

# Corporate Governance

## Sydney Opera House Trust

Sydney Opera House is a statutory body established under the Sydney Opera House Trust Act, 1961, and operates as one of the State's cultural institutions within the Arts portfolio.

An Order under the Public Sector Employment and Management Act 2002 established the Department of the Arts, Sport and Recreation on 3 March 2006. The Ministry for the Arts was abolished on the same date and all branches of the Ministry (including staff attached to Sydney Opera House) were removed from the Ministry and added to the Department of the Arts, Sport and Recreation.

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

**The Trust's objectives:** to administer, care for, control, manage and maintain the Sydney Opera House building and site; to manage and administer the site as an arts centre and meeting place; to promote artistic taste and achievement in all branches of the performing arts; to foster scientific research into and to encourage the development of new forms of entertainment and presentation (excerpt from Sydney Opera House Trust Act, 1961).

**Code of Conduct:** The Trust reviewed and individually signed a Code of Conduct that sets out the values and behaviours expected of Trustees and supporting guidelines including: accountability for decision making and expenditure, use of public resources and information, gifts and benefits, disclosure of interests and managing conflicts of interest and reporting suspected corrupt conduct.

## The 2005/06 Year

**Trust Committees, memberships, attendances**

### The Trust

On 31 December 2005 Mr Tim McFarlane ended his term as Trustee after nine years. Ms Rachel Healy who replaced Mr McFarlane as of 1 January 2006 was on approved leave of absence from the period 9 June 2006 until her resignation on 24 August 2006. Ms Healy has been successful in gaining the role of Director, Performing Arts at Sydney Opera House, and will commence on 6 November 2006.

Ms Gail Burke resigned as Trustee in June 2006 after six years service and Ms Rhoda Roberts resigned July 2006 after eight years service. Mr Dennis Watkins (Trustee 1996-2004) continues as Chair of the Conservation Council.

Committees, their membership, frequency of meetings and attendance figures for the year are set out below. The figure directly following the Trustee's name is the number of meetings attended during the year and the figure in brackets indicates the number of possible attendances. Absences for all Trust and committees were formally noted and Trustees were excused from attending the specific meetings.

With key strategic and business items on the agenda, the Trust met eight times. Agenda items encompassed overall business performance monitoring, annual review of the strategic plan, review and endorsement of the business plan, strategic goal presentations, engagement of philanthropy campaign counsel, review and endorsement of the Strategic Asset Management Program, server room upgrade, world heritage nomination, and endorsement of the Access Strategic Plan 2005/08.

**Attendance at Trust meetings was as follows:** Kim Williams 7 (8), John Ballard 7 (8), Gail Burke 4 (8), Rachel Healy 2 (2), Renata Kaldor 6 (8), Jacqueline Kott 7 (8), Robert Leece 6 (8), Tim McFarlane 2 (3), Rhoda Roberts 3 (8), Barbara Ward 5 (8) and Leo Schofield 5 (8).

In addition a whole of Trust Planning Session was held in February 2006 attended by Trustees and the Executive Team. The focus of the session was on business sustainability and included presentations on key strategic issues, enterprise measures and business systems transformation. Trustees also discussed venue renewal and capital works planning.

### Risk Management Committee

The Risk Management Committee ensures that Sydney Opera House obligations are met on financial reporting, internal controls and risk management. It also ensures compliance with all laws, regulations and codes. The Committee reviews all major business proposals.

Nine meetings were held this year with key agenda items including review of business performance, business continuity and the following internal audit reports: Cabcharge Expenditure and Contract Management Review. The Committee also reviewed the Customs House accommodation lease, the proposal to present the *Vienna Philharmonic, adventures in the dark* (Playhouse Program) proposal,

Delegations of Authority, Information Management & Technology Strategic Plan Annual Review and International Visits and Recreation Leave Accrual.

**Attendance at Risk Management Committee meetings was as follows: Trustees:** Tim McFarlane 5 (5), Barbara Ward 6 (9), Kim Williams 9 (9), Gail Burke 3 (9).

