



Opera Australia  
Annual Report 2008

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Photographs

Greg Barratt, Jeff Busby, Bridget Elliot and Branco Gaica



# Opera Australia

## BOARD OF DIRECTORS

Ziggy Switkowski  
*Chairman*  
Anson Austin OAM  
Philip Bacon AM  
Rowena Danziger AM  
Julia King  
Tim McFarlane  
David Malouf AO  
Harold Mitchell AO  
Robert Morgan  
Richard Owens OAM

## MANAGEMENT

Adrian Collette AM  
*Chief Executive*  
  
Narelle Beattie  
*Finance Director and  
Company Secretary*  
  
Alex Budd  
*General Manager, Melbourne and  
Enterprises*  
  
Anton Dolk  
*Director - Human Resources*  
  
Ed Hossack  
*General Manager, Orchestra*  
  
Ian McCahon  
*Artistic Administrator*  
  
Liz Nield  
*Marketing and  
Communications Director*  
  
Sue Olden  
*Technical Operations and  
Project Manager*  
  
Nicholas Selman  
*Head of Development*  
  
Chris Yates  
*Director - Technical Administration*

## OPERA AUSTRALIA

ACN 000 755 153  
ABN 26 000 755 153  
The liability of the members of Opera Australia is limited. Incorporated in New South Wales in 1970, Opera Australia is an authority holder under the Charitable Fundraising Act 1991.

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Auditors  
Ernst & Young

Bankers  
Commonwealth Bank of Australia

Solicitors  
Gilbert + Tobin

## GOVERNMENT PARTNERS



Opera Australia is assisted by the Australian Government through the Australia Council, its arts funding and advisory body, and by the NSW Government through Arts NSW. Opera Australia acknowledges the support of the Victorian Government through Arts Victoria.

## Vision

Enriching Australia's cultural life with exceptional opera.

## Mission

To present opera that excites audiences and sustains and develops the art form.

### CORPORATE GOVERNANCE

Opera Australia is a Company Limited by Guarantee. Its governance is the responsibility of its Board of Directors, who are elected by its Members. The Board is responsible for the overall strategic direction of the Company and its ongoing viability. The Company's direction and activities are underpinned by its agreed Values:

- Pursuit of excellence in everything we do
- Respect for knowledge, imagination and creative ambition
- Honesty and integrity in all our dealings
- Fairness
- Sustainability
- Encouragement of professional development
- Respect and compassion for people
- Safe working environment

The Board of Directors of Opera Australia is also the Board of Directors of the Australian Opera and Ballet Orchestra Limited, a wholly-owned subsidiary company of Opera Australia.

The Board of Directors delegates to the Chief Executive, and through him to the executive team, authority to manage, within the parameters set by the Board, the Company's activities.

The work of the Board is supported by:

- The Audit Committee, which comprises all Directors. The Chief Executive and Finance Director attend its meetings, and the Company's Auditors meet with it regularly

to report on their processes and findings. The Audit Committee meets before each Board meeting, and otherwise as required, and is responsible for closely scrutinising the Company's management systems, financial processes, risk management practices and the financial prudence of its strategies.

- The Remuneration Sub-Committee, which consists of the Chairman of the Board, the Chairman of the Audit Committee and one other Director. The Human Resources Director attends its meetings when required. The Remuneration Sub-Committee meets as necessary, and is responsible for overseeing the Company's remuneration policy, including the remuneration of the Chief Executive and the executive team.

# 08

## Chairman's Report

Dr Ziggy Switkowski



In the context of its mission 'to present opera that excites audiences and sustains and develops the art form' 2008 was a year of high achievement.

289 mainstage performances, including important contributions from *My Fair Lady*, produced record box office revenues of \$44.5 million and a solid operating surplus of \$838,000. Our program and performances continued to connect with opera audiences who rewarded us with growing support.

This was the fifth consecutive year of positive operating results and reflected sound artistic judgements and executions within the Company and the strong financial disciplines which have been a feature under the stewardship of past Chairman, Dr Gordon Fell, the Chief Executive and his management team.

At the consolidated group level, where the returns from the Opera Australia Capital Fund Group are counted, the difficult investment markets of the past year meant that the consolidated \$3.7m surplus recorded in 2007 was reversed to a \$3.3m deficit in 2008.

Like many similar funds, ours experienced significant declines in its assets last year but it has had good compound returns over its 11 year history.

But 2008 will and should be remembered for other reasons. Our Music Director and Chief Conductor, Richard Hickox CBE, died



Michael Todd Simpson as Escamillo and  
Kirstin Chávez as Carmen  
*Carmen*





Cheryl Barker as Emilia Marty and  
John Pringle as Jaroslav Prus  
*The Makropulos Secret*

Nicole Youl as Cio-Cio-San  
*Madama Butterfly*

unexpectedly in November in the United Kingdom. Even after more than five years with the Company, many felt that Richard had vast and important contributions yet to make to Australia's cultural scene. His passing was cruelly premature.

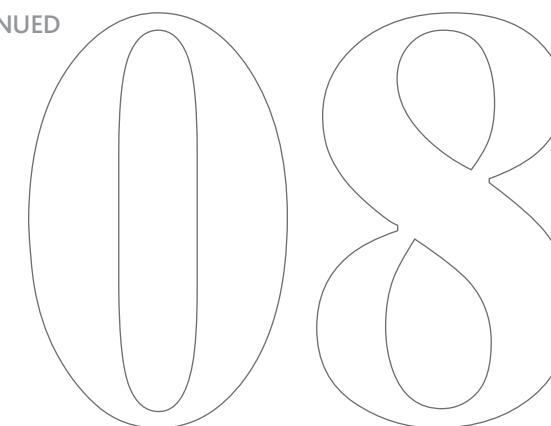
Staging a successful opera season presents challenges as great as those confronted by any large and complex business enterprise, and sustaining success over a generation, as Opera Australia has done, is especially challenging.

Enthusiasms ebb and flow, but criticisms often accumulate, as they did in 2008 when the Company was subjected to trenchant criticism over a range of matters. These extended from differing views about repertoire, casting choices, key appointments, importance of new productions, development of home grown talent, role of light opera and Board composition as well as a desire to reverse some of the decisions of the last 15 years.

The Company is proud of its achievements and its leadership among national Arts companies and its standing in the international opera community, but periods of turbulence are – rightly – catalysts to review processes and trajectory.

Opera Australia has embarked upon this review program from the Board down. As 2009 unfolds, our supporters and critics will see

CHAIRMAN'S REPORT CONTINUED



clear evidence of appropriate change – and should approve of the increased transparency the Board has endorsed.

Of course, periodic bursts of drama and passion and outrage off stage seem a normal part of the opera lifecycle. The artists and staff of Opera Australia have embraced the challenges of a very full program ahead with their customary enthusiasm, energy, and professionalism, determined to set new quality standards for their productions and performances.

And the season ahead is designed to bring out their best.

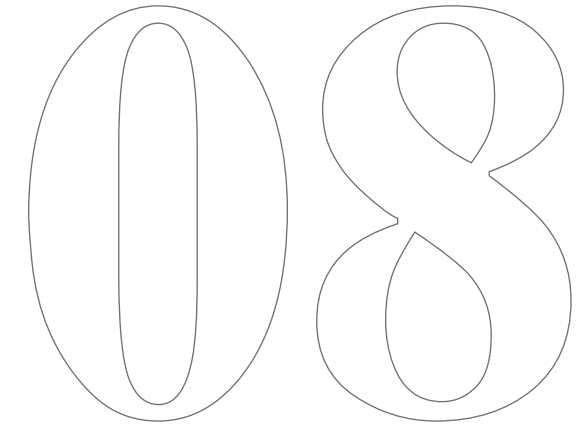
The Board has approved the recruitment of a full-time Artistic Director who will be a part of Adrian Collette's leadership team with oversight of the musical and theatrical life of the Company. This person will be responsible for setting the artistic vision, programming and casting, establishing and maintaining artistic standards, and development and counselling of team members.

A further appointment of a Chief Conductor will be made when the Artistic Director is in place.

It is envisaged that the Artistic Director, together with Assistant Music Director, Tony Legge, and the Chief Conductor, will be responsible for the development and leadership of the Australian



Emma Matthews as Lucia  
*Lucia di Lammermoor*



Opera and Ballet Orchestra as well as for identifying and engaging guest conductors.

The end of 2008 and the early months of 2009 have seen signs that the economic downturn will affect the financial performance of the Company.

We are not alone in having to manage through trying times and our executives continue to focus upon costs and market development in order to ensure that the health of the organisation is maintained over what is assumed will be a difficult period ahead.

The recent years of relative prosperity have provided some insurance against tougher times. We are in good hands with Adrian and his team.

I would like to take this opportunity to thank, most sincerely, the Federal, NSW and Victorian Governments for their ongoing support of Opera Australia. Without government funding we simply would not exist. Their contribution enables us to bring opera to young people, to those living in the regions and to maintain high standards year in, year out. Similarly, the enlightened support of the private sector, most particularly that of our Hero Partners, Australia Post and Mazda, makes it possible for many more Australians to experience opera. The philanthropic support of our many donors allows us to plan the future with confidence and we are enormously grateful for it.

Last year saw the retirement of Dr Gordon Fell after six years in the Chair and nine as a Board member. His legacy is an institution



The Opera Australia Chorus with Jonathan Summers as Iago and Kanen Breen as Cassio  
*Otello*

with good processes, strong financial disciplines and a quality team dedicated to excellent opera. I thank him for his leadership and special efforts in securing the financial base of the organisation.

Gordon Cairns also retired at year end after nearly eight years, including four as Audit Committee chair. He was a valued member of the Board and we greatly appreciated his contributions.

Finally, I thank my fellow board members and join with them in acknowledging the fine work of our Chief Executive Adrian Collette and his artistic and executive teams. Leadership of this company requires operating in the present while committing to the future, often irreversibly so. I know the years ahead are filled with great potential.



## INCOME AND EXPENDITURE COMPONENTS



### INCOME

- 70% (\$53.9 m) Box office, earned income and contributions
- 30% (\$23.3 m) Government grants



### EXPENDITURE

- 59% (\$47.8 m) Staff and employment expenses
- 13% (\$10.6 m) Venue, transport and travel costs
- 13% (\$10.1 m) Depreciation, other production and overhead costs
- 9% (\$6.9 m) Marketing and promotion
- 6% (\$5.1 m) Impairment charge financial assets

# 08

## Chief Executive's Report

Adrian Collette AM



Opera Australia achieved remarkable success in 2008, both artistically and commercially, at the same time confronting an intense campaign of criticism – and the tragic, sudden death of our Music Director, Richard Hickox CBE. I give space to a tribute to Richard and his contribution elsewhere in this report.

Suffice to say, while we celebrate Opera Australia's success, we cannot ignore the reality that our work and our practices attract both supporters and critics. In part, it is an expression of the passion that is opera and its people.

Through the latter part of 2008, Opera Australia drew strident criticism through email campaigns, blogs and some sections of the press. It has never been the Company's intention to ignore well-founded and constructive criticism: we recognise the need for change, for enhanced accountability and transparency, and are determined to act in the best interests of Opera Australia, and opera in Australia.

What should not be obscured in this is what was achieved – the cultural and social return on investment – by Opera Australia in 2008.

Opera Australia is an ensemble company, one of very few in the world today. Its artistry is defined by its ensemble. The nature of our ensemble is that, unlike other large companies overseas, we maintain a regular ensemble of artists and craftspeople who work together throughout each year. We are not a company of



John Wegner as Claggart, Barry Ryan as Mr Redburn, Andrew Collis as Mr Flint, Teddy Tahu Rhodes as Billy and Richard Anderson as Lieutenant Ratcliffe  
*Billy Budd*



visiting artists. By choice, and also geographic necessity, we 'grow our own', just one reason international artists, singers, conductors and directors so enjoy their visits to our unique company.

To my mind, our ensemble comprises the Opera Australia chorus, the Australian Opera and Ballet Orchestra, our Principal singers, Australia Post's Moffatt Oxenbould Young Artist program, Associate Principal artists, our Music Staff and Resident Directors, and our Technical and stage crew.

Elsewhere in this report I recognise some particular contributors and highlights of our ensemble which presented 20 productions in its 2008 mainstage program.

In 2008, we observed the principle of presenting operas from the Baroque, Classical and Romantic periods, and the twentieth century, including work from the major Italian, German, French, Slavic and English repertoire. As in the past three years, we included a major work that had not been professionally produced in Australia before.

