

# CHAIRMAN'S MESSAGE



## Financial and Operating Performance

I am pleased to report that Sydney Opera House has had another solid year of performance with operating revenues growing by 31%, an increase of \$13.5m (refer page 34) for more information. There were also a number of important milestones during the year in the delivery of the range of public experiences on the site. In spite of a number of challenges in the operating circumstances of the building, financially our operations were sound.

Total performing arts activities saw an increase of 7% in audiences over the year (to 1,212,270 patrons). A number of outstanding Australian and international artists and new collaborations provided meaningful experiences for new and existing audiences. Central to that achievement were the innovative and diverse programs offered by our major presenting partners, Sydney Symphony, Opera Australia, Sydney Theatre Company and The Australian Ballet.

Sydney Opera House's own programs achieved a 68% growth in audience numbers (313,727 patrons), the highlight of which was the premier Australian visit by the *Vienna Philharmonic* who performed four sold-out concerts in the Concert Hall including a free live broadcast on the Forecourt.

The second year of the ambitious ten-year Tourism Program, aimed at enhancing the visitor experience, saw Guided Tour patronage grow by 21% to 328,224 people and revenue grow by 24% to over \$6.7m.

On 28 June 2007 Sydney Opera House was included on the UNESCO World Heritage List as 'a masterpiece of human creative genius'. It was and is a fitting tribute to the genius of Jørn Utzon and to those who engineered and built this remarkable building. We have been fortunate in the renewed association with Jørn Utzon over many years and to have his work actively reflected in the Accessibility and Western Foyers Project the current and third project since his 1999 re-engagement. This will transform the Western Foyer and will greatly improve accessibility and services for visitors by connecting various areas of the site through lifts and escalators. Work commenced in January 2007 with completion due in 2009.

## Future Outlook

The focus next year will continue to be on initiatives to improve the customer experience, including the practical implementation of our brand essence *Live Performance Every Day* as the foundation of the enterprise's culture. A wide variety of programs will be presented during the 2007/8 year reflecting the Artistic Vision of Sydney Opera House.

A new tour experience 'The Essential Tour', with extensive audio/visual elements will be launched. Other commercial areas of the business will also grow (tourism, retail, food and beverage, ticketing), providing a diversity of products and revenues that are central not

only to financial viability but also in providing enriching experiences such as the Public Program of community events in 2007/8.

The Annual Giving Program, launched in March 2007, represents another key focus for the future. This Program enables Sydney Opera House to underpin a wide variety of programs and ensure that what is presented on our stages and spaces is of fitting character for a World Heritage listed international performing arts centre.

Work continues in the major venue improvement program of which the current Accessibility and Western Foyers Project is part. The Trust remains hopeful that clarity in the path forward will be achieved over the next 12 months, giving confidence in the ability to secure the grander project for major venue renewal in the medium term.

## Board and Executive Changes

Three new Trustees commenced this year to replace the three vacancies previously reported in the last annual report. Sue Nattrass AO and Evan Williams AM commenced as Trustees on 15 November 2006 and Wesley Enoch commenced on 1 January 2007. All have extensive arts experience and will be key contributors to the Trust: Sue Nattrass has had a distinguished career in the arts for some 45 years; Evan Williams was head of the NSW Government's cultural sector for 25 years and Wesley Enoch is a distinguished playwright and director. Existing Trustees John Ballard and Barbara Ward were re-appointed from 1 January 2007 for further three-year terms. They both bring great skill and commitment to the Trust.

In the Executive ranks, David Antaw commenced on 17 October 2006 as Director, Finance and Systems (CFO) and brings a depth of public and private sector experience. Rachel Healy commenced as Director, Performing Arts from 6 November 2006 and has overseen a significant restructure of that area. Joe Horacek left on 4 May 2007 after 14 years of dedicated service and four years as Director, People and Culture and will be replaced by Rick Browning from 20 August 2007.

Chief Executive Norman Gillespie completes a five-year term in August 2007 following a period in which Sydney Opera House has evolved and innovated in its programming, systems and service delivery and during which it has successfully engaged new audiences. He leaves with goodwill and appreciation for his efforts from the Trustees and workforce equally.

Richard Evans will assume the role of Chief Executive in early 2008 and brings extensive knowledge and experience in the performing arts from many prior roles, most recently as CEO of The Australian Ballet. He is an insightful, talented and energetic leader well suited to the complexities of Sydney Opera House and the many stakeholders and interests

it must address effectively. Sue Nattrass has generously stepped aside as a Trustee to undertake the role of Interim Chief Executive until Richard Evans can commence.

## Thank You

On behalf of the Trust, I would like to thank the New South Wales Government for its continued support and sympathetic consideration. I would also like to record thanks on behalf of the Trust to the dedicated Executive Team and the workforce for the sustained commitment and quality of their contribution to audience and visitor services in delivering good business outcomes.

The Trust extends its warm thanks to our presenting and commercial partners and to the many artists and their technical support teams for their unstinting effort in continuing to offer inspiring experiences to the diverse audiences we collectively serve.

Finally, I offer my own warm appreciation and thanks to my fellow Trustees for their contributions throughout the year and for the support and counsel offered to me as Chairman.

**Kim Williams AM**

Chairman