Producer at the National Theatre of Scotland. As an independent producer, Brenna has produced plays including *Vital Organs* (B Sharp), *The Suitors* (Old Fitzroy Theatre) and the documentary *With Hearts and Hands*.



### **Chris Knoblanche AM**

Joined the Trust 4 October 2013

Chair of Building and Heritage Committee. He is serving his second term to 31 December 2019.

**Qualifications** BCom (University of Wollongong), ACA, FCPA

### **Background**

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

### **Other Directorships**

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



### **Deborah Mailman AM**

Joined the Trust 18 February 2015

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

**Qualifications** BA (Queensland University of Technology)

### **Background**

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



### **Peter Mason AM**

Joined the Trust 1 January 2012

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

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

### **Background**

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

### **Government and Community Involvement**

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

### **Other Directorships**

Taylors Wines (Chairman).



### **Catherine Powell**

Joined the Trust 1 January 2016

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

**Qualifications** BA (Hons) (Oxford University)

### **Background**

Catherine started her role as Présidente of Euro Disney S.A.S. on 11 July 2016. Catherine is responsible for bringing the Disney magic to life for nearly 14 million guests annually at Disneyland Paris. She oversees two theme parks, 59 exciting attractions, multiple shows and entertainment experiences, seven themed hotels, and the Disney Village, a large complex of themed dining, entertainment and shopping facilities. She also leads a diverse team of 15,000 Cast Members. Before joining the Euro Disney Group, Catherine served as The Walt Disney Company's Managing Director for Australia and New Zealand for two years. She led the development and implementation of multiple Disney consumer activations with organisations such as Tennis Australia, the Royal Botanic Gardens in Sydney and Melbourne, the Domain and the State Theatre. Catherine was previously based in London and led Disney's European media distribution unit. Before joining Disney, Catherine worked for BBC Worldwide for seven years, where she held various senior TV sales roles across territories including Central and Eastern Europe, the Middle East, Germany and Spain/Portugal.

### **Government and Community Involvement**

Member of Chief Executive Women.



### **Jillian Segal AM**

Joined the Trust 1 January 2014

Member of Audit and Risk Committee. She is serving her second term to 31 December 2019.

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

### **Background**

Jillian has a legal, regulatory and governance background, having been a partner at Allens Linklaters and Deputy Chair at ASIC. She was on the ASX Board (2003-15), was Chair of the Remuneration Committee, a member of the Audit and Risk Committee and Nomination Committee, and a director of ASX Compliance. She was a non-executive director of the National Australia Bank from 2004 until December 2016. She has also served as a member of the Federal Government's Remuneration Tribunal (2010-14), President of the Administrative Review Council (2005-09), and a member of the Major Performing Arts Board of the Australia Council (2002-08). Jillian received the Centenary Medal in 2003, Member of the Order of Australia in 2005 and UNSW Alumni Award in 2005.

### **Government and Community Involvement**

The Observership Program (Board Member), Australia-Israel Chamber of Commerce NSW (Chair), General Sir John Monash Foundation (Chair since 2010, Director since 2008), Council of UNSW Australia (Deputy Chancellor), Board of Garvan Institute of Medical Research (Director), The Grattan Institute (Director), Independent Parliamentary Expenses Authority (IPEA) Chair since July 2017.



### **Phillip Wolanski AM**

Joined the Trust 1 January 2014

Member of Building and Heritage Committee. He is serving his second term to 31 December 2019.

**Qualifications** BEc (University of Sydney)

### **Background**

Phillip is the Managing Director of Denwol Group, a property development and investment company. He was a Director of the National Institute of Dramatic Art (2001-07) and served on the Sydney Opera House Trust Library Committee for a number of years before becoming its Chairman (1992-97). Phillip was a Board Member and the Vice-President of Hakoah Club (1997-2006), Director of Football Federation Australia Limited (2003-15) and Head of Delegation for the Socceroos (2004-14).

### **Government & Community Involvement**

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

### **Other Directorships**

Sydney FC Board Member, Governing Committee of the Temora Aviation Museum (Retired Member).



# **Financials and Reporting**

# **03**

# Financial Overview

## Financial Results

	2017 \$'000	2016 \$'000
<b>General Operations</b>		
<b>Revenue</b>		
NSW Treasury endowment and other funding	16,016	13,999
Self-generated revenue	106,427	107,679
<b>Total revenue – general operations</b>	<b>122,443</b>	<b>121,678</b>
<b>Expenses</b>		
People expenses	(56,156)	(55,990)
Other operating expenses	(57,791)	(59,566)
<b>Total expenses – general operations</b>	<b>(113,947)</b>	<b>(115,556)</b>
Less: other gain / (loss)	(665)	3
Gain/(loss) from general operations	7,831	6,125
<b>Building Activities</b>		
<b>Revenue</b>		
Building maintenance – government grant	33,592	33,266
Building development – government grant and other funding	12,208	371
<b>Total revenue – building</b>	<b>45,800</b>	<b>33,637</b>
<b>Expenses</b>		
Depreciation and amortisation	(8,008)	(9,996)
Other expenses	(42,784)	(38,194)
<b>Total expenses – building</b>	<b>(50,792)</b>	<b>(48,190)</b>
Gain / (loss) from building activities	(4,992)	(14,553)
<b>Net result for the year as per the audited financial report statement of comprehensive income</b>	<b>2,839</b>	<b>(8,428)</b>

The above figures are stated inclusive of internal revenue and costs that are eliminated in the audited financial statements. Please refer to page 115 for a reconciliation of the financial overview to the audited financial statements.

The Opera House's income comprises self-generated revenue and grants from the NSW Government. The grants were distributed through the Department of Justice until April 2017, and through the Department of Planning and Environment thereafter.

The group result for the year is a profit of \$2.8m, comprising:

- Gain from general operations of \$7.8m; and
- Net loss of \$5.0m from building activities.

### General operations

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

The Opera House achieved an operating profit of \$7.8m in FY17. This is an improved result from both FY16 operating profit of \$6.1m and FY17 budgeted operating loss of \$2.4m.

Revenue from general operations was \$122.4m in FY17, representing an overall increase of \$0.8m. A \$2.0m one-off increase in Government funding was offset by a \$1.2m decrease in self-generated revenue. Self-generated revenue of \$106.4m accounts for the majority of revenue received. Key differences since FY16 include:

- Significant growth in guided tours income, which increased by \$1.8m. This was a 16% increase on last year and was achieved through an increase in tour participants and improved return from package products. This builds on FY16 results as Asian-language tours continue to grow in popularity.
- 7% growth in food and beverage revenue at \$0.8m due to improved commercial terms overall. This was tempered to some extent by extreme summer heat, which reduced outdoor dining in the summer months, and the closure of the Joan Sutherland Theatre (JST) in May, which affected overall activity around the Opera House.
- This increase was offset by a \$3.2m reduction in revenue from Performing Arts, particularly driven by the impact of the JST closure from May and a reduction in Forecourt concerts in FY17 resulted in lower revenue from this space compared to the particularly positive FY16 result, which benefited from a number of sold-out Forecourt events.
- Sponsorship revenue decreased by \$0.4m in FY17 compared to FY16.

People costs from general operations of \$56.2m increased marginally from the FY16 cost of \$56.0m. This was largely due to:

- An underlying 2.5% increase in the cost of wages in line with NSW Public Sector wages policy.
- Higher production labour and security staffing measures.
- These costs were offset by a reduction in employee leave liabilities due to changes in actuarial assumptions and bond rates.

Other operating expenses of \$57.8m reduced by \$1.8m from last financial year. The decrease directly corresponds to revenue-earning activities, including a \$1.9m decrease in artist fees and presentation expenses. Given the landmark status of the Opera House the increased threat level resulted in higher security costs which were offset by savings in administrative and operational costs.

Expenditure on Opera House programming activities was \$30.7m, which included spend on external artists and presenters, as well as marketing and administrative costs and the value attributed to the Opera House's own venues and resources. After taking into account related production income, the Opera House's net investment was \$4.4m, representing a subsidy ratio of 14.4%.

## Building activities

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

The net loss of \$5.0m from building maintenance and Renewal in FY17 is a substantial reduction on the net loss of \$14.6m in the previous year. It was driven by:

- An increase of \$12.2m in total building funding largely due to receipt of a \$12.0m grant in respect of Stage 1 Renewal works. No Building Renewal funding was received in FY16.
- Depreciation and amortisation reduced from \$10.0m to \$8.0m.

- These were offset by an increase of \$4.6m in building maintenance and Renewal works recognised as operating expenditure rather than capital assets.

Building development expenditure totalled \$35.4m, of which \$18.2m was capitalised. This represents an increase in total building development expenditure from the previous year as the Opera House continues with Renewal works. Upgrade of the major machinery in the JST as well as safety, accessibility and venue enhancement works were in construction phase during FY17. Work is expected to be completed in FY18. Planning and design work for Stage 1 Renewal continued in FY17 upon receipt of the \$12m advance of the Stage 1 Renewal capital grant. The scoped works include upgrades to the acoustics, operations and accessibility of the Concert Hall, the Entry Foyer and space under the Monumental Steps, and the creation of new function and creative learning centres.

The FY17 building maintenance grant of \$33.6m represents 1.3% of the Opera House's total fixed assets and 1.5% of the Opera House building's value. The full grant was allocated to maintaining the Opera House building and equipment, however, due to the timing of works expenditure totalled \$30.4m, of which \$4.8m will create enduring capital assets. Completed works include the new Building Management System which will enable enhanced functionality of the air-conditioning system and the installation of greater services to the Northern and Southern foyers of the theatres. Maintenance works in progress include the replacement of major aged equipment of the central plant that supplies the air-conditioning system and a refresh of the electrical, lighting and other essential theatre integration services in the JST.



## Future Maintenance Needs

Construction of the Opera House was completed in 1973. The April 2017 valuation of the building performed by Rider Levett Bucknall was completed on the assumption that the Opera House's routine maintenance requirements will be met within a reasonable timeframe.

Annual maintenance funding is received for routine maintenance. Renewal building works will also address some maintenance issues that were not adequately covered by the annual maintenance grant. In addition, the Opera House has identified a number of major maintenance and capital replacement projects that will require capital funding at the appropriate time. At this stage, these works have been estimated to have an approximate cost of \$240m in FY17 dollars.



Joan Sutherland Theatre. Photo by Paul Najor



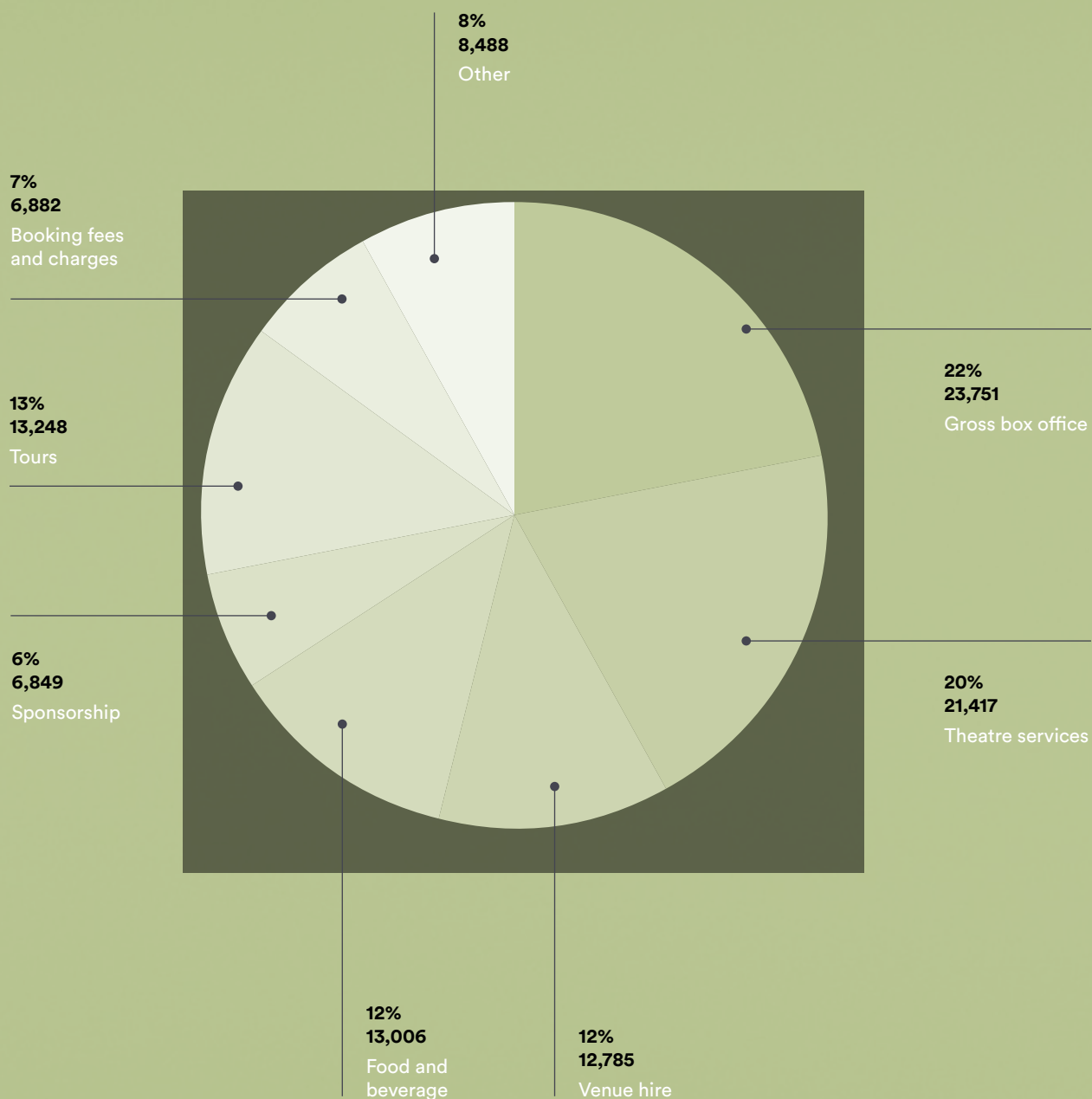
Machinery in the Joan Sutherland Theatre. Photo by Zak Zakarij

## Reconciliation of Financial Results to Audited Financial Statements, Statement of Comprehensive Income for the year ended 30 June 2017

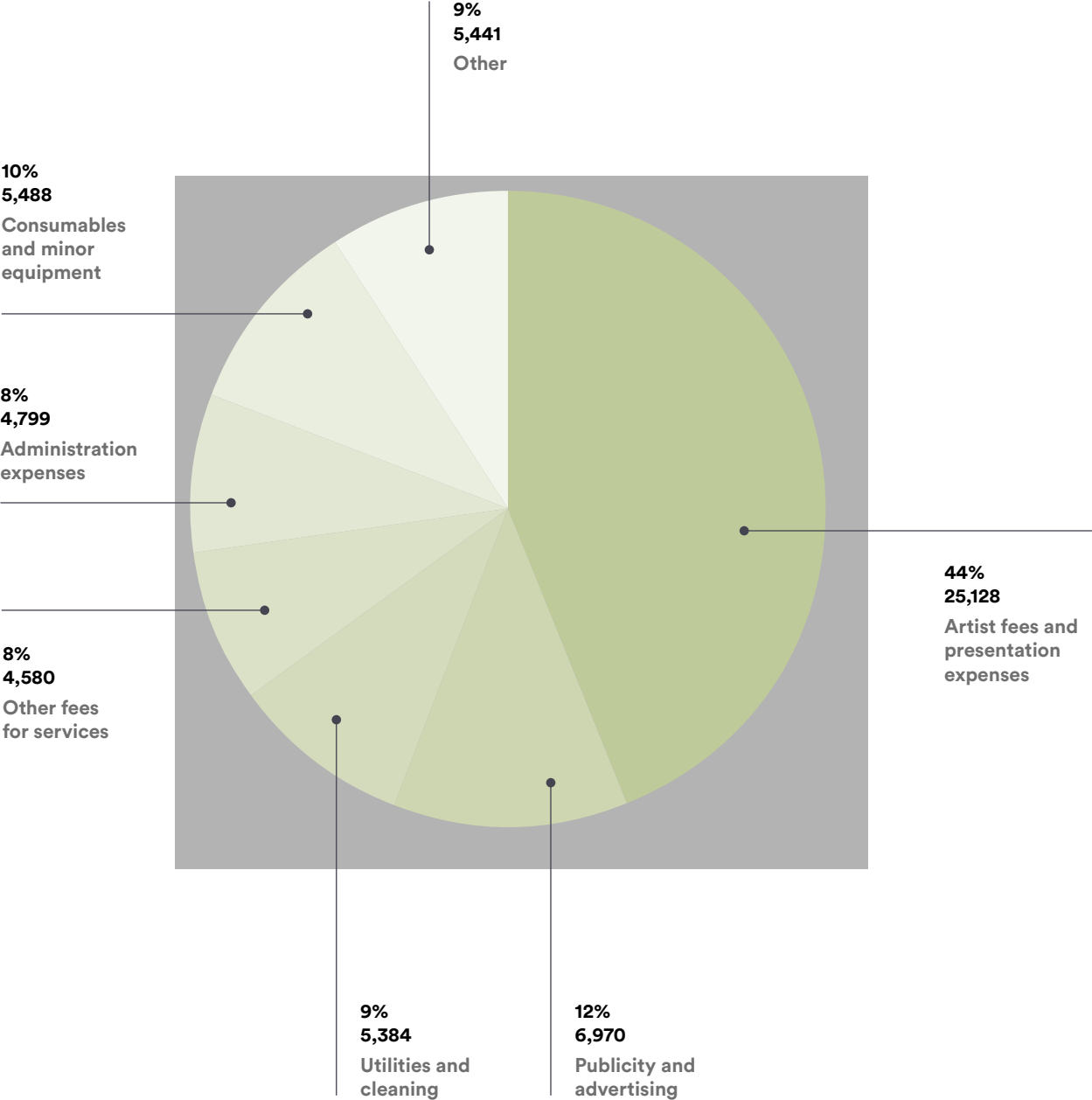
	2017 \$'000	2016 \$'000
<b>Financial overview revenue</b>		
General operations	122,443	121,678
Building and other activities	45,800	33,637
<b>Total financial overview revenue</b>	<b>168,243</b>	<b>155,315</b>
Less: internal eliminations	(9,244)	(8,917)
<b>Total revenue per audited financial statements</b>	<b>158,999</b>	<b>146,398</b>
<b>Financial overview expenses</b>		
General expenses	(113,947)	(115,556)
Building and other activities	(50,792)	(48,190)
<b>Total financial overview expenses</b>	<b>(164,739)</b>	<b>(163,746)</b>
Less: internal eliminations	9,244	8,917
<b>Total expenses per audited financial statements</b>	<b>(155,495)</b>	<b>(154,829)</b>

## Composition of Operating Revenue and Expenses for the year ended 30 June 2017

### Self-generated revenue (\$'000)



Other operating expenses (\$'000)





# Sydney Opera House Financial Statements

For the year ended 30 June 2017

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

### Sydney Opera House Trust

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

1. In our opinion, the accompanying financial statements exhibit a true and fair view of the financial position of the Sydney Opera House Trust as at 30 June 2017, and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act, 1983*, the *Public Finance and Audit (General) Regulation 2015* and the *Treasurer's Directions*.

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




**Nicholas Moore**  
Chair, Sydney Opera House Trust



**Louise Herron AM**  
Chief Executive Officer



**Peter Mason AM**  
Chair, Audit and Risk Committee / Trustee



**Louise Ingram**  
Acting Chief Financial Officer

Sydney  
28 September 2017



# Independent Auditor's Report

## Sydney Opera House Trust

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of the Sydney Opera House Trust (the Trust), which comprise the statements of financial position as at 30 June 2017, the statements of profit or loss, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information. The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and the consolidated entity as at 30 June 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

### Basis for Opinion

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

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

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

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

### **The Trustees' Responsibility for the Financial Statements**

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

In preparing the financial statements, the Trustees must assess the ability of the Trust and the consolidated entity to continue as a going concern except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must, disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

### **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Trust or the consolidated entity carried out their activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



**Karen Taylor**  
**Director, Financial Audit Services**

Sydney  
29 September 2017



# Sydney Opera House

## Statement of Comprehensive Income

Beginning  
of financial  
statements

for the year ended 30 June 2017

		Consolidated		Parent	
	NOTE	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Revenue</b>					
Sale of goods and services	2(b)	85,684	86,375	85,684	86,375
Investment revenue	2(c)	1,400	2,010	1,400	2,010
Sponsorship revenue	2(d)	6,915	7,239	6,915	7,239
Donation revenue		1,715	1,977	1,715	1,977
Grants and contributions	2(e)	63,285	48,797	63,285	48,797
		<b>158,999</b>	<b>146,398</b>	<b>158,999</b>	<b>146,398</b>
<b>Expenses</b>					
Employee-related expenses	3(a)	(56,678)	(56,142)	–	–
Personnel services expenses	3(b)	–	–	(56,642)	(56,298)
Other expenses	3(c)	(49,480)	(51,999)	(49,480)	(51,999)
Maintenance expense	3(d)	(41,231)	(36,691)	(41,231)	(36,691)
Depreciation, amortisation and make good	3(e)	(8,102)	(9,996)	(8,102)	(9,996)
Finance costs		(4)	(1)	(4)	(1)
		<b>(155,495)</b>	<b>(154,829)</b>	<b>(155,459)</b>	<b>(154,985)</b>
Other gains / (losses)		(665)	3	(665)	3
		<b>(665)</b>	<b>3</b>	<b>(665)</b>	<b>3</b>
		<b>2,839</b>	<b>(8,428)</b>	<b>2,875</b>	<b>(8,584)</b>

The accompanying notes form part of these financial statements.

# Sydney Opera House

## Statement of Comprehensive Income (cont.)

for the year ended 30 June 2017

		Consolidated		Parent	
	NOTE	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Net result</b>		<b>2,839</b>	<b>(8,428)</b>	<b>2,875</b>	<b>(8,584)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to net result</i>					
Net increase / (decrease) in property, plant and equipment revaluation surplus	6(b)	145,469	14,031	145,469	14,031
Defined benefit plan re-measurements	10(w)	36	(156)	–	–
		<b>145,505</b>	<b>13,875</b>	<b>145,469</b>	<b>14,031</b>
<i>Items that may be reclassified to net result</i>					
Unrealised (losses) / gains on forward exchange contracts	11(b)	310	(457)	310	(457)
<b>Other comprehensive income</b>		<b>145,815</b>	<b>13,418</b>	<b>145,779</b>	<b>13,574</b>
<b>Total comprehensive income</b>		<b>148,654</b>	<b>4,990</b>	<b>148,654</b>	<b>4,990</b>

The accompanying notes form part of these financial statements.