Opera on the Big Screen  
*Carmen*

The 2008 program included five new productions:

- *Carmen*: directed by Francesca Zambello; conducted in Sydney by Richard Hickox and Stephen Mould and in Melbourne by Richard Hickox and Ollivier-Philippe Cunéo.



CHIEF EXECUTIVE'S REPORT CONTINUED



- *Arabella*: directed by John Cox; conducted in Sydney by Richard Hickox and in Melbourne by Lionel Friend. This production won the 2008 Helpmann award for best opera production.
- *Don Giovanni*: directed by Elke Neidhardt; conducted by Mikhail Agrest and Ollivier-Philippe Cunéo
- *Orlando*: directed by Justin Way; conducted in Sydney by Paul Goodwin, and in Melbourne by Benjamin Bayle.
- *My Fair Lady*: directed by Stuart Maunder; conducted by Julia de Plater, Andrew Greene and Stephen Mould.

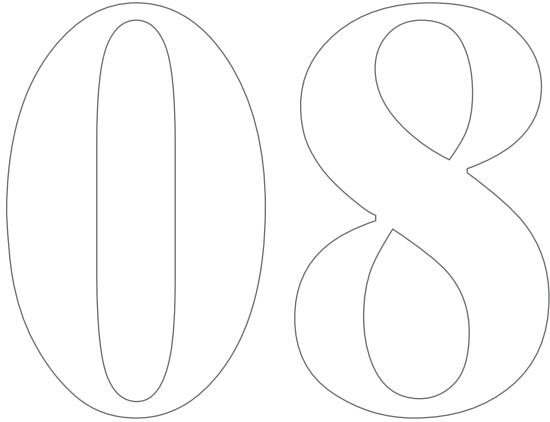
Major revivals included the exciting return of *Billy Budd* and *The Makropulos Secret*, both conducted by Richard Hickox; Simon Phillips' production of *La bohème* which performed to hundreds of people attending opera for the first time; Harry Kupfer's sensational production of *Otello*; and *Lucia di Lammermoor* starring the irrepressible Emma Mathews.

Opera Australia also presented a concert version of Ralph Vaughan Williams' *The Pilgrim's Progress*, conducted by Richard Hickox. The concert featured English baritone, Alan Opie, in the title role and presented a very large ensemble cast with the Opera Australia Chorus, the Australian Opera and Ballet Orchestra and the Bach Choir, London.

#### Opera Australia's audience

In 2008, more people enjoyed an Opera Australia performance than ever before. Our total paid mainstage attendance was





366,903. With *Mazda Opera in the Domain*, Oz Opera's regional and schools tours, ABC telecasts and broadcasts thrown in, we estimate that we reached more than 860,000 people.

Reg Livermore as Henry Higgins,  
Nancy Hayes as Mrs Higgins,  
Taryn Fiebig as Eliza Doolittle and  
Rhys McConnachie as Colonel Pickering  
*My Fair Lady*

When we plan our annual program we need to keep in mind the diversity of our audience, from the most seasoned subscriber who wants to be taken on a new journey every year, to someone who is experiencing opera, in the city or the bush, for the first time.

The best reason for our company to return to performances of *La bohème* or *Carmen* is simply that such popular operas act as the gateway for a new audience; they attract large numbers of people because they are such completely successful works, and this is vital to ensuring our future audience.

**Opera Australia and Access**

Opera Australia's program also included a new Oz Opera regional touring production of *Madame Butterfly*, directed by John Bell AO and conducted by Simon Kenway and Christopher van Tuinen.

The Oz Opera Schools Company productions for the year were *Cinderella* in Victoria, created by Elizabeth Hill and Christopher

van Tuinen under the musical direction of Tom Griffiths; and *The Barber of Seville* in New South Wales, restaged by director, Rachel McDonald, and music director, Ollivier-Philippe Cunéo.

Opera Australia continued to broaden its reach through its relationship with the ABC. Four performances – *Arabella*, *The Pilgrim's Progress*, *Carmen* and *Lucia di Lammermoor* – were broadcast live on Classic FM radio, with *Arabella* earning exceptionally good ratings figures. *La bohème* was broadcast live on ABC TV as part of the ABC2 LIVE series and simultaneously relayed to 16 cinemas in metropolitan and regional centres around Australia. It was subsequently repeated on ABC1, earning greater ratings figures on its second airing. The *Golden Jubilee* documentary and the *Fiftieth Anniversary Gala* concert were also re-broadcast on ABC TV. All five episodes of *OperatunityOz* were released on DVD by ABC Commercial.

Our new production of *Carmen* was 2008's Opera on the Big Screen. This was beamed live to the Sydney Opera House Forecourt and via satellite to Federation Square and the Australian Film Commission's (now Screen Australia) regional digital screen network.

**Opera Australia and Education**

In addition to the 78,800 primary school students reached by Oz Opera's Schools Company, Opera Australia offered a range of innovative, purpose-built education programs to secondary students.





Cheryl Barker as Arabella  
*Arabella*

Opera for Students provided reduced-price student tickets to selected mainstage performances along with free teacher tickets and resources kits, encouraging classroom extension activities. More than 1,400 tickets were purchased through this program which is proudly supported by the Commonwealth Bank.

OperaEd continued as a major arts education project, reaching out to young people otherwise unlikely to attend the opera. During 2008, 300 students were given the opportunity to study particular operas in their schools, followed by further workshops at the Opera Centre and the Sydney Opera House, before attending performances of these operas. We salute Mr Fred Street AM for his long and generous commitment to young Australians through his enlightened support of this program.

In addition, 80 students participated in the pilot year of WotOpera, a visionary, new project introducing opera and fostering creativity in young students. Opera Australia educators worked with students from four schools as they created, designed and performed their own original operas. We are most grateful to Mr Graeme Wood, co-founder of Wotif.com, whose generous support and advocacy made this project possible.

#### Opera Australia's Opera Enterprises

Four years ago, we created Opera Enterprises to raise additional income to help pay for the costs of our opera performances. Since its inception, we have created new programs like Opera Australia's *Christmas at the House*, expanded our activities on New Year's Eve, and worked with the ABC to broaden the reach of our performances. We have also developed co-production relationships with the major state arts centres and have undertaken national tours of some of our lighter repertoire.

In 2008 we invested in, and subsequently toured, a new production of *My Fair Lady*. Both artistically and commercially, Opera Australia enjoyed great success with this show. It brought a new audience to the Company and its net return amounted to \$1.1m, which helped finance other activities. Executive Producer,

CHIEF EXECUTIVE'S REPORT CONTINUED



Stuart Maunder, shared the creative leadership with three Music Directors across the tour: Julia de Plater, Andrew Greene and Stephen Mould. Together they created a vivid production which not only won the hearts of a large and diverse audience, but also represented a sound investment for Opera Australia. Taryn Fiebig shone as Eliza Doolittle which she performed around the country and she was charismatically partnered by both Reg Livermore and Richard E. Grant, who performed the role of Henry Higgins. *My Fair Lady* travels to New Zealand in 2009.

#### Opera Australia's supporters

There are three distinct groups who invest in the work of our company.

First are Australian taxpayers, represented by the Federal, New South Wales and Victorian Governments. Their investment makes up some 30 percent of our overall funding for the Company and is vital to its future interests. Through employment, education, access and our creative content we believe we provide an excellent return on the confidence shown in us by governments. We also enjoy very close collaborations with colleagues in three government agencies: the Major Performing Arts Board of the Australia Council, Arts NSW and Arts Victoria as well as Playing Australia and the Department of Environment, Water, Heritage and the Arts. We thank all of them for their commitment to Opera Australia.

Second, we enjoy strong relationships with our sponsors. Now more than ever our partnerships with corporate Australia are critical to our success and we thank them for their steadfast

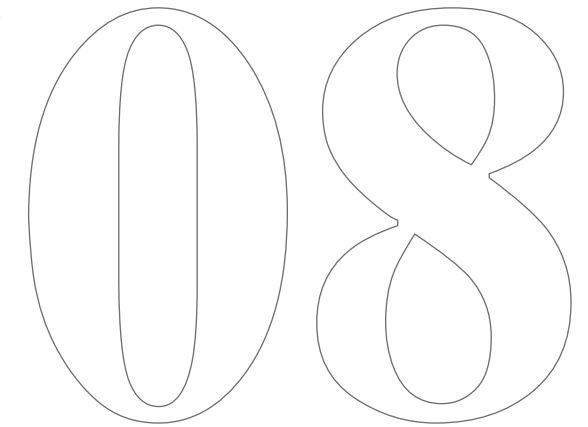


Rachelle Durkin as Donna Anna,  
Gabor Bretz as Don Giovanni and  
Catherine Carby as Donna Elvira  
*Don Giovanni*

support. In a fast-changing environment our ability to take opera to as many people as possible is guaranteed thanks to our Hero Partners – Australia Post and Mazda; our Gold Partners – the Commonwealth Bank and Qantas; all of our corporate supporters; and Philip Bacon AM and Dr Douglas Mitchell who single-handedly promote the lesser known works in the operatic canon. All of our sponsors have demonstrated their commitment to our endeavours and to the future of opera in this country. In recent months, particularly, their loyalty has been evident and this is not something we take for granted. Indeed it is the foundation of our success.

Third, we are extremely grateful for and dependent on Opera Australia's Patrons, who support us philanthropically. In 2008 our Patron Program went from strength to strength, achieving record income from donations to the Company. In the increasingly difficult economic circumstances we now find ourselves, we are especially grateful for the confidence being expressed in Opera Australia through our Patron Program.

I would also like to pay tribute to David Clarke AO, Chairman of Opera Australia's Capital Fund, and Michael Traill, Acting-Chairman of the Capital Fund. Together with their fellow board



members and General Manager, Neroli Hobbins, they have steered the Fund through very difficult waters.

#### **Opera Australia on the World Stage**

In 2008, we continued to take steps on the world stage. Four productions were hired to other companies, including *Madama Butterfly* to L'Opéra de Montréal, *Billy Budd* and *Beatrice and Benedict* to Houston Grand Opera; and the *Lakmé* costumes to Tulsa Opera. We also entered into co-production agreements with Opera North, English National Opera, L'Opéra de Montréal and Houston Grand Opera. These productions will be seen in Australia over the next couple of years.

We also strengthened our relationship with a number of theatres in Asia, which will result in Opera Australia presenting our production of *Carmen* in Taipei in 2009, with the assistance of the Australian Government's Australia International Cultural Council and the Australia-China Council in the Department of Foreign Affairs and Trade; and presenting *Il trovatore* in Macau in 2010.

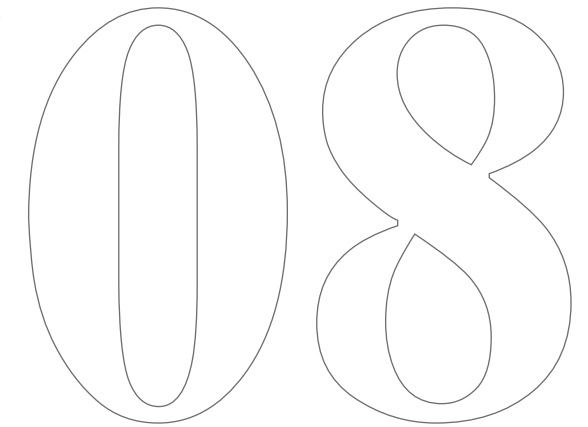
#### **Opera Australia on the National Stage**

In 2008, five Opera Australia productions were presented by our state-based colleagues: *The Magic Flute* to West Australian Opera; *Turandot*, *The Marriage of Figaro* and *Rigoletto* to the State Opera of South Australia; and *Turandot* to Opera Queensland. In addition, our production of *My Fair Lady* was presented not only in Melbourne and Sydney but also at the Canberra Theatre Centre and the Queensland Performing Arts Centre.





Taryn Fiebig as Eliza Doolittle and  
Richard E. Grant as Henry Higgins  
*My Fair Lady*



We enjoy collaborative relationships with our fellow professional opera companies in Australia, both individually and through our membership of The Opera Conference. In 2008, the Opera Conference production of *The Barber of Seville* was performed by Opera Queensland and the West Australian Opera, and *Aida* premiered in Perth. Opera Australia, through its manufacturing of productions and its employment, training and development of artists, provides an indispensable resource for the industry nationally.