### Building Committee

The Building Committee provides guidance to the Trust on the implementation of the Venue Improvement Program and Strategic Asset Management Program to ensure that all design and construction is consistent with both the Utzon Design Principles and the Conservation Plan and that proper controls are in place during all stages of development and execution.

Six meetings were held this year, with key agenda items including Opera Theatre, The Colonnade, Western Foyers and Box Office Foyers designs, External Lighting Project, Concert Hall Acoustics and other key infrastructure projects including Strategic Asset Management Plan, Western Theatres Smoke Management Upgrade, Cleaning Contract and Place of Public Entertainment compliance.

**Attendance at Building Committee meetings was as follows: Trustees:** Robert Leece 6 (6), Kim Williams 6 (6), Leo Schofield 2 (6); **Management:** Norman Gillespie 5 (6), Greg McTaggart 6 (6), Lindsay Kelly 5 (6) and Sue Hunt 1 (1).

### Conservation Council

The Conservation Council provides recommendations to the Trust on the preservation, conservation and development of the building and site.

Five meetings were held this year, with key agenda items including world heritage nomination, conservation management and training, Carpet Strategy, Forecourt Infrastructure Upgrade and Signage Manual.

**Attendance at Conservation Council Meetings was as follows: Trustees:** Renata Kaldor 4 (5), Jacqueline Kott 5 (5); **Management:** Norman Gillespie 3 (5), Maria Sykes 3 (5), Paul Akhurst 2 (5); **External Specialists:** Dennis Watkins 5 (5), Joan Domicelj 5 (5), Chris Johnson 1 (1), Peter Mould 4 (4), Edward Trueman 3 (5) and John Tansey 4 (4).

### Performance Review Committee

The Performance Review Committee assists the Trust in ensuring that the Executive Team performs to the agreed standard in the achievement of the organisation objectives and that the Trust reviews its own objectives, performance and working relationship with the Executive Team on an annual basis.

One meeting was held this year focusing on full year performance reviews for the Executive Team, Chief Executive performance against objectives 2005/06 and Chief Executive Performance Agreement 2006/07, recruitment actions for Director, Performing Arts role, Trustee and Sub-Committee Performance criteria and the annual Trust Strategy Session 2007.