# Sydney Opera House

## Statement of Financial Position

as at 30 June 2017

		Consolidated		Parent	
	NOTE	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	42,745	59,737	42,745	59,737
Trade and other receivables	5(b)	7,680	7,458	7,877	8,031
Prepayments	5(c)	2,418	2,936	1,437	1,348
Derivative financial instruments	11(b)	1,865	8,013	1,865	8,013
Inventory	9	25	25	9	25
<b>Total current assets</b>		<b>54,717</b>	<b>78,169</b>	<b>53,933</b>	<b>77,154</b>
<b>Non-current assets</b>					
Property, plant and equipment	6(b)	2,552,551	2,388,940	2,552,551	2,388,940
Intangible assets	7(c)	1,574	1,118	1,574	1,118
<b>Total non-current assets</b>		<b>2,554,125</b>	<b>2,390,058</b>	<b>2,554,125</b>	<b>2,390,058</b>
<b>Total assets</b>		<b>2,608,842</b>	<b>2,468,227</b>	<b>2,608,058</b>	<b>2,467,212</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	8(b)	21,449	20,637	19,715	19,251
Deferred revenue	8(c)	6,599	5,798	6,599	5,798
Personnel services payable	8(d)	–	–	12,901	15,042
Provisions	9(c)	12,050	14,995	99	324
Other		206	206	206	206
Derivative financial instruments	11(b)	1,985	8,443	1,985	8,443
<b>Total current liabilities</b>		<b>42,289</b>	<b>50,079</b>	<b>41,505</b>	<b>49,064</b>
<b>Non-current liabilities</b>					
Personnel services payable	8(d)	–	–	1,648	1,706
Provisions	9(c)	1,846	1,904	198	198
Other		391	583	391	583
<b>Total non-current liabilities</b>		<b>2,237</b>	<b>2,487</b>	<b>2,237</b>	<b>2,487</b>
<b>Total liabilities</b>		<b>44,526</b>	<b>52,566</b>	<b>43,742</b>	<b>51,551</b>
<b>Net assets</b>		<b>2,564,316</b>	<b>2,415,661</b>	<b>2,564,316</b>	<b>2,415,661</b>
<b>Equity</b>					
Accumulated funds		385,707	382,832	385,707	382,832
Reserves		2,178,609	2,032,829	2,178,609	2,032,829
<b>Total equity</b>		<b>2,564,316</b>	<b>2,415,661</b>	<b>2,564,316</b>	<b>2,415,661</b>

The accompanying notes form part of these financial statements.

# Sydney Opera House

## Statement of Changes in Equity

for the year ended 30 June 2017

<b>Consolidated</b>	<b>NOTE</b>	<b>Accumulated Funds \$'000</b>	<b>Asset Revaluation Surplus \$'000</b>	<b>Hedge Reserve \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2016		382,832	2,033,259	(430)	2,415,661
Net result		2,839	–	–	2,839
<b>Other comprehensive income</b>					
Net increase in property, plant and equipment	6(b)	–	145,469	–	145,469
Defined benefit plan re-measurements	10(v)	36	–	–	36
Unrealised gain / (loss) on forward exchange	11(b)	–	–	310	310
Total other comprehensive income / (expense)		36	145,469	310	145,815
Total comprehensive income / (expense) for the year		2,875	145,469	310	148,654
Balance at 30 June 2017		385,707	2,178,728	(120)	2,564,316
Balance at 1 July 2015		390,334	2,020,310	27	2,410,671
Net result		(8,428)	–	–	(8,428)
<b>Other comprehensive income</b>					
Net increase in property, plant and equipment	6(b)	–	14,031	–	14,031
Defined benefit plan re-measurements		(156)	–	–	(156)
Transfers on disposals		1,082	(1,082)	–	–
Unrealised gain / (loss) on forward exchange	11(b)	–	–	(457)	(457)
Total other comprehensive income / (expense)		926	12,949	(457)	13,418
Total comprehensive income / (expense) for the year		(7,502)	12,949	(457)	4,990
Balance at 30 June 2016		382,832	2,033,259	(430)	2,415,661

The accompanying notes form part of these financial statements.



# Sydney Opera House

## Statement of Changes in Equity (cont.)

for the year ended 30 June 2017

<b>Parent</b>	<b>NOTE</b>	<b>Accumulated Funds \$'000</b>	<b>Asset Revaluation Surplus \$'000</b>	<b>Hedge Reserve \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2016		382,832	2,033,259	(430)	2,415,661
Net result		2,875	–	–	2,875
<b>Other comprehensive income</b>					
Net increase in property, plant and equipment	6(b)	–	145,469	–	145,469
Unrealised gain / (loss) on forward exchange	11(b)	–	–	310	310
Total other comprehensive income / (expense)		–	145,469	310	145,779
Total comprehensive income / (expense) for the year		2,875	145,469	310	148,654
Balance at 30 June 2017		385,707	2,178,728	(120)	2,564,316
Balance at 1 July 2015		390,334	2,020,310	27	2,410,671
Net result		(8,584)	–	–	(8,584)
<b>Other comprehensive income</b>					
Net increase in property, plant and equipment	6(b)	–	14,031	–	14,031
Transfers on disposals		1,082	(1,082)	–	–
Unrealised gain / (loss) on forward exchange	11(b)	–	–	(457)	(457)
Total other comprehensive income / (expense)		1,082	12,949	(457)	13,574
Total comprehensive income / (expense) for the year		(7,502)	12,949	(457)	4,990
Balance at 30 June 2016		382,832	2,033,259	(430)	2,415,661

The accompanying notes form part of these financial statements.

# Sydney Opera House

## Statement of Cash Flows

for the year ended 30 June 2017

		Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>	<b>NOTE</b>				
<b>Receipts</b>					
Receipts from operations		90,585	91,690	90,585	91,690
Interest received		1,506	1,764	1,506	1,764
Cash sponsorship and donations received		4,810	4,909	4,810	4,909
Cash received from Government		63,285	45,903	63,285	45,903
<b>Total receipts</b>		<b>160,186</b>	<b>144,266</b>	<b>160,186</b>	<b>144,266</b>
<b>Payments</b>					
Payments to suppliers, employees and personnel service providers		(148,344)	(141,677)	(148,344)	(141,677)
<b>Total Payments</b>		<b>(148,344)</b>	<b>(141,677)</b>	<b>(148,344)</b>	<b>(141,677)</b>
<b>Net cash flows from operating activities</b>	<b>4</b>	<b>11,842</b>	<b>2,589</b>	<b>11,842</b>	<b>2,589</b>
<b>Cash flows from investing activities</b>					
Purchases of property, plant and equipment		(28,842)	(20,060)	(28,842)	(20,060)
Proceeds from sale of property, plant and equipment		8	87	8	87
<b>Net cash flows from investing activities</b>		<b>(28,834)</b>	<b>(19,973)</b>	<b>(28,834)</b>	<b>(19,973)</b>
<b>Net increase / (decrease) in cash</b>		<b>(16,992)</b>	<b>(17,384)</b>	<b>(16,992)</b>	<b>(17,384)</b>
Opening cash and cash equivalents		59,737	77,121	59,737	77,121
<b>Closing cash and cash equivalents</b>	<b>4</b>	<b>42,745</b>	<b>59,737</b>	<b>42,745</b>	<b>59,737</b>

The accompanying notes form part of these financial statements.

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

## 1. Summary of Significant Accounting Policies

### (a) Reporting entity

The consolidated financial statements for the year ended 30 June 2017 comprise Sydney Opera House Trust (the Parent) and its controlled entity, Sydney Opera House Trust Staff Agency (the Agency), together referred to as the “Consolidated Entity”, or “Sydney Opera House”, or “the Opera House”.

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

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

The Consolidated Entity operates exclusively as one business. Its area of operations is wholly within the State of New South Wales.

These financial statements for the period ended 30 June 2017 have been authorised for issue by the Trust on 28 September 2017.

### (b) Basis of preparation

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

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

Property, plant and equipment, collection assets, and financial assets and liabilities at “fair value through profit or loss” are measured at fair value. Other financial statement items are in accordance with the historical cost convention, except where specified otherwise. The methods used for measuring fair value are discussed further below.

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

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

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

**(c) Statement of compliance**

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

**(d) Basis of consolidation**

Subsidiaries are entities controlled by the Consolidated Entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

**(e) Insurance**

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

**(f) Accounting for goods and services tax (GST)**

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

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

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

**(g) Fair value hierarchy**

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

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

The Consolidated Entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer note 6 and note 11 for further disclosures regarding fair value measurements of financial and non-financial assets.

**(h) Equity**

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment.

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

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



**(i) Comparative information**

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

**(j) Changes in accounting policy, including new or revised Australian Accounting Standards****(i) Effective for the first time in 2016-17**

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17:

- **AASB 2015-1 regarding *Annual Improvements to the Australian Accounting Standards 2012-14 cycle*, and AASB 2015-2 regarding amendments to the AASB 101 disclosure initiatives**  
AASB 2015-1 and AASB 2015-2 set out minor amendments and improvements to the Australian Accounting Standards. The Consolidated Entity has assessed the impact of these changes and determined that they are not material to the consolidated entity.
- **AASB 2015-6 regarding Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities regarding AASB 10 Consolidated Financial Statements, AASB 124 Related Party Disclosures and AASB 1049 Whole of Government and General Government Sector Financial Reporting**  
AASB 2015-6 extends the scope of AASB 124 to include not-for-profit public sector entities. AASB 124 requires reporting entities to disclose related party relationships, transactions and outstanding balances within their financial statements. The impact of the application of AASB 124 is disclosed in Note 15.

**(ii) Issued but not yet effective**

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

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

- **AASB 2016-2 regarding Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 Statement of Cash Flows**  
AASB 2016-2 requires entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The standard applies to reporting periods beginning on or after 1 January 2017. The Consolidated Entity has not yet assessed the impact of this standard.
- **AASB 2016-4 regarding Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities**  
AASB 2016-4 amends AASB 136 Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use, and to clarify the nature of the recoverable amount of primarily non-cash generating assets for not-for-profit entities. The standard takes effect from 1 January 2017. The Consolidated Entity has not yet assessed its impact.

- **AASB 9 *Financial Instruments***  
AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets. The Consolidated Entity has not yet assessed the full impact of AASB 9, as this standard is not mandatory before 1 January 2018.
- **AASB 15, AASB 2014-5, AASB 2015-8, AASB 2016-3 and AASB 2016-7 regarding *Revenue from Contracts with Customers***  
AASB 15 will affect all entities providing goods or services under contract arrangements, especially those offering bundled products and services. The Consolidated Entity has not yet assessed the full impact of AASB 15, as this standard is not mandatory before 1 January 2019.
- **AASB 16 *Leases***  
AASB 16 replaces current Leases standard AASB 117 for annual reporting periods beginning on or after 1 January 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessors continue to classify leases as operating or finance leases, and to account for those two types of leases differently. The amended standard also requires enhanced disclosures to be provided by lessors. The Consolidated Entity has not yet assessed the full impact of AASB 16.
- **AASB 1058 *Income of Not-For-Profit Entities***  
This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 *Revenue from Contracts with Customers*. The Consolidated Entity has not yet assessed the full impact of AASB 1058, as this standard is not mandatory before 1 January 2019.
- **AASB 2016-8 regarding Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities**  
AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. The Consolidated Entity has not yet assessed the full impact of AASB 2016-8, as this standard is not mandatory before 1 January 2019.
- **Interpretation 22 *Foreign Currency Transactions and Advance Consideration***  
Interpretation 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Consolidated Entity has not yet assessed the full impact of Interpretation 22, as this is only applicable for annual periods beginning on or after 1 January 2018.

## 2. Revenue

### **(a) Recognition and measurement**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### ***(i) Sale of goods***

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

#### ***(ii) Rendering of services***

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

#### ***(iii) Investment, rental and royalty income***

Interest revenue is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

***(iv) Grants and contributions***

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

Government contributions are granted in the form of operating endowment, maintenance, building development and other funding.

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

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

These conditions are typically satisfied on receipt.

Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

***(v) Sponsorship revenue***

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

***(vi) Donations, fundraising and bequests***

The Opera House receives external philanthropic funding such as donations and bequests. These transactions are recorded as income within the Consolidated Entity’s financial statements in the financial year that they are received, in accordance with the Consolidated Entity’s income recognition policy. The funds may be applied to expenditure in the current financial year, or in future years. Details are provided in note 12 to these financial statements.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(b) Sale of goods and services</b>				
Gross box office	23,751	26,961	23,751	26,961
Theatre services	17,146	17,340	17,146	17,340
Venue hire	9,643	9,326	9,643	9,326
Tours	13,248	11,444	13,248	11,444
Food and beverage	13,006	12,160	13,006	12,160
Booking fees and charges	5,041	5,385	5,041	5,385
Retail and licensing	1,910	1,888	1,910	1,888
Other	1,939	1,871	1,939	1,871
<b>Total</b>	<b>85,684</b>	<b>86,375</b>	<b>85,684</b>	<b>86,375</b>

**(c) Investment revenue**

Interest revenue from financial assets not at fair value through profit or loss	1,400	1,928	1,400	1,928
TCorp Hour-Glass investment facilities designated at fair value through profit or loss*	–	82	–	82
<b>Total</b>	<b>1,400</b>	<b>2,010</b>	<b>1,400</b>	<b>2,010</b>

\*The Consolidated Entity divested its TCorp Hour-Glass facilities in October 2015

**(d) Sponsorship revenue**

Contra sponsorship	2,916	3,574	2,916	3,574
Cash sponsorship	3,999	3,665	3,999	3,665
<b>Total</b>	<b>6,915</b>	<b>7,239</b>	<b>6,915</b>	<b>7,239</b>

**(e) Grants and contributions**

**NSW Government – Recurrent**

Annual endowment	12,758	12,637	12,758	12,637
<b>Total</b>	<b>12,758</b>	<b>12,637</b>	<b>12,758</b>	<b>12,637</b>

**NSW Government - Capital and maintenance**

Capital – Renewal Framework	12,000	–	12,000	–
Strategic asset maintenance	33,592	33,266	33,592	33,266
<b>Total</b>	<b>45,592</b>	<b>33,266</b>	<b>45,592</b>	<b>33,266</b>

**Other**

Other grants and contributions	4,935	2,984	4,935	2,894
<b>Total</b>	<b>63,285</b>	<b>48,797</b>	<b>63,285</b>	<b>48,797</b>



### 3. Expenses

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(a) Employee-related expenses</b>				
Salary, wages and allowances (including employee leave)	(54,696)	(54,669)	–	–
Superannuation – defined contribution plans	(4,388)	(4,227)	–	–
Superannuation – defined benefit plans	(359)	(352)	–	–
Payroll tax and fringe benefits tax	(3,356)	(3,443)	–	–
Workers compensation insurance	169	70	–	–
Other expenses	(94)	(84)	–	–
<b>Employee-related expenses</b>	<b>(62,724)</b>	<b>(62,705)</b>	<b>–</b>	<b>–</b>
Less: charged to maintenance	6,046	6,563	–	–
<b>Total</b>	<b>(56,678)</b>	<b>(56,142)</b>	<b>–</b>	<b>–</b>
<b>(b) Personnel services expenses</b>				
Personnel service expenses	–	–	(60,134)	(60,462)
Temporary assistance	–	–	(2,554)	(2,399)
<b>Personnel services expenses</b>	<b>–</b>	<b>–</b>	<b>(62,688)</b>	<b>(62,861)</b>
Less: charged to maintenance	–	–	6,046	6,563
<b>Total</b>	<b>–</b>	<b>–</b>	<b>(56,642)</b>	<b>(56,298)</b>

Personnel service expenses and employee-related expenses do not include those employee-related costs that have been capitalised as an asset and classified as WIP of \$710k (2016: \$542k).

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(c) Other expenses</b>				
Artist fees and presentation expenses	(15,884)	(18,118)	(15,884)	(18,118)
Publicity and advertising	(6,976)	(6,418)	(6,976)	(6,418)
Utilities and cleaning	(5,420)	(5,546)	(5,420)	(5,546)
Administration expenses	(4,925)	(5,319)	(4,925)	(5,319)
Consumables and minor equipment	(5,732)	(5,251)	(5,732)	(5,251)
Consultants	(171)	(225)	(171)	(225)
Other fees for services	(5,569)	(6,090)	(5,569)	(6,090)
Tour packages and events	(940)	(1,019)	(940)	(1,019)
Building and general insurance	(1,033)	(1,077)	(1,033)	(1,077)
Bank and credit card charges	(1,261)	(1,429)	(1,261)	(1,429)
Rent payments on operating leases				
– minimum lease payments	(930)	(1,077)	(930)	(1,077)
– outgoing payments	(400)	(202)	(400)	(202)
Bad and doubtful debt expense	–	(1)	–	(1)
Audit fee – external	(100)	(98)	(100)	(98)
Audit fee – internal	(139)	(129)	(139)	(129)
<b>Total</b>	<b>(49,480)</b>	<b>(51,999)</b>	<b>(49,480)</b>	<b>(51,999)</b>

<b>(d) Maintenance</b>				
System and network maintenance	(737)	(1,058)	(737)	(1,058)
Building and equipment repairs and maintenance	(34,448)	(29,070)	(34,448)	(29,070)
<b>Total</b>	<b>(35,185)</b>	<b>(30,128)</b>	<b>(35,185)</b>	<b>(30,128)</b>
Plus: personnel services and employee-related maintenance charge	(6,046)	(6,563)	(6,046)	(6,563)
<b>Total</b>	<b>(41,231)</b>	<b>(36,691)</b>	<b>(41,231)</b>	<b>(36,691)</b>

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(e) Depreciation, amortisation and make good</b>				
<b>Depreciation</b>				
Plant and equipment	(7,383)	(9,105)	(7,383)	(9,105)
<b>Amortisation</b>				
Intangible assets	(438)	(352)	(438)	(352)
Amortisation of leasehold improvements	(251)	(372)	(251)	(372)
<b>Total</b>	<b>(689)</b>	<b>(724)</b>	<b>(689)</b>	<b>(724)</b>
<b>Provision</b>				
Lease make good expense	(30)	(167)	(30)	(167)
<b>Total</b>	<b>(8,102)</b>	<b>(9,996)</b>	<b>(8,102)</b>	<b>(9,996)</b>

Refer to note 6 and note 7 for details regarding property, plant and equipment assets, depreciation and amortisation.

#### 4. Cash and Cash Equivalents

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(a) Cash and cash equivalents</b>				
Cash at bank and on hand	20,422	10,183	20,422	10,183
Short-term deposits	22,323	49,554	22,323	49,554
<b>Total</b>	<b>42,745</b>	<b>59,737</b>	<b>42,745</b>	<b>59,737</b>

#### **(b) Reconciliation of cash and cash equivalents to statement of cash flows**

Cash and cash equivalents (per Statement of Financial Position)	42,745	59,737	42,745	59,737
Closing cash and cash equivalents (per Statement of Cash Flows)	42,745	59,737	42,745	59,737

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

	2017 \$'000	2016 \$'000
Between 3 - 6 months	6,000	21,350
Between 6 - 12 months	16,323	28,204
<b>Total</b>	<b>22,323</b>	<b>49,554</b>

	Consolidated		Parent	
<b>(c) Reconciliation of the net result to net cash flows from operating activities</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Net result	2,839	(8,428)	2,875	(8,584)
<b>Adjustments for revenue and expenses recognised in equity</b>				
Defined benefit plan re-measurements	–	–	(36)	156
Depreciation, amortisation and make good	8,102	9,996	8,102	9,996
Capital sponsorship	(87)	(196)	(87)	(196)
Net (profit) / loss on derecognition of assets/liabilities	607	113	607	113
Increase / (decrease) in payables	2,173	3,567	2,173	3,567
Increase / (decrease) in personnel services and employee-related provisions	(2,616)	(2,128)	(2,616)	(2,128)
(Increase) / decrease in receivables	808	(341)	808	(341)
Decrease in inventories	16	6	16	6
<b>Net cash flow from operating activities</b>	<b>11,842</b>	<b>2,589</b>	<b>11,842</b>	<b>2,589</b>

Refer note 11(d) for details regarding interest rate risk and a sensitivity analysis for financial assets and liabilities.



## 5. Trade and Other Receivables and Prepayments

### (a) Recognition and measurement

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

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

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(b) Trade and Other Receivables</b>				
Trade receivables	2,172	3,232	2,172	3,232
Allowance for impairment of receivables	(1)	(1)	(1)	(1)
Accrued income	3,117	2,712	3,117	2,712
GST receivable	1,253	612	1,450	1,185
Other receivables	1,139	903	1,139	903
<b>Total</b>	<b>7,680</b>	<b>7,458</b>	<b>7,877</b>	<b>8,031</b>

Refer notes 11(b) and (d) for details regarding exposure to credit and currency risk, impairment losses related to trade and other receivables and the reconciliation of movements in allowance for impairment of receivables

### (c) Prepayments

Prepaid superannuation – defined benefit schemes	981	1,588	–	–
Prepaid expenses	1,437	1,348	1,437	1,348
<b>Total</b>	<b>2,418</b>	<b>2,936</b>	<b>1,437</b>	<b>1,348</b>

**(d) Prepaid superannuation**

The funding position at 30 June 2017 of the three defined benefit schemes related to personnel services received has been advised by Pillar Administration. These are the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS).

	Estimated Reserve Account Funds		Accrued Liability		Prepaid Contributions	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Defined benefit asset</b>						
SSS	50,953	57,165	(49,983)	(55,607)	970	1,558
SANCS	973	1,232	(961)	(1,202)	11	30
	<b>51,926</b>	<b>58,397</b>	<b>(50,944)</b>	<b>(56,809)</b>	<b>981</b>	<b>1,588</b>
<b>Defined benefit liability</b>						
SASS	5,848	5,870	(6,301)	(6,615)	(453)	(745)
	<b>5,848</b>	<b>5,870</b>	<b>(6,301)</b>	<b>(6,615)</b>	<b>(453)</b>	<b>(745)</b>
<b>Total</b>	<b>57,774</b>	<b>64,267</b>	<b>57,246</b>	<b>(63,424)</b>	<b>528</b>	<b>843</b>

The defined benefit liability for the Consolidated Entity's defined benefit plans has been included in trade and other payables (refer to note 8(b)). The defined benefit liability for the Parent has been included in personnel services payable (refer to note 8(d)).

## 6. Property, Plant and Equipment

### (a) Recognition and measurement

#### (i) Initial Recognition

Property, plant and equipment assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

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

Property, plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised. Otherwise they are expensed.

#### (ii) Revaluation of property, plant and equipment

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also, refer to 6(c) for further information regarding fair value.