**Opera Australia's Major Partners**

Opera Australia is unique amongst major opera companies in the world in that we do not 'live' in our own house; rather we have a close relationship with two major landmark venues, the Sydney Opera House and the Arts Centre in Melbourne, and build performance partnerships with them. These partnerships are represented through our technical crews working together, through taking joint responsibility for box office, through co-presentations from time to time and, most importantly, through a shared commitment to building the audience for opera and the performing arts.

**Opera Australia's People**

The contribution of our people continues to depend on an organisation that is effectively led, well informed and in which staff contributions are respected and celebrated. The musical leadership of our performers has been immeasurably enhanced with the appointment of Tony Legge, our new Assistant Music Director.

Our wider leadership development initiatives have included a program called "Crucial Conversations", which has provided





our managers with practical tools to handle difficult and important conversations. In addition much work has been carried out towards the review and extension of our two main Enterprise Agreements and updating our human resources policies. These initiatives help to ensure good people management in line with prevailing legislation and progressive employment practice.

Dennis O'Neill as Gustav III of Sweden and members of the Opera Australia Chorus  
*A Masked Ball*

The health and safety of our staff remained a top priority, as evidenced by the appointment of a full-time Safety and Rehabilitation Manager. The combination of improved safety awareness and early return to work of injured staff has seen a marked decrease in lost time injuries and workers' compensation premiums as compared to previous years. We aim to further improve our performance in this area.



In 2008, our Executive Producer, Stuart Maunder, retired from Opera Australia after an association which lasted more than twenty years. Stuart created many productions for us and celebrated his last year with his hugely successful production of *My Fair Lady*. As Stage Manager, Director, Artistic Administrator and Executive Producer, Stuart Maunder has been a great company man. We look forward to our association continuing in future.

I want to thank my senior management team for another outstanding contribution to the Company. Each of them shares with me the responsibility for both the sustainability and standards of the whole company. In 2008 we farewelled Carolyn Chard, our Director of Development and General Manager, Melbourne, for the past two and a half years. I would especially like to pay tribute to Vernon Winley, our Human Resources Director for the past 11 years. I will miss his wise counsel and tireless dedication to the Company. In 2008, we welcomed Anton Dolk as Director – Human Resources, Ed Hossack as General Manager, Orchestra, and Nicholas Selman, Head of Development.

I also want to thank Opera Australia's Board of Directors for their sound governance and support. My particular thanks go to Dr Gordon Fell, who was on the board for nine years and Chairman of Opera Australia from 2002 to 2008. Dr Fell chaired the Company through a period of unprecedented success, which allows us to face our current challenges with confidence. I am also delighted to be working with Dr Ziggy Switkowski, who accepted Chairmanship of the Company in November 2008. I look forward to his stewardship of Opera Australia at this important time of renewal.





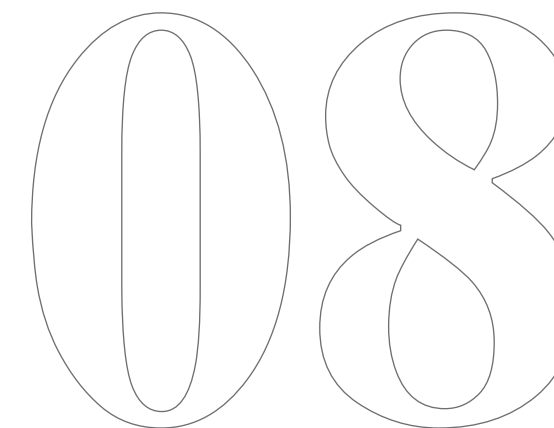
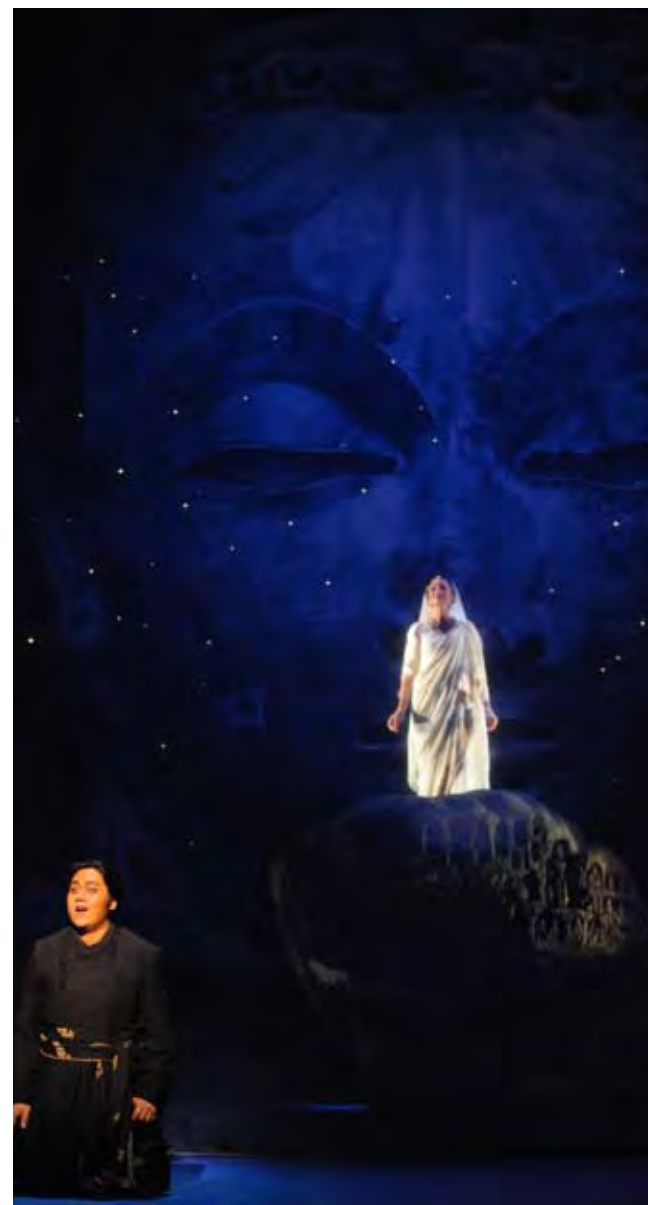
## Richard Hickox CBE

On 23 November 2008 Opera Australia's Music Director, Richard Hickox, died suddenly from a heart attack. My colleagues and I were deeply saddened by Richard's death, which cast a shadow over our final performances for the year. As always, even in such circumstances, I was impressed by our artists' resolve to give the very best performances they could in Richard's honour.

Henry Choo as Nadir and  
Leanne Kenneally as Léïla  
*The Pearlfishers*

I remember when Richard Hickox and I first spoke about the possibility of his becoming Music Director he said that if he got the job, he and his family would move from England to Australia. He could not do the job remotely, he said. Richard was duly appointed Music Director in March 2003 and from that moment he threw his immense energy behind the Company. I believe he respected the ensemble nature of Opera Australia and worked with his artistic colleagues to improve the quality of our orchestra, our chorus and our principal artists. He introduced new repertoire to the Company, such as Prokofiev's *The Love for Three Oranges*, Dvořák's *Rusalka* and Richard Strauss' *Arabella*. Richard also provided musical leadership in landmark productions of *Billy Budd*, *The Makropulos Secret*, *Julius Caesar*, *Lady Macbeth of Mtsensk*, *Death in Venice* and many more. He was intensely proud of our company and tirelessly advocated its interests when overseas. He is greatly missed.

In 2009, Opera Australia and the Opera Australia Capital Fund will create a scholarship in his honour.



## The Ensemble

The ensemble spirit of our company, every person who contributes, from a wig maker to the singer who returns to our company each year, defines the quality of our work. Our ensemble comprises:

### Opera Australia Chorus

Under the leadership of Michael Black, the Chorus is now one of the very finest in the world. In 2008, we need think only of the musical and dramatic vitality of *Otello*, *Carmen* or *Billy Budd* as particular examples of what can be achieved by Australia's only full-time professional chorus.

### Australian Opera and Ballet Orchestra

Under the stewardship of Chief Conductor, Richard Hickox, and Concertmaster, Aubrey Murphy, our orchestra continued to thrill us through 2008 with performances of composers as varied as Mozart, Verdi, Richard Strauss, Benjamin Britten and Leoš Janáček.

### Orchestra Victoria

For our Melbourne seasons we continued to enjoy our collaboration with Orchestra Victoria, which indeed can be regarded as part of our extended ensemble. When we think of the quality of playing in *Arabella* under the baton of Lionel Friend, or the opulent beauty of sound in *Madama Butterfly* under Shao-Chia Lü, I think we begin to get the measure of the orchestra's quality. I congratulate and thank Orchestra Victoria and their Concertmaster, Jo Beaumont, for a very satisfying collaboration in 2008.



David Thelander as Alidoro, Richard Alexander as Don Magnifico, Joshua Bloom as Dandini, Kanen Breen as Ramiro and Dominica Matthews as Angelina  
*Cinderella*

### Principal Singers

In any given year Opera Australia maintains an ensemble of about 30 principal singers. From this talented group we cast all minor and many major principal roles. Like all fine artists, our ensemble principals have to show remarkable versatility in meeting the demands of our wide repertoire. Some remain with our company for many years. Others will use their time with the ensemble principals to develop their artistry and subsequently launch a national or international career. In 2008, we farewelled one of our greatest ever ensemble principals, John Pringle AM. John was a remarkably versatile artist who performed all the major baritone roles of Mozart, as well as a multitude of important roles from the entire repertoire.

### Australia Post's Moffatt Oxenbould Young Artist Program

Another vital part of the Opera Australia ensemble is the group of young professional artists developed through this program. In 2008 this included Christopher van Tuinen, Amy Wilkinson, Sian Pendry, Stephen Smith and Andrew Moran.

### Associate Principal Artists

Many Australasian freelance artists are part of our regular ensemble. They may be based in Australia or overseas, but they help to define our company and are in demand with our audience. To name a few: Cheryl Barker as *Arabella* (for which she won a Helpmann Award for Best Female Performer of the Year) and Emilia Marty, Nicole Youl as *Madama Butterfly*, Antoinette Halloran as *Mimi*, Amelia Farrugia as *Musetta*, Rachelle Durkin as *Angelica*, Bernadette Cullen as *Ulrica Arvidson*, Kate Ladner as *Desdemona*, Peter Coleman-Wright as *Mandryka*, José Carbó

as *Marcello*, Teddy Tahu Rhodes as *Billy Budd*, John Wegner as *Claggart*, Jonathan Summers as *Iago*, Rosario La Spina as *Don José*, Aldo Di Toro as *Rodolfo*, Michael Lewis as *Anckarstroem*, Julian Gavin as *Gustav III* and Tobias Cole as *Medoro*.

Each year we invite a handful of international artists to join the Company. In 2008 we enjoyed debuts including Kirstin Chávez' vocally and physically sensuous performance of *Carmen*; the unsettling, dark *Don Giovanni* of Gabor Bretz; and the rare contralto voice of Sonia Prina as *Orlando*.

Other internationals who made welcome returns included Dennis O'Neill, in thrilling form in *Un ballo in maschera* and in the title role of *Otello* in Sydney, Franco Farina as *Otello* in Melbourne, Michael Todd Simpson as *Escamillo* in *Carmen*, Pamela Helen Stephen who won critical and audience acclaim as *Carmen*, Eric Cutler's fine bel canto performance as *Edgardo* in *Lucia di Lammermoor*, Richard Roberts as *Matteo* in *Arabella*, Peter Wedd as *Albert Gregor* and the unforgettable performance of Philip Langridge as *Captain Vere* in *Billy Budd*.

### Opera Australia's Music Staff and Resident Directors

The dedicated members of our music staff, who work to build the musicality of each of our performances, shaping a cadence, sharpening a linguistic emphasis or reviewing each performance, are the engine room of our ensemble. Our resident directors assist visiting directors and also revive a number of productions each year. Theirs is a critical and challenging role, for each member of this team must both lead and support a performer at critical times throughout the rehearsal and performance process.

### Opera Australia's Technical and Stage Crew

Every person who works in these vital areas – whether making a wig, designing or building a set, painting the scenery, crewing or calling a show – each and every one of them is part of our performing ensemble. Their work is on show every night we perform and their collective talent brings great stability and depth to our company. As surely as our principal artists, our chorus or orchestra, they define the ensemble spirit of our company.