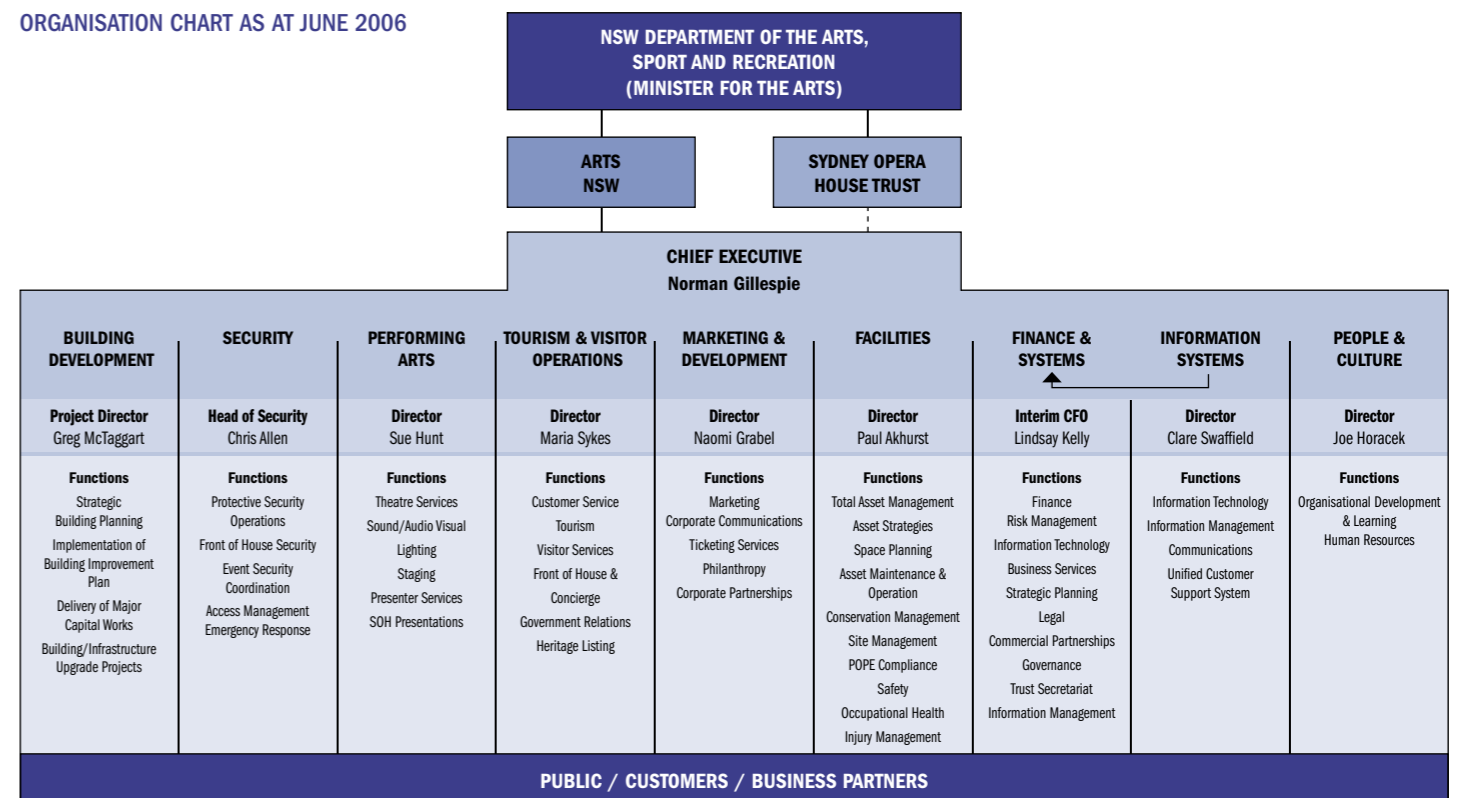
**Attendance at Performance Review Committee Meetings was as follows: Trustees:** Kim Williams 1 (1), John Ballard 1 (1), Renata Kaldor 1 (1).

### Philanthropy Committee

On 21 June 2006, the Trust approved the creation of a Philanthropy Committee. The committee is responsible for defining the scope and framework of the Philanthropy Program and leading the development of a culture with Sydney Opera House that will ensure the long-term sustainable capacity to attract and maintain private gift support.

The first committee meeting is scheduled for October 2006.

## ORGANISATION CHART AS AT JUNE 2006



# The Trust



**KIM WILLIAMS AM CHAIRMAN, B.Mus.**, appointed 2005, is Chief Executive of FOXTEL and a member of the Business Council of Australia. His past positions include Senior Executive at the Australian Broadcasting Corporation, Chief Executive of Southern Star Entertainment, Chief Executive of the Australian Film Commission, Chairman of Musica Viva Australia and Chief Executive of Fox Studios Australia. Kim also founded the Australian Film Finance Corporation in 1988 as well as being its inaugural Chairman. Until recently he was a Director on the Zoological Parks Board of NSW. Kim is Chair of the Sydney Opera House Trust and Performance Review Committee and a member of the Risk Management Committee, Building Committee and Philanthropy Committee. He brings to Sydney Opera House diverse management, board and committee experience in the commercial and public sectors.



**JOHN BALLARD, MBA, FAICD**, appointed 2000, was Chief Executive Officer and Managing Director of Southcorp, one of the world's largest premium branded wine companies. Prior to this, he was a Director of Woolworths Limited, CSR Limited and Chairman of Watty Limited. John has an MBA from Columbia University in New York with a major in Marketing and International Business, and has worked in Europe, Asia and Australia. Since retiring from Southcorp, John has joined the Boards of The Apparel Group (best known for the Sportscraft brand) and the Fonterra Co-operative Group, the world's largest dairy company. John is the Chair of the Philanthropy Committee and a member of the Performance Review Committee.