The Consolidated Entity revalues its property, plant and equipment with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

A summary of asset category revaluations is as follows:

Asset Category	Independent Valuer	Minimum Valuation Frequency	Last Valuation Date
Land	Cumberland Property Consulting Pty Ltd	3 years	31 March 2016
Building and building services	Rider Levett Bucknall	3 years	4 April 2017
Plant and equipment	RHAS (Rodney Hyman Asset Services) – an operating division of Aon Risk Services Australia Limited	5 years	31 March 2016
Art collection	Sue Hewitt	5 years	31 March 2015

In addition, an annual assessment is performed to assess the carrying value of property, plant and equipment. Management is of the opinion that the carrying values of land, building and building services, plant and equipment and the art collection do not differ significantly from their fair value at 30 June 2017.

The value of work in progress represents capital works not completed at 30 June 2017.

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

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

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

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

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

***(ii) Revaluation of property, plant and equipment (continued)***

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

**(iii) Impairment of property, plant and equipment**

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

Building and building services are measured at fair value as at 30 June 2017. Management has assessed the building for impairment at balance date and determined that it is not impaired. However all buildings require a long-term maintenance plan.

**(iv) Depreciation and amortisation**

Depreciation is provided on certain property, plant and equipment. Land is not a depreciable asset. Depreciation is calculated on a straight-line basis to write off the depreciable amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. All material identifiable components of assets are depreciated separately over their useful lives. The depreciation expense has been included in expenses note 3(e).

The implementation guidance for not-for-profit public sector entities that accompanies AASB 116 Property, Plant and Equipment states the nature of many heritage and cultural assets may not have limited useful lives and therefore may not be subject to depreciation. This is the case for the Opera House building and art collection. The decision not to recognise depreciation for these assets is reviewed annually. In 2016-17, management is of the opinion that depreciation should not be recognised on these assets.

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

Depreciation and amortisation rates on other assets are:

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

**(v) Maintenance**

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



**(b) Carrying amount of property, plant and equipment**

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Land</b>				
At fair value	140,000	140,000	140,000	140,000
<b>Building and building services</b>				
Gross carrying amount	2,247,200	2,101,493	2,247,200	2,101,493
<b>Land and buildings – at fair value</b>	<b>2,387,200</b>	<b>2,241,493</b>	<b>2,387,200</b>	<b>2,241,493</b>
<b>Plant and equipment</b>				
Gross carrying amount	249,828	242,445	249,828	242,445
Less: accumulated depreciation and impairment*	(122,472)	(121,629)	(122,472)	(121,629)
<b>Plant and equipment – at fair value</b>	<b>127,356</b>	<b>120,816</b>	<b>127,356</b>	<b>120,816</b>
Art collection – at fair value	6,989	6,989	6,989	6,989
Work in progress – at fair value	31,006	19,642	31,006	19,642
<b>Property, plant and equipment – at fair value</b>	<b>2,552,551</b>	<b>2,388,940</b>	<b>2,552,551</b>	<b>2,388,940</b>

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

	Land and building \$'000	Plant and equipment \$'000	Work in progress \$'000	Art collection \$'000	Total \$'000
<b>2017</b>					
Fair value at start of year	2,241,493	120,816	19,642	6,989	2,388,940
Additions	238	91	27,088	–	27,417
Disposals and write-offs	–	(718)	–	–	(718)
Reclassification	–	14,830	(15,724)	–	(894)
Revaluation	145,469	–	–	–	145,469
Lease make good expense	–	(30)	–	–	(30)
Depreciation and amortisation	–	(7,633)	–	–	(7,633)
<b>Fair value at end of year</b>	<b>2,387,200</b>	<b>127,356</b>	<b>31,006</b>	<b>6,989</b>	<b>2,552,551</b>

The comparative reconciliation for the year ended 30 June 2016 is set out below.

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

**(c) Fair value hierarchy**

<b>2017</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total fair value \$'000</b>
<b>Property, plant and equipment, excluding WIP</b>				
Land	–	–	140,000	140,000
Buildings	–	–	2,247,200	2,247,200
Plant and equipment	–	–	120,862	120,862
Art collection	–	6,989	–	6,989
<b>Fair value at end of year</b>	<b>–</b>	<b>6,989</b>	<b>2,508,062</b>	<b>2,515,051</b>

There were no transfers between Level 1 and 2 during the year. Land was reclassified from Level 2 to 3 in 2015-16.

<b>2016</b>				
<b>Property, plant and equipment, excluding WIP</b>				
Land	–	–	140,000	140,000
Buildings	–	–	2,101,493	2,101,493
Plant and equipment	–	–	113,259	113,259
Art collection	–	6,989	–	6,989
<b>Fair value at end of year</b>	<b>–</b>	<b>6,989</b>	<b>2,354,752</b>	<b>2,361,741</b>

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

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

Type	Valuation technique
Land	<b>Market approach:</b> the fair value of land has been determined using the direct comparison approach. Market evidence is obtained through transactions involving land within the Sydney central business district and fringe commercial areas and then adjusted using various observable and unobservable inputs, as no specific piece of land is truly comparable. A rate per square metre of land and a rate per square metre of floor space area has been deduced for each sale and compared to the Consolidated Entity's land, considering other key factors such as heritage restrictions, zoning, location and frontage.
Buildings	<b>Cost approach:</b> the fair value of buildings is determined using a reproduction cost approach given the unique nature of the building. The valuation includes the building fabric, structure, finishes and fittings, and assesses these components using the standard Australian Institute of Quantity Surveyors (AIQS) elements with measured quantities and the application of current market rates to the measured quantities. No diminution in value has been recognised due to the on-going maintenance program and the long design and economic life of the assets.
Art collection	<b>Market approach:</b> the fair value of collection assets is determined using quoted market prices for similar items.
Plant and equipment	<b>Market or cost approach:</b> the fair value of plant and equipment, where the gross carrying amount is greater than \$100k, has been determined using a direct sales comparison where possible; otherwise the cost approach has been used. The specialised or bespoke nature of much of the Opera House's plant and equipment make market comparisons unreliable. The optimised replacement cost of the assets is calculated based on Australian Bureau of Statistics Indexes applied to historic costs, then adjusted to take into account the asset's useful life. For specialised plant and equipment, depreciated replacement cost is the most relevant valuation method. Plant and equipment with a gross carrying amount of less than \$100k is not subject to revaluation and is carried at cost as a proxy for fair value. Assets carried at cost are not disclosed within the fair value hierarchy.

**(e) Reconciliation of recurring level 3 fair value measurements**

	Buildings \$'000	Land \$'000	Plant and equipment \$'000
<b>2017</b>			
Fair value as at 1 July 2016	2,101,493	140,000	113,259
Additions / reclassifications	238	–	14,243
Revaluation increments / (decrements) recognised in other comprehensive income	145,469	–	–
Disposals	–	–	(693)
Depreciation and amortisation	–	–	(5,947)
<b>Fair value as at 30 June 2017</b>	<b>2,247,200</b>	<b>140,000</b>	<b>120,863</b>
<b>2016</b>			
Fair value as at 1 July 2015	1,952,996	–	–
Additions / reclassifications	148,497	–	12,958
Revaluation increments / (decrements) recognised in other comprehensive income	–	–	–
Transfers from level 2	–	140,000	–
Transfers into the fair value hierarchy	–	–	101,909
Disposals	–	–	(24)
Depreciation	–	–	(1,584)
<b>Fair value as at 30 June 2016</b>	<b>2,101,493</b>	<b>140,000</b>	<b>113,259</b>



## 7. Intangible Assets

### (a) Intangible assets

The intangible assets held by the Consolidated Entity comprise software held for internal use and recognised initially at cost, and are being amortised on a straight-line basis over five years, unless another useful life is subsequently determined to be more appropriate.

Intangibles costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised. Otherwise they are expensed.

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

All intangible assets were assessed for impairment as at 30 June 2017. No intangible assets were found to be impaired.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(b) Carrying amount of intangible assets</b>				
<b>Software</b>				
At cost	4,616	3,722	4,616	3,722
Less: accumulated amortisation and impairment	(3,042)	(2,604)	(3,042)	(2,604)
<b>Net carrying amount</b>	<b>1,574</b>	<b>1,118</b>	<b>1,574</b>	<b>1,118</b>

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

Intangibles – fair value at start of year	1,118	1,168	1,118	1,168
Additions	–	140	–	140
Reclassification	894	162	894	162
Disposals and write-offs	–	–	–	–
Amortisation	(438)	(352)	(438)	(352)
<b>Intangibles – fair value at end of year</b>	<b>1,574</b>	<b>1,118</b>	<b>1,574</b>	<b>1,118</b>

## 8. Trade and Other Payables

### (a) Recognition and measurement

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

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(b) Trade and Other Payables</b>				
Trade creditors	2,262	1,745	2,262	1,745
Accrued expenses	13,212	9,457	12,823	9,235
Advance external ticket sales	4,151	7,992	4,151	7,992
Other payables	1,372	698	479	279
Defined benefit liability	453	745	–	–
<b>Total</b>	<b>21,450</b>	<b>20,637</b>	<b>19,715</b>	<b>19,251</b>

Refer notes 11(b) and (d) for details regarding exposure to currency and liquidity risk related to trade and other payables.

### (c) Deferred Revenue

Advance ticket sales	3,388	3,265	3,388	3,265
Hirer deposits	1,353	1,192	1,353	1,192
Income in advance	1,858	1,341	1,858	1,341
<b>Total</b>	<b>6,599</b>	<b>5,798</b>	<b>6,599</b>	<b>5,798</b>

### (d) Personnel Services Payable

#### Current

Personnel services payable	–	–	12,901	15,042
<b>Total current</b>	<b>–</b>	<b>–</b>	<b>12,901</b>	<b>15,042</b>

#### Non-Current

Personnel services payable	–	–	1,648	1,706
<b>Total non-current</b>	<b>–</b>	<b>–</b>	<b>1,648</b>	<b>1,706</b>
<b>Total personnel services payable</b>	<b>–</b>	<b>–</b>	<b>14,549</b>	<b>16,748</b>

## 9. Provisions

### (a) Employee benefits

#### (i) Recognition and measurement

Employee benefits are recognised in accordance with AASB 119 *Employee Benefits*, NSW TC 17-07 *Accounting for Superannuation* and NSW TC 15-09 *Accounting for Long Service Leave and Annual Leave*.

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

Provisions for personnel services are stated as a liability to the employee in the Consolidated Entity's financial statements and a liability to the Agency in the stand-alone financial statements of the Parent.

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

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value.

Actuarial advice obtained supports the Consolidated Entity's use of the nominal approach to approximate the present value of its annual leave liability.

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

#### (iii) Long service leave

Actuarial advice obtained supports the Consolidated Entity's use of the nominal approach to approximate the present value of its long service leave liability. Market yields on Australian Government bonds are used to discount long service leave. This rate represents the yield that matches as closely as possible the estimated timing of expected payments.

The bond rate used at the reporting date was a 10-year government bond rate of 2.60% (2016 1.98%).

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

#### (iv) Defined contribution superannuation plans

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

Contributions to defined contribution superannuation plans are recognised as an expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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

**(v) Termination benefits**

Termination benefits are recognised as an expense when the Consolidated Entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits are only recognised if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

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

**(b) Other provisions**

Other provisions are recognised when; the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the time value of money is material, provisions are discounted at the rate that reflects the current market assessments of the time value of money and the risk specific to the liability.

**(c) Current and non-current provisions**

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current</b>				
Lease make good provision	99	324	99	324
Employee benefits	11,597	14,251	–	–
Fringe benefits	354	420	–	–
<b>Total current provisions</b>	<b>12,050</b>	<b>14,995</b>	<b>99</b>	<b>324</b>
<b>Non-current</b>				
Lease make good provision	198	198	198	198
Employee benefits	1,648	1,706	–	–
<b>Total non-current provisions</b>	<b>1,846</b>	<b>1,904</b>	<b>198</b>	<b>198</b>
<b>Total provisions</b>	<b>13,896</b>	<b>16,899</b>	<b>297</b>	<b>522</b>

The current employee benefits provision includes annual recreation leave, of which \$3,056k is expected to be taken within the next 12 months, with the remaining \$1,346k after 12 months.

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

Carrying amount at the start of the year	522	384	522	384
Additional provision	–	138	–	138
Provision released	(225)	–	(225)	–
<b>Carrying amount at the end of the year</b>	<b>297</b>	<b>522</b>	<b>297</b>	<b>522</b>

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



## 10. Employee Defined Benefits

### (a) Defined benefit superannuation plans

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

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of defined benefit obligation at the reporting date less the fair value of the superannuation fund assets at that date and less any unrecognised past service costs.

The calculation of defined benefit obligations is performed annually by a qualified actuary, considering any applicable minimum funding requirements. When determining the liability, consideration is given to future salary and wage levels, experience of employee departures and periods of service. Prepaid contributions are recognised as an asset to the extent that cash refund/reduction in future payments is available. When the calculation results in a potential asset for the Consolidated Entity, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Consolidated Entity recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The liability is disclosed as non-current as this best reflects when the liability is likely to be settled.

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

### (b) Nature of the benefits provided by the Fund

The SAS Trustee Corporation (STC) Pooled Fund (the Fund) holds in trust the investments of the closed NSW public sector superannuation schemes:

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

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

All the schemes are closed to new members.

### (c) Description of the regulatory framework

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

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Fund will conform to the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

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

An actuarial investigation of the Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2015. The next actuarial investigation will be performed at 30 June 2018.

### (d) Description of other entities' responsibilities for the governance of the Fund

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

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

### (e) Description of risks

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

- Investment risk – The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk – The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk – The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk – The risk that legislative changes could be made which increase the cost of providing the defined benefits.

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

### (f) Description of significant events

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

<b>(g) Reconciliation of the net defined benefit liability / (asset)</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>Net defined benefit liability / (asset) at start of year</b>	<b>745</b>	<b>(30)</b>	<b>(1,558)</b>	<b>(843)</b>
Current service cost	194	41	134	369
Net interest on the net defined benefit liability / (asset)	15	(1)	(31)	(17)
Actual return on fund assets less interest income	(408)	(84)	(4,598)	(5,090)
Actuarial (gains) / losses arising from changes in demographic assumptions	(6)	(2)	–	(8)
Actuarial (gains) / losses arising from changes in financial assumptions	(163)	(29)	(4,191)	(4,384)
Actuarial (gains) / losses arising from liability experience	77	21	(1,060)	(963)
Adjustment for effect of asset ceiling	–	73	10,336	10,408
Employer contributions	–	–	–	–
<b>Net defined benefit liability / (asset) at end of year</b>	<b>454</b>	<b>(11)</b>	<b>(968)</b>	<b>(527)</b>

**(h) Reconciliation of the fair value of Fund assets**

<b>Fair value of the Fund assets at beginning of the year</b>	<b>5,871</b>	<b>1,350</b>	<b>63,224</b>	<b>70,445</b>
Interest income	110	23	1,235	1,368
Actual return on fund assets less interest income	408	84	4,598	5,090
Employer contributions	–	–	–	–
Contributions by participants	78	–	73	151
Benefits paid	(624)	(297)	(1,988)	(2,910)
Taxes, premiums and expenses paid	6	5	326	337
<b>Fair value of the Fund assets at end of the year</b>	<b>5,848</b>	<b>1,166</b>	<b>67,468</b>	<b>74,482</b>

<b>(i) Reconciliation of the defined benefit obligation</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>Present value of defined benefit obligations at beginning of the year</b>	<b>6,616</b>	<b>1,202</b>	<b>55,607</b>	<b>63,425</b>
Current service cost	194	41	134	369
Interest cost	125	20	1,083	1,228
Contributions by participants	78	–	73	151
Actuarial (gains) / losses arising from changes in demographic assumptions	(6)	(2)	–	(8)
Actuarial (gains) / losses arising from changes in financial assumptions	(163)	(29)	(4,191)	(4,384)
Actuarial (gains) / losses arising from liability experience	77	21	(1,060)	(963)
Benefits paid	(624)	(297)	(1,988)	(2,910)
Taxes, premiums and expenses paid	6	5	326	337
<b>Present value of defined benefit obligations at end of the year</b>	<b>6,302</b>	<b>961</b>	<b>49,983</b>	<b>57,246</b>

<b>(j) Reconciliation of the effect of the asset ceiling</b>				
<b>Adjustment for effect of asset ceiling at beginning of the year</b>	<b>–</b>	<b>118</b>	<b>6,059</b>	<b>6,177</b>
Interest on the effect of asset ceiling	–	2	121	123
Change in the effect of asset ceiling	–	73	10,335	10,408
<b>Adjustment for effect of asset ceiling at end of the year</b>	<b>–</b>	<b>193</b>	<b>16,515</b>	<b>16,708</b>

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

**(k) Fair value of the Fund assets**

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

As at 30 June 2017	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Asset Category</b>				
Cash	3,087,307	3,077,362	9,945	–
Australian fixed interest	2,500,725	997	2,499,728	–
International fixed interest	480,991	–	480,991	–
Australian equities	9,446,079	8,947,483	498,572	24
International equities	12,053,503	9,033,497	1,869,112	1,150,894
Property	3,453,107	926,105	533,191	1,993,812
Alternatives	9,066,055	390,899	5,068,137	3,607,020
<b>Total</b>	<b>40,087,767</b>	<b>22,376,343</b>	<b>10,959,675</b>	<b>6,751,750</b>

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

Short-term securities	7.7%
Australian fixed interest	6.2%
International fixed interest	1.2%
Australian equities	23.6%
International equities	30.1%
Property	8.6%
Alternatives	22.6%
<b>Total</b>	<b>100%</b>



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

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

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

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

#### (l) Fair value of entity's own financial instruments

The disclosures below relate to total assets of the Fund.

The fair value of the Fund assets as at 30 June 2017 include \$354 million in NSW Government bonds.

Of the direct properties owned by the Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Fund with a fair value of \$250 million (30 June 2016: \$222 million).
- Health Administration Corporation occupies part of a property 50% owned by the Fund with a fair value of \$261 million (30 June 2016: \$243 million).

#### (m) Significant actuarial assumptions at 30 June 2017

Assumption	
Discount rate	2.62%
Salary increase rate (excluding promotional increases)	2.50% 2017-18 and 2018-19; 3.50% 2019-20 and 2020-21; 3.00% pa 2021-22 to 2025-26; 3.50% pa thereafter
Rate of CPI increase	2.00% 2017-18; 2.25% 2018-19; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

### (n) Sensitivity analysis

The entity's total defined benefit obligation as at 30 June 2017 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision that is calculated based on the asset level at 30 June 2017.

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

	Base case per note 10(m)	Scenario A –1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	57,246	64,280	51,345

	Base case	Scenario C +0.5% rate of CPI increase	Scenario D –0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above rates plus 0.5% pa	as above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	57,246	60,466	54,294

	Base case	Scenario E +0.5% salary increase rate	Scenario F –0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above rates plus 0.5% pa	as above rates less 0.5% pa
Defined benefit obligation (\$'000)	57,246	57,409	57,088

	Base case	Scenario G lower mortality*	Scenario H higher mortality**
Discount rate	57,246	58,017	56,700

\* Assumes the short-term pensioner mortality improvement factors for years 2017-2021 also apply for years after 2021

\*\* Assumes the long-term pensioner mortality improvement factors for years post 2021 also apply for years 2017 to 2021

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

**(o) Asset-liability matching strategies**

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

**(p) Funding arrangements**

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and were last reviewed following completion of the triennial review as at 30 June 2015. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

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

**(q) Surplus / deficit**

The following is a summary of the 30 June 2017 financial position of the Fund calculated in accordance with AASB 1056 *Superannuation Entities*:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefits*	5,475	805	30,037	36,318
Net market value of Fund assets	(5,848)	(1,166)	(67,468)	(74,482)
<b>Net (surplus) / deficit</b>	<b>(373)</b>	<b>(360)</b>	<b>(37,431)</b>	<b>(38,164)</b>

*\*There is no allowance for a contribution tax provision with the accrued benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.*

**(r) Contribution recommendations**

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

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

**(s) Economic assumptions**

The economic assumptions adopted for the 30 June 2017 Standard AASB 1056 *Superannuation Entities* are:

Weighted average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (excluding promotional salary increases)	2.7% pa to 30 June 2019 then 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

<b>(t) Expected contributions for 2018</b>	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Expected employer contributions	–	–	–	–

**(u) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 12 years.

<b>(v) Profit and loss impact</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Current service cost	194	41	134	369
Net interest	15	(1)	(31)	(17)
<b>Defined benefit cost</b>	<b>209</b>	<b>41</b>	<b>103</b>	<b>352</b>

<b>(w) Other comprehensive income</b>				
Actuarial (gains) / losses on liabilities	(92)	(10)	(5,251)	(5,354)
Actual return on Fund assets less interest income	(408)	(84)	(4,598)	(5,090)
Change in the effect of asset ceiling	–	73	10,336	10,408
<b>Total re-measurement in other comprehensive income</b>	<b>(500)</b>	<b>22</b>	<b>486</b>	<b>(36)</b>



## 11. Financial Instruments

### (a) Recognition and measurement

#### (i) Investments

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

Hour-Glass investment facilities, when held, are designated at fair value through profit or loss. These financial assets are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Consolidated Entity's key management personnel. The facilities were divested in October 2015.

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

The movement in the fair value of the Hour-Glass investment facilities incorporated distributions received as well as unrealised movements in fair value and was reported in the line item "investment revenue".

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

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

#### (ii) Impairment of financial assets

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

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

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

***(iii) Derecognition of financial assets and financial liabilities***

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

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

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

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

***(iv) Derivative financial instruments***

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

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the net result for the year.

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

#### (b) Derivatives used for hedging

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

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

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

	Asset		Liability		Net Position	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Foreign currency forward contracts</b>						
EURO	1,226	7,400	(1,309)	(7,747)	(83)	(347)
GBP	167	393	(189)	(471)	(22)	(78)
USD	472	220	(487)	(225)	(15)	(5)

Refer note 11(d) for details regarding exposure to currency and liquidity risk to derivative financial instruments.

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

As at reporting date the aggregate amount of unrealised loss on forward foreign exchange contracts relating to anticipated future transactions is \$120k (2016: 430k). In the current year, these unrealised losses have been deferred in the hedging reserve to the extent the hedge is effective.

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

	2017 \$'000	2016 \$'000
Carrying amount at the start of the year	(430)	27
Unrealised (loss) / gain on forward exchange contracts	310	(457)
<b>Total unrealised (loss) / gain on forward exchange contracts</b>	<b>(120)</b>	<b>(430)</b>

### (c) Financial instrument categories

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

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

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

			Carrying amount	
	NOTE	Measurement basis	2017 \$'000	2016 \$'000
Financial assets				
Cash and cash equivalents	4	N/A	42,745	59,737
Trade and other receivables*	5(b)	Loans and receivables (at amortised cost)	6,427	6,846
Derivative financial instruments	11(b)	Designated and effective hedging instrument	1,865	8,013
Financial liabilities				
Trade and other payables**	8(b)	Financial liabilities (at amortised cost)	21,450	20,637
Derivative financial instruments	11(b)	Designated and effective hedging instrument	1,985	8,443

\* Excludes statutory receivables and prepayments such as GST (not within scope of AASB 7).