Milijana Nikolic as Ulrica Arvidson and  
The Opera Australia Chorus  
*A Masked Ball*



# 08

## Australian Opera and Ballet Orchestra

The Australian Opera and Ballet Orchestra (AOBO) is a wholly owned subsidiary of Opera Australia. The Orchestra performs for Opera Australia and The Australian Ballet during their respective Sydney seasons. To support these full-time and specialised activities, and the central role that orchestral music has in the performance of both opera and ballet, the Orchestra receives substantial funding from the Australian and NSW governments.

The Orchestra gives in the region of 250 performances per annum, the busiest of all Australian orchestras. A world-class orchestra, the AOBO continues to build on the Orchestra's extensive knowledge of the opera and ballet repertoire after almost forty years of performance history.

Among the AOBO's strengths is the commitment and experience of individual musicians and sections of the Orchestra, led by Concertmaster Aubrey Murphy and Associate Concertmaster Huy-Nguyen Bui.

The Orchestra has a core strength of 69 permanent musicians, supplemented throughout the year by around 150 seasonal and casual musicians as required by the repertoire.



Richard Hickox CBE with members of the Australian Opera and Ballet Orchestra  
*The Pilgrim's Progress*



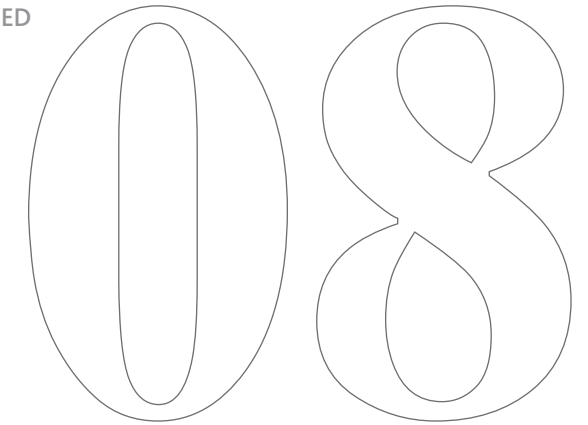
The central issue confronting the Orchestra is the challenge of performing in the confined space of the orchestra pit. The resulting occupational health and safety issues, mainly high noise levels, make it necessary to employ seasonal and casual musicians to provide respite for the permanent musicians of the Orchestra.

Emma Matthews as Angelica and  
Dominica Matthews as Orlando  
Orlando

In addition to performances for the opera and ballet, the AOBO also performs mainstage concerts throughout the year, including *Mazda Opera in the Domain*, *Christmas at the House* and the famous and celebrated New Year's Eve concert at the Sydney Opera House.



## AUSTRALIAN OPERA AND BALLET ORCHESTRA CONTINUED



### ACTIVITIES 2008

#### For Opera Australia

	Performances
<b>Summer Season of Opera</b>	
<i>La bohème</i>	19
<i>La Cenerentola</i>	9
<i>Carmen</i> **	20
<i>Un ballo in maschera</i>	9
<i>Arabella</i>	5
	<b>62</b>
<b>Winter Season of Opera</b>	
<i>My Fair Lady</i>	14
<i>Don Giovanni</i>	18
<i>Otello</i>	8
<i>Lucia di Lammermoor</i> *	10
<i>Orlando</i>	8
<i>The Pearlfishers</i>	12
<i>Billy Budd</i>	7
<i>The Makropulos Secret</i>	6
<i>La bohème</i>	7
	<b>90</b>

#### Concerts/other performances

<i>Mazda Opera in the Domain - La bohème</i>	1
Summer Concert - <i>The Pilgrim's Progress</i>	1
<i>Christmas at the House</i>	8
New Year's Eve Gala	1
	<b>11</b>

**Total for Opera Australia** **163**

#### For The Australian Ballet

	Performances
<b>Autumn Season</b>	
<i>Swan Lake</i> **	22
<i>Jerome Robbins - a Celebration</i>	20
	<b>42</b>
<b>Spring Season</b>	
<i>Interplay</i>	20
<i>Interplay</i> education performance	1
<i>Manon</i>	21
	<b>42</b>
<b>Total for The Australian Ballet</b>	<b>84</b>
<b>For Others</b>	
Australian Singing Competition	1
<b>Total</b>	<b>1</b>

**Total performances** **248**

\* Recorded and broadcast nationally by ABC Classic FM radio

\*\* Relayed to live screens on the Sydney Opera House Forecourt, at Melbourne's Federation Square and to eight regional cinemas in the Australian Film Commission's Regional Digital Network, with a live broadcast on ABC2 television and a subsequent broadcast on ABC1 television

# 08

## Sponsorship and Development Report

The support Opera Australia receives from corporate sponsors and donors can not be underestimated. Our mission – to present opera that excites audiences and sustains and develops the art form – is dependent upon it. In 2008 Opera Australia benefitted from highly-valued financial support from a wide array of organisations and individuals – support which made a tangible difference, night after night, to our work on stage. Opera Australia is proud of the rewarding relationships it has developed with corporate Australia and acknowledges the crucial role they play in our success and vitality.

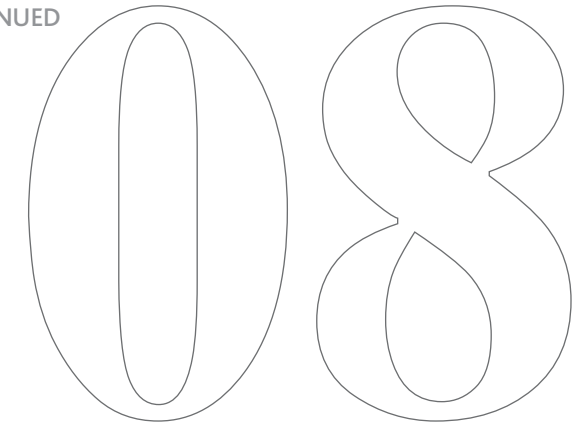
In a year that saw the beginning of considerable global financial uncertainty, Opera Australia was fortunate to benefit from the endorsement of its two Hero Partners, Australia Post and Mazda. These two corporate icons continue to set benchmarks in arts support in Australia and their choice to align their names with ours is one we applaud daily. True partnership begins with mutual values, ambitions and understanding, and the example set by Australia Post and Mazda has become an inspiration to many.

In 2008 Opera Australia was supported in a significant way by two of its longest-standing partners, the Commonwealth Bank and Qantas. With Commonwealth Bank as Principal Sponsor and Qantas as Official Airline of *My Fair Lady*, these two great institutions stood alongside Opera Australia in Melbourne, Canberra, Brisbane and in Sydney, at the Opera House and the Theatre Royal. Without their generous partnerships it would not have been possible to reach such a broad audience. The reviews



Victoria Lambourn as Suzuki and  
Jane Parkin as Cio-Cio-San  
Oz Opera's *Madame Butterfly*





were united in their praise for *My Fair Lady* and we at Opera Australia give our praise to the Commonwealth Bank and Qantas as we continue to benefit from their support and expertise.

Joining these inspiring partners is an illustrious group of corporate sponsors who offer rewarding partnerships to their national opera company and show exceptional leadership through their loyal commitment. In 2008 Opera Australia was recognised twice by the Australian Business and Arts Foundation for the excellence of its corporate partnerships. Our partnership with Mazda was awarded the Victorian Marsh Partnering Award and our partnership with Goldman Sachs JBWere was acknowledged for Good Practice in Partnering.

An important part of our work in raising funds for our young artists, our orchestral musicians, our regional touring and our education programs, is the series of special gala events Opera Australia hosts each year. For these glamorous occasions we receive special support from companies who donate tempting auction items, stunning decor and exquisite menus of gourmet food and wine. And of course we also benefit from the generosity of our guests who attend with a great spirit of support and celebration. They know that without these evenings of food, wine and song our work would be in jeopardy.

As the busiest performing arts company in Australia our work is strengthened and sustained by the generous personal

contributions of hundreds of individuals. In 2008 our Patron Program exceeded expectations and reminded us again that the philanthropy, enthusiasm and commitment of our loyal Patrons keeps our rehearsal studios and our opera stages filled with music and song.

Of our donors, a number stand out. Douglas Mitchell and Philip Bacon AM show unparalleled generosity by singly sponsoring entire productions. Graeme Wood makes WotOpera possible and thereby inspires children to immerse themselves in music and create their own operas for public performance. Fred Street AM opens the Opera Australia door with OperaEd, allowing hundreds of high school children to discover there is more to opera than meets the eye – welders, cabinetmakers, seamstresses, carpenters, electricians, milliners and draughtsmen.

Every single donation makes a direct difference and renews our determination daily. Now more than ever we are grateful to the Patrons and Friends of Opera Australia, and we thank each and every one of them.

Opera Australia relies heavily on private support and we are proud of the endorsement we receive from our sponsors and donors. We are thankful to our Board of Directors for their leadership as we strive to forge new partnerships. And we are focussed on the task of raising essential funds that will ensure a dynamic and enriching future for Opera in Australia.

Students from Narara Valley High School  
WotOpera







# 08

## Opera Australia Capital Fund

Acting Chairman's Report

Michael Traill



Following years of significant growth, the Opera Australia Capital Fund experienced a decline in the market value of its investments in 2008. Despite this disappointing performance which reflects a year when all major share market indices declined substantially, the Directors of the Capital Fund consider it important to provide a consistent income stream to Opera Australia. Therefore, it is the intention of the Board to make its third distribution to Opera Australia. An amount of \$400,000 will be made possible from the Fund's investment income which remained at strong levels.

At the end of 2008 the total equity of the Capital Fund was \$7.78m. The year ahead will present its challenges as we strive to build on these reserves in a difficult economic climate. Donations from loyal benefactors, bequests and an annual special event will all contribute to our fundraising efforts.

An increasingly important source of income to the Capital Fund is the Bequest Program. During the year the Fund's Patron, Dame Joan Sutherland, wrote to subscribers of Opera Australia asking them to consider including the Opera Australia Capital Fund in their long-range financial plans. This approach encouraged many supporters to inform us of their



Hye Seoung Kwon as Mimì and  
Aldo Di Toro as Rodolfo  
*La bohème*



Opera Australia Gents' Chorus  
*Billy Budd*

bequest pledges which will help to sustain the Company for future generations.

We welcomed Mrs Barbara McNulty to our Council of Governors during the year and in doing so recognised her generosity and commitment to the Fund and its goals.

During his period as Music Director of Opera Australia, Richard Hickox understood the need for an endowment fund for the Company and that its success would allow greater focus on artistic excellence. On behalf of the Directors of the Capital Fund, I would like to express our gratitude for his support and our sadness at his tragic death.

In recognition of Richard Hickox's dedication to the work of Opera Australia, the Capital Fund, in conjunction with the Company, will establish the Richard Hickox Scholarship Trust. One of the main purposes of the Trust will be to enable gifted young conductors to work with the Company and overseas. It is our intention to award the first scholarship in 2010.



## OPERA AUSTRALIA CAPITAL FUND

PATRON: DAME JOAN SUTHERLAND OM AC DBE

The Opera Australia Capital Fund has been established to build capital reserves which will ensure the ongoing financial viability of Opera Australia.

### COUNCIL OF GOVERNORS

David Clarke AO  
(Chairman on leave of absence)  
Michael Traill  
(Acting Chairman)  
Philip Bacon AM  
Michael Bartlett  
Ken Coles AM  
Adrian Collette AM  
Alan Cornell  
Rowena Danziger AM  
Ashley Dawson-Damer  
Gretchen Dechert  
Lady (Mary) Fairfax AC OBE  
François Kunc SC  
Barbara McNulty OBE  
Phil and Helen Meddings  
John Reid AO

The Council of Governors comprises Directors of the Trustee Company; Donor Members who have either contributed a significant donation or pledged a specific bequest; and Special Members who actively participate in the Capital Fund's fundraising efforts.

### CAPITAL APPEAL

The Capital Fund continues to grow and makes an annual distribution to Opera Australia. This significant achievement has been made possible through the generosity of the following donors as well as the Australian Government and the State Governments of New South Wales and Victoria through the Reserves Incentive Funding Scheme.