**GAIL BURKE**, appointed 2000, resigned as Trustee on 21 June 2006. Until recently, Gail was Managing Director and Head of BNP Paribas Securities Services Australasia, a leader in international investment operations and outsourcing. Previously Gail was Executive Director at Macquarie Bank where she was the CIO for 12 years. Gail was awarded CIO of the Decade by Australian Banking & Finance in 2000 and the Centenary Medal for services to Australian society in business leadership in 2003. She has attended various local and international training programs in technology, strategy, leadership, financial markets and human resource management. Gail provided support regarding e-environment initiatives and IT infrastructure and was a member of the Risk Management Committee.



**RACHEL HEALY, BA**, appointed 2006, resigned from the Trust 24 August 2006 is General Manager of Company B at Belvoir St Theatre. A graduate of the University of Adelaide, Rachel has been working in the performing arts for fifteen years as a manager and producer. Prior to her appointment at Belvoir St Theatre in 1997 Rachel worked with The Australian Ballet, Handspan Theatre in Melbourne and Maggie Theatre, the youth wing of the State Theatre Company of South Australia. Rachel has served on a number of arts boards, including Legs on the Wall, the Arts Industry Council (Victoria) and was Deputy Chair of the Theatre Board of the Australia Council. In 1998 she was awarded the inaugural Nugget Coombs Award for Arts Administration in the Young Manager category and in 2002 Rachel was awarded a fellowship from the Harvard Club of Australia to participate in a study course in management of not-for-profit companies at Harvard Business School.



**RENATA KALDOR AO, BA Dip Ed**, appointed 2005, is involved in Business, Education and Community Affairs. She is a Director of ASI, a group of private companies involved in distributing, manufacturing and investment. Renata was appointed to the Area Advisory Council of the Children's Hospital, Westmead in 2006. She was Deputy Chancellor of The University of Sydney, a Fellow of the University Senate and was awarded an Honorary Fellowship from University of Sydney in 2004. Renata has served as Chairperson of NSW Women's Advisory Council, a member of the Sydney Olympic Bid Committee, a director of NSW State Rail Authority and of The Garvan Medical Research Foundation. She was appointed to the Board of the Sydney Symphony Orchestra from 1996 to 2004. Renata is currently on the Board of Pacific Opera. She is a member of the Conservation Council, Performance Review Committee and Philanthropy Committee.



**JACQUELINE KOTT, BA, Hon Fellow, Hon D**, appointed 2002, has a long and illustrious career in theatre, film and television as an actor, teacher and administrator. She was the inaugural administrator of the Australian National Playwrights Conference, is a former member of the Australia Council, the Board of Management of the Seymour Theatre Centre, the Board of NIDA, and the advisory panel for the theatre department of the University of Western Sydney. After a lifetime of involvement with the performing arts, as a performer and audience, Jacqueline has a firm relationship with some of the Opera House's strategic partners and adds that to her venue management experience to serve the Sydney Opera House Trust. Jacqueline is also President of the Royal Hospital for Women Foundation. She is a member of the Conservation Council.



**ROBERT LEECE AM, RFD, BE, M.Eng.Sc, MBA, F.I.E.Aust, CPEng**, appointed 2002, is currently Chief Operating Officer, Tenix Pty Ltd. and a Director of Goldsearch Ltd. Robert, as Deputy Director-General of the Olympic Coordination Authority, was responsible for development and construction of all Olympic venues, the City Festival and was Chief Executive of Olympic Roads and Transport Authority during the 2000 Sydney Olympic Games. Robert is the Chair of the Building Committee.



**TIM MCFARLANE, BEc ASA**, appointed 1997 and completed his term as Trustee on 31 December 2005, is Managing Director of the Asia Pacific subsidiaries of Andrew Lloyd Webber's company, The Really Useful Group. He is a former President of the Australian Entertainment Industry Association and is a life member of the Association. He is on the National Council of Musica Viva, is a Councillor of the Sydney Theatre Company Foundation and is a Business Ambassador for South Australia. Tim has recently been appointed to the board of Opera Australia and was the Chair of the Risk Management Committee.