\*\* Excludes statutory payables and unearned revenue such as GST (not within scope of AASB 7).

**(d) Financial risk management**

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

- credit risk
- liquidity risk
- market risk

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

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

The Opera House has established an Audit and Risk Committee, which has overall responsibility for overseeing and monitoring risk management and reviews and agrees policies for managing these risks. Risk management policies are established to identify and analyse the risks faced by the Consolidated Entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by management and reported to the Audit and Risk Committee on a continuous basis.

**(i) Credit risk**

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

### Exposure to credit risk

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

	NOTE	2017 \$'000	2016 \$'000
Cash and cash equivalents	4	42,745	59,737
Trade and other receivables*	5(b)	6,427	6,846
		<b>49,172</b>	<b>66,583</b>

\*Excludes statutory receivables and prepayments such as GST (not within scope of AASB 7).

### Cash and cash equivalents

Cash comprises cash on hand and bank balances with Westpac, ANZ and Commonwealth Bank (CBA). Cash is recorded at nominal values for cash on hand and cash held in bank accounts. Interest is earned on daily bank balances. The interest rate at year-end was 1.50% for Westpac operating accounts (2016: 1.75%), 1.50% for the ANZ operating account (2016: 1.50%) and 0.65% for the CBA management account (2016: 0.65%).

At period end, the Consolidated Entity had placed funds on deposit with Westpac, St. George, NAB, ANZ, CBA, Bankwest, and, Bank of Queensland. The deposits at balance date were earning an average interest rate of 2.66% (2016: 3.00%), while over the year the average interest rate was 2.61% (2016: 2.82%).

### Trade receivables

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

	Carrying amount	
	2017 \$'000	2016 \$'000
Sponsorship	596	1,281
Tours	544	363
Venue hire and related services	308	518
Precinct businesses	582	989
Sydney Opera House performances	54	10
Other	88	71
	<b>2,172</b>	<b>3,232</b>

\* Excludes statutory receivables and prepayments such as GST (not within scope of AASB 7).



### Impairment losses

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

	Total \$'000	Not impaired \$'000	Considered impaired \$'000
<b>2017</b>			
Not past due	511	511	–
< 3 months past due	1,284	1,284	–
3-6 months past due	359	359	–
> 6 months past due	18	17	1
	<b>2,172</b>	<b>2,171</b>	<b>1</b>

<b>2016</b>			
Not past due	1,770	1,770	–
< 3 months past due	853	853	–
3-6 months past due	516	516	–
> 6 months past due	93	92	1

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

	2017 \$'000	2016 \$'000
Opening balance	(1)	(15)
Less: bad debts written off	–	14
Less: provision release	–	–
Add: additional provision	–	–
<b>Balance at end of year</b>	<b>(1)</b>	<b>(1)</b>

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

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts that are known to be uncollectible are written off. The Consolidated Entity has raised an allowance for impairment that represents their estimate of incurred losses in respect of trade receivables, based on objective evidence that all amounts due will not be able to be collected. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-day or alternative agreed-upon terms. The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

#### **Other financial assets**

Credit risk associated with the Consolidated Entity's financial assets, other than receivables, is managed through setting investment limits and limiting investments to counterparties that have investment grade credit ratings from major credit rating agencies. The Consolidated Entity has also placed funds on deposit with major banks, having regard to the rating provided by Standard & Poor's, Fitch or Moody's. Bank deposits are for fixed terms, and the interest rate payable is negotiated and is fixed for the term of the deposit. The interest rate payable on at-call deposits vary. The term deposits have varying maturity dates. None of these assets are past due or impaired.

#### **(ii) Liquidity risk**

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

The Consolidated Entity has exposure to debt in the form of corporate credit cards, but has otherwise not incurred any bank overdrafts within both the current and prior period. On 16 July 2015, the Consolidated Entity established a global borrowing limit of \$44 million through NSW Treasury Corporation (TCorp). As at 30 June 2017, the loan facility has not been utilised.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The Consolidated Entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

The following are contractual maturities of financial liabilities for the Parent and the Consolidated Entity:

	Total Amount \$'000	6 months or less \$'000	6 to 12 months \$'000	Between 1 and 2 years \$'000
<b>2017</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	(21,450)	(21,450)	–	–
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging:				
Outflow	(1,985)	(1,405)	(580)	–
Inflow	1,865	1,321	544	–
	<b>(21,570)</b>	<b>(21,534)</b>	<b>(36)</b>	<b>–</b>
<b>2016</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	(20,637)	(20,637)	–	–
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging:				
Outflow	(8,443)	(2,682)	(4,010)	(1,751)
Inflow	8,013	2,582	3,823	1,608
	<b>(21,067)</b>	<b>(20,737)</b>	<b>(187)</b>	<b>(143)</b>

The following table indicates the years in which the cash flows associated with derivatives that are cash-flow hedges are expected to occur, and the effect on profit or loss for the Parent and the Consolidated Entity:

	Total Amount \$'000	6 months or less \$'000	6 to 12 months \$'000	Between 1 and 2 years \$'000
<b>2017</b>				
<b>Foreign exchange contracts</b>				
Assets	1,865	1,321	544	—
Liabilities	(1,985)	(1,405)	(580)	—
<b>2016</b>				
<b>Foreign exchange contracts</b>				
Assets	8,013	2,582	3,823	1,608
Liabilities	(8,443)	(2,682)	(4,010)	(1,751)

### (iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns. The Consolidated Entity's exposure to market risk is primarily through currency risk on purchases that are denominated in a currency other than Australian Dollars. The interest rate risk is not expected to significantly affect the operating results and financial position. The Consolidated Entity does not enter into commodity contracts.

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

	Change in interest rate	Impact on profit/loss	
		2017 \$'000	2016 \$'000
Cash at Bank	+/- 0.25%	51	25

*(iv) Currency risk*

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

**Exposure to currency risk**

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

	EURO \$'000	GBP \$'000	USD \$'000
<b>2017</b>			
Forward exchange contracts*	1,309	189	487
<b>Net exposure</b>	<b>1,309</b>	<b>189</b>	<b>487</b>
<b>2016</b>			
Forward exchange contracts*	7,747	471	225

\* The forward exchange contracts relate to future forecast payments.

**Sensitivity analysis**

A 2.50% strengthening of the Australian dollar against the following currencies at the reporting date would have increased / (decreased) equity and profit or loss of the Parent and the Consolidated Entity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2016.

	2017		2016	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
EURO	32	–	189	–
GBP	5	–	12	–
USD	12	–	5	–
	<b>49</b>	<b>–</b>	<b>206</b>	<b>–</b>

A 2.50% weakening of the Australian dollar against the following currencies at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2016.

	2017		2016	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
EURO	(34)	–	(199)	–
GBP	(5)	–	(12)	–
USD	(12)	–	(6)	–
	(51)	–	(217)	–

**(v) Other price risk**

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



**(e) Fair value**

**(i) Fair value versus carrying amount**

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

	2017		2016	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Trade and other receivables*	6,427	6,427	6,846	6,846
Cash and cash equivalents	42,745	42,745	59,737	59,737
Forward exchange contracts used for hedging;				
– Hedge Assets	1,865	1,865	8,013	8,013
– Hedge Liabilities	(1,985)	(1,985)	(8,443)	(8,443)
Trade and other payables **	(21,450)	(21,450)	(20,637)	(20,637)
	<b>27,602</b>	<b>27,602</b>	<b>45,516</b>	<b>45,516</b>

\* Excludes statutory receivables and prepayments such as GST (not within scope of AASB 7).

\*\* Excludes statutory payables and unearned revenue such as GST (not within scope of AASB 7).

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

2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value</b>				
– Derivatives receivable	1,865	–	–	1,865
<b>Financial liabilities at fair value</b>				
– Derivatives payable	(1,985)	–	–	(1,985)
	<b>(120)</b>	<b>–</b>	<b>–</b>	<b>(120)</b>

There were no transfers between level 1 and 2 during the year ended 30 June 2017.

2016				
<b>Financial assets at fair value</b>				
– Derivatives receivable	8,013	–	–	8,013
	<b>8,013</b>	<b>–</b>	<b>–</b>	<b>8,013</b>
<b>Financial liabilities at fair value</b>				
– Derivatives payable	(8,443)	–	–	(8,443)
	<b>(430)</b>	<b>–</b>	<b>–</b>	<b>(430)</b>

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

## 12. Fundraising and Bequests

### (a) Fundraising

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

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

- Create, present and produce world-class work across all art forms;
- Develop our education and community programs;
- Offer free public programs and activities;
- Extend our First Nations programming and initiatives;
- Support the Renewal of the Sydney Opera House.

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

	2017 \$'000	2016 \$'000
<b>Balance 1 July</b>	<b>1,431</b>	<b>1,097</b>
Gross proceeds from fundraising appeals	1,715	1,928
Interest received on proceeds	24	39
Costs of fundraising	(414)	(237)
<b>Net surplus from fundraising</b>	<b>1,325</b>	<b>1,730</b>
Application of funds to activities	(2,204)	(1,396)
<b>Balance to accumulated funds</b>	<b>(879)</b>	<b>334</b>
<b>Balance end of year</b>	<b>552</b>	<b>1,431</b>

The net surplus from general purpose fundraising in 2017 of \$422k (2016: \$470k) was assigned to operating expenses in line with the Annual Giving Program objectives. Special purpose net surplus remained in the special purpose fundraising account.

#### (b) Foster Bequest

The Trust Deed relating to the bequest of the late Colin Foster (Foster Bequest) provides that income derived from investment of the funds may be applied to an award for study in fields relating to the training for, and performance of, the art of opera.

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

	2017 \$'000	2016 \$'000
Balance 1 July	115	114
Interest income	3	3
Distribution	–	(2)
Surplus	3	1
Balance end of year	118	115

#### (c) Lindsay Bequest

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

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

	2017 \$'000	2016 \$'000
Funds received	–	49
Interest income	20	19
Distribution	–	(13)

The accumulated funds at the end of 2017:

- Annual Giving Program (refer note 12(a)) was \$552k (2016: \$1,431k) of which \$552k (2016: \$961k) was special purpose and restricted to specific objectives;
- Foster Bequest (refer note 12(b)) was \$118k (2016: \$115k);
- Lindsay Bequest (refer note 12(c)) was \$715k (2016: \$695k)

## 12. Commitments

### (a) Capital commitments

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

Payable	2017 \$'000	2016 \$'000
Not later than one year	56,468	17,097
Later than one year and not later than five years	217	4,269
<b>Total (including GST)</b>	<b>56,685</b>	<b>21,366</b>

Capital commitments contracted for at year-end relate to building development projects. The commitments include GST input tax credits of \$5,082k recoverable from the Australian Taxation Office (2016: \$1,147k).

### (b) Operating lease commitments

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

The Consolidated Entity has no finance leases.

Operating lease payments are recognised as expenses on a straight-line basis over the lease term.

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

Leasehold decommissioning costs have been capitalised and depreciated where the Consolidated Entity is contractually bound to restore the leased premises upon lease expiry. The asset and provision for decommissioning costs represents the present value of the Consolidated Entity's best estimate of the future sacrifice of economic benefits that will be required to restore the leased premises to their original condition. The estimate has been made based on market value on commercially leased property. The unexpired terms of the premises lease range from 2 to 5 years.

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

	2017 \$'000	2016 \$'000
<b>Payable</b>		
Not later than one year	1,004	1,220
Later than one year and not later than five years	1,878	2,825
Later than five years	7	66
<b>Total (including GST)</b>	<b>2,889</b>	<b>4,111</b>

Operating lease commitments payable comprise leases for office and storage premises. The commitments include GST input tax credits of \$263k recoverable from the Australian Taxation Office (\$2016: \$374k).

<b>Receivable</b>		
Not later than one year	1,784	1,664
Later than one year and not later than five years	5,414	5,964
Later than five years	2,816	3,723
<b>Total (including GST)</b>	<b>10,014</b>	<b>11,351</b>

Operating lease commitments receivable comprise lease arrangements with vendors for food and beverage and retail premises. The commitments include GST of \$910k payable to the Australian Taxation Office (2016: \$1,032k).



## 14. Contingent Liabilities and Assets

The Consolidated Entity deals with legal claims and litigation in the normal course of operations. The quantum of these claims cannot accurately be determined.

## 15. Related Party Disclosures

### (a) Key Management Personnel (KMP) of the Consolidated Entity

Based on Treasury Circular TC16-12 and AASB 124, the Consolidated Entity has determined its KMP to consist of; the Minister for the cluster, the Board of Trustees and the Executive Team. These individuals are considered to have the authority and responsibility to plan, direct and control the activities of the Consolidated Entity, either individually or collectively.

### (b) KMP Compensation

Key management personnel compensation of the Consolidated Entity is as follows:

	2017 \$'000
Short-term employee benefits	2,365
Long-term employee benefits	59
<b>Total remuneration</b>	<b>2,424</b>

No remuneration was paid to the Trustees during the year (2016: nil). The Trustees resolved to cease being remunerated from 1 January 2007. Part of Trustees' duties involve attending Sydney Opera House Trust events, therefore attendance is considered a requirement and not a benefit. The value of tickets provided to Trustees' guests is included in short-term employee benefits above.

In addition to the above, the Parent entity has outstanding payables in relation to the personnel services provided by the Agency (see Note 8(d)).

KMP donated a total of \$289k to the Sydney Opera House in 2016-17.

**(c) Related party transactions**

The Consolidated Entity is controlled by the State of New South Wales, which is the ultimate parent. Therefore all NSW Government agencies are considered to be related parties. Over the ordinary course of business, the Consolidated Entity enters into transactions with the following NSW Government Entities:

- Crown Entity – Grants and contributions
- Destination NSW – Grants and contributions
- Department of Justice – Grants and contributions until 31 March 2017
- Department of Planning and Environment – Grants and contributions from 1 April 2017
- Office of State Revenue – State taxes and duties
- NSW Self Insurance Corporation – Insurance policies
- Sydney Water – Water and sewerage services

Over the financial year, the Consolidated Entity hosted 18 events for or on behalf of other NSW Government entities and schools. Combined revenue received from these events was \$996k. The largest event was the Australia Day 2017 Forecourt Concert, presented by the Department of Premier and Cabinet. The Opera House supported these events with a cumulative discount of approximately \$143k, as they generally delivered a public benefit. These events uphold the objects and functions under the Sydney Opera House Trust Act, which charge the Trust with the management and administration of the Opera House as a performing arts centre and “a meeting place for matters of international, national or local significance”.

## 16. Events After Reporting Date

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

End of  
financial  
statements



Joan Sutherland Theatre. Photo by Paul Najor

# Sydney Opera House Trust Staff Agency Financial Statements

For the year ended 30 June 2017

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

### Sydney Opera House Trust Staff Agency

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

1. In our opinion, the accompanying financial statements exhibit a true and fair view of the financial position of the Sydney Opera House Trust Staff Agency as at 30 June 2017, and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act, 1983*, the *Public Finance and Audit (General) Regulation 2015* and the *Treasurer's Directions*.

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



**Louise Herron AM**  
**Chief Executive Officer**



**Louise Ingram**  
**Acting Chief Financial Officer**

Sydney  
28 September 2017



# Independent Auditor's Report

## Sydney Opera House Trust Staff Agency

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of the Sydney Opera House Trust Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2017, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Staff Agency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

### Basis for Opinion

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

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

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

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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



### **The Chief Executive's Responsibility for the Financial Statements**

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

In preparing the financial statements, the Chief Executive must assess the Staff Agency's ability to continue as a going concern except where the Staff Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

### **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

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



**Karen Taylor**  
**Director, Financial Audit Services**

Sydney  
29 September 2017

# Sydney Opera House Trust Staff Agency Statement of Comprehensive Income

for the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
<b>Revenue</b>			
Personnel services revenue	2(b)	62,688	62,861
<b>Total revenue</b>		<b>62,688</b>	<b>62,861</b>
<b>Expenses</b>			
Employee-related expenses	3	(62,724)	(62,705)
<b>Total expenses</b>		<b>(62,724)</b>	<b>(62,705)</b>
<b>Net result</b>		<b>(36)</b>	<b>156</b>

The accompanying notes form part of these financial statements.

# Sydney Opera House Trust Staff Agency Statement of Other Comprehensive Income (cont.)

for the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
<b>Net result</b>		(36)	156
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Defined benefit plan re-measurements	8	36	(156)
<b>Other comprehensive income</b>		<b>36</b>	<b>(156)</b>
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>

The accompanying notes form part of these financial statements.

# Sydney Opera House Trust Staff Agency Statement of Financial Position

as at 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	5(b)	14,549	16,748
Prepaid superannuation	5(c)	981	1,588
<b>Total current assets</b>		<b>15,530</b>	<b>18,336</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	6(b)	1,931	1,960
Provisions	7(b)	11,951	14,670
<b>Total current liabilities</b>		<b>13,882</b>	<b>16,630</b>
<b>Non-current liabilities</b>			
Provisions	7(b)	1,648	1,706
<b>Total non-current liabilities</b>		<b>1,648</b>	<b>1,706</b>
<b>Total liabilities</b>		<b>15,530</b>	<b>18,336</b>
<b>Net assets</b>		<b>–</b>	<b>–</b>
<b>Equity</b>			
Accumulated funds		–	–
Reserves		–	–
<b>Total equity</b>		<b>–</b>	<b>–</b>

The accompanying notes form part of these financial statements.

# Sydney Opera House Trust Staff Agency Statement of Changes in Equity

for the year ended 30 June 2017

	NOTE	Accumulated Funds \$'000	Total Equity \$'000
Balance at 1 July 2016		–	–
Net result for the period		(36)	(36)
<b>Other comprehensive income</b>			
Defined benefit re-measurements	8	36	36
<b>Total comprehensive income</b>		<b>36</b>	<b>36</b>
Balance at 30 June 2017		–	–
Balance at 1 July 2015		–	–
Net result for the period		156	156
<b>Other comprehensive income</b>			
Defined benefit re-measurements	8	(156)	(156)
<b>Total comprehensive income</b>		<b>(156)</b>	<b>(156)</b>
Balance at 30 June 2016		–	–

The accompanying notes form part of these financial statements.

# Sydney Opera House Trust Staff Agency Statement of Cash Flows

for the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Personnel services		–	–
<b>Total receipts</b>		–	–
<b>Payments</b>			
Employee-related		–	–
<b>Total payments</b>		–	–
<b>Net cash from operating activities</b>	4	–	–
<b>Net cash from investing activities</b>		–	–
<b>Net cash from financing activities</b>		–	–
<b>Net increase in cash</b>		–	–
Cash and cash equivalents at the beginning of the period		–	–
<b>Cash and cash equivalents at the end of the period</b>		–	–

The accompanying notes form part of these financial statements.



# Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

## 1. Summary of significant accounting policies

### (a) Reporting entity

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

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

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

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

### (b) Basis of preparation

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

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

The financial statements were authorised for issue by the Chief Executive Officer (CEO) of the Sydney Opera House on 28 September 2017.

### (c) Basis of measurement

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

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

### (d) Statement of compliance

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

#### **(e) Insurance**

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

#### **(f) Functional and presentation currency**

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

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

#### **(g) Use of estimates and judgments**

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

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

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

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

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

#### **(h) Comparative information**

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

#### **(i) Goods and services tax (GST)**

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

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

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

**(j) New or revised Australian Accounting Standards and Interpretations****(i) Effective for the first time in 2016-17**

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17.

- **AASB 2015-6 regarding Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities regarding AASB 124 Related Party Disclosures and AASB 1049 Whole of Government and General Government Sector Financial Reporting**  
AASB 2015-6 extends the scope of AASB 124 to include not-for-profit public sector entities. AASB 124 requires reporting entities to disclose related party relationships, transactions and outstanding balances within their financial statements. The impact of the application of AASB 124 is disclosed in Note 13.

**(ii) Issued but not yet effective**

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

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

- **AASB 9 Financial Instruments**  
AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets. The Agency has not yet assessed the full impact of AASB 9, as this standard is not mandatory before 1 January 2018.

- **AASB 15, AASB 2014-5, AASB 2015-8, AASB 2016-7 and AASB 2016-3 regarding Revenue from Contracts with Customers**  
AASB 15 will affect all entities providing goods or services under contract arrangements, especially those offering bundled products and services. The Agency has not yet assessed the full impact of AASB 15, as this standard is not mandatory before 1 January 2019.
- **AASB 1058 Income of Not-for-profit Entities**  
This standard clarifies and simplifies the income recognition requirement that apply to not-for-profit entities, in conjunction with AASB 15 *Revenue from Contracts with Customers*. The Agency has not yet assessed the full impact of AASB 1058, as this standard is not mandatory before 1 January 2019.
- **AASB 2016-2 regarding Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 Statement of Cash Flows**  
AASB 2016-2 requires entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The standard applies to reporting periods beginning on or after 1 January 2017. Since the Agency does not hold any cash balances or directly engage in any cash transactions, this standard is not expected to materially affect the Agency.
- **AASB 2016-8 regarding Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities**  
AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. The Agency has not yet assessed the full impact of AASB 2016-8, as this standard is not mandatory before 1 January 2019.

## 2. Revenue

### (a) Recognition and measurement

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

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

	2017 \$'000	2016 \$'000
<b>(b) Personnel Services Revenue</b>		
Personnel services revenue	62,688	62,861
	<b>62,688</b>	<b>62,861</b>

## 3. Employee-related Expenses

	2017 \$'000	2016 \$'000
Salaries and wages (including recreation leave)	(55,427)	(53,676)
Superannuation – defined contribution plans	(4,388)	(4,227)
Superannuation – defined benefit plans	(359)	(352)
Long service leave	732	(993)
Payroll tax and fringe benefits tax	(3,356)	(3,443)
Workers compensation insurance	168	70
Other expenses	(94)	(84)
	<b>(62,724)</b>	<b>(62,705)</b>

#### 4. Reconciliation of Operating Result to Cash Flows Used in Operating Activities

	2017 \$'000	2016 \$'000
<b>Net result</b>	<b>(36)</b>	<b>156</b>
<b>Adjustments for revenue and expenses recognised in equity</b>		
Defined benefit plan re-measurements	36	(156)
<b>Movement in applicable statement of financial position items</b>		
(Increase) / decrease in receivables and prepayments	(2,813)	2,584
Increase / (decrease) in employee-related and other payables	36	(2,226)
Increase / (decrease) in provisions	2,777	(358)
<b>Net cash from operating activities</b>	<b>–</b>	<b>–</b>

#### 5. Receivables

##### (a) Recognition and measurement

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

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

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

	2017 \$'000	2016 \$'000
<b>(b) Trade and other receivables</b>		
Personnel services receivable	14,549	16,748

	2017 \$'000	2016 \$'000
<b>(c) Prepaid superannuation</b>		
Prepaid superannuation	981	1,588
	<b>981</b>	<b>1,588</b>

#### Prepaid superannuation

The funding position at 30 June 2017 of the three defined benefit schemes related to personnel services received has been advised by Pillar Administration. These are the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non Contributory Superannuation Scheme (SANCS).