Russell and Lucinda Aboud  
Antoinette Albert  
Robert Albert AO RFD RD  
and Elizabeth Albert  
Philip Bacon AM  
(Mrs) Carole Bailey  
Jim and Janette Bain  
Mim and Michael Bartlett  
Alasdair Beck  
Lewis and Sally Bell  
Alan and Christine Bishop  
Allan and Jane Blaikie  
Jan Bowen  
Alix Bradfield  
Dr and Mrs P Braidahl  
In memory of Lennox Brewer  
Louise Christie  
Mr David Clarke AO  
and Mrs Jane Clarke

Adrian Collette AM and Victoria Watson  
Prof Malcolm Coppleson AO  
and Mrs Patricia Coppleson  
Ann and Bruce Corlett  
Alan and Elisabeth Cornell  
Cruise Brokers Australia Pty Ltd  
Mr Charles P Curran AC and  
Mrs Eva Curran  
Win Danby  
Elizabeth Dangar  
Mrs Rowena Danziger AM and  
Mr K G Coles AM  
The Hon Mrs John Dawson-Damer  
Mrs R Dechert  
Matthew Delasey  
Ian Dickson  
Martin Dickson AM and Susie Dickson  
Francis Douglas  
Gordon Douglass  
Marie Dreux  
Jane and David Duncan  
James Fairfax AO  
Lady (Mary) Fairfax AC OBE  
Pip and Gordon Fell  
Jenny Ferguson  
The Hon W K and Mrs M Fisher  
Chris and Judy Fullerton  
Mrs Peter Geddes  
Donald and Rosita Gibson  
The Goodman Family  
Robert and Beatrice Gray  
Deirdre Hall and David Greatorex AO  
Peter Griffin  
John and Jo Grigg  
Mr and Mrs Ian Harper  
John and Yvonne Harvey  
Hershon Family  
Neroli Hobbins  
Dr Edward and Mrs Cynthia Jackson  
Major General Michael and  
Mrs Marlena Jeffery  
Reg and Marie Jewell  
Mrs Diana Jones AM DSJ and  
Mr David Jones AM OBE  
H Kallinikos Pty Ltd  
Mrs Jean E Kirk  
François Kunc SC and Felicity Rourke  
John Lamble Foundation  
Mr Kevin McCann  
Judy Mackinnon  
Mrs Barbara McNulty OBE  
Macquarie Group Foundation  
David Malouf AO  
Maple-Brown Family Charitable Trust  
Peter and Kate Mason  
Don and Angela Mercer  
Robert Morgan  
Dr and Mrs Ken Neale  
Mark and Louise Nelson  
Jim and Shirley Nield  
Michael and Helen Nugent  
Oakvale Wines Pty Ltd  
Conrad and Alice Oppen  
Pages Event Equipment  
peckvohartel architects

John and Moya Phillips  
Robin Potter OAM  
Greeba Pritchard  
Kenneth R Reed  
Andrew Thyne Reid Charitable Trust  
Thyne Reid Trust No 1  
Patricia H Reid  
In memory of Lilian Renard  
Michael Rennie  
Juliana Schaeffer  
In memory of Clare Scott-Mitchell  
Penelope Seidler AM  
Servcorp  
Suzanne and Peter Steigrad  
James and Jeanne-Claude Strong  
John and Jo Strutt  
Dr Hugh and Mrs Elfie Taylor  
Michael Traill and Jenny Gage Traill  
Kevin Troy  
Isaac and Susie Wakil  
A D White  
WHK Horwath  
Lyn Williams AM  
C R Wilshire  
Ray Wilson OAM and the late  
James Agapitos OAM  
Jill Wran  
Dr Anna Ziegler  
Anonymous (13)

### BEQUESTS

You can make a lasting contribution to the future of opera in Australia by making a bequest to the Opera Australia Capital Fund. Your bequest will provide financial security to enhance Opera Australia's artistic achievements and outreach programs. The Company is enormously grateful for the support it has received through bequests from the estates of:

Mrs Diana Chapman  
Dame Joyce Margaretta Daws DBE  
Mrs Leslie Feather  
Mr Jonathon Greening  
Mrs Nola J Hassall  
Mrs Elise Herrman  
Mr G H Johnson for the George  
Johnson and Nerissa Johnson  
Memorial Scholarship  
Mr Stefan Kruger  
Miss Patricia Lance  
Ivy Marshall  
Mr Will Noble  
Dimiter Kanev Stantchev  
Dr Donald Wilson  
Betty Wright

If you wish to discuss either a donation to the Capital Fund or your bequest hopes, please contact Neroli Hobbins, General Manager of the Opera Australia Capital Fund, on 02 9318 8386 or Sally Percival, Melbourne Patrons and Friends Manager, on 03 9685 3772.



# OPERA AUSTRALIA ACTIVITIES

## MAINSTAGE ACTIVITIES, ATTENDANCES AND BOX OFFICE, 2008

Season	Opera	Composer	Performances	Venues	Admissions		Box Office	
					2008	2007	2008 (\$)	2007 (\$)
<b>Mainstage</b>								
Sydney Summer Sydney Opera House 4 Jan - 29 March	<i>La bohème</i> <i>Cinderella</i> <i>Carmen</i> (NP) <i>A Masked Ball</i> <i>Arabella</i> (NP)	Puccini Rossini Bizet Verdi R. Strauss	19 9 20 9 5 62					
Melbourne Autumn the Arts Centre 9 April - 31 May	<i>Carmen</i> (NP) <i>A Masked Ball</i> <i>Arabella</i> (NP) <i>My Fair Lady</i> (NP)	Bizet Verdi Strauss Lerner and Loewe	10 7 4 19 40					
Sydney Winter Sydney Opera House 21 June - 24 October	<i>My Fair Lady</i> (NP) <i>Don Giovanni</i> (NP) <i>Otello</i> <i>Lucia di Lammermoor</i> <i>Orlando</i> (NP) <i>The Pearlfishers</i> <i>Billy Budd</i> <i>Makropulos Secret</i> <i>La bohème</i>	Lerner and Loewe Mozart Verdi Donizetti Handel Bizet Britten Janáček Puccini	14 18 8 10 8 12 7 6 7 90					
Melbourne Spring the Arts Centre 11 Nov - 13 Dec	<i>Madama Butterfly</i> <i>Otello</i> <i>Orlando</i> (NP)	Puccini Verdi Handel	10 7 5 22					
<b>Mainstage Subtotal</b>								
Musical Theatre Theatre Royal - Sydney	<i>My Fair Lady</i> (NP)	Lerner and Loewe	73	1	62,671		5,626,009	
<b>Concerts</b>								
SOH Concert Hall SOH Concert Hall	<i>The Pilgrim's Progress</i> <i>New Year's Eve Gala</i>	Vaughan Williams Various	1 1					
<b>Concerts Subtotal</b>								
<b>Total Mainstage, Musicals and Concerts</b>								
<b>Free Events</b>								
Mazda Opera in the Domain Opera on the Big Screen Goldman Sachs JBWere Concert ExxonMobil Concert	<i>La bohème</i> <i>Carmen</i> <i>Community Concert</i> <i>An Esso Night at the Opera</i>	Puccini Bizet Various Various	1 1 1 1	1 2 1 1	20,000 4,830 1,451 400			
<b>Free Events Subtotal</b>								
<b>Oz Opera Touring</b>								
Schools Tours Victoria	<i>Cinderella</i> (NP)	Based on Rossini – performing version by Elizabeth Hill and Christopher van Tuinan	189	185	33,053	30,606	191,896	174,874
New South Wales	<i>The Barber of Seville</i>	Based on Rossini – performing version by Christine Anketell and Brian Castles-Onion	240	146	45,383	51,026	252,308	273,213
Regional Tour VIC, NSW, SA, TAS	<i>Madame Butterfly</i> (NP)	Based on Puccini – performing version by John Bell. English translation by Peter Hutchinson	46	29	22,705	7,439	719,490	249,117
<b>Oz Opera Touring Subtotal</b>								
<b>Co-presentations</b>								
Canberra Theatre Queensland Performing Arts Centre SOH Concert Hall	<i>My Fair Lady</i> <i>My Fair Lady</i> <i>Christmas at the House</i>	Lerner and Loewe Lerner and Loewe Various	16 32 8	1 1 1	16,069 33,910 13,991			
<b>Co-presentations Subtotal</b>								
<b>Total Admissions - Mainstage, Musical Theatre, Concerts, Free Events, Oz Opera Touring, Co-presentations</b>								
<b>823      371      558,695      507,221</b>								

NP = New Production  
SOH = Sydney Opera House

## BROADCASTS, 2008

### Radio Broadcasts

Production	Composer	Broadcasts	Ratings / Admissions
<i>Arabella</i>	R. Strauss	1	
<i>The Pilgrim's Progress</i>	Vaughan Williams	1	
<i>Carmen</i>	Bizet	1	
<i>Lucia di Lammermoor</i>	Donizetti	1	
<b>Subtotal</b>		<b>4</b>	<b>190,000</b>

### Television Broadcasts

Production	Composer	Broadcasts	Ratings / Admissions
<i>Golden Jubilee</i>	Various	2	
<i>Fiftieth Anniversary Gala</i>	Various	1	
<i>La bohème</i>	Puccini	1	
<b>Subtotal</b>		<b>4</b>	<b>116,000</b>

### Cinemacasts

Production	Composer	Broadcasts	Ratings / Admissions
<i>Carmen</i>	Bizet	1	
<i>La bohème</i>	Puccini	1	
<b>Subtotal</b>		<b>2</b>	<b>4,282</b>
<b>Total Broadcasts</b>		<b>10</b>	<b>310,282</b>

## HIRES AND CO-PRODUCTIONS, 2008

### Australian Hires

Production	Composer	Hires and Co-productions	Performances
Opera Queensland State Opera of South Australia State Opera of South Australia State Opera of South Australia West Australian Opera	<i>Turandot</i> <i>Turandot</i> <i>The Marriage of Figaro</i> <i>Rigoletto</i> <i>The Magic Flute</i> (Järvefelt version)	Puccini Puccini Mozart Verdi Mozart	5 4 4 4 7
<b>National Hires Subtotal</b>		<b>5</b>	<b>24</b>

### Australian Co-productions - Opera Conference

Production	Composer	Hires and Co-productions	Performances
Opera Queensland West Australian Opera West Australian Opera	<i>The Barber of Seville</i> <i>The Barber of Seville</i> <i>Aida</i>	Rossini Rossini Verdi	6 7 6
<b>Opera Conference Subtotal</b>		<b>3</b>	<b>19</b>

### International Hires

Production	Composer	Hires and Co-productions	Performances
Tulsa Opera Houston Grand Opera L'Opéra de Montréal Houston Grand Opera	<i>Lakmé</i> (costumes only) <i>Billy Budd</i> <i>Madama Butterfly</i> <i>Beatrice and Benedict</i>	Delibes Britten Puccini Berlioz	3 5 6 5
<b>International Hires Subtotal</b>		<b>4</b>	<b>19</b>

### International Co-productions staged elsewhere

Production	Composer	Hires and Co-productions	Performances
Opera North(UK) English National Opera	<i>The Capulets and the Montagues</i> <i>Partenope</i>	Bellini Handel	6 8
<b>International Co-productions Subtotal</b>		<b>2</b>	<b>14</b>

### Total Hires and Co-productions

<b>14</b>	<b>76</b>
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## OUR PEOPLE

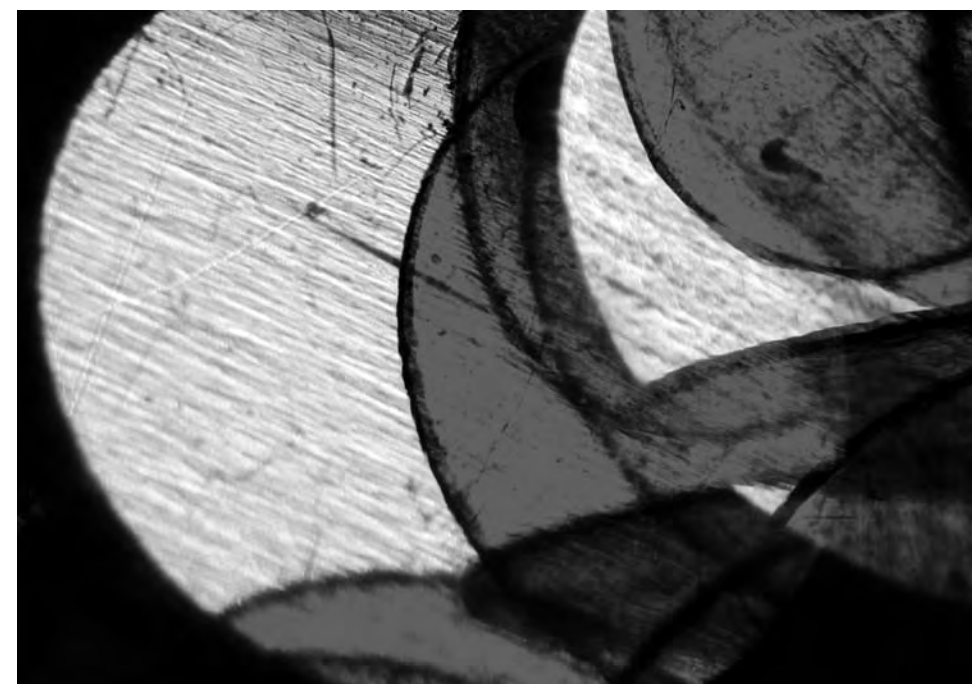
EMPLOYEE NUMBERS, DECEMBER, 2008

Opera Australia employs a total of about 1,300 people each year – around 388 permanent and seasonal staff and up to 1,000 more on a casual basis. This staff includes singers, instrumentalists, répétiteurs, language coaches, directors, conductors, designers, electricians, mechanists, props technicians, dressers, make-up technicians and other production staff, stage managers, stores-persons, carpenters, welders, architects, tailors, sewers, wig-makers, painters, writers, ticket sellers and administrators.