**RHODA ROBERTS**, appointed 1998, a member of the Bundjalung Nation, Wiyegal Clan of Northern NSW and South East Queensland is Festival Director of The Dreaming, Australia's International Indigenous Festival. Recently creative director for the opening of the Musee du quay Bronley Paris, she also directed the Overture event for this year's Perth International Arts Festival. Rhoda was Creative Director for the Public Event Group and The Artistic Director for Sydney Dreaming. She was also the Co-Creative Director of the *Awakening* segment of the Opening Ceremony for the Sydney 2000 Olympic Games and Co-Director of the Rugby World Cup 2003 Opening Ceremony Earth Segment. She is the Creative Advisor for the Indigenous Program Japan World Expo 2005. She presents the national weekly music program *Deadly Sounds*. Rhoda directly supports the Message Sticks Indigenous Arts Festival.



**LEO SCHOFIELD AM**, appointed 2005, brings outstanding artistic, entrepreneurial and commercial expertise to the Trust. He is a former Director of Sydney 2000 Olympic and Paralympic cultural festivals, Artistic Director of the Melbourne International Festival of Arts (1994-1996), and Artistic Director of Sydney's New Year's Eve Celebrations (2002-2004). He is currently involved in other major international event presentations and, as a well-known and respected journalist, writes for a group of ACP magazines. He has worked closely with many arts organisations in a fundraising capacity, serving nine years as a Trustee of the Powerhouse Museum in Sydney. He is a member of the Building Committee and Philanthropy Committee.



**BARBARA WARD, BEc, M. Pol. Econ**, appointed 1999, is Chairman of Country Energy and a Director of the Commonwealth Bank of Australia, Lion Nathan Limited, Multiplex Limited, and Record Investments Limited. Barbara is also a member of the Australia Day Council of NSW. Barbara's balance of corporate and community experience reflects Sydney Opera House's goal to deliver financial results without compromising our cultural and community objectives. Barbara is Chair of the Risk Management Committee.

# The Executive Team



**NORMAN GILLESPIE, PhD, BA (Hons)**, appointed as Chief Executive in September 2002. Norman's career reflects a unique mix of public service, business leadership of major public companies, and his promotion of and involvement with the Arts. Following a PhD in English Music Theatre, he spent four years in the UK Civil Service before pursuing a successful international business career through BP Amoco and Cable & Wireless. Prior to Sydney Opera House, his most recent role was that of Chief Financial Officer and Deputy CEO of Optus. Norman is a Director of Australia Business Arts Foundation (Abaf), Deputy Chairman of Abaf NSW and Deputy Chairman of the Australian Brandenburg Orchestra. Norman is a member of the Building Committee and Philanthropy Committee.



**JOE HORACEK, BA (Hons), MAHRI**, appointed to the Sydney Opera House in 1992 and to the Director, People and Culture in October 2003. Joe is responsible for human resources, employee relations, organisation development and training and development. He has extensive experience across the Sydney Opera House and in a number of public sector and government business organisations managing organisation development, governance, strategic planning, disability access and customer service areas. From 1999 to 2002 Joe was Secretary-General of the Association of Asia Pacific Performing Arts Centres.



**LINDSAY KELLY, BBus, FCPA, FCIS, FAICD, JP**, appointed to Sydney Opera House in June 2005 as Director, Finance and Systems and is responsible for finance, IT commercial operations, legal, business services and corporate planning and governance functions. He is a member of the Building Committee and is responsible for the Secretariat to the Trust and its sub-committees. Lindsay has an extensive background as Chief Financial Officer and Company Secretary as well as General Management in a range of organisations in the manufacturing and telecommunications industries. He plays a leading role in the Community Housing sector within NSW.