	Estimated Reserve Account Funds		Accrued Liability		Prepaid Contributions	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Defined benefit asset</b>						
SSS	50,953	57,165	(49,983)	(55,607)	970	1,558
SANCS	973	1,232	(961)	(1,202)	11	30
	<b>51,926</b>	<b>58,397</b>	<b>(50,944)</b>	<b>(56,809)</b>	<b>981</b>	<b>1,588</b>
<b>Defined benefit liability</b>						
SASS	5,848	5,870	(6,301)	(6,615)	(453)	(745)
	<b>5,848</b>	<b>5,870</b>	<b>(6,301)</b>	<b>(6,615)</b>	<b>(453)</b>	<b>(745)</b>
<b>Total</b>	<b>57,774</b>	<b>64,267</b>	<b>57,246</b>	<b>(63,424)</b>	<b>528</b>	<b>843</b>

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



## 6. Payables

### (a) Recognition and measurement

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

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

	2017 \$'000	2016 \$'000
<b>(b) Other payables</b>		
Accrued salaries and wages and associated on-costs	1,280	642
GST payable	198	573
Defined benefits liability	453	745
	<b>1,931</b>	<b>1,960</b>

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

## 7. Employee Provisions

### (a) Recognition and measurement

Employee benefits are recognised in accordance with; AASB 119 *Employee Benefits*, NSW TC 17-07 *Accounting for Superannuation* and NSW TC 15-09 *Accounting for Long Service Leave and Annual Leave*.

#### (i) Wages and salaries, annual leave, and associated on-costs

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

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value.

Actuarial advice supports the Agency's use of the nominal approach to approximate the present value of its annual leave liability.

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

#### (ii) Long service leave

Actuarial advice supports the Agency's use of the nominal approach to approximate the present value of its long service leave liability. Market yields on Australian Government bonds are used to discount long service leave. This rate represents the yield that matches as closely as possible the estimated timing of expected payments.

The bond rate used at the reporting date was a 10-year government bond rate of 2.60% (2016 1.98%).

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

***(iii) Defined contribution superannuation plans***

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

Contributions to defined contribution superannuation plans are recognised as an expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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

***(iv) Termination benefits***

Termination benefits are recognised as an expense when the Agency is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement age, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits are only recognised if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

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

	2017 \$'000	2016 \$'000
<b>(b) Current and non-current provisions</b>		
<b>Current provisions</b>		
<b>Employee benefits and related on-costs</b>		
Annual leave	4,480	4,202
Long service leave	6,812	8,474
Payroll tax	–	287
Redundancies	305	1,287
Fringe benefits tax	354	420
<b>Total current provisions</b>	<b>11,951</b>	<b>14,670</b>
<b>Non-current provisions</b>		
<b>Employee benefits and related on-costs</b>		
Long service leave	1,648	1,267
Payroll tax	–	439
<b>Total non-current provisions</b>	<b>1,648</b>	<b>1,706</b>
<b>Total provisions</b>	<b>13,599</b>	<b>16,376</b>

Expected annual leave to be taken within the next 12 months is \$3,056k, with the remainder of \$1,346k after 12 months.

**Aggregate employee benefits and related on-costs**

Provisions – current	11,951	14,670
Provisions – non-current	1,648	1,706
Accrued salaries, wages and associated on-costs (note 6(b))	1,281	642
Defined benefits liability (note 6(b))	453	745
	<b>15,333</b>	<b>17,763</b>

## 8. Employee Defined Benefits

### (a) Background

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

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of defined benefit obligation at the reporting date less the fair value of the superannuation fund assets at that date and less any unrecognised past service costs.

The calculation of defined benefit obligations is performed annually by a qualified actuary, considering any applicable minimum funding requirements. When determining the liability, consideration is given to future salary and wage levels, experience of employee departures and periods of service. Prepaid contributions are recognised as an asset to the extent that cash refund/reduction in future payments is available. When the calculation results in a potential asset for the Agency, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Agency recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The liability has been disclosed as non-current as this best reflects when the liability is likely to be settled.

### (b) Nature of the benefits provided by the Fund

The SAS Trustee Corporation (STC) Pooled Fund (the Fund) holds in trust the investments of the closed NSW public sector superannuation schemes:

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

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

All the schemes are closed to new members.

**(c) Description of the regulatory framework**

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

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

Under a Heads of Government agreement, the NSW Government undertakes to ensure that the Fund will conform to the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting, and reporting to members and that members' benefits are adequately protected.

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

An actuarial investigation of the Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2015. The next actuarial investigation will be performed at 30 June 2018.

**(d) Description of other entities' responsibilities for the governance of the Fund**

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

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



**(e) Description of risks**

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

- Investment risk – The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk – The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk – The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk – The risk that legislative changes could be made which increase the cost of providing the defined benefits.

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

**(f) Description of significant events**

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

<b>(g) Reconciliation of the net defined benefit liability / (asset)</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>Net defined benefit liability / (asset) at start of year</b>	<b>745</b>	<b>(30)</b>	<b>(1,558)</b>	<b>(843)</b>
Current service cost	194	41	134	369
Net interest on the net defined benefit liability / (asset)	15	(1)	(31)	(17)
Actual return on fund assets less interest income	(408)	(84)	(4,598)	(5,090)
Actuarial (gains) / losses arising from changes in demographic assumptions	(6)	(2)	–	(8)
Actuarial (gains) / losses arising from changes in financial assumptions	(163)	(29)	(4,191)	(4,384)
Actuarial (gains) / losses arising from liability experience	77	21	(1,060)	(963)
Adjustment for effect of asset ceiling	–	73	10,336	10,408
Employer contributions	–	–	–	–
<b>Net defined benefit liability / (asset) at end of year</b>	<b>454</b>	<b>(11)</b>	<b>(968)</b>	<b>(527)</b>

<b>(h) Reconciliation of the fair value of the Fund assets</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>Fair value of the Fund assets at beginning of the year</b>	<b>5,871</b>	<b>1,350</b>	<b>63,224</b>	<b>70,445</b>
Interest income	110	23	1,235	1,368
Actual return on fund assets less interest income	408	84	4,598	5,090
Employer contributions	–	–	–	–
Contributions by participants	78	–	73	151
Benefits paid	(624)	(297)	(1,988)	(2,910)
Taxes, premiums and expenses paid	6	5	326	337
<b>Fair value of the Fund assets at end of the year</b>	<b>5,848</b>	<b>1,166</b>	<b>67,468</b>	<b>74,482</b>

**(i) Reconciliation of the defined benefit obligation**

<b>Present value of defined benefit obligations at beginning of the year</b>	<b>6,616</b>	<b>1,202</b>	<b>55,607</b>	<b>63,425</b>
Current service cost	194	41	134	369
Interest cost	125	20	1,083	1,228
Contributions by participants	78	–	73	151
Actuarial (gains) / losses arising from changes in demographic assumptions	(6)	(2)	–	(8)
Actuarial (gains) / losses arising from changes in financial assumptions	(163)	(29)	(4,191)	(4,384)
Actuarial (gains) / losses arising from liability experience	77	21	(1,060)	(963)
Benefits paid	(624)	(297)	(1,988)	(2,910)
Taxes, premiums and expenses paid	6	5	326	337
<b>Present value of defined benefit obligations at end of the year</b>	<b>6,302</b>	<b>961</b>	<b>49,983</b>	<b>57,246</b>

<b>(j) Reconciliation of the effect of the asset ceiling</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Adjustment for effect of asset ceiling at beginning of the year	–	118	6,059	6,177
Interest on the effect of asset ceiling	–	2	121	123
Change in the effect of asset ceiling	–	73	10,335	10,408
<b>Adjustment for effect of asset ceiling at end of the year</b>	<b>–</b>	<b>193</b>	<b>16,515</b>	<b>16,708</b>

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

#### **(k) Fair value of Fund assets**

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

<b>As at 30 June 2017</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Asset Category</b>				
Cash	3,087,307	3,077,362	9,945	–
Australian fixed interest	2,500,725	997	2,499,728	–
International fixed interest	480,991	–	480,991	–
Australian equities	9,446,079	8,947,483	498,572	24
International equities	12,053,503	9,033,497	1,869,112	1,150,894
Property	3,453,107	926,105	533,191	1,993,812
Alternatives	9,066,055	390,899	5,068,137	3,607,020
<b>Total</b>	<b>40,087,767</b>	<b>22,376,343</b>	<b>10,959,675</b>	<b>6,751,750</b>

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

Short-term securities	7.7%
Australian fixed interest	6.2%
International fixed interest	1.2%
Australian equities	23.6%
International equities	30.1%
Property	8.6%
Alternatives	22.6%
<b>Total</b>	<b>100%</b>

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

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

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

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

### (l) Fair value of entity's own financial instruments

The disclosures below relate to total assets of the Fund.

The fair value of the Fund assets as at 30 June 2017 includes \$354 million in NSW government bonds.

Of the direct properties owned by the Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Fund with a fair value of \$250 million (30 June 2016: \$222 million).
- Health Administration Corporation occupies part of a property 50% owned by the Fund with a fair value of \$261 million (30 June 2016: \$243 million).

### (m) Significant actuarial assumptions at 30 June 2017

Assumption	
Discount rate	2.62%
Salary increase rate (excluding promotional increases)	2.50% 2017-18 and 2018-19; 3.50% 2019-20 and 2020-21; 3.00% pa 2021-22 to 2025-26; 3.50% pa thereafter
Rate of CPI increase	2.00% 2017-18; 2.25% 2018-19; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

**(n) Sensitivity analysis**

The entity's total defined benefit obligation as at 30 June 2017 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2017.

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

	Base case per note 8(m)	Scenario A –1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	57,246	64,280	51,345
	Base case	Scenario C +0.5% rate of CPI increase	Scenario D –0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above rates plus 0.5% pa	as above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	57,246	60,466	54,294
	Base case	Scenario E +0.5% salary increase rate	Scenario F –0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above rates plus 0.5% pa	as above rates less 0.5% pa
Defined benefit obligation (\$'000)	57,246	57,409	57,088
	Base case	Scenario G lower mortality*	Scenario H higher mortality**
Defined benefit obligation (\$'000)	57,246	58,017	56,700

\* Assumes the short-term pensioner mortality improvement factors for years 2017-2021 also apply for years after 2021

\*\* Assumes the long-term pensioner mortality improvement factors for years post 2021 also apply for years 2017 to 2021

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

**(o) Asset-liability matching strategies**

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

**(p) Funding arrangements**

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and were last reviewed following completion of the triennial review as at 30 June 2015. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

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

**(q) Surplus / deficit**

The following is a summary of the 30 June 2017 financial position of the Fund calculated in accordance with AASB 1056 *Superannuation Entities*:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefits*	5,475	805	30,037	36,318
Net market value of Fund assets	(5,848)	(1,166)	(67,468)	(74,482)
<b>Net (surplus) / deficit</b>	<b>(373)</b>	<b>(360)</b>	<b>(37,431)</b>	<b>(38,164)</b>

\*There is no allowance for a contribution tax provision with the accrued benefits figure for AASB 1056 *Superannuation Entities*. Allowance for contributions tax is made when setting the contribution rates.



**(r) Contribution recommendations**

Recommended contribution rates for the Agency for the current year are:

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

**(s) Economic assumptions**

The economic assumptions adopted for the 30 June 2017 Standard AASB 1056 *Superannuation Entities* are:

Weighted average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (excluding promotional salary increases)	2.7% pa to 30 June 2019 then 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

<b>(t) Expected contributions for 2018</b>	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Expected employer contributions	–	–	–	–

**(u) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 12 years.

<b>(v) Profit and loss impact</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Current service cost	194	41	134	369
Net interest	15	(1)	(31)	(17)
<b>Defined benefit cost</b>	<b>209</b>	<b>41</b>	<b>103</b>	<b>352</b>

**(w) Other comprehensive income**

Actuarial (gains) / losses on liabilities	(92)	(10)	(5,251)	(5,354)
Actual return on Fund assets less interest income	(408)	(84)	(4,598)	(5,090)
Change in the effect of asset ceiling	–	73	10,336	10,408
<b>Total re-measurement in other comprehensive income</b>	<b>(500)</b>	<b>22</b>	<b>486</b>	<b>(36)</b>

## 9. Financial Instruments

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

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

The Opera House has established an Audit and Risk Committee, which has overall responsibility for overseeing and monitoring risk management and reviews and agrees policies for managing these risks. Risk management policies are established to identify and analyse the risks faced by the Consolidated Entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by management and reported to the Audit and Risk Committee on a continuous basis.

### (a) Fair value hierarchy

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

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

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial instruments are subsequently carried at amortised cost. For trade and other receivables and trade and other payables, the carrying amount is considered to approximate its fair value. This is because of the short-term nature of these financial assets and financial liabilities.

#### **(b) Impairment of financial assets**

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

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

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

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

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

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

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

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

			Carrying amount	
(d) Financial instrument categories	NOTE	Measurement basis	2017 \$'000	2016 \$'000
Financial assets				
Receivables*	5(b), 5(c)	Amortised cost	15,530	18,336
Financial liabilities				
Other payables**	6(b)	Amortised cost	(1,734)	(1,387)

\* Excludes statutory receivables and prepayments such as GST (not within scope of AASB 7).

\*\* Excludes statutory payables and unearned revenue such as GST (not within scope of AASB 7).

#### (e) Credit risk

Credit risk arises when there is the possibility of default on contractual obligations. The maximum exposure to credit risk is represented by the carrying amounts of the financial assets.

All receivables of the Agency are for services provided to the Parent, comprising salaries and entitlements of employee services provided. There are no financial assets that are past due or impaired. No collateral is held by the Agency and it has not granted any financial guarantees.

#### (f) Liquidity risk

Liquidity risk is the risk that the Agency will be unable to meet its payment obligations when they fall due. The financial liabilities recognised are for amounts due to be paid in the future for employee services received. Amounts owing to employees are settled as they fall due. The Agency is not exposed to interest rate risk and amounts are expected to be settled within 12 months. During the current period there were no defaults or breaches on any amounts payable. No assets have been pledged as collateral

#### (g) Market risk

Market risk is the risk that the fair value of the financial instrument will fluctuate because of a change in market prices. The Agency does not have exposure to market risk as all financial instruments relate to employee payments made by the Parent. The Agency has no exposure to foreign currency or interest rate risk and does not enter into commodity contracts.

## 10. Commitments

There were no commitments contracted for at reporting date.

## 11. Auditor's Remuneration

The audit fee for the statutory audit of the Agency is assumed by the Parent. The audit fee for the Agency for the period ended 30 June 2017 was nil (2016: nil).

## 12. Contingent Liabilities

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

## 13. Related Party Disclosure

### (a) Key Management Personnel (KMP) of the Agency

Based on Treasury Circular TC16-12 and AASB 124, the Agency has determined its Key Management Personnel (KMP) to consist of Sydney Opera House Trust (the Parent), the Minister for the cluster, the Board of Trustees and the Executive Team. These individuals are considered to have the authority and responsibility to plan, direct and control the activities of the Consolidated Entity, either individually or collectively.

### (b) KMP Compensation

The Executive Team members are the only KMP compensated by the Agency. Compensation was as follows:

	2017 \$'000
Short-term employee benefits	2,324
Other long-term employee benefits	59
<b>Total Remuneration</b>	<b>2,383</b>



**(c) Related party transactions**

During the year, all revenue received and disclosed in Note 2 was from the Parent.

In addition to the above, the Agency has outstanding receivables from the Parent in relation to the personnel services provided. For detailed disclosures please refer to Note 5(b).

The Agency is controlled by the State of New South Wales, which is the ultimate parent. Therefore all NSW Government agencies are considered to be related parties. Over ordinary course business, the Agency enters into Transactions with the following NSW Government Entities:

- Office of State Revenue – State taxes and duties
- NSW Self Insurance Corporation – Insurance policies

**14. Events After the Reporting Date**

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



*Badu Gili. Photo by Daniel Boud*

# Government Reporting

For the year ended 30 June 2017

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## Account Payment Performance Indicators

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

### Aged Analysis at the End of Each Quarter

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
<b>All suppliers</b>					
September	18,863	2,701	488	4,180	91
December	20,708	2,883	607	126	156
March	23,010	1,024	17	0	0
June	28,005	1,669	0	0	0
<b>Small business suppliers</b>					
September	395	1	1	0	0
December	662	0	16	0	0
March	552	2	0	0	0
June	767	10	0	0	0

### Accounts Due or Paid Within Each Quarter

Measure	Sept	Dec	Mar	June
<b>All suppliers</b>				
Number of accounts due for payment	3,771	4,014	4,316	3,412
Number of accounts paid on time	2,606	2,780	4,193	3,381
Percentage of accounts paid on time (based on number of accounts)	69%	69%	97%	99%
Dollar amount of accounts due for payment	\$22,326,680	\$24,479,072	\$24,050,721	\$29,673,852
Dollar amount of accounts paid on time	\$18,862,579	\$20,707,751	\$23,010,251	\$28,005,110
Percentage of accounts paid on time (based on \$)	84%	85%	96%	94%
Target percentage for accounts paid on time	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	1	0	0
Interest paid on overdue accounts	0	\$224	0	0

In accordance with the payments of accounts circular (NSW Treasury Circular NSW TC 11/12), Sydney Opera House Trust is required to pay interest on late payment of accounts from small businesses. There were 129 small businesses registered with the Opera House as at 30 June 2017 with \$224 being paid on overdue accounts. Communications continue with suppliers inviting small businesses to register via remittances. The Opera House website under Corporate Information, Doing Business with Sydney Opera House makes reference to small businesses.

### Accounts Due or Paid Within Each Quarter

Measure	Sept	Dec	Mar	June
<b>Small business suppliers</b>				
Number of accounts due for payment	53	74	154	153
Number of accounts paid on time	47	72	153	149
Percentage of accounts paid on time (based on number of accounts)	89%	97%	99%	97%
Dollar amount of accounts due for payment	\$396,911	\$675,797	\$553,301	\$776,898
Dollar amount of accounts paid on time	\$395,335	\$662,628	\$551,596	\$767,533
Percentage of accounts paid on time (based on \$)	100%	98%	100%	99%
Target percentage for accounts paid on time	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	1	0	0
Interest paid on overdue accounts	0	\$224	0	0

As at reporting date the Opera House had 129 registered small businesses. Eleven businesses were eligible for interest on overdue accounts. The total interest paid was \$224 as per above schedule. Payment delays resulted from difficulties in capturing invoices when purchase orders were not raised in the eProcurement system at the appropriate time. Problem areas are being reviewed and addressed with further process improvements in the financial and eProcurement systems.



# Budget

	Year ended 30 June 2017 \$'000	Year ended 30 June 2018 \$'000
<b>General Operations</b>		
<b>Revenues</b>		
NSW Treasury endowment and other funding	13,294	16,748
Self-generated revenue	101,205	101,636
<b>Total Revenue – General Operations</b>	<b>114,499</b>	<b>114,954</b>
<b>Expenses</b>		
People expenses	56,189	59,536
Other operating expenses	60,684	60,115
<b>Total Expenses – General Operations</b>	<b>116,872</b>	<b>16,630</b>
Profit/(Loss) from General Operations	(2,374)	(4,696)
<b>Building Activities</b>		
<b>Revenues</b>		
Building Maintenance – government grant	33,757	33,816
Building Renewal – government grant and other funding	–	50,000
<b>Total Revenue – Building Activities</b>	<b>33,757</b>	<b>83,816</b>
Depreciation and amortisation	11,708	9,376
Other expenses	34,439	24,529
<b>Total Expenses – Building Activities</b>	<b>46,146</b>	<b>33,905</b>
Profit/(Loss) from Building Activities	(12,389)	49,911
<b>Net result for the year</b>	<b>(14,763)</b>	<b>45,215</b>

## Code of Conduct

The Code of Conduct is designed to ensure the actions and decisions of all staff are consistent with the vision, goals and standards of the Opera House. The Code was revised in June 2016 and is due for further revision in the next 12 months.

The Opera House Trustees have a separate Trustee Code of Conduct, which outlines expected standards of behaviour. It encompasses: accountability for public expenditure and decision-making; use of public resources; use of official information; the designation of an official spokesperson for the Trust; gifts and benefits; disclosure of interests; recognising and managing conflicts of interest; reporting suspected corrupt conduct; and relevant legislation. The Trust endorsed the current code in April 2013. The Trust Conservation Council, which has external members and specialists, also has a separate Code of Conduct that provides guidelines on the values and behaviours expected of Council Members.

## Consultants

In accordance with NSW Government guidelines, projects for which consultants received more than \$50,000 are listed individually. Those involving payments of \$50,000 or less are grouped under a total figure.

Fergus Linehan – provision of artistic holistic strategy: \$91,990.

Four consultancies, for organisational review, cost a total of \$31,793.

## Credit Card Use

No irregularities in the use of corporate credit cards were recorded during the year. I certify that, to the best of my knowledge and belief, credit card use for the Opera House has been in accordance with Premier's Memoranda and Treasurer's Directions.



**Louise Herron AM**  
Chief Executive Officer

## Customer Experience

The Sydney Opera House Enterprise Strategy 2013 states that everything we do and say should be viewed through the lens of our customers and stakeholders. That includes Resident Companies, government, private and corporate supporters, commercial partners, staff, patrons and the broader public. Strong, mutually beneficial relationships are crucial if the Opera House is to continue to evolve.

### Customer Service Teams

The Host Team comprises vital front-line customer-service staff. They welcome and provide information to internal and external stakeholders as they enter the building via Stage Door. The Host Team manages Stage Door access between the hours of 6.30am and 11.30pm and administers customer feedback by recording, logging and assigning correspondence to relevant managers for response.

Theatre Management and Front of House teams provide courteous, informed and personalised service to patrons attending performances. They are Opera House ambassadors who ensure a smooth and welcoming experience at our venues.

Ticketing Services across Box Office, Contact Centre, email and web-support operations liaise with customers seeking information and purchases for our performances, tours, products and services.

