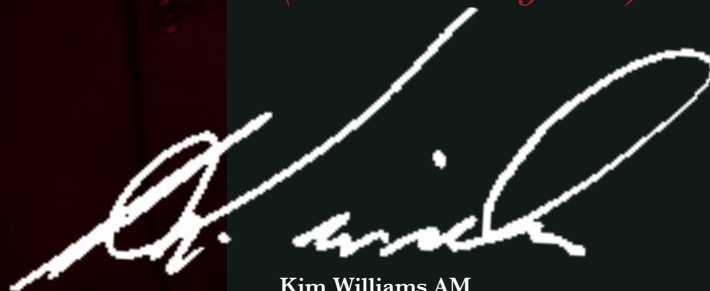


Chairman's Message

*It was a challenging year for Sydney Opera House with the economic environment putting pressure on the Trust's commercial activities and those of our resident companies equally. **Through active prioritisation, deferral in discretionary investment and cost control across all areas of the business, the general operating cash flow result was \$0.8m. Operating revenues grew by \$4.1m (an increase of 5%).***



Kim Williams AM
Chairman

Financial & Operating Performance

Sydney Opera House still remains one of the busiest performing arts centres in the world. 1,677 performances were staged here in 2008/09 attracting 1,241,763 people. Our resident companies, Sydney Symphony, Opera Australia, The Australian Ballet and Sydney Theatre Company were responsible for 51% of the total audience this year and Sydney Opera House presentations accounted for 27%. A number of major events were delivered, including *World Youth Day*, the inaugural *Luminous* festival and the *National Service of Mourning* which was relayed live to the Sydney Opera House Forecourt. Refer page 36 for the full financial overview.

Jørn Utzon

On 29 November 2008, our visionary master architect passed away peacefully in Copenhagen. He was 90. To honour his memory and celebrate his creative genius, a State Memorial was held at Sydney Opera House on 25 March 2009. It featured performances, readings and recollections from many people including the Premier, representatives of the Sydney Symphony, Opera Australia, The Australian Ballet and Sydney Theatre Company. Jørn Utzon's children Jan and Lin and other family members attended this moving event.

In 1999, there was a genuine and warm reconciliation between Jørn Utzon and the State of NSW which resulted in a formal agreement that united him with the Sydney Opera House once again. Jørn then completed a comprehensive set of Design Principles so that as the building evolves in response to inevitable changing needs and technologies, it will do so with a sensitivity and rigour consistent with its creator's original vision.

It was heartening that Jørn Utzon lived to know his first interior design – the Utzon Room – was completed and opened in 2004. He also saw Queen Elizabeth II open his design for the exterior, the Colonnade, on the western facade in 2006. More recently Jørn worked with his son Jan on the Accessibility and Western Foyers Project which was completed this year. The Project has transformed the area into an elegant and functional gathering space aligned with his vision and design principles and has vastly improved accessibility and connected the Western Theatres with the Box Office Foyer and principal venues for the first time.

He also experienced the signal honour in seeing the Sydney Opera House inscribed on the World Heritage Register in 2007. This was a landmark achievement and fitting tribute to the unique status of his grandest creation.

Jørn Utzon left us with a precious gift in the form of designs for the complete revision and renewal of the ageing Opera Theatre. The Trust is committed to finding a way to fund this essential project.

Jørn's legacy will live with us for generations to come, reminding us what is possible with vision, conviction and commitment.

Future Outlook

The focus for next year and beyond will be on continuing to provide a welcoming home for our resident companies and a wide diversity of other companies and presenters. The Trust will also continue to program a rich array of performing arts experiences across all art forms, at various price points, using new delivery platforms that improve access and participation. We will be expanding our education programs and delivering more festival style programming to reach new audiences. A comprehensive strategy will be developed to engage with more of the 7.4 million people who visit the site annually.

Growth in commercial areas such as tourism, retail and food and beverage is essential to the House's ongoing sustainability. These revenue streams enable the delivery of performing arts programs and community events at a reduced cost. Notwithstanding the challenges, the Trustees and management are committed to finding initiatives that deliver increased revenues to sustain activities.

Accessibility to the building and its services continues as a high priority. The Trust is committed to continuing the momentum of the previous three years which has seen significant improvements in theatre and foyer access for people with disabilities and the elderly. A new three year Access Strategic Plan was endorsed by the Trust in June 2009.

Board Changes

Two Trustees left in this reporting year. Ms Jacqueline Kott completed her third term on 31 December 2008 and Ms Barbara Ward resigned from the Trust on 13 May 2009 after extended periods of service. Both were strong contributors to the Trust and enhanced the quality of the debate and analysis at Trust and Committee meetings. Ms Ward remains on the Trust Risk Management/Audit Committee as an external advisor until 31 December 2009.

Existing Trustees Ms Sue Natrass AO and Mr Evan Williams AM were reappointed from 1 January 2009 for further three-year terms. Two new Trustees, Reverend Arthur Bridge and Ms Catherine Brenner were appointed from 1 January 2009 and 13 May 2009 respectively.

Thank You

On behalf of the Trust I would like to acknowledge the many people and organisations that support the Sydney Opera House through patronage and funding – in particular, the New South Wales Government, sponsors and donors. This support enables the Trust to provide a vast range of performing arts experiences while maintaining and developing the building and its facilities.

I congratulate our resident companies, CEO Richard Evans and his fine management team and our splendid staff for a successful year under challenging economic and operational circumstances.

To my fellow Trustees, thank you for your commitment and contribution to current initiatives, strategic review and development and for the ongoing support and counsel provided throughout the year in the service of this magnificent enterprise. An institution which is central to the artistic health and well being of the performing arts in Australia and stands as an incomparable international icon of our nation and its creative aspirations and achievements.