**CLAIRE SWAFFIELD, BA (Hons) ACA ICAEW**, appointed to Sydney Opera House in January 2003 and as Director of Information Systems in April 2006. Claire is responsible for the provision of strategic direction and project management oversight to the development of information management and technology resources. Claire has a strong track record of implementing technology projects in fast-changing environments. She has also worked for SingTel's Optus (previously Cable and Wireless Optus) in both financial strategic and business roles, in London and Australia. Claire is a qualified Chartered Accountant, complementing her Cambridge University degree in Theology.



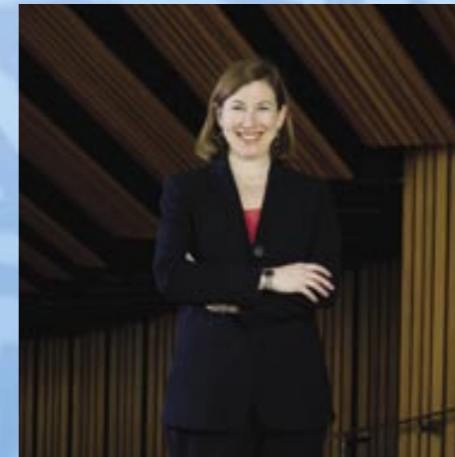
**SUE HUNT, BA, MAICD**, appointed in September 2003 as Director, Performing Arts. Sue was responsible for all aspects of producing and presenting performing arts events, venue management and theatre technical services at the Sydney Opera House. She was the General Manager of Queensland Theatre Company, General Manager at Geelong Performing Arts Centre and Technical Director of the Victoria State Opera. Sue has held various board positions in the performing arts industry and was a founding member of the Australian Presenter's Group, which facilitates touring around Australia. Sue is the Chair of Asialink Performing Arts Committee.



**MARIA SYKES, BA (Hons)**, appointed to Sydney Opera House in 2002 and to the Director of Tourism & Visitor Operations in June 2005. Maria is responsible for tourism and customer relations, as well as managing heritage projects. Maria has held various positions in the private and public sector, including policy role in international affairs agencies in the UK. Maria moved to Sydney in 1995, and before joining Sydney Opera House held various policy roles in the NSW Cabinet Office, including economic development, arts and tourism policy, before heading up the Cabinet Secretariat to oversee the management of the Government's legislative program. Maria was a French Announcer for the 2000 and 2004 Olympic Games.



**PAUL AKHURST, BSc (Hons), MSt, MCIQB**, appointed to Sydney Opera House in 2000 and became Director, Facilities in 2004. Paul is responsible for facilities management and site safety. Paul has 23 years of experience in construction and facilities management in the UK and Australia. A member of the FMA Paul has promoted our involvement in the Facilities Management Action Agenda and Cooperative Research Centre for Construction Innovation. Paul is a member of the Conservation Council.



**NAOMI GRABEL, BA (Hons), MFA**, appointed to Sydney Opera House in January 2006 as Director, Marketing and Development. She is responsible for marketing, ticketing, philanthropy, corporate partnerships and corporate communications. Naomi has over 15 years of experience in performing arts administration, with extensive experience in theatre management. A native New Yorker, her career has spanned both the non-profit and the commercial performing arts fields. Naomi was most recently Vice President, Marketing and Communications, at the Kimmel Center in Philadelphia. She has lectured extensively on arts management across the USA. Naomi served on a number of non-profit arts boards prior to relocating to Australia earlier this year. Naomi is a member of the Philanthropy Committee.

# Our People and Culture

## KEY OUTCOMES 2005/06

**This year we maintained our commitment to implement a more collaborative approach to future growth and to measure our progress. The new Workplace Giving Program was maintained, a substantial number of workplace safety initiatives had pleasing results and we continued to introduce new programs designed to help take better care of the health, wellbeing, education and career development of our staff.**

Maintaining our focus on a measurably fair workplace culture, we continued to implement further equal opportunity (EEO) initiatives, which are reported both in this section and at page 55 of the report. Once again, to ensure our continued focus and measurement of activity, we submitted a separate EEO Annual Report to the Office of the Director of Equal Opportunity in Public Employment.