In addition to its own staff, Opera Australia's activities depend on the work of significant numbers of staff at its performance venues. In particular, the Company's arrangements with the Sydney Opera House and the Arts Centre involve its venue partners in dedicating specific staff to support Opera Australia's activities for each season. These include technical and backstage staff, ticket sellers, ushers, catering and facilities management staff. Smaller venues, such as those used for Oz Opera regional touring performances, also supply staff to support the Company's activities.

### Full Time Equivalents

	Ongoing	Seasonal	Casual	Total
Principal singers	34	18	0	52
Choristers	46	13	9	68
Orchestral players	64	9	19	92
Other performers	0	5	10	15
Music and artistic administration staff	31	1	2	34
Oz Opera and tours administration staff	2	1	0	3
<b>Artistic</b>	<b>177</b>	<b>47</b>	<b>40</b>	<b>264</b>
Stage management staff	8	8	0	16
Stage staff	19	5	5	29
Set and props workshop staff	17	1	1	19
Wardrobe and wigs staff	28	12	4	44
Stores staff	8	0	3	11
Technical administration staff	4	1	0	5
<b>Technical</b>	<b>84</b>	<b>27</b>	<b>13</b>	<b>124</b>
Marketing and sales staff	15	0	5	20
Administration and management staff	38	0	2	40
<b>Administration</b>	<b>53</b>	<b>0</b>	<b>7</b>	<b>60</b>
<b>TOTAL</b>	<b>314</b>	<b>74</b>	<b>60</b>	<b>448</b>



## Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2008

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Fred Street AM with students from  
Chifley College Bidwill Campus  
OperaEd





## OPERA AUSTRALIA DIRECTORS' REPORT

The Board of Directors of Opera Australia has pleasure in submitting its report in respect of the financial year ended 31 December 2008.

### DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are:

Names	Qualifications, experience and special responsibilities
Anson Austin OAM	Mr Austin joined the Board in August 2005 as the staff-nominated Director. He was a resident principal artist with Opera Australia until his retirement in 2004. Mr Austin has been awarded an Order of Australia Medal.
Philip Bacon AM	Mr Bacon is Director, Philip Bacon Galleries, Member, National Gallery of Australia Foundation, Trustee, Gordon Darling Foundation and Board Member, Brisbane Institute, and the Major Brisbane Festival. From 1996 to 2003 he was a Council Member, National Gallery of Australia; he joined the Board of Opera Australia in 1994.
Gordon Cairns	Mr Cairns, MA (Hons), is a Director of Westpac Banking Corporation, Origin Energy Limited and World Education Australia and is a senior advisor to Caliburn, CVC Asia Pacific, and McKinsey. He was formerly Chief Executive Officer, Lion Nathan Limited. He joined the Board of Opera Australia in April 2001, became a member of the Audit Committee in May 2002 and its Chairman in July 2004. He resigned from the Board in December 2008.
Rowena Danziger AM	Mrs Danziger, BA, Cert Education, is Director, Consolidated Media Holdings Limited, Crown Limited and Crown Melbourne, Chairman, Foundation of the Art Gallery of NSW and Director, Sydney Writers Festival; she was previously Headmistress of Ascham School. She joined the Board of Opera Australia in 1989 and is a member of the Audit Committee. She served as Deputy Chairman of Opera Australia from May 2000 to February 2001, and as Chairman from February 2001 to March 2003.
Gordon Fell	Dr Fell, BSc (Hons), LLB (Hons), D.Phil., is Executive Chairman of Rubicon Asset Management Limited and a Trustee of Sydney Grammar School. He was previously Director, Allco Finance Group Limited and The Smith Family. He joined the Board of Opera Australia in May 2000 and became a member of the Audit Committee in April 2001. He served as Chairman of the Audit Committee from May 2002 to May 2003 and was elected Chairman of the Company in March 2003. He resigned as Chairman and Director in November 2008.
Julia King	Ms King is a non-executive Director, John Fairfax Limited and Servcorp Limited; she was previously Chief Executive LVMH and Managing Director, Lintas Advertising. She joined the Board of Opera Australia in August 2001.
David Malouf AO	Mr Malouf is an author, critic and librettist. He was previously Lecturer in English, Sydney University. He joined the Board of Opera Australia in September 2001.
Tim McFarlane	Mr McFarlane, BEc, is Managing Director, The Really Useful Company Asia Pacific, Life Member, Live Performance Australia, and Councillor, Sydney Theatre Company Foundation. From 1997 to 2005 he was a Trustee of the Sydney Opera House and from 1986 to 1994 he was General Manager, Adelaide Festival Centre Trust. He joined the Board of Opera Australia in August 2006 and joined the Audit Committee in September 2006.

Names	Qualifications, experience and special responsibilities
Harold Mitchell AO	Mr Mitchell is Chairman, Mitchell Communication Group, Vice-Chairman, Corporate Council CARE Australia, Chairman, ThoroughVision, Chairman, Melbourne Symphony Orchestra, and Board Member, Tennis Australia. He joined the Board of Opera Australia in May 1997.
Robert Morgan	Mr Morgan is Executive Chairman, Clemenger Communications Limited. He is a Director of BBDO Worldwide and the Sydney Swans. He joined the Board of Opera Australia in June 1999.
Richard Owens OAM	Mr Owens is Chairman, ROI Pty Limited, Chairman, Oakvale Wines Pty Limited, Board Member, Hunter Valley Research Foundation, Board Member, Family Business Australia and Vice-President, Royal Institute for Deaf and Blind Children. He joined the Board of Opera Australia in 1994 and is a member of the Audit Committee.
Ziggy Switkowski (Chairman)	Dr Switkowski, BSc (Hons), PhD is a Director, Suncorp-Metway Limited, Director, Healthscope Limited, Director, Tabcorp Holdings Limited and Chair, Australian Nuclear Science and Technology Organization. Dr Switkowski joined the Board in November 2005 and became a member of the Audit Committee in September 2007. Prior to this, Dr Switkowski was Managing Director and Chief Executive Officer of Telstra from 1999 to 2005 and has held similar positions at Optus Communications and Kodak (Australasia). He was elected Chairman in November 2008.

Unless indicated otherwise, all Directors held their positions as Directors throughout the entire financial year and up to the date of this report.

### COMPANY SECRETARY

Narelle Beattie	Ms Beattie, BCom, BA, CA was appointed Company Secretary from 1 March 2006. She holds the position of Finance Director of Opera Australia and is a member of the Institute of Chartered Accountants of Australia. Previously she was Finance and Administration Director of the National Heart Foundation of Australia (NSW Division).
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### DIRECTORS' INTERESTS

The Group is limited by guarantee and accordingly, does not issue shares.

### DIRECTORS' MEETINGS

The numbers of meetings of the Board of Directors and of Board Committees during the year were:

Board/Committee	Number of Meetings
Full Board	8
Audit Committee	7
Remuneration Sub-Committee	1

## DIRECTORS' REPORT

(CONTINUED)

The attendance of Directors at meetings of the Board and of its Committees were:-

	Board of Directors	Committees of the Board of Directors	
		Audit	Remuneration
Mr A Austin OAM	8[8]		
Mr P Bacon AM	8[8]		
Mr G Cairns	4[8]	3[7]	1[1]
Mrs R Danziger AM	6[8]	6[7]	1[1]
Dr G Fell	6[8]	7[7]	
Ms J King	8[8]		
Mr D Malouf AO	7[8]		
Mr T McFarlane	4[8]	3[7]	
Mr H Mitchell AO	6[8]		
Mr R Morgan	6[8]		
Mr R Owens OAM	7[8]	6[7]	
Dr Z Switkowski	8[8]	7[7]	1[1]

The number of meetings for which the Director was eligible to attend is shown in brackets.

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the production and staging of opera as the National Company for Australia.

### OPERATING AND FINANCIAL REVIEW

The results of the operating entities within the Opera Australia Group are set out in the table below:

	2008 \$	2007 \$
Opera Australia	1,588,411	1,087,923
Australian Opera and Ballet Orchestra	(750,626)	(217,789)
Operating surplus	837,785	870,134

The operating entities consisting of Opera Australia and the Australian Opera and Ballet Orchestra recorded a net surplus for the year of \$837,785. This was a good result and reflects a strong box office for the mainstage opera seasons in Sydney and Melbourne, ongoing cost control, and a successful tour of *My Fair Lady*. A detailed review of the operations of the operating entities is contained in the report of the Chairman in the annual report.

A Deed of Cross Guarantee currently exists between Opera Australia and the Australian Opera and Ballet Orchestra. This Deed commits each entity to guarantee the debts of the other entity. Given the net liability position of the Orchestra, this Deed provides the basis on which it continues to trade. Opera Australia has continued to achieve surplus results to cover the deficits incurred in the Orchestra.

The net consolidated deficit for the financial year is \$3,267,966 (2007 net surplus: \$3,740,194); the details of the consolidated result, including the Opera Australia Capital Fund Group, are set out in the following table:

	2008	2007
Operating surplus	837,785	870,134
Opera Australia Capital Fund Group	(4,105,751)	2,870,060
Net consolidated surplus/(deficit)	(3,267,966)	3,740,194

This result includes an impairment charge in the Opera Australia Capital Fund Group of \$5,050,174 that reflects a decline in market value of investments of 36.6% during the year. The decline in market value reflects a year in which all major share market indices declined substantially.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group.

### SIGNIFICANT EVENTS AFTER YEAR END

There have been no matters or circumstances since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

### LIKELY DEVELOPMENT AND FUTURE RESULTS

The Sydney Opera House is Opera Australia's performance home in Sydney. The planned refurbishment of the Opera Theatre at the Sydney Opera House will have a significant impact on the revenue generating ability of Opera Australia during the period of closure. Discussions continue with the Sydney Opera House and government funding agencies on the potential impact and mitigating strategies for the Company throughout the proposed closure period, now likely to begin in 2012 at the earliest.

### DIVIDENDS

The parent entity's Memorandum of Association prohibits the distribution of income and property by way of dividend or bonus and no dividend or bonus has been paid or declared since the end of the previous financial year.

### DIRECTORS' REMUNERATION

The parent entity's Memorandum of Association prohibits the payment of remuneration to Directors and no Director has received or become entitled to receive any remuneration during the financial year.

Contracts are entered into in the normal course of business by the Group with companies of which some Directors are common to both. Apart from details disclosed in Note 26 (c), since the end of the previous year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Group with the Director, with a firm of which he or she is a member, or with a company in which he or she has a substantial interest.

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

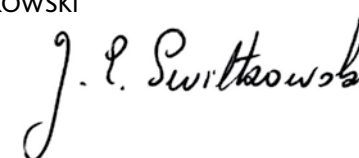
Insurance and indemnity arrangements established in previous years concerning officers of the Group were renewed and continued during 2008. Opera Australia paid the premium on a contract insuring each of the Directors of the Group, named earlier in this report, and each of the full-time executive officers of the Group, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on Page 88 and forms part of the Directors' Report for the financial year 2008.

