

# Chairman's Message

## Financial and Operating Performance

It was a successful year for Sydney Opera House, rich with good outcomes both from a financial and operating performance perspective.

A positive operating result of \$1.212 million was achieved (before depreciation and other building maintenance activities), the fourth successive year of positive operating results for the Sydney Opera House Trust. I am pleased to report that the Trust was able to maintain its investment of \$3 million for the support and development of new artists, art forms and audiences that included during this reporting year the important theatrical venture *adventures in the dark* dealt with separately in this report.

A number of successes resulted from the innovative and diverse programs offered by our major presenting partners, Sydney Symphony, Opera Australia, Sydney Theatre Company and The Australian Ballet, as well as by the Trust's programming department. The demand for high quality programs for younger people continued this year with a pleasing 50% growth in attendance.

Guided Tour patronage continued to increase for the third consecutive year (up 9.3% to 270,040 people in the year). One of the Trust's priority initiatives to better serve tourists saw an expanded offering and now for the first time includes foreign language tours in Japanese, Korean and Mandarin.

Sydney Opera House's outstanding heritage value and the vital role it plays in Australia's cultural life were again officially recognised this year with a World Heritage Nomination by the Australian Government based on its significance as a work of human creative genius. I acknowledge the collaborative approach taken by both the State and Federal governments to achieve this important milestone and sincerely hope that I am able to report to you in next year's annual report that the nomination was successful.

A major, indeed historic moment was celebrated when Her Majesty Queen Elizabeth II formally opened the new Colonnade on the Western Broadwalk in March 2006. This is the first change to the exterior of the building since its completion in 1973 and is a continuing reflection and an enduring acknowledgement of the role and importance of our architect Jørn Utzon. In 1999 the Trust and State renewed their relationship with Utzon, resulting in the design and execution of this remarkable extension, which feels as if it has always been there and dynamically refreshes the presentation of the western theatres in their relationship to Sydney Harbour.

## Future Outlook

Extensive design and development work continued on the refurbishment project for the main venues at Sydney Opera House. This saw a substantial continuing strategic planning program aimed at addressing the myriad complexities in communication, fundraising, heritage issues, development approval and project management. The Trust progressively aims to commence comprehensive public presentation and exhibition of this substantial project in the course of 2007 and 2008. The Trust has no doubts as to the size of the challenge represented by the project, but recognises its obligation under its duty-of-care to ensure that Sydney Opera House lasts, uniquely for a building in our part of the world for centuries. In ensuring that future the Trust needs to work harmoniously with user companies, governments, and the community so as to ensure this site is regularly refreshed so its delivery to performers, creators, audiences and the community at large matches its unique landmark exterior beauty. Sydney Opera House is an icon for our city and nation and as such the refurbishment program has the highest priority status in the Trust's future planning framework.

In the course of this major project the Trust will continue to implement initiatives to improve the customer experience, and to provide a solid financial base for all Sydney Opera House users and the operations that support them.

The building improvement program continues from the completion of the splendid Colonnade and Utzon Room to the Theatre Access Project announced by NSW Premier, The Hon. Morris Iemma in August 2006. It is a major project which will transform the Western Foyers and connect the refurbished foyer with both the Lower Concourse and Box Office Foyer, providing suitable arrangements (lifts, escalators, etc.) on site that will greatly assist older patrons, people with disabilities and the many families with small children and prams. The project also addresses a number of safety improvements which meet the contemporary requirements that are so different from those existing when the building was first conceived and built decades ago. This major project should be completed in 2008.

Our partnerships will be further strengthened to deliver even more arts experiences to the community beginning in September 2006 with a free live broadcast of one of the world's greatest orchestras - the *Vienna Philharmonic* under Maestro Valery Gergiev from our Concert Hall to some 4,000 people on the Forecourt.

## Board Changes

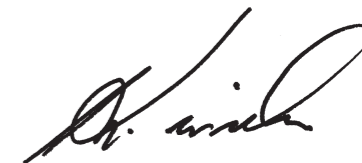
Four Trustees left this year: Mr Tim McFarlane, who was Chair of the Risk Management Committee and brought a huge level of extensive experience to the Trust as Managing Director of the Asia Pacific subsidiaries of Andrew Lloyd Webber's company, The Really Useful Group, and as a previous General Manager of the Adelaide Festival and Adelaide Festival Centre Trust; Ms Rhoda Roberts, who has been instrumental in a number of indigenous initiatives such as the annual Message Sticks Festival now in its seventh year and also providing support to our successful indigenous traineeship program; Ms Gail Burke, who resigned after six years to take up a role in London and has provided important counsel to the Trust on information technology strategies, including the complex project that was recently completed with the implementation of the new ticketing and customer support system; and Ms Rachel Healy, who commenced in January 2006 and having stood aside from the Trust has been successful in gaining the position of Director, Performing Arts at Sydney Opera House and will commence in that role in November 2006.

## Thank You

On behalf of the Trust, I would like to thank the New South Wales Government for its ongoing support and funding, which amounts to 25% of our operating funds. I would also like to record our appreciation to the whole Executive team under CEO Norman Gillespie and in turn to their staff for their continued contribution to the achievement of strong performance, audience and visitor service and business outcomes.

The Trust again extends its warm acknowledgement to our presenting and commercial partners and the numerous artists and their support teams for their co-operation in our ongoing mission to offer inspiring experiences to the diversity of audiences we all serve.

Finally, I offer my warm appreciation and thanks to my fellow Trustees for the quality of their contribution throughout the year and for the support, patience and guidance offered to me as Chairman - it is appreciated more than words ever adequately can convey.



Kim Williams AM  
Chairman



Concert Hall