Continuing our collaborative approach to our future growth, making employees a part of decision making and action, we ran a second employee opinion survey in November 2005, with 120 staff across the organisation taking part. Results showed improvement across every area surveyed, with particular increases in employee satisfaction in areas that received major organisational attention, such as internal communication and customer service initiatives. Areas identified as requiring further attention include reward and recognition and career growth and development.

Maintaining a commitment to the Workplace Giving Program launched last year, 89 staff this year personally donated a total of \$15,632 to Boys Town, Redkite, OzGreen and The Benevolent Society.

Setting a range of Occupational Health and Safety targets, the *Working Together - Public Sector OH&S & Injury Management Strategy 2005-2008*, launched by the NSW Government this year, resulted in a range of initiatives from Sydney Opera House as part of our commitment to achieve them.

- Meeting monthly, our OH&S Committee consists of representatives from every portfolio, as well as from key groups and satellite work venues. The Committee reviewed air-conditioning reports, conducted workplace inspections, discussed risk assessments and safe work procedures, reviewed training programs and developed the safety week program.
- Reflecting a substantial increase in OH&S training, including for our business partners, there was an 11% reduction in the number of staff incidents versus last year, resulting in a reduction of 10% in our workers' compensation premium.
- Delivering significant improvements to Injury Management and Emergency over the last 12 months, a comprehensive review of procedures in both areas was followed by implementation of a skills upgrade for appropriate staff.

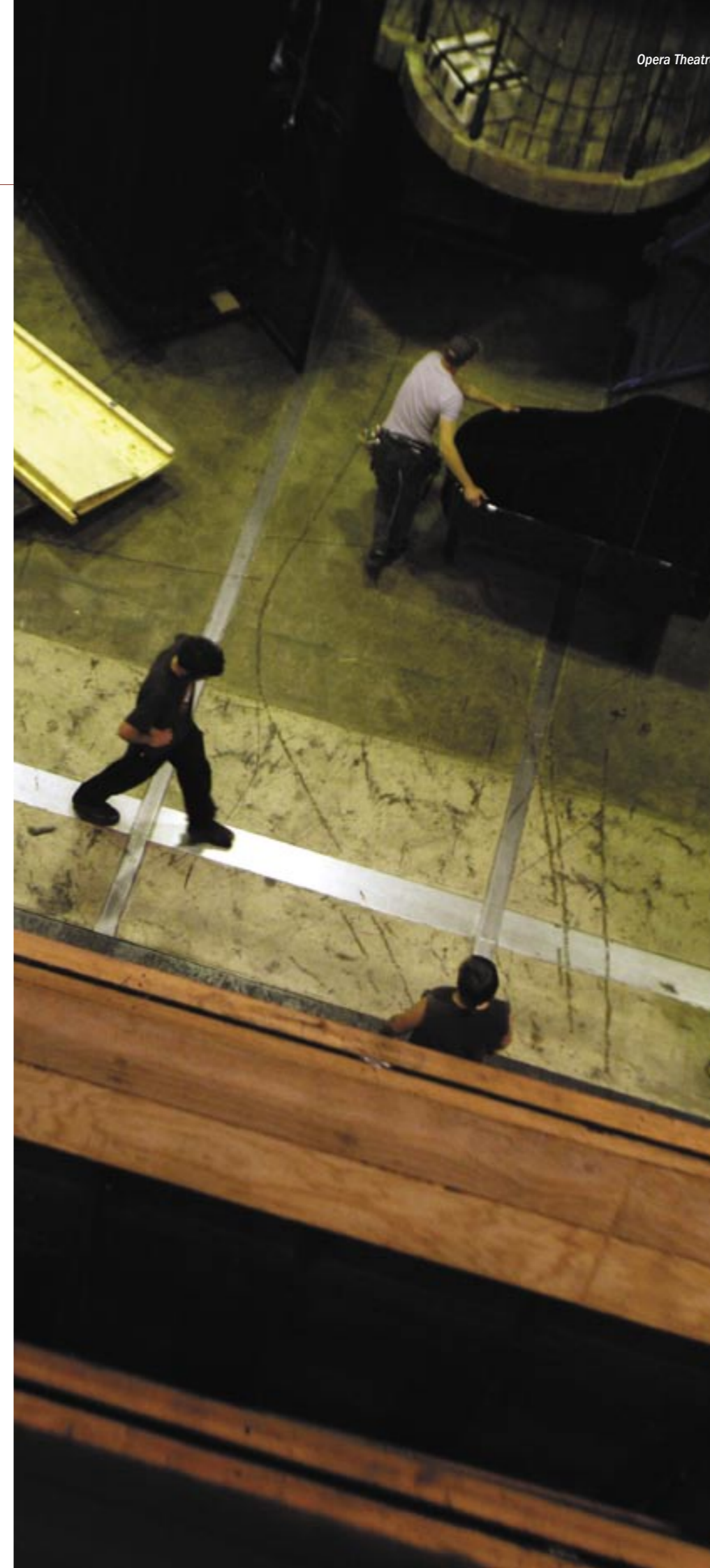
- Reviewing issues related to opera production, a specific OH&S program for this activity was initiated in conjunction with Opera Australia. Recommendations from this project are expected to result in a substantial reduction in injury rates over the next few years.
- Keeping qualifications current, site management staff underwent re-certification in Advanced Resuscitation; Automatic External Defibrillation; and Analgesic Gases.
- Broadening its scope for the third year, Safety Week 2006 ran 25 events over five days, designed to provide information on critical safety issues across all work practices and to encourage the development of personal wellbeing. A Health and Wellbeing Expo was supported by a broad range of health professionals and a Safety Solutions Competition was a success with participation from staff, our business partners and the Media, Entertainment and Arts Alliance.
- Helping to maintain a full complement of staff throughout the year, we continued the free flu vaccination program for staff, with a subsidised offer of \$10 per vaccine for contractor and hirer staff.