Z. SWITKOWSKI  
Director

Sydney  
6 March 2009



T. McEARLANE  
Director





OPERA AUSTRALIA  
BALANCE SHEET  
AS AT 31 DECEMBER 2008

	Note	Consolidated		Parent	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>Current Assets</b>					
Cash and cash equivalents	8	1,375,758	1,360,753	1,112,525	872,318
Trade and other receivables	9	3,675,422	2,564,094	7,401,296	5,808,368
Available-for-sale financial assets	10	7,495,983	11,821,933	-	-
Prepayments	11	2,057,720	2,366,715	1,963,691	2,282,139
<b>Total Current Assets</b>		<b>14,604,883</b>	<b>18,113,495</b>	<b>10,477,512</b>	<b>8,962,825</b>
<b>Non Current Assets</b>					
Other financial assets	12	2	2	4	4
Property, plant and equipment	13	26,083,508	26,147,712	26,083,508	26,145,408
<b>Total Non-Current Assets</b>		<b>26,083,510</b>	<b>26,147,714</b>	<b>26,083,512</b>	<b>26,145,412</b>
<b>Total Assets</b>		<b>40,688,393</b>	<b>44,261,209</b>	<b>36,561,024</b>	<b>35,108,237</b>
<b>Current Liabilities</b>					
Trade and other payables	14	6,629,099	6,994,148	5,994,265	6,598,676
Interest bearing loans and borrowings	15	2,068,060	1,018,060	2,068,060	1,018,060
Provisions	16	2,774,685	2,599,749	1,812,848	1,704,810
Other	17	14,718,973	15,349,440	14,718,973	15,349,440
<b>Total Current Liabilities</b>		<b>26,190,817</b>	<b>25,961,397</b>	<b>24,594,146</b>	<b>24,670,986</b>
<b>Non-Current Liabilities</b>					
Interest bearing loans and borrowings	15	50,740	68,800	50,740	68,800
Provisions	16	723,339	697,726	599,280	564,246
Government grants	18	100,000	100,000	100,000	100,000
Other	19	-	75,758	-	75,758
<b>Total Non-Current Liabilities</b>		<b>874,079</b>	<b>942,284</b>	<b>750,020</b>	<b>808,804</b>
<b>Total Liabilities</b>		<b>27,064,896</b>	<b>26,903,681</b>	<b>25,344,166</b>	<b>25,479,790</b>
<b>Net Assets</b>		<b>13,623,497</b>	<b>17,357,528</b>	<b>11,216,858</b>	<b>9,628,447</b>
<b>Equity</b>					
Other reserves	20	1,000,000	1,466,065	1,000,000	1,000,000
Retained earnings	21	12,623,497	15,891,463	10,216,858	8,628,447
<b>Total Equity</b>		<b>13,623,497</b>	<b>17,357,528</b>	<b>11,216,858</b>	<b>9,628,447</b>

The accompanying notes form an integral part of this Balance Sheet

OPERA AUSTRALIA  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Consolidated		Parent	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>INCOME</b>					
Sales revenue	4	47,147,548	37,144,376	46,688,747	36,517,612
Other revenue	4	30,042,622	30,910,968	22,537,598	21,613,927
		<b>77,190,170</b>	<b>68,055,344</b>	<b>69,226,345</b>	<b>58,131,539</b>
<b>EXPENDITURE</b>					
Staff and employment expenses		47,840,486	42,961,838	40,363,912	35,943,246
Travel and transport expenses		5,793,793	4,666,471	5,710,536	4,607,269
Venue occupancy expenses		4,779,822	4,236,500	4,747,927	4,218,233
Marketing and promotion expenses (a)		6,877,644	5,231,327	6,858,145	5,187,696
Depreciation and amortisation expense	7	3,878,006	2,417,232	3,878,006	2,414,925
Finance costs	7	186,663	286,329	139,983	232,626
Impairment charge on available-for-sale financial assets	10	5,050,174	-	-	-
Other expenses		6,051,548	4,515,453	5,939,425	4,439,621
		<b>80,458,136</b>	<b>64,315,150</b>	<b>67,637,934</b>	<b>57,043,616</b>
<b>Net surplus for the year</b>		<b>(3,267,966)</b>	<b>3,740,194</b>	<b>1,588,411</b>	<b>1,087,923</b>

(a) Refer to Note 2 – Deferred Production Costs

The accompanying notes form an integral part of this Income Statement

OPERA AUSTRALIA  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Consolidated		Parent	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>Cash flows from operating activities</b>					
Receipts from operations		80,215,842	68,584,817	73,881,868	61,190,930
Payments to suppliers		(77,698,760)	(64,975,225)	(71,144,799)	(57,547,514)
Interest paid		(36,882)	(81,307)	(36,882)	(81,307)
Interest received		368,849	200,711	374,064	224,279
<b>Net cash flows from operating activities</b>	8	<u>2,849,049</u>	<u>3,728,996</u>	<u>3,074,251</u>	<u>3,786,388</u>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(3,865,984)	(2,170,439)	(3,865,984)	(2,170,439)
Payments for investments		-	(11,300,000)	-	-
Proceeds from disposal of property, plant and equipment		-	30,564	-	30,564
Proceeds from disposal of investments		-	11,495,096	-	-
<b>Net cash flows applied to investing activities</b>		<u>(3,865,984)</u>	<u>(1,944,779)</u>	<u>(3,865,984)</u>	<u>(2,139,875)</u>
<b>Cash flows from financing activities</b>					
Proceeds/(repayment) of borrowings		1,031,940	(1,918,060)	1,031,940	(1,918,060)
<b>Net cash flows from/applied to financing activities</b>		<u>1,031,940</u>	<u>(1,918,060)</u>	<u>1,031,940</u>	<u>(1,918,060)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		15,005	(133,843)	240,207	(271,547)
Cash and cash equivalents at beginning of financial year		1,360,753	1,494,596	872,318	1,143,865
Cash and cash equivalents at end of financial year	8	<u>1,375,758</u>	<u>1,360,753</u>	<u>1,112,525</u>	<u>872,318</u>

The accompanying notes form an integral part of this Cash Flow Statement

OPERA AUSTRALIA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Retained Earnings \$	Other Reserves \$	Total \$
<b>Consolidated</b>				
At 1 January 2007	20, 21	13,151,269	2,150,325	15,301,594
Net gains on available-for-sale financial assets		-	87,636	87,636
Realised gains on disposal of available-for-sale financial assets		-	(1,771,896)	(1,771,896)
Transfer to New Works and Touring Reserve		(1,000,000)	1,000,000	-
Net surplus for the year per 2007 annual report		3,685,544	-	3,685,544
AASB 138 Adjustment to marketing costs re: 2007 subscription season		981,969	-	981,969
AASB 138 Adjustment to marketing costs re: 2008 subscription season		(927,319)	-	(927,319)
At 31 December 2007		<u>15,891,463</u>	<u>1,466,065</u>	<u>17,357,528</u>
Net gains/(losses) on available-for-sale financial assets		-	(466,065)	(466,065)
Net deficit for the year		(3,267,966)	-	(3,267,966)
At 31 December 2008		<u>12,623,497</u>	<u>1,000,000</u>	<u>13,623,497</u>
<b>Parent</b>				
At 1 January 2007	20, 21	8,540,524	-	8,540,524
Transfer to New Works and Touring Reserve		(1,000,000)	1,000,000	-
Net surplus for the year per 2007 annual report		1,033,273	-	1,033,273
AASB 138 Adjustment to marketing costs re: 2007 subscription season		981,969	-	981,969
AASB 138 Adjustment to marketing costs re: 2008 subscription season		(927,319)	-	(927,319)
At 31 December 2007		<u>8,628,447</u>	<u>1,000,000</u>	<u>9,628,447</u>
Net surplus for the year		1,588,411	-	1,588,411
At 31 December 2008		<u>10,216,858</u>	<u>1,000,000</u>	<u>11,216,858</u>

The accompanying notes form an integral part of this Statement of Changes in Equity



# OPERA AUSTRALIA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. CORPORATE INFORMATION

The financial report of Opera Australia for the year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 6 March 2009.

Opera Australia (the parent) is a not-for-profit organisation with its registered offices being located at 480 Elizabeth Street, Surry Hills NSW 2010.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations. The financial report has also been prepared on a historical cost basis and does not take account of changes in either the general purchasing power of the dollar or in the price of specific assets, except for land and buildings stated at deemed cost (Note 13) and current listed managed fund units measured at fair value (Note 10).

The financial report is presented in Australian dollars.

#### STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards, (AIFRS). Some AIFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The following Australian Accounting Standards include not-for-profit specific requirements which have been applied in preparing this financial report:

AASB 116: Property, Plant and Equipment

AASB 136: Impairment of Assets

AASB 1004: Contributions

Except for AASB 138 (refer to Note 2, Deferred Production Costs), Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 31 December 2008.

The Group's principal financial instruments comprise cash and short-term deposits, receivables and payables. The disclosures are included under the relevant notes to the financial statements.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The disclosures are included under the relevant notes of the financial statements.

#### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent entity, Opera Australia, and its controlled entities as at 31 December each year. The term "Group" used throughout these financial statements means the parent entity and its controlled entities. Note 26(a) provides details of the entities comprising the Group.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

#### GOING CONCERN

The ability of Opera Australia to maintain its operations is dependent inter alia on the continuing support of various Governments by way of grants.

The Group is also dependent on the ability of its controlled entity, Australian Opera and Ballet Orchestra Limited, to maintain its operations. The Australian Opera and Ballet Orchestra Limited is similarly dependent on the continuing support of various Governments by way of grants. The financial statements have been prepared under the going concern principle.

#### REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Box Office*

Revenue from ticket sales is recognised in the Income Statement on presentation of the performance. Revenue from ticket sales in respect of productions not yet performed is included in the Balance Sheet as advance bookings under the heading "Other Liabilities".

##### *Commercial Activities*

Commercial Activities include production hires, video and program sales as well as activities involving provision of orchestral and artists' services. Revenue from these activities is recognised on completion of the activity. Program sales revenue is recognised in line with contractual arrangements.

##### *Contributions*

###### *Sponsorship*

Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are bestowed.

###### *Donations and Pledges*

Donations and Pledges committed to a specific financial year are brought to account in the year specified. All other donations and pledges are brought to account as received.

##### *Grants*

###### *Opera Australia*

The annual grants from the Australian Government through the Major Performing Arts Board of the Australia Council, the New South Wales Government through Arts NSW and the Victorian Government through Arts Victoria are received on a calendar basis. These grants are brought to account on a monthly pro-rata basis over the period of the grant.

###### *Australian Opera and Ballet Orchestra Limited*

The annual grants from the Australian Government through the Major Performing Arts Board of the Australia Council and from the New South Wales Government through Arts NSW are received on a calendar year basis. These grants are brought to account on a monthly pro-rata basis over the period of the grant.

##### *Interest*

Revenue is recognised as the interest accrues.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities on the Balance Sheet.

# OPERA AUSTRALIA

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) PRODUCTION MANUFACTURE – COSTS OF MANUFACTURING COSTUMES, SCENERY SETS AND PROPERTIES

#### Capitalisation

The capitalised value of costumes, scenery sets and properties includes direct labour, direct materials and on-costs associated with direct labour. On-costs include superannuation, workers compensation, annual leave and long service leave accruals.

#### Amortisation

The parent entity has amortised the net cost of manufacturing costumes, scenery sets and properties for new productions over the expected minimum number of performances for that production. The basis for amortisation is the manufacturing cost, including on-costs associated with direct labour.

All costumes, scenery sets and properties are carefully stored and are maintained in a condition suitable for re-use.

#### DEFERRED PRODUCTION COSTS

Costs of production and other associated expenditure (except for advertising and promotional activities) in respect of productions not yet performed for the first time are included in the Balance Sheet as prepaid expenditure and deferred production costs under the heading "Prepayments".

Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the service.

The Group has early adopted the amendment to AASB 138 Intangible Assets (applicable for annual periods beginning on or after 1 January 2009) which requires expenditure on advertising and promotional activities to be recognised as an expense when the Group either has the right to access the goods or has received the services. This transition is required to be applied retrospectively.

Marketing costs of \$927,319 relating to the 2008 subscriptions season previously recorded as prepayments in 2007 have now been recorded as expenditure in the 2007 Income Statement. Likewise, marketing costs of \$981,969 relating to the 2007 subscriptions season previously recorded as prepayments in 2006 have now been recorded as expenditure in 2006, whereby Retained Earnings as at 1 January 2007 has been adjusted.

#### PROPERTY, PLANT AND EQUIPMENT

Land and buildings are carried at deemed cost.

Property, plant and equipment, excluding freehold land and buildings, are valued at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	50 years
Buildings additions	5-20 years
Leasehold improvements	3-10 years
Owned plant & equipment	3-10 years

#### IMPAIRMENT AND RECOVERABLE AMOUNT OF NON-CURRENT ASSETS

##### Impairment

The carrying values of plant and equipment (including costumes, scenery sets and properties) are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

##### Recoverable Amount

The recoverable amount of an asset is the greater of net selling price and value in use. Value in use is taken to be the depreciated replacement cost of the asset concerned.