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

The members of the newly appointed Welcome Team act as roving ambassadors, assisting visitors and patrons at the precinct. They are crucial in driving a culture that puts visitors at its centre. The Welcome Team focuses on enhancing the guest experience and maximising opportunities for visitors to engage more deeply with the Opera House through the selling of tours, performances, retail and onsite dining.

The Opera House continued to invest in training and development in FY17, including programs covering safety, manual handling, evacuation and warden duties; customer service; conflict resolution; Front of House refresher courses; and Code of Conduct awareness. New staff are inducted with customised training.

### Customer Service Feedback

In line with our Customer Feedback Policy and Customer First Commitment, the Opera House aims to achieve excellence in customer service through effective management of customer feedback. The Opera House welcomes and values complaints, compliments and suggestions as positive tools for change and improvement.

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

### Overall Unsolicited Feedback FY09-FY17

853 complaints were registered this year, a decrease of 49% on FY16 (1,688 complaints).  
218 compliments were recorded, a decrease of 4% compared with FY16 (228 compliments).

Type of Feedback	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Negative	853	1,688	798	741	721	522	744	631	661
Positive	218	228	289	195	189	144	166	132	83

### Unsolicited Feedback by Category for FY17

The table below lists feedback by category. The event/performance category reflects feedback to a range of different performances during the year.

Category	Positive	Negative
Audience behaviour	0	48
Booking fees	0	11
Front of House	67	29
Marketing	2	6
Wilson Car Park	0	0
Event/performance	23	198
Policies and procedures	0	29
Pricing	0	7
Seating	0	52
Venues and precinct	2	42
Retail and food	2	55
Ticketing Services	50	72
Tourism	43	31
Website	0	168
Other*	21	67
<b>Total</b>	<b>218</b>	<b>853</b>

\*The new accessible drop zone (ADZ) feedback is included in this category.

Key initiatives undertaken in FY17 to improve the customer experience include:

- Removal of vehicles from the precinct forecourt and the introduction of the underground accessible drop zone for evening performances and assisted courtesy cart operation for matinees.
- Introduction of the Welcome Team to improve the connection between Opera House activities and experiences and our visitors.
- The introduction of the Lounge, enabled by Samsung in the Box Office foyer has provided a welcoming atmosphere with increased seating capacity, improved food offering and an interactive VR experience.
- Every day at sunset visitors can experience *Badu Gili*, a free display of art and light that explores ancient stories in a spectacular, contemporary seven-minute projection on the Opera House's eastern Bennelong sail.

#### The Opera House Courtesy Shuttle Bus

The complimentary bus that takes customers between Circular Quay and the Opera House is an essential service for elderly and less mobile patrons. This year it carried 17,692 passengers with no recorded incidents.

#### Courtesy Shuttle Bus Passengers FY08-FY17

Year	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
No. of Passengers	17,692	17,965	19,645	18,639	18,146	18,800	16,300	18,000	17,000	15,000

## Customer Research

The Opera House undertook several pieces of paid research in FY17:

Agency: Hall & Partners | Open Mind  
Subject: Kids & Families Programming

Driver/Outcomes: The research was conducted to understand the needs, expectations and influences regarding events aimed at children to help optimise offerings and increase attendance for this audience.

Agency: Young & Rubicam  
Subject: Brand valuation of Sydney Opera House

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

Agency: Hall & Partners | Open Mind  
Subject: Brand & Sponsorship Research

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

Agency: The Lab  
Subject: Usage and Attitude Research

Driver/Outcomes: The research was conducted to uncover the needs, values and motivations of current and potential customers to ensure that the Opera House can plan for the future by anticipating future motivations and unmet needs. This research will underpin future brand activity planning.

## Presenter Satisfaction Measurement Surveys

Annual performance reviews continued with Resident Companies. Sydney Symphony Orchestra, The Australian Ballet, Opera Australia and Sydney Theatre Company participated. Bell Shakespeare Company's review is scheduled biennially. The Australian Chamber Orchestra and Bangarra Dance Theatre do not participate.

As in previous years, the survey sought feedback on: event delivery process; technical services; Front of House operations; building facilities; safety; food and beverage services; marketing services; and other services including Renewal integration and communications. Presenters ranked their satisfaction level from 1 (total dissatisfaction) to 7 (total satisfaction, no room for improvement). The Opera House team convenes regularly after meetings to monitor progress and ensure service improvement. The process is led by the Opera House's Resident Companies account manager.

Participating companies and Opera House staff engaged strongly with the process and gave comprehensive feedback. The scores from The Australian Ballet, Sydney Theatre Company and Sydney Symphony Orchestra have remained relatively consistent. They infrequently give a score below 5, indicating a high level of satisfaction. Opera Australia's results have dropped slightly over the past three years, although not significantly. Opera Australia and the Opera House have participated in constructive conversations and set clear actions for FY18 to ensure higher levels of satisfaction.



Overall, the business areas that have historically scored well (6 or 7 out of 7 from each company) did so again. These included: venue hire; account management; production management; nursing staff; invoicing; and Box Office operations. Customer Service areas that continued to achieve high results included: Box Office staff; Host Team; Emergency Planning and Response Group staff; and Front of House staff.

Marketing continues to build excellent relationships with all Resident Companies. Sydney Symphony Orchestra and Sydney Theatre Company both scored the Opera House 7 out of 7. Building Development and Maintenance, Box Office operations and Technical teams' scores remained consistent with the strong level of previous years.

## Digital Information Security Policy Attestation

I, Louise Herron, am of the opinion that the Sydney Opera House had a partially compliant Information Security Management System in place during the financial year being reported on, consistent with the Core Requirements set out in the NSW Government *Digital Information Security Policy*. A fully compliant Information Security Management System is expected to be in place by June 2018. This date has been extended to allow core policy documents to be reviewed.

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

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

## Disability Inclusion Plan

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

The Access Strategic Plan (2016-18) builds on the foundations established by the last three plans and focuses on continuing to improve access across five key areas:

- The Building.
- Performances and Experiences.
- Workplace.
- Operations and Customer Service.
- Community Leadership.

Highlights from Year 1 of the Plan include:

### The Building

- Working designs for Stage 1 Renewal were unveiled and included plans to upgrade accessibility.
- The NSW Government committed \$26 million for additional upgrades to the Joan Sutherland Theatre, including accessibility works.

### Performances and Experiences

- More than 5,000 people attended the Opera House's Access Program of accessible performances and inclusive events including AUSLAN, live-captioned, audio-described and autism-friendly performances as well as touch tours, supported Sing & Play music programs and inclusive workshops and programs.
- A residency program for musicians on the autism spectrum was piloted during the Vivid LIVE contemporary music festival. In the first event of its kind, independent musicians on the autism spectrum were mentored by Vivid LIVE alumni artists in the state-of-the-art Opera House Intel Broadcast Studio.
- More than 400 people participated in a new inclusive educational arts experience developed in collaboration between the Opera House Access Program and The Australian Ballet Education Unit. The Australian Ballet Education Access Residency at the Opera House provided a workshop and performance experience to students with disability built around *The Sleeping Beauty* and *Nutcracker – The Story of Clara*. Weekend workshops were open to the general public and included a Dancing Story workshop for children aged three to five. A professional development session was offered to specialist and generalist school teachers as part of the residency.
- The Dancing Connections initiative, a collaboration between the Opera House and Dance for Parkinson's Australia, presented two sold-out dance workshop series for participants with Parkinson's disease and their care partners. Workshops were facilitated by visiting Kibbutz Contemporary Dance Company dancers and The Australian Ballet Education Unit.

- The Access Program presented a masterclass by Christopher Davies, co-founder and artistic director of the UK's leading multi-sensory theatre company, Bamboozle Theatre. Teachers, artists and staff were invited to explore new ways of presenting theatre for people with multiple and complex disability.

#### Operations and Customer Service

- The new Opera House website was built to WCAG 2.0 AA standard including the seat-selection process. The new site was extensively tested by Vision Australia with additional consultation provided by Guide Dogs Australia. Automated monitoring tools were put in place to check that accessibility issues are not re-introduced as new web pages are authored. Relevant staff were provided with web accessibility training by Guide Dogs NSW to ensure the website remains access-friendly.
- Improvements to facilities for patrons who are less mobile were introduced, including additional seating in the Box Office foyers and the introduction of a dedicated Companion Card Booking line.
- A new permanent captioning system was installed prompt side in the Playhouse and the old captioning screens in the Drama Theatre were replaced, ensuring live theatre captioning is visible to more audience members with hearing loss.
- The hearing loop system in the Drama Theatre was replaced, providing improved coverage for patrons with hearing impairments. Work also began on replacing the loop system in the Studio.
- 81 customer-facing staff were surveyed to identify areas for further training and awareness in relation to disability access. The survey informed a four-hour staff accessibility awareness forum attended by staff across Food and Beverage, Security, Front of House, Fire Safety, Nurses Unit, Visitor Experience, Event Operations and Sydney Opera House Presents. The session aimed to raise awareness of accessible customer service and communication strategies, event access considerations and access services available at the Opera House. A resource package including an audio recording of the sessions and presentations were made available as an online resource for staff who could not attend.

## Electronic Service Delivery

### Ticket Scanning

Following trials in FY16 the Opera House rolled out ticket scanning for all Resident Company and Sydney Opera House Presents shows. To ensure ticket scanning is accurate and sustainable, the Opera House partnered with Tessitura Network to develop technology to automate the import of ticket data from Resident Companies with discrete ticket databases.

### As-A-Service and Virtualisation

The Opera House continued to adopt as-a-service technologies and to virtualise physical servers and appliances. Offline magnetic tape backups are now consumed as a managed service. Web service load balancers were migrated to the core virtual environment. Pre-production web servers were deployed into the public cloud. Production web servers are now consumed as a managed service and the end-to-end e-commerce path uses a hybrid cloud architecture.

### Cyber Security

The Opera House revised its Acceptable Information and Technology Use and Surveillance Policy for staff and contractors. This policy is core to the Information Security Management System. The Cyber Security team rolled out an email security system and expanded the capabilities of its security information and event management system.

### WiFi

A WiFi analytics system was implemented across the Opera House site. Visitors who connect to free WiFi are asked to provide their email address and opt in to marketing communications. High-density WiFi was installed in the Drama Theatre, Studio and Playhouse. When a similar system is installed into the Joan Sutherland Theatre (planned for 2018), all auditoriums will have permanently installed systems to increase customers' in-the-moment digital engagement with the Opera House and presenters.

### Information Management

The Opera House's Information Management team upgraded the electronic document and records management system and introduced new security classification labels to align with the NSW Government Information Classification and Labelling Guidelines.

The Privacy Management Policy & Plan and Customer Privacy statement were updated. Formal Privacy Impact Assessments have been introduced for technology projects.

### Printer Fleet Replacement

As part of our commitment to using technology sustainably while providing staff with up-to-date tools, the Opera House replaced its printer fleet. The new tap-to-collect system has prevented tens of thousands of pages from being printed since being introduced.

## Environmental Sustainability

### Environmental Sustainability Plan FY17 Achievements

In FY17 the Opera House launched its third Environmental Sustainability Plan 2017-19 (ESP 2017-19). The ESP builds on the strong foundations of previous years' achievements, sets ambitious new targets and has been designed to work towards 2023 objectives, including becoming a certified carbon-neutral organisation.

### Use Resources Efficiently and Responsibly

#### Conserve water

As a result of participation in the City of Sydney Smart Green Business, a site-wide water efficiency assessment was completed this year. The project resulted in the successful trial implementation of water-efficient devices and flow regulators in kitchen and bathroom amenities. The anticipated annual saving as a result of full implementation is expected to be approximately 5 megalitres (mL) a year.

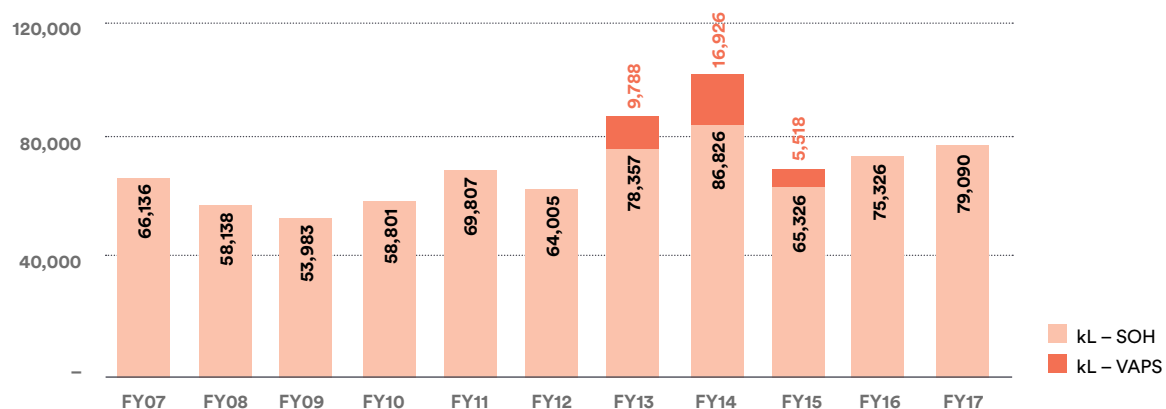
In FY17 absolute water consumption increased by 5% compared to the previous year. However, water use per total attendance (performances and tours) was 5% below the baseline of FY10-FY14 average water use and 8% below the baseline per transaction.

Water use (mL)	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Opera House	79	75	65	87	78	64	70	59	54	58	66
VAPS	0	0	6	17	10	–	–	–	–	–	–
Total	79	75	71	104	88	64	70	59	54	58	66

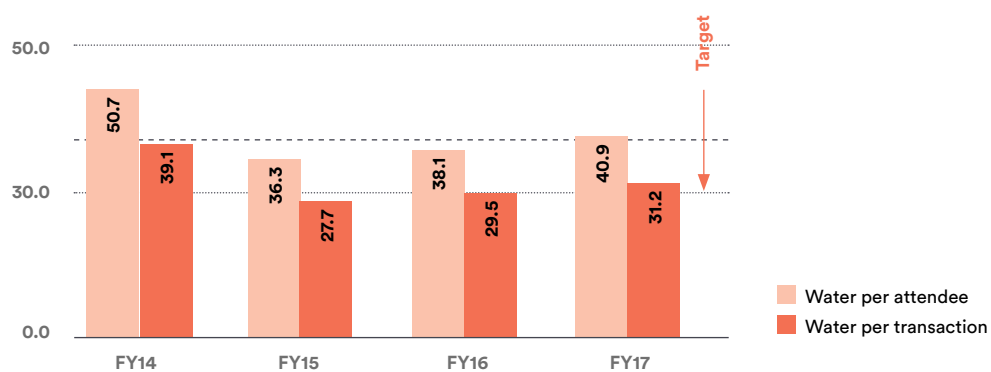
Water efficiency	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Water use per attendee (kL/attendee)*	40	36	33	50	46	38	43
Water use per transaction (kL/attendee)*	31	28	39	38	35	46	–

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

### Sydney Opera House Annual Water Consumption (kL)



### Water Consumption (per attendee / per transaction)



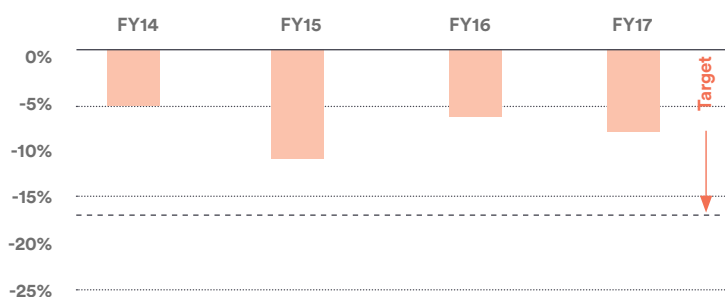
### Energy Efficiency

In FY17 electricity consumption decreased by 1% compared to the previous year and by 8% compared to the revised five-year baseline average. The baseline was adjusted to ensure alignment with the Green Building Council of Australia Performance Rating tool. Operational changes that may have contributed to the decrease in electricity consumption include closure of the Joan Sutherland Theatre for Renewal works and changes to staff accommodation including the move from Customs House.

Electricity use* (MWh)	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Opera House	17,480	17,672	16,859	17,872	18,282	17,376	17,825	18,688	17,707	18,730
Offsite leases (office and storage)	143	170	210	241	243	335	281	273	277	209
<b>Total</b>	<b>17,624</b>	<b>17,842</b>	<b>17,068</b>	<b>18,113</b>	<b>18,525</b>	<b>17,710</b>	<b>18,106</b>	<b>18,961</b>	<b>17,984</b>	<b>18,939</b>

\* Reported electricity use includes all operations on Bennelong Point including food and beverage tenancies. Offsite leases (office and storage) are included in electricity-use targets.

### Electricity Consumption (% reduction from baseline\*)



\*Revised baseline– FY04- FY08 in line with the GBCA Performance Energy Baseline



## Transport

To support the ESP's sustainable transport objectives, a GoGet car-share service was introduced this year. The car-share service has enabled the replacement of an existing vehicle and the more efficient use of fleet vehicles. Staff engagement activities were undertaken to encourage the use of sustainable transport, including providing a mechanic during Ride to Work day to service staff bicycles and hosting a breakfast to promote sustainable transport options.

## Materials

A new printing contract implemented in November included the roll out of new printers that incorporate paper-saving technology. As a result, office print jobs have reduced by approximately 10% and have enabled the purchase of 100% recycled-content office paper.

The Retail team introduced recyclable paper bags as an alternative to single-use plastic bags. This resulted in a 90% reduction in single-use plastic bags or more than 60,000 plastic bags a year.

## Reduce Waste

In FY17 the recycling rate exceeded the ESP target by 2%. The new waste contract has improved data capture and enabled more robust reporting and monitoring of performance against ESP targets.

A third-party waste audit was undertaken to measure performance of the new waste management contract and to highlight future opportunities for increasing recycling and reducing waste to landfill. The audit findings confirmed that waste data capture is in line with the Better Buildings Partnership's silver standard for waste data integrity.

A number of waste reduction initiatives were incorporated into the planning of projects with successful outcomes. More than 50% of office furniture was donated to learning institutions as a result of the relocation of staff from Customs House to new accommodation in Pitt St and more than 13 tonnes of steel was recycled as part of a storage consolidation project and removal of material from the Joan Sutherland Theatre ahead of its closure to enable the Theatre Machinery Project.

	FY17		FY16		FY15		FY14	
Stream	Tonne*	Percentage^	Tonne*	Percentage^	Tonne*	Percentage^	Tonne*	Percentage^
Recycling	750	62%	803	65%	452.1	36%	404	38%
General waste	451	38%	430	35%	770.5	64%	655	62%
Total	1,201	100%	1,234	100%	1,222.6	100%	1,058	100%

^Percentage by weight.

\*This figure does not include disposal of construction waste, liquid waste, or large items donated to reverse garbage. FY17 recycling percentage by weight calculation: general waste – actual weight; mixed recycling – site-specific density x bins; organics – site-specific density x bins. Other streams (cardboard, office paper, e-waste, lights, toners and polystyrene) – industry average density (BBP) x bins, no contamination rate applied.

### Improve Environmental Risk Management

An independent review of the environmental risk program was initiated to enhance the progress already made in managing risk. The aim was to provide recommendations for a prioritised risk management approach that will identify opportunities for integration with our wider organisational risk program.

### Embed, Engage and Inspire

The Opera House continues to engage and inspire audiences and visitors. Vivid LIVE was carbon neutral in FY17, offset by biodiverse tree-planting offsets from Greenfleet. The festival continued to support food donations via Ozharvest and promoted a sustainability-themed bar targeting zero waste.

### Develop an Environmentally Aware Staff Culture

The structure of the Green Team – the SEALS (Sustainable Environment Action Leaders) – was reviewed and a formal action plan was developed. Engagement activities during FY17 included participation in Clean Up Australia Day, Earth Hour, Ride to Work Day and the Sydney Rides Challenge. World Environment Day was celebrated in collaboration with Security, Safety and Risk.

### Collaborate with Partners

In April a two-year partnership with EnergyAustralia was announced to assist the delivery of our ESP objectives. Key objectives include carbon neutrality, the achievement of a 5 Star rating from the Green Building Council of Australia and 14 per cent energy savings by 2019. A number of efficiency projects and sustainable energy solutions will be implemented or trialled to support our long-term carbon-reduction strategy.

### Carbon Footprint

The Opera House produced 17,484 metric tonnes of carbon dioxide equivalent for FY17. The Opera House provides data assurance by engaging a qualified third-party carbon specialist to undertake the annual footprint calculation.

## Opera House Greenhouse Gas Emissions FY11-FY17

Source	FY17	FY16	FY15	FY14	FY13	FY12	FY11
<b>Scope 1 – Direct emissions</b>							
Natural gas	–	–	–	–	147	105	126
Refrigerants	–	481	468	390	401	394	398
Fuel use by fleet vehicles	4	5	5	6	5	8	8
<b>Scope 2 – Electricity</b>							
Electricity from buildings (Opera House, tenancies and offsite leases)	16,919	17,128	16,898	17,932	19,637	18,773	19,193
GreenPower <sup>1</sup>	(-1,015)	(-1,183)	(-1,133)	(-1,210)	(-1,174)	(-2,010)	(-1,729)
Net emissions from electricity	15,904	15,945	15,765	16,722	18,463	16,764	17,463
<b>Scope 3 – Indirect emissions</b>							
Flights – international <sup>2</sup>	95	112	178	89	223	217	N/A
Flights – domestic <sup>3</sup>		11	N/A	N/A	N/A	N/A	N/A
Office paper	9	9	9	15	14	17	19
Publications paper	55	58	38	60			
Waste	849	778	859	978	854	991	837
Taxis	38	49	50	N/A	N/A	N/A	N/A
Employee Transport	534	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>17,484</b>	<b>17,417</b>	<b>17,374</b>	<b>18,326</b>	<b>20,107</b>	<b>18,495</b>	<b>18,851</b>

<sup>1</sup> GreenPower purchase was 6% for July 2017-June 2018 and an additional 30MWh was purchased for Vivid LIVE.

<sup>2</sup> Flights in FY15 included international flights only. In FY16 domestic flights data was reported for the first time.

<sup>3</sup> In line with the ESP commitment to include one extra scope 3 emission every year, emissions from employee travel are included this financial year.

## Equal Employment Opportunity (EEO)

The Opera House is committed to maintaining equality in the workforce by upholding a workplace culture that displays fair practice and behaviour, and ensuring that all people are valued, respected and have opportunities to develop their potential.