Keeping our emergency skills up-to-date, the annual Emergency Evacuation Exercise held in May 2006 encompassed a number of emergency scenarios, with staff volunteers role-playing patrons. Front of house, site management, stage management, technical and security staff took part. Other exercises were held with the cooperation of our presenting partners.

In our 7th year as a Registered Training Organisation, 43 employees gained nationally accredited qualifications this year, bringing the total qualifications awarded to 268 since our accreditation in 2000.

Continuing to support increased participation in the arts by indigenous people, our Indigenous Traineeships this year resulted in a further two trainees gaining nationally recognised qualifications. Since its introduction in 2000, 17 indigenous people have been offered traineeship opportunities, with 15 having completed their course. Trainees work towards Certificate III in Entertainment through on-the-job experience and off-the-job training, gaining the skills and experience they need to enter the industry.

Opera Theatre



Raising the bar on learning, development, induction and fitness, this year we offered 160 programs attended by 917 people (6,000 development hours). Programs this year encompassed customer service, management development, information technology, communication, safety and compliance. A new induction program was offered to our Front of House intake, including 'buddy training', which sees casual staff complete four 'buddy' shifts before solo rostering. A new fitness program was launched for technical staff to help them keep up with the physical demands of their work.

Focusing on best practice managerial requirements, a management and leadership capability framework was launched this year, comprising five programs designed to cater to individual managers' career and development needs. Programs are interactive and include a series of on-the-job application exercises. Next year will see the implementation of programs developed around managerial readiness and the manager as coach.

FOUR YEAR COMPARISON OF STAFF AS AT 30 JUNE				
	2006	2005	2004	2003
Total Permanent Staff	373	294	304	246
Equivalent Full-Time Permanent Staff	306.24	275.41	288.06	237
Total Non-Permanent Staff*	322	333	334	388
Equivalent Full-Time Non-Permanent Staff	144.21	121.88	111.54	141
<b>Total Full-Time Equivalent</b>	<b>450.45</b>	<b>397.3</b>	<b>399.6</b>	<b>378</b>

In August 2005 some 80 Front of House staff moved from casual to permanent status. New casual intakes of front line staff were also undertaken.



Concert Hall



Concert Hall - Western Foyer