

Chairman's Message



The Sydney Opera House's 30th anniversary year has been another successful year in attendances and financial results.

However, trends are emerging that will be of concern for us and our partner performing arts companies in the near future.

Arts costs rise faster than CPI because the performing and presenting of live shows is inherently more labour intensive than other industries, which have economies of scale and technology. However, public funding increases are currently predicated on a discount to CPI.

This annually increasing gap has to be met by driving commercial and sponsorship revenues harder than CPI. The Trust has been able to do this over the last 10 years, but the opportunities for over-achievement will inevitably narrow. For performing arts companies, the mechanisms for closing the gap are more limited, and are currently being exhausted. A serious discussion about levels of public funding will again have to be on the agenda, especially the so called 'efficiency dividend' discount to CPI.

This issue is even more urgent for smaller companies, which face the same cost profile disadvantages, but have less management resources to drive revenues. It has, therefore, been all the more pleasing that the Trust has been able to significantly increase its support for such smaller companies, especially by presenting

them in The Studio and the Playhouse, increasing net annual investment in this area from less than \$500,000 in 1993 to some \$2.3 million currently. This investment has resulted in 600 performances, attended by 174,000, in addition to our presenting partners' seasons.

The Trust's heightened activities this year in supporting the performing arts, hosting community events, improving its tourism activities, re-energising its education programmes, investing in staff development and systems, and ensuring precinct security are highlighted in Norman Gillespie's report and detailed in the other sections of this Annual Report.

The 25th anniversary of the opening of Sydney Opera House was marked by the reconciliation with Jørn Utzon and this, the 30th anniversary, is marked by the historic fruit that has borne. Sydney Opera House was officially listed on the State Heritage Register this year on the basis of a Conservation Plan founded on the Utzon Design Principles, drawn up by Jørn Utzon. This listing paves the way for future National and World Heritage Listing applications and it is fitting that the Utzon Design Principles underpin a conservation framework that balances heritage values with the evolutionary demands of one of the world's busiest performing arts centres.

At the time of going to press the rebuilt Reception Hall to Utzon's new design was officially opened by the Premier, the Honourable Bob Carr, who announced its renaming as the Utzon Room. The first Utzon interior is thus honoured for posterity.

Construction work commences in August on Stage 1 of the Western Loggia, the only external change to the building contemplated, whilst exciting breakthroughs have been achieved in conceptual design work for the potential to rebuild the Opera Theatre.

The Trust pays tribute to the intensely close collaboration which has developed between Jørn Utzon and Richard Johnson, generously facilitated by Jørn's architect son, Jan, and, in the case of the magnificent Utzon Tapestry in the Utzon Room, by his artist daughter, Lin.

Perhaps less glamorous, but no less essential, has been the security upgrade. Largely completed during this year. It is designed to protect the building, whilst maintaining high accessibility for tourists and patrons.

On behalf of the Trust, we thank the New South Wales Government for its support and funding of the Venue Improvement Programme and security upgrade.

My role as Chairman concludes in December 2004 and it has been a rare privilege to serve and to participate with fellow Trustees, management and staff in the challenges and achievements of that period. A close involvement builds appreciation of the passion and diverse skills required to operate this extraordinary building as a performing arts centre, community centre, tourist destination, retail and restaurant precinct and heritage listed icon, all in the full glare of media, public, political and artistic interests on an international scale.

My heartfelt thanks go to Norman, the Executive Team, all Sydney Opera House staff and to our presenting and commercial partners for the success of this and preceding years. Finally, I would like to record my appreciation to all my fellow Trustees and especially to Diane Grady and Dennis Watkins, who also retire from the Trust in December 2004 after nine years of generous personal commitment to Sydney Opera House.

Joseph Skrzynski, AM
Chairman