### EEO Initiatives and Achievements FY17

- Continued promotion of Aboriginal and Torres Strait Islander employment through the active marketing of roles, including bulk employment roles, through First Nations recruitment networks.
- Hosted a third careers day for Aboriginal and Torres Strait Islander students to provide them with practical support and guidance in resume writing and interview skills to help prepare for entry into the workforce while showcasing employment opportunities within the Opera House and with our presenting partners and other cultural institutions.
- Four Aboriginal and Torres Strait Islander work-experience programs delivered.
- Six Aboriginal and Torres Strait Islander school-based students completed traineeships with Ticketing and Front of House.
- One former school-based trainee remains casually employed in Ticketing and two former school-based trainees remain casually employed within the Front of House team.
- Online cultural awareness training module introduced for all existing and new employees to complete.

### EEO Initiatives FY18

- Continuation of the annual careers day for Aboriginal and Torres Strait Islander students.
- Further work-experience and traineeship programs for Aboriginal and Torres Strait Islander students.
- Continuation of the Workplace Giving staff-engagement program to facilitate charitable donations to charity partners.
- Continuation of our relationship with the Chinese Consulate and the Australia-Korea Foundation by offering intern opportunities.
- Approval obtained for two Production members to travel to Denmark to work in the Royal Danish Theatre for six weeks during the Joan Sutherland Theatre closure (August – September 2017).
- Work with our Accessibility Manager to re-establish our relationship with the Stepping Into program, offering paid internship opportunities to university students with a disability.

**Table A. Trends in the Representation of EEO Groups**

EEO Group	Benchmark or Target	FY17	FY16	FY15	FY14	FY13
Women	50%	51.8%	49.0%	45.5%	46.6%	44.5%
Aboriginal and Torres Strait Islander people	3.3%	1.3%	1.6%	2.0%	1.6%	1.9%
People whose first language was not English	23.2%	19.1%	15.4%	16.3%	14.3%	15.5%
People with a disability	N/A	0.9%	1.2%	2.3%	2.5%	2.9%
People with a disability requiring work-related adjustment	N/A	0.2%	0.2%	0.2%	0.0%	0.2%

**Table B. Trends in the Distribution of EEO Groups**

EEO Group	Benchmark or Target	FY17	FY16	FY15	FY14	FY13
Women	100	105	109	104	107	105
Aboriginal and Torres Strait Islander people	100	N/A	N/A	N/A	N/A	N/A
People whose first language was not English	100	83	86	76	80	87
People with a disability	100	N/A	N/A	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A	N/A

Note: Staff numbers at 30 June 2017. Information provided by the Workforce Profile Unit, Public Service Commission. The Distribution Index is automatically calculated by the software provided by Public Service Commission. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20 (denoted by N/A).

Note: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

## Fire Safety

New emergency and exit lighting has been installed through the Lower Concourse in response to a City of Sydney and NSW Fire Brigade request for emergency management. An annual fire safety statement is expected to be issued for the building under the *Environmental Planning and Assessment Regulation 2000* by November 2017.

## Government Information and Public Access (GIPA) Act 2009

### Information (Public Access) Amendment Regulation 2010 (GIPA Regulation) under the GIPA Act

In accordance with section 7 of the *Government Information (Public Access) Act 2009* (the GIPA Act), the Opera House conducted a review of the information it makes publicly available and updated its agency information guide. The access application form is publically available, together with details on the Opera House's disclosure log and government contracts register.

The Opera House *Access to Information policy* outlines how we comply with the GIPA Act. It was published on the Opera House website.

The following policies were updated and published on the Opera House website: *Access to Information (GIPA) Policy*, *Privacy Management Policy and Plan*, *Sponsorship Policy*, and *Debtor Management Policy*.

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

During the reporting period, the Opera House received one formal access application under the GIPA Act. This application was received in FY17 and is being reviewed in FY18.

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

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

### Statistical Information about Access Applications – Clause 7(d) and Schedule 2 of the GIPA Regulation

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

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

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

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



**Table C: Invalid applications**

Reason for Invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

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

	No. of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Invalid applications that subsequently became valid applications	0

**Table E: Other public interest considerations against disclosure: matters listed in table 14 to the Government Information (Public Access) Act 2009**

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

**Table F: Timeliness**

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

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

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

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

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

## Heritage Management

The Opera House has met its obligations as a State, National and World Heritage-listed site and is committed to the ongoing development of heritage risk management and awareness initiatives.

Following a public exhibition in 2015, the Conservation Management Plan (CMP, 4th Edition) is currently going through the appropriate government approval processes. A publication date during the second half of 2017 is expected. The CMP is titled *Respecting the Vision: Sydney Opera House – A Conservation Management Plan*, by our Heritage Architect, Alan Croker.

The Heritage Guidelines for Outdoor Events and Activities were developed in consultation with the Conservation Council and Alan Croker. The guidelines provide primary view lines, designated infrastructure zones and guidance for minimising the impact of outdoor events and activity. They will be considered by the Heritage Council this year and its feedback will be incorporated into the document.

A review of infrastructure associated with outdoor events is underway. Details of the infrastructure will be decided upon in consultation with the Conservation Council and the Eminent Architects Panel and will reflect the principles of the CMP.

On 18 April 2017 the Opera House hosted ICOMOS Australia (International Council on Monuments and Sites) in the Utzon Room for the 2017 Jim Kerr Address. This year, Richard Johnson AO MBE, who refurbished the Western Foyers in collaboration with Jørn and Jan Utzon, gave the address titled *HERITAGE – INHERITANCE* “Contemporary Relevance and Continuity”.

Following a successful application in 2014 for a grant under the Getty Foundation “Keeping it Modern” program, the Opera House submitted the final project report on a Concrete Conservation Strategy for Sydney Opera House to the Getty Foundation in September 2016. A letter from the Getty Foundation to the Opera House CEO in October 2016 confirmed that all reporting requirements for the grant had been satisfied and that they “are still amazed by the quality of this project”.

A range of interpretation initiatives have taken place including:

- The Lounge, enabled by Samsung.
- Our Story and House History content on the Opera House website.
- Covered Concourse Renewal Exhibition.

The Conservation Council met five times during FY17 and provided advice on a range of projects including:

- Conservation Management Plan 4th Edition (CMP4).
- Building Renewal designs.
- Outdoor events.
- Heritage Guidelines for Outdoor Events and Activities.
- Intrusive items removal.
- Planning and heritage approvals.

Forthcoming projects include:

- Implementing the CMP4 and developing tailored training for staff and users.
- Establishing a Heritage Working Group with members from across the business to support the development and implementation of new heritage documentation.
- Developing and implementing key heritage documentation including the Statement of Heritage Management Commitment, the Heritage Risk Management Plan and the Heritage Implementation Plan.
- Developing key interpretation strategies including an interpretation and exhibition strategy for the *Curtain of the Sun* and the *Curtain of the Moon*, by John Coburn, and also a five-year Renewal Interpretation Strategy.

## Insurance

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

The property policy protects Sydney Opera House assets and the properties for which it holds long-term leases.

In FY17 the Opera House had one miscellaneous claim (totalling \$875), four property claims (\$12,390), one motor vehicle claim (\$478) and 10 liability claims (\$5,036,700). Under the workers compensation policy, 31 new claims were lodged (\$378,292).

The table below shows the total cost of premiums excluding GST, arriving at the cost per employee over the past five years.

	FY17 \$	FY16 \$	FY15 \$	FY14 \$	FY13 \$
Motor vehicle	5,050	4,750	5,460	6,480	3,320
Property	670,710	689,440	659,560	732,100	700,100
Public liability	283,500	323,520	311,120	334,370	349,560
Workers compensation	399,083	458,165	664,455	691,909	820,530
Miscellaneous	56,580	41,920	31,050	23,310	17,270
<b>Total cost</b>	<b>1,414,923</b>	<b>1,517,795</b>	<b>1,671,645</b>	<b>1,788,169</b>	<b>1,890,780</b>
Total employees	866	851	850	857	759
Cost per employee	1,634	1,784	1,967	2,087	2,468

The Opera House has taken out Statutory Liability insurance placed through Dual Australia Pty Ltd with certain underwriters at Lloyd's. It covers fines and related costs imposed as a result of statutory liability that might be imposed on the Opera House. This is insurance cover not provided by the Treasury Managed Fund and no claim has been made under this policy.

Further insurance has been taken out by the Opera House for performers engaged through Sydney Opera House Presents who do not have their own public liability insurance. Cover through the Treasury Managed Fund is limited to Trust members, Directors, Officers and Opera House employees. No claim has been made against this insurance, which is provided by SLE Worldwide Australia Pty Limited and underwritten by certain underwriters at Lloyd's and Chubb Insurance Australia Limited.

## Investment Performance Measure

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

## Land Title Holdings

### Summary of Land Holdings

Ownership of Sydney Opera House and its land is vested in the Minister administering the *Sydney Opera House Trust Act 1961* (the Minister for the Arts) on behalf of the NSW Government. The Sydney Opera House Trust, which is constituted as a body corporate under the *Sydney Opera House Act 1961*, is responsible for the operation and maintenance of the Opera House and its land. The site area is 3.82527 hectares and is located at the northern end of Circular Quay East, Bennelong Point, and as at 30 June 2017 was valued at \$140 million.

## Legal

No amendment was made to the *Sydney Opera House Trust Act, 1961* or *Sydney Opera House Trust By-law 2015*.

## Multicultural Policies and Services Plan

In support of the NSW Multicultural Policies and Services Plan, opportunities to engage with the Opera House were created for artists, audiences and visitors from a range of cultural backgrounds. Performances with a strong multicultural theme were presented across a variety of art forms, including music, dance, cabaret, talks, and community and cultural engagement initiatives.

The presentations included large and small-scale performances across the venues, from Sydney Opera House Presents, Resident and supported companies, and other presenters.

Highlights of Sydney Opera House Presents presentations identified under the Multicultural Policies and Services Plan:

### *Deadly Voices from the House* (Year-round project)

Recorded in the Opera House's Intel Broadcast Studio and hosted by Head of First Nations Programming Rhoda Roberts AO, the weekly radio show highlights issues and art relevant to local and global First Nations culture.

### *Guwanyi Walama: Aboriginal Perspectives of Bennelong Point* (Year-round project)

This digital experience for school students is delivered live from the Opera House and features oral history from the Aboriginal perspective. Students experience this world-famous Sydney location from creation time and the ancestral spirits who formed the landscape, to pre-settlement and the arrival of the First Fleet.

***Badu Gili: Water Light***  
(Year-round project)

*Badu Gili* – meaning “water light” in the language of the traditional owners of Bennelong Point, the Gadigal people – is a new daily experience exploring ancient First Nations stories, illuminated on the Opera House’s eastern Bennelong sail year-round at sunset. Curated by Head of First Nations Programming Rhoda Roberts AO, the works of five eminent artists from across Australia and the Torres Strait Islands are woven together in a spectacular seven-minute projection.

**Jackie Chan in Conversation**  
August 2016

Legendary Chinese master of Kung Fu comedy Jackie Chan presented a bilingual conversation about his life, career, and philanthropic activity to a sold-out audience in the Concert Hall.

**Kibbutz Contemporary Dance Company**  
August 2016

Led by choreographer Rami Be’er, Kibbutz Contemporary Dance Company is one of Israel’s foremost modern dance companies. In addition to performing *Horses in the Sky*, the company presented an In Conversation with Be’er and led dance workshops for group of adults living with Parkinson’s disease.

**Festival of Dangerous Ideas**  
September 2016

This year’s iteration featured a diverse range of speakers including African-American Alicia Garza speaking about the Black Lives Matter movement and Inuit activist Sheila Watt-Cloutier from Kuujuaq, Nunavik.

**Homeground**  
November 2016

Homeground is the Opera House’s celebration of First Nations art and culture. The 2016 festival featured First Nations Australian artists including Dubmarine and East Journey, as well as Anishinaabe acoustic storyteller Leonard Sumner and traditional Maori healers from New Zealand.

***Dance Rites***  
November 2016

The second iteration of the national First Nations dance competition, produced by the Opera House and designed to celebrate and maintain culture, dance, language and stories, attracted First Nations dance groups from regional and remote NSW, Western Australia, Stradbroke Island and Cape York in Queensland, and the Torres Strait.

***A Sonatina***  
November 2016

Denmark’s acclaimed performance company Teatret Gruppe 38 returned to the Opera House to present this production, inspired by the tale of Little Red Riding Hood.

***1967: Music in the Key of Yes***  
January 2017

A co-presentation with the Sydney Festival marked the 50th anniversary of the 1967 referendum. Some of the greatest songs of the civil rights movement were reinterpreted by Aboriginal and Torres Strait Islander stars, including Dan Sultan, Thelma Plum, Radical Son, Leah Flanagan, Emily Wurramara, Alice Skye, Ursula Yovich and Yirrma, as well as award-winning artist Adalita.



**Yann Tiersen**  
**January 2017**

French composer and musician Yann Tiersen engaged audiences with some of his most famous compositions as well as new and lesser-known works.

***Barbu***  
**February 2017**

Acclaimed Québécois company Cirque Alfonse brought its trademark bawdy brand of circus and cabaret to the Opera House, with much of its live music inspired by traditional songs.

**All About Women**  
**March 2017**

The 2017 iteration of this day-long festival featured speakers and thought leaders including Germany's Giulia Enders, Malaysian-Chinese-American journalist Mei Fong, and Australia's Marcia Langton AM.

**Utzon Music Series**  
**April 2017**

Iranian-American harpsichordist Mahan Esfahani explored the sound-world of Finnish composer Kaija Saariaho in this intimate concert.

***The 7 Stages of Grieving***  
**May 2017**

Co-written by current Opera House Trustee Deborah Mailman, *The 7 Stages of Grieving* has earned a place in the Australian theatrical canon. Twenty years after its premiere, it shared poignant stories from First Nations history with a new audience.

***Deadly Voices Live: The Accidental Activist***  
**May 2017**

Taking place on the 50th anniversary of the 1967 Referendum, this thought-provoking event within First Nations programming featured Tara Houska, Bradley Moggridge and Dayne (The Frackman) Pratzky, and explored issues of custodianship of land and water on a local and international scale.

**Hot Brown Honey**  
**June 2017**

Tackling topics such as gender, race and colonialism, this political cabaret featured performers from Samoan, Tongan, Indonesian, African and Gamiliroi (Australian) backgrounds.

**Djuki Mala**  
**June 2017**

Following sold-out festival performances throughout Australia in 2015 and 2016, Elcho Island group Djuki Mala performed a fusion of traditional First Nations culture, contemporary dance and storytelling.

To meet the needs of visitors and customers from diverse cultural backgrounds, the Opera House provides services and information in Japanese, Korean, Mandarin, French, Spanish and German. In addition, website pages and printed collateral are produced in all tour languages.

Next year the Opera House will continue to:

- Provide tours in English, Japanese, Korean, Mandarin, French, Spanish and German.
- Communicate via a range of translated material and interpreters.
- Present opportunities to a culturally diverse range of artists, audiences and the community through events, services and consultation.

## Overseas Travel

Opera House staff travel overseas for business reasons, including sourcing performing arts product, touring programs and representing the Opera House at key industry forums. The following overseas travel undertaken during the reporting year was approved by the Secretary of Department of Justice until 31 March 2017, after which approval was given by the Minister for the Arts.

Name of Officer	Position	Destination/s	Purpose of visit	From	To
Simon Dwyer	Senior Project Manager	US	Perform Factory Acceptance Testing on four “chillers” to ensure compliance with specification and performance nominated in the tender response.	9/7/16	25/7/16
Greg McTaggart	Director, Building	Europe	Attend workshops, arranged by the Getty Foundation, on Conservation Management Plans and Concrete Conservation. Present an update on the Opera House's concrete preservation project.	22/7/16	31/7/16
Frank Newman	Creative Learning Specialist	UK	Attend the Third International Teaching Artist Conference (ITAC3).	2/8/16	6/8/16
		Japan	Confirm the involvement of venues, partners and artists for the proposed Creative Play project <i>Join the Dots</i> , an international collaboration in which an artist in Japan and an artist at the Opera House simultaneously create a digital drawing.	28/11/16	3/12/16
Nic Boling	Chief Technology Officer	US	Attend the full Tessitura Learning & Community Conference.	7/8/16	12/8/16
Emily Zinowki	Business Development Executive	India	Attend Tourism Australia's India Travel Mission.	16/8/16	25/8/16
Ben Marshall	Head of Contemporary Music	US, UK	Attend performances in New York and at the Edinburgh International Festival and Edinburgh Festival Fringe to consider artists for presentation at the Opera House, and meet with agents and managers.	17/8/16	30/8/16
		UK, France, Switzerland	Attend leading contemporary music festivals the Manchester International Festival and Switzerland's annual Montreux Jazz Festival to scope and secure acts for presentation at the Opera House.	29/6/17	17/7/17
Chris Twite	Senior Producer Music	US, UK	Join Ben Marshall to develop Chris's industry networks and be introduced to sought-after VIP agents and artists. Separately, attend performances and meetings to secure contemporary music acts for the Opera House.	17/8/16	30/8/16
Danielle Harvey	Head of Contemporary Performance	UK	Attend Edinburgh International Festival and Edinburgh Festival Fringe; source work for possible inclusion in the Opera House's International and Entertainment programs.	19/8/16	27/8/16

Name of Officer	Position	Destination/s	Purpose of visit	From	To
Lou Rosicky	Theatre Integration Manager	Austria	Conduct Factory Acceptance Testing of overstage lift hoists to be installed in the Joan Sutherland Theatre (JST) as part of the Theatre Machinery Project (TMP).	27/8/16	3/9/16
		Austria	Conduct Factory Acceptance Testing of the rear lifts (understage equipment) to be installed in the JST as part of the TMP.	9/12/16	17/12/16
		Germany, Denmark	Attend Stage Set Scenery, a leading biennial trade fair and conference for theatre, film and entertainment technology.	20/6/17	26/6/17
Jade McKellar	Director, Visitor Experience	US	Review best practice in the integration of digital technology and visitor operations from peer organisations; gain insight into Samsung innovations and projects that will enhance the Opera House visitor experience.	5/9/16	11/9/16
Bridgette Van Leuven	Head of Children, Families & Creative Learning	Korea	Deliver a presentation on the Opera House's digital education program, in partnership with the Asia Education Foundation, at the annual Australia-Korea Schools Linkages Workshop.	21/9/16	24/9/16
		Korea	Attend and speak at the Asia Culture Centre's Children, Culture and Art Education Forum.	2/12/16	4/12/16
		Korea	Attend the International Association of Theatre for Children and Young People Korean Winter Children's Festival to consider Korean theatre companies for future presentation at the Opera House.	5/1/17	12/1/17
		South Africa	Attend and present at the World Congress & International Theatre Festival for Children & Young People.	18/5/17	27/5/17
Louise Herron	Chief Executive Officer	US	Develop strategic collaborations with key stakeholders in the US, meet with peer organisations who have undertaken major infrastructure projects similar to the Opera House Renewal projects and explore philanthropic opportunities.	6/10/16	12/10/16
		US, UAE	Attend the International Society for the Performing Arts (ISPA) Congress committee and board meetings. Stopover in Abu Dhabi to meet with Etihad Airways senior executives to discuss Etihad's major partnership with the Opera House.	9/1/17	16/1/17
Tim Calnin	Director, Performing Arts	China	Consider performances, predominantly Chinese works, for programming at the Opera House and attend forums to discuss the latest international trends in Asia region performing arts.	10/10/16	17/10/16
Ann Mossop	Head of Talks & Ideas	US	Attend the TEDWomen 2016 conference to consider a range of speakers, writers and panellists for presentation at the Opera House.	25/10/16	29/10/16

Name of Officer	Position	Destination/s	Purpose of visit	From	To
Danielle Filetti	Construction Project Manager	Austria	Conduct Factory Acceptance Testing of the rear lifts (understage equipment) to be installed in the JST as part of the TMP.	9/12/16	17/12/16
Brendan O'Connell	Producer, Talks & Ideas	India	Attend the Jaipur Literature Festival to consider a range of speakers, writers and panellists for presentation at the Opera House.	17/1/17	26/1/17
Michelle Dixon	Director Safety, Security & Risk and General Counsel	US, UAE	Consult with leading peer organisations with a focus on security, emergency and business continuity planning, posture and escalation.	13/2/17	24/2/17
Jenny Muldoon	Head of Safety, Security & Risk	US, UAE	Consult with leading peer organisations on best practice development of a proactive safety culture in performing arts organisations.	13/2/17	24/2/17
Sarah Duthie	Head of Sales, Tours and Experiences	US	Attend Tourism Australia's North America 2017 Marketplace and Australia Tourism Summit.	19/2/17	5/3/17
Monika Townsend	Sales Account Manager	Japan, South Korea	Attend Tourism Australia's Walkabout Japan Mission to meet Japanese buyers; carry out targeted sales visits and training to key wholesalers and travel agents in South Korea.	19/2/17	2/3/17
Chris Daniels	Head of Digital Transformation	US	Attend Adobe Summit to gain valuable insights, tools and techniques for optimising the Opera House's partnership with Adobe and its marketing platforms.	19/3/17	25/3/17
Miriam O'Rourke	Head of Strategic Development (Visitor Experience)	US	Attend Global Licensing Conference to gain insight into global trends in product licensing and commercial offerings and review best practice in the integration and extension of brands.	21/5/17	28/5/17
Jamie Dawson	Senior Producer, Children, Families & Creative Learning	UK	Attend Edinburgh International Children's Festival to consider productions for presentation at the Opera House. Meet key industry leaders to discuss sourcing new content for NSW audiences. Attend performances in London and meet representatives from touring companies to discuss opportunities for future collaborations.	24/5/17	5/6/17
Alexandra Hirst	Producer, Contemporary Performance	US	Attend the creative development phase of <i>The Unbelievables</i> before Opera House presentation in 2018, including film shoot to capture key video and photo assets needed for the Opera House season.	5/6/17	13/6/17
Rhoda Roberts	Head of First Nations Programming	Canada	Attend First Scene, the First Nations component of the broader month-long arts festival Canada Scene. Meet industry representatives to plan and develop several high-profile cultural programs over the next three years.	13/6/17	24/6/17

## Privacy Management

The Opera House Privacy Management Policy and Plan outlines how we comply with the principles of the *Privacy and Personal Information Protection Act 1998* (the PPIP Act) and the *Health Records and Information Privacy Act 2002* (the HRIP Act). It includes:

- Descriptions of the main kinds of personal and health information held by the Opera House.
- How to access and amend personal and health information held by the Opera House.
- Procedures for privacy complaints and internal reviews.
- Customer Privacy Statement.

Details of how the Opera House protects the privacy of its customers, including visitors to its website, are available at [www.sydneyoperahouse.com](http://www.sydneyoperahouse.com).

The Customer Privacy Statement was updated during FY17 to reflect minor changes with the launch of the new Opera House website in February 2017.

To obtain copies of the Opera House's latest Customer Privacy Statement, Privacy Management Policy and Plan and/or to make enquiries about privacy issues, contact:

### Privacy Contact Officer

**P** Sydney Opera House  
GPO Box 4274, SYDNEY NSW 2001  
**T** (02) 9250 7111  
**E** [privacy@sydneyoperahouse.com](mailto:privacy@sydneyoperahouse.com)

The Opera House received no application under section 53 of the PPIP Act during 2016-17.

## Public Interest Disclosures

No public interest disclosures were made or received by the Opera House during the year.

The Opera House Public Interest Disclosures Policy is available to staff on the staff intranet and is also provided on the Opera House website for the information of stakeholders and the community.

A variety of ongoing and new actions were taken during the year to ensure that staff are aware of the content of the public interest disclosures policy and protections under the *Public Interest Disclosures Act, 1994*:

- Public interest disclosures requirements were incorporated into the Code of Conduct for staff.
- Code of Conduct and Public Interest Disclosures Policy were included in all starter packs for new employees.
- Online compliance and awareness training modules for Code of Conduct and Cash Handling continued to be offered with modules for Public Interest Disclosures and Gifts and Benefits implemented.

## Reconciliation Action Plan

The Opera House is committed to fostering and celebrating a shared sense of belonging for all Australians. In 2011 the Opera House became the first performing arts organisation in Australia to launch a Reconciliation Action Plan (RAP). It launched its fourth in August 2016. The Opera House's 2017-19 RAP builds on the strong foundations established in the past five years and sets ambitious targets as it embeds Aboriginal and Torres Strait Island arts and culture in Opera House programming, experiences, education and employment. Our strategies will engage artists, audiences and visitors.

2017-19 RAP highlights include:

- On the eve of NAIDOC Week 2017, the Opera House launched *Badu Gili* – “water light” in the Gadigal language. This is a new, free, year-round experience that uses the eastern Bennelong sail as a canvas on which to celebrate the rich history and contemporary vibrancy of Australia's First Nations culture. Curated by Head of First Nations Programming Rhoda Roberts AO, *Badu Gili* is a seven-minute video, projected at sunset, that weaves together the work of five eminent First Nations artists: Jenuarrie (Judith Warrie), Frances Belle Parker, Alick Tipoti, the late Lin Onus and the late Minnie Pwerle. *Badu Gili* is enabled by the Opera House, its Idealist donors and the Australia Council for the Arts.
- The Opera House offers opportunities for staff members to learn more about First Nations culture and has found they are increasingly eager to participate in cultural engagement.
  - As part of NAIDOC Week 2016 celebrations, the Opera House launched a new e-learning module to increase staff understanding of First Nations culture and history and how they are celebrated at the Opera House. Approximately one third of staff have completed the module.
  - There was a 135% increase in the number of staff attending FY17 National Reconciliation Week activities over the previous year. At-capacity events included a weaving workshop with Head of First Nations Programming Rhoda Roberts AO and a presentation from Aunty Beryl Van Oploo from the National Centre for Indigenous Excellence (NCIE) about the benefits of native ingredients. NCIE taught staff about its Jobs Ready program, which equips First Nations jobseekers with practical workplace and hospitality skills. Thanks to GG Espresso, coffee cups in the Opera House's Green Room cafe featured daily First Nations facts.
  - The Opera House introduced a volunteer program for *Dance Rites*, Australia's national First Nations dance competition held during Homeground. On event day, 12 staff hosted more than 180 dancers from around the country.

The Opera House has a vibrant program of First Nations performing arts (p.55), and First Nations artists and speakers are embedded across all programming streams. In addition:

- The Opera House is committed to increasing its employment of First Nations people from 2.1% of the workforce in 2017 to 3% by 2019. Two targeted positions were introduced this year – an Aboriginal and Torres Strait Islander tour guide and an associate producer for First Nations Programming. The Opera House is also committed to supporting professional development for First Nations staff. One staff member this year completed secondments in two areas of the business and developed new skills by helping organise Careers Day and National Reconciliation Week activities.
- 73 students experienced work at a performing arts organisation through the Opera House's early career pathways program, which includes the Aboriginal and Torres Strait Islander Careers Day, work experience and traineeships.
- For the sixth consecutive year we collaborated with the Indigenous Literacy Foundation to hold Indigenous Literacy Day at the Opera House. The annual event raises awareness and funds to support literacy for First Nations children in rural and remote Australia.
- When Opera House staff moved from Customs House offices, more than a quarter of unwanted furniture was given to Eora College, an organisation that caters to the educational needs of First Nations people. This diverted about 1.75 tonnes of furniture from landfill.

## Risk Management

### Risk Management Program

The Sydney Opera House is a unique entity. We are a World Heritage-listed building, an iconic Australian building, a performing arts centre, a cultural precinct and meeting place as well as being a government trading enterprise. When we make decisions, it is in this context. We need to balance these competing interests and achieve our objectives. Good risk management enables us to achieve this.

The Opera House recognises risk is inherent in its business and that effective management of risk allows for resources to be allocated efficiently, provides greater certainty and is central to achieving our objectives. This is consistent with the Strategic Priority – Risk Management Step Change.

The Opera House's Managing Risk Framework provides various tools to provide consistency in our approach to risk management and decision-making. In FY17, the framework was expanded to include several tailored risk management processes to ensure risks are identified and analysed consistently across all portfolios and that our focus is on cost-effective risk controls appropriate to the Opera House.

The Managing Risk Framework complies with *Internal Audit and Risk Management Policy for the NSW public sector (TPP 15-03)* published by the Treasury. As required by the policy, the Managing Risk Framework is based on the international risk management standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines (ISO 31000).

The Director, Safety, Security & Risk and the Chief Risk Officer regularly report to the Audit and Risk Committee, whose overall objective is to provide independent assistance to the Trust in fulfilling its responsibilities in relation to financial reporting, risk management, compliance and the audit function.



**Auditing**  
(also see **Corporate Governance p.100**)

The Opera House has outsourced its internal audit function by contracting the services of external audit providers. In FY17 audits were carried out by Deloitte Touche Tohmatsu (Deloitte). Deloitte conducted risk-based audits as directed by the Chief Audit Executive in accordance with a Plan endorsed by the Sydney Opera House Trust Audit and Risk Committee.

The Chief Audit Executive and Chief Risk Officer continue to work with the Executive Team to improve the visibility of the internal audit function and ensure it promotes our organisational values of creativity, excellence, collaboration and accountability.

Internal audits provide both assurance and recommendations to enhance strategic and operational execution, with an emphasis on excellence and manager accountability for business improvement.

The FY17 Plan included the following reviews, which were completed and reported to the Audit and Risk Committee:

- Payroll and taxi usage.
- Rostering, leave and higher duties.
- Maintenance contractor management.

The FY17 Plan included the following reviews. They are underway and will be reported to the Audit and Risk Committee early in FY18:

- Crisis and emergency preparedness.
- Events management.

In addition, the following review from FY16 was completed and reported to the Audit and Risk Committee in FY17:

- Financial management controls.

### Internal Audit and Risk Management Attestation Statement for the 2016-17 Financial Year for the Sydney Opera House Trust ("the Trust") and controlled entity Sydney Opera House Trust Staff Agency

We, the Trust, are of the opinion that the Trust has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core Requirements	For each requirement, please specify whether compliant,
<b>Risk Management Framework</b>	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency.	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009.	Compliant
<b>Internal Audit Function</b>	
2.1 An internal audit function has been established and maintained.	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing.	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the "model charter".	Compliant
<b>Audit and Risk Committee</b>	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established.	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the "model charter".	Compliant

## Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Peter Mason, 23 March 2015 to present. Independent Member, 1 January 2012 to 21 January 2014.
- Independent Member, Brenna Hobson, 22 January 2014 to 26 April 2017.
- Independent Member, Jillian Segal, 21 March 2016 to present.
- Independent Member, Chris Knoblanche, 5 July 2017 to present.

These processes demonstrate that the Sydney Opera House Trust has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Trust and the controlled entity Sydney Opera House Trust Staff Agency.

**Nicholas Moore**  
Chair, Sydney Opera House Trust

**Agency Contact Officer**  
**Marg Kaye, Chief Risk Officer**

**E** mkaye@sydneyoperahouse.com  
**T** 02 9250 7311

## Business Continuity and Emergency Preparedness

The Opera House continues to focus on training our business resilience teams for command and control, disruption risks, roles and responsibilities and the changing security risk environment. Exercises involving our crisis management team are held regularly, as are exercises for major event planning for all stakeholders. The Opera House continues to work with external combat agencies over a wide range of emergency and major incident planning, response and recovery.

Our emergency training program for all staff, contractors, Resident Companies and other stakeholders continues. Our business resilience plans will be reviewed and renewed in the first half of FY18. We continue to participate in benchmarking, collaboration, peer review and government and industry forums.

## Senior Executive Service

Band		FY16	
		Female	Male
4		0	0
3		1	0
2		0	1
1		9	6

Band	Range	Average remuneration	
		FY17 \$	FY16 \$
4	452,251 to 522,500	–	–
3	320,901 to 425,250	410,000	381,800
2	255,051 to 320,900	–	275,000
1	178,850 to 255,050	202,554	196,517

In FY17 6.9% of the Opera House's employee-related expenditure was related to senior executives compared with 6.7% in FY16.

### Performance Statement

Louise Herron AM  
 Chief Executive Officer, PSSE Band 3  
 Appointment at Band 3  
 commenced on 1 June 2017  
 Total remuneration package: \$410,000pa

In line with the Board Charter, the Board reviewed Ms Herron's performance of her responsibilities, expressed its satisfaction and advised the Minister for the Arts.

Ms Herron worked to deliver the Opera House business plan and budget endorsed by the Trust on 18 April 2016. Key activities and achievements are outlined in this report.

## Wage and Salary Movements

A 2.50% wage increase was granted to staff covered by the Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, effective from the first pay period commencing on and after 1 July 2016.

A 2.50% increase was granted to staff covered by the Opera House Enterprise Agreement 2016, effective from the first pay period commencing on and after 1 July 2016.

A 2.50% wage increase applied to Public Sector Senior Executive staff effective from 1 July 2016 as per the *Statutory and Other Offices Remuneration Act 1975*.

## Workplace Health and Safety (WHS)

### Highlights FY17

- The Opera House's 2017-19 Work Health and Safety Strategic Plan was endorsed by the Board at its 21 November 2016 meeting. The plan is designed to achieve a step change for safety through improved safety culture, systems, risk management and capability.
- Opera House Executive Team members participated in 65 individual safety interactions. The Executive Safety Interaction program facilitated communication on WHS issues between leaders and front-line staff.
- 18 safety consultation meetings between Opera House Health and Safety Representatives and Management Sponsors were held this year.
- The LTID Frequency Rate increased from 8.9 in FY16 to 11.4 in FY17. Lost time injuries improved significantly in the last quarter of FY17, which can be attributed to the new preferred medical provider arrangement. This has helped reduce lost time injuries to 1 in Q4 compared with 5 LTIs in Q3 and 5 LTIs in Q2.
- Total days of absence associated with workers compensation claims has increased from 73 lost days in FY16 to 145 lost days in FY17. One claim made up 47% of all lost-work days.
- 352 hazard reports were logged in FY17.
- 248 (88%) of the planned workplace inspections and 35 (78%) of the scheduled safe work procedures reviews were completed in FY17.

### Risk Management

#### Safety Audits

In FY17 there were seven risk-based audits completed. Examples include Concert Hall Ceiling Access (SWP 008); Liquid Nitrogen (SWP 068); The Studio – Movement of Retractable Seating (SWP 027); and Loading Dock Traffic Management Plan.

There were three key focus high-risk areas in FY17: the Joan Sutherland Theatre closure, forklift safety and fatigue. Key activities undertaken in these risk areas included:

#### Joan Sutherland Theatre closure (May-December 2017)

- Monthly safety meetings with Laing O'Rourke (Principal Contractor) held. Meetings focused on reporting, incident management, shared work zones, demarcation and risk assessments.
- Weekly safety inspections completed including a site walk by Opera House and Laing O'Rourke management and worker representatives.

#### Forklift safety

- Published and implemented a clear safety guideline for all forklift and mobile plant operators.
- Fitted all forklifts with additional safety technology.

#### Fatigue management

- In the Opera House Enterprise Agreement 2016-19 it was agreed that the MEAA seek approval from the Executive Team on an updated Fatigue Management Policy. This work was undertaken following consultation with a broad group of Opera House staff, including MEAA delegates. The revised policy was published on 12 April 2017 and reflects changes in health and safety legislation and emphasises the importance of consultation, reporting and ongoing review.

### Safety Training

- The safety-training target was exceeded in FY17 with a total of 2,849 hours achieved against the target of 1,423 hours.
- Safety-related training completed in the last quarter of FY17 included traffic controller; asbestos; mental health first aid; Health and Safety Representative training; WHS construction general induction (white card); and ergonomic workstation training.

### Incident Reports (Staff-Related) FY11-FY17

Year	Number of staff incidents
FY16	147
FY15	158
FY14	207
FY13	225
FY12	215
FY11	245

Over the past five years the number of Opera House staff-related incident reports has trended downwards, with a 29% decrease in the number of incidents reported. The increase in incident reports in FY17 compared to FY16 can be attributed to the active encouragement of incident reporting, including near misses and minor incidents.

### New Workers Compensation Cases Lodged FY11-FY17

Year	Number of new workers compensation cases
FY16	20
FY15	24
FY14	24
FY13	31
FY12	45
FY11	42

While the number of workers compensation claims increased in FY17 over FY16, there has been an overall downward trend over the past five years, with a 26% decrease since FY11.

### Lost Time Injury Disease Incident and Frequency Rates FY11-FY17

Year	LTID <sup>^</sup> Incident rate	LTID <sup>#</sup> Frequency rate
FY17	23.6	11.4
FY16	19.6	8.9
FY15	20.8	10.2
FY14	25.9	12.8
FY13	32.5	15.9
FY12	31.2	15.3
FY11	52.56	25.4

<sup>^</sup> Lost Time Injury Disease (LTID) Incident rate is the number of work-related lost time injuries (1 day or more) per 1,000 employees.

<sup>#</sup> LTID Frequency rate is the number of work-related lost time injuries (1 day or more) per million hours worked.

The LTID Frequency rate for FY17 was 11.4, compared with 8.9 in FY16. However, there has been a 55% decrease since FY11.

The Opera House's workers compensation deposit premium for FY18 is \$502,121 compared to the deposit of \$399,083 for FY17. The FY18 increase can be attributed to a combination of factors including an increase in the industry benchmark, wages and claims experience.

#### Health Promotion and Wellbeing

- The Health Management Committee was established and the first meeting held on 15 May 2017 with eight representatives from across the Opera House. The meeting agreed to:
  - Six-weekly meetings to focus on high-risk health and wellness issues such as fatigue, drugs and alcohol, mental health and fitness and to develop and implement a three-year health and wellbeing plan.
  - Opera House participation in Get Healthy at Work, a free NSW Government service that provides workplace tools and support to address healthy eating, healthy weight, physical activity, active travel, smoking and alcohol consumption.
  - The Opera House joining a steering group for the NSW Performing Arts Wellbeing Forum, which is designed to promote mental health and wellbeing initiatives within performing arts sector venues. A grant application has been submitted to Create NSW.

#### Statutory/Government Reporting

##### Details of injuries and prosecutions under *Occupational Health and Safety Act 2011*

There were eight incidents notified to SafeWork NSW in FY17. All incidents were reported as dangerous occurrences and included four notifications related to objects falling from heights and two notifications for contact with electricity.

There were no WorkCover investigations, prosecutions or notices issued.



# **Acknowledgements and Contact**

# **04**

# Our Donors

## Thank you to our donors

Thank you to all our donors for your tremendous support. You help us treasure and renew the Opera House for future generations of artists, audiences and visitors, and ensure the Opera House is open to all.

We are especially grateful to our founding donor groups for their loyalty and ongoing generosity. They allow us to plan reliably for the Opera House's future. Our Founding Donors (\*) have supported the Opera House since the introduction of the Opera House's philanthropy program in 2007 and our Founding Idealists (~) are the first members of the Opera House's by-invitation donor group, established in 2013.

### Visionary Idealist

The Balnaves  
Foundation \* ~  
Anonymous (1)

### Inspirer Idealist

Ingrid Kaiser  
Sheli Lubowski ~  
Peter Weiss AO \* ~

### Utzon Idealist

AMP Capital  
Rae Assender  
Andrew Cameron AM ~  
Betsy Z Cohen  
Michael &  
Manuela Darling ~  
Robert Hansen &  
Dr Annabelle  
Farnsworth  
Nicholas Moore  
Jillian Segal AM ~  
Ann Sherry AO &  
Michael Hogan ~  
Anonymous (1)

### Creator Idealist

The Wolanski  
Foundation \*

### Catalyst Idealist

Robert Albert AO &  
Libby Albert  
The Alexandra &  
Lloyd Martin Family  
Foundation \*  
The Bikuben Foundation  
Michael Crouch AC ~  
The Dreyer Foundation  
Nora Goodridge  
Peter Joseph AM ~  
Helen Lynch AM &  
Helen Bauer ~  
Kate &  
Peter Mason AM \* ~  
The Obel Family  
Foundation  
Joseph Skrzynski AO \*  
Ezekiel Solomon AM  
Sydney Opera House  
Ladies' Committee \* ~  
The Utzon Foundation

### Enabling Idealist

Helen &  
David Baffsky AO ~  
Neil Balnaves AO \* ~  
Beverley &  
Phil Birnbaum \*  
Clark Butler &  
Louise Herron AM ~  
Patsy Crummer \*  
The Greatorox  
Foundation \*  
Colleen &  
Robert Leece AO RFD \*  
Margaret Sixel &  
Dr George Miller AO \*  
Rebel Penfold-Russell  
OAM \*  
Stephen Pollitt ~  
Crispin Rice ~  
Ken Turner ~  
Pamela Turner ~

### Idealist

Colin Adams  
Richard Adams  
Matthew Allchurch ~  
Anne Amigo  
SJ Bell \*  
Charlene &  
Graham Bradley AM ~  
Catherine Brenner ~  
Sheridan Burke  
Clark Butler  
Timothy Calnin  
Paul Cave AM \* ~  
Professor & Mrs  
David Celermajer AO ~  
The Hon  
Helen Coonan ~  
Kieren Cooney  
Phillip Cornwell &  
Cecilia Rice ~  
Ian Darling ~  
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The main Box Office is located in the Box Office Foyer, Level 1 (upper level) of the Opera House. Standard opening hours are Monday to Saturday 8.30am to 8.30pm, and Sunday 8.30am to 5pm. Operating hours can vary and extend outside these times in accordance with performance schedules.

For performances commencing outside general Box Office opening hours, the Box Office remains open until 15 minutes after the final performance start time. The Western Foyer Box Office, located at ground level, is open in accordance with performance scheduling for Playhouse, Drama Theatre and Studio events.

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Sydney NSW 2001 Australia

## Car parking

Wilson Parking operates a car park at the Opera House open from 6am to 1am, seven days a week. Entry via the Opera House end of Macquarie Street, Sydney.

**T** 1800 PARKING (1800 727 5464)

## Guided tours

The official one-hour guided Sydney Opera House Tour takes visitors inside the UNESCO World Heritage landmark to discover the stories behind Danish architect Jørn Utzon's remarkable achievement. The Sydney Opera House Tour runs daily from 9am and 5pm, also available in French, German and Spanish. French tours are offered once a day on Monday, Wednesday and Friday, German tours are offered once a day, Monday to Friday, and Spanish tours are offered once a day on Tuesday and Thursday only.

Recognising the growing number of Asian visitors, the Opera House offers Japanese, Korean and Mandarin Tours. These tours visit the Concert Hall and Joan Sutherland Theatre and provide rare photography opportunities. The Asian Language tours run daily between 9.15am and 4.15pm for 30 minutes (with a one-hour option for Mandarin tours).

The Backstage Tour reveals the workings of one of the world's busiest arts centres. Intimate groups take a two-hour journey into the backstage world and finish their VIP experience with breakfast in the Green Room – the exclusive domain of Opera House staff and performers. The Backstage Tour runs daily at 7am.

The one-hour Junior Tour caters to families and includes interactive activities and unexpected twists and turns. The Junior Tour runs during School holidays.

The Tour & Tasting Plate option offers visitors a gourmet three-tier tasting plate at Opera Kitchen before or after completing a Sydney Opera House Tour. The Tour & Tasting Plate runs daily. A minimum of two people is required.

Tours can be purchased from the Box Office, Level 1 (upper level), at the Tour Meeting Point (Lower Concourse) or online via the Opera House website.

**T** 61 2 9250 7777

**W** [sydneyoperahouse.com/tours](https://www.sydneyoperahouse.com/tours)

**E** [tourism@sydneyoperahouse.com](mailto:tourism@sydneyoperahouse.com)

## National Relay Service

Customers who are deaf or have a hearing or speech impairment can call through the National Relay Service at no cost:

TTY users phone 13 36 77 then ask for:  
9250 7777 to book a performance  
9250 7250 to book an access tour  
9250 7185 for accessible parking

Speak and Listen (speech-to-speech relay) users phone 1300 555 727 then ask for:  
9250 7777 to book a performance  
9250 7250 to book an access tour  
9250 7185 for accessible parking

Internet relay users connect to the NRS ([www.relayservice.com.au](http://www.relayservice.com.au)) and then ask for:  
9250 7777 to book a performance  
9250 7250 to book an access tour  
9250 7185 for accessible parking

## Administration and General Enquiries

General enquiries can be made  
9am to 5pm, weekdays.

**T** 61 2 9250 7111  
**E** [infodesk@sydneyoperahouse.com](mailto:infodesk@sydneyoperahouse.com)  
**A** Sydney Opera House  
Bennelong Point  
Sydney NSW Australia 2000  
**P** Sydney Opera House  
GPO Box 4274  
Sydney NSW 2001 Australia  
**W** [sydneyoperahouse.com](http://sydneyoperahouse.com) or [soh.nsw.gov.au](http://soh.nsw.gov.au)

## Annual Report Project Team

Special thanks to Emily Cooper, Louise Ingram, Alexander Lamarque and Rebecca Taylor.

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# Trade Marks

The Opera House is the owner of the following registered trademarks.

## Word marks

- Bennelong
- Bennelong Bar
- Bennelong Bistro
- Bennelong Café
- Bennelong Lounge
- Bennelong Restaurant
- Bennelong Walk
- Bistro Bennelong
- Festival of Dangerous Ideas
- Homeground (pending)
- House:Ed
- Kids At The House
- Live Performance Every Day
- Message Sticks
- Opera Kitchen
- Own Our House
- Portside
- Portside SOH
- Sydney Opera House
- Utzon Foundation

## Devices



## Shape mark

Protecting the image of the Sydney Opera House from any angle.





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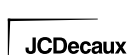
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