#### TRADE AND OTHER RECEIVABLES

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

#### AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets comprise units in managed funds. Purchases and sales of investments are recognised on trade date – the date on which the entity commits to purchase or sell the asset. Investments are initially recognised at fair values plus transaction costs.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in the Net Unrealised Gains Reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Income Statement as gains and losses from investment securities.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

#### OTHER FINANCIAL ASSETS

Other investments, including equity interests in non-subsidiary, non-associated corporations, are included in investments at the lower of cost or recoverable amount.

#### TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.



# OPERA AUSTRALIA

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### INTEREST BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### BORROWING COSTS

Borrowing costs are recognised as an expense when incurred.

#### PROVISIONS AND EMPLOYEE LEAVE BENEFITS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

##### *Employee Leave Benefits*

##### *(i) Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liability is settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

##### *(ii) Long service leave*

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

#### LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

##### *(i) Group as lessee*

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

##### *(ii) Group as a lessor*

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

#### TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Both the functional and presentation currency of the Group is Australian dollars (A\$). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences in the consolidated financial report are taken to the income statement.

#### INCOME TAX

The Group is income tax exempt.

#### ACCOUNTING FOR GOODS & SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### COMPARATIVE INFORMATION

Where necessary, comparatives have been reclassified or repositioned for consistency with current year disclosures.

### NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The following critical accounting policies have been identified for which significant judgements, estimates and assumptions are made.

##### *Impairment of available-for-sale financial assets*

The Group holds a number of available-for-sale financial assets and follows the requirements of AASB 139 *Financial Instruments: Recognition and Measurement* in determining when an available-for-sale asset is impaired.

In making this judgement, the Group assessed the duration and extent to which the fair value is less than cost.

##### *Impairment of Non-financial Assets*

Management reviews non-financial assets periodically to determine whether there is evidence that the present value of future cash flows is lower than the net book value recorded on the Balance Sheet. In such cases, an impairment charge is calculated and recorded as an expense in current year earnings.

##### *Estimated useful lives*

Upon capitalisation of non-financial assets, management estimates the useful life over which to depreciate the asset. Useful lives are in line with statutory guidelines and are based on management experience and judgement.

OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 4. REVENUE FROM CONTINUING OPERATIONS</b>				
Surplus from continuing operations is after crediting the following revenues:				
<i>Sales revenue</i>				
Box office	44,481,273	33,658,315	44,481,273	33,658,315
Commercial activities	2,666,275	3,486,061	2,207,474	2,859,297
Total sales revenue	<u>47,147,548</u>	<u>37,144,376</u>	<u>46,688,747</u>	<u>36,517,612</u>
<i>Other revenue</i>				
Grants (see Note 5)	23,291,069	22,009,257	16,428,205	15,308,237
Contributions	4,829,662	5,500,689	5,009,890	5,411,986
Other revenue	238,570	176,640	635,530	561,351
Gain on disposal of property, plant and equipment	-	17,069	-	17,069
Interest & investment income from unrelated persons	1,683,321	3,207,313	374,064	224,279
Interest from wholly owned group	-	-	89,909	91,005
Total other revenue	<u>30,042,622</u>	<u>30,910,968</u>	<u>22,537,598</u>	<u>21,613,927</u>
Total revenues	<u>77,190,170</u>	<u>68,055,344</u>	<u>69,226,345</u>	<u>58,131,539</u>
<b>NOTE 5: GOVERNMENT GRANTS</b>				
Australia Council Major Performing Arts Board				
Base Funding	17,472,482	16,920,493	11,699,214	11,286,722
Artform Development	-	5,000	-	5,000
Access Initiative Grant	50,000	-	50,000	-
Total Major Performing Arts Board	<u>17,522,482</u>	<u>16,925,493</u>	<u>11,749,214</u>	<u>11,291,722</u>
Other Federal – Playing Australia	423,259	398,397	423,259	398,397
New South Wales				
Base Funding	3,011,810	2,928,503	1,922,214	1,861,254
Primary Schools Touring	60,000	60,000	60,000	60,000
ConnectEd Arts (a)	36,985	51,847	36,985	51,847
Performing Arts Touring Program	55,000	-	55,000	-
Total New South Wales	<u>3,163,795</u>	<u>3,040,350</u>	<u>2,074,199</u>	<u>1,973,101</u>
Victoria				
Base Funding	956,164	904,470	956,164	904,470
Major Touring Initiative	55,000	-	55,000	-
Total Victoria	<u>1,011,164</u>	<u>904,470</u>	<u>1,011,164</u>	<u>904,470</u>
Opera Conference Project Funding	1,170,369	740,547	1,170,369	740,547
Total Grant revenues	<u>23,291,069</u>	<u>22,009,257</u>	<u>16,428,205</u>	<u>15,308,237</u>

(a) NSW government funding from Arts NSW includes support of \$33,409 from the ConnectEd Arts Program for the Oz Opera NSW Schools Touring production of *Cinderella* and \$4,010 towards a 2007/2008 OperaEd project. The balance of \$434 represents unspent funds refunded to Arts NSW.

**NOTE 6: RESERVES INCENTIVE SCHEME FUNDS**

Under the Reserves Incentive Scheme, the Opera Australia Capital Fund, a controlled entity of Opera Australia, raised \$1,557,000 in 2001. This income enabled Opera Australia to qualify for its full entitlement under the Reserves Incentive Scheme of \$3,100,000 in 2002.

The Reserve Incentive Scheme Funds of \$4,657,000 are held in escrow in the Opera Australia Capital Fund Limited. They have not been used to secure any liabilities of any entity within the Group. The monies are subject to the terms and conditions of the Reserves Incentive Scheme Deeds between the Major Performing Arts Board, Arts NSW, Opera Australia and the Opera Australia Capital Fund Limited and between the Major Performing Arts Board, Arts Victoria, Opera Australia and the Opera Australia Capital Fund Limited. The Reserves Incentive Scheme Funds consist of contributions from the following:

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
Opera Australia Capital Fund Limited	1,557,000	1,557,000	-	-
Federal	1,550,000	1,550,000	-	-
NSW	1,085,000	1,085,000	-	-
Victoria	465,000	465,000	-	-
Total Reserves Incentive Scheme Funds Available	<u>4,657,000</u>	<u>4,657,000</u>	<u>-</u>	<u>-</u>

**NOTE 7. EXPENDITURE FROM CONTINUING OPERATIONS**

Net surplus from continuing operations is after charging the following expenses:

*Depreciation, amortisation and impairments:*

Depreciation of:				
- Buildings	166,268	185,021	166,268	185,021
- Leasehold improvements	1,569	2,132	1,569	2,132
- Plant and equipment	380,808	342,740	380,808	340,433
Amortisation of costumes, scenery sets and properties	2,253,920	1,125,287	2,253,920	1,125,287
Impairment of costumes, scenery sets and properties	1,075,441	762,052	1,075,441	762,052
	<u>3,878,006</u>	<u>2,417,232</u>	<u>3,878,006</u>	<u>2,414,925</u>

*Finance costs:*

Interest paid or payable to:				
Other unrelated parties	30,080	73,269	30,080	73,269
Finance charges payable under finance lease	6,802	8,038	6,802	8,038
Long service leave provision discount adjustment	149,781	205,022	103,101	151,319
	<u>186,663</u>	<u>286,329</u>	<u>139,983</u>	<u>232,626</u>

*Other expense items:*

Operating lease rentals consisting of:				
Minimum lease payments	281,097	230,441	281,097	230,441
Loss on disposal of Property, Plant & Equipment	<u>52,093</u>	<u>-</u>	<u>49,789</u>	<u>-</u>



OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 8. CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	1,375,758	1,360,753	1,112,525	872,318
<b>Total cash and cash equivalents</b>	<u>1,375,758</u>	<u>1,360,753</u>	<u>1,112,525</u>	<u>872,318</u>
Reconciliation from the net surplus to net cash flows from operations:				
Net surplus/(deficit) (a)	(3,267,966)	3,740,194	1,588,411	1,087,923
Adjustments for:				
Depreciation, amortisation and impairment	3,878,006	2,417,232	3,878,006	2,414,925
Net (profit)/loss on disposal of property, plant and equipment	52,093	(17,069)	49,789	(17,069)
Realised (gain)/loss on investments	-	(1,771,896)	-	-
Movement to Other Reserves	(466,065)	-	-	-
Movements to provisions:				
Long service leave	200,549	285,231	143,071	223,791
Archives	-	(2,918)	-	(2,918)
Changes in assets and liabilities:				
(Increase)/decrease in assets:				
Accounts receivable, net	(1,111,329)	(55,291)	(1,592,928)	(492,545)
Prepayments and other assets (a)	308,996	(75,671)	318,448	(62,452)
Financial assets	4,325,950	(1,234,790)	-	-
(Decrease)/increase in liabilities:				
Accounts payable	(365,050)	(495,687)	(604,411)	(304,928)
Other liabilities	(706,135)	939,661	(706,135)	939,661
<b>Net cash flows from operating activities</b>	<u>2,849,049</u>	<u>3,728,996</u>	<u>3,074,251</u>	<u>3,786,388</u>

(a) Refer to Note 2 – Deferred production costs

**NOTE 9. TRADE AND OTHER RECEIVABLES (CURRENT)**

Trade receivables	4,137,789	3,026,461	3,601,937	2,515,930
Provision for doubtful debts	(462,367)	(462,367)	(13,467)	(13,467)
	<u>3,675,422</u>	<u>2,564,094</u>	<u>3,588,470</u>	<u>2,502,463</u>
Related party receivables:				
Non-trade amounts owing by controlled entities	-	-	3,812,826	3,305,905
<b>Total trade and other receivables (Current)</b>	<u>3,675,422</u>	<u>2,564,094</u>	<u>7,401,296</u>	<u>5,808,368</u>

**NOTE 9. TRADE AND OTHER RECEIVABLES (continued)**

The debtors over 30 days are past due but not impaired, as there is no objective evidence at reporting date that the Group will not be able to collect all amounts due.

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
Trade and other receivables aging				
Current	2,709,222	2,239,043	3,286,376	2,428,858
31 to 60 days	259,620	-	1,089,708	1,011,594
61 to 90 days	445,376	50,929	1,014,160	603,273
91 to 120 days	141,423	38,438	700,899	1,435,101
121 + days	119,781	235,684	1,310,153	329,542
<b>Total trade and other receivables (Current)</b>	<u>3,675,422</u>	<u>2,564,094</u>	<u>7,401,296</u>	<u>5,808,368</u>

As of 31 December 2008, trade and other receivables of \$966,200 were past due but not impaired. The other classes within trade and other receivables do not contain impaired assets and are not past due.

**NOTE 10. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CURRENT)**

Listed managed funds (a)	7,495,983	11,821,933	-	-
	<u>7,495,983</u>	<u>11,821,933</u>	<u>-</u>	<u>-</u>

The Group recorded an impairment of \$5,050,174 on its available-for-sale financial assets in the 2008 Income Statement.

(a) Units held in managed funds are readily saleable with no fixed term.

**NOTE 11. PREPAYMENTS (CURRENT)**

Deferred production costs (a)	1,089,971	1,958,048	1,031,063	1,936,397
Prepaid expenditure	931,390	382,618	896,269	319,693
Materials to be utilised in future productions	36,359	26,049	36,359	26,049
<b>Total prepayments (Current)</b>	<u>2,057,720</u>	<u>2,366,715</u>	<u>1,963,691</u>	<u>2,282,139</u>

(a) Refer to Note 2 – Deferred production costs.

**NOTE 12. OTHER FINANCIAL ASSETS (NON-CURRENT)**

The following shares and investments are carried at cost

Shares in associated and controlled companies				
- Unlisted	2	2	4	4
	<u>2</u>	<u>2</u>	<u>4</u>	<u>4</u>

**NOTE 13. PROPERTY, PLANT AND EQUIPMENT**

**Land and Buildings (a)**

<i>Freehold land</i>				
Deemed cost	15,145,800	15,145,800	15,145,800	15,145,800
<b>Net carrying amount - Land</b>	<u>15,145,800</u>	<u>15,145,800</u>	<u>15,145,800</u>	<u>15,145,800</u>
<i>Buildings</i>				
At 1 January,				
net of accumulated depreciation and impairment	5,347,444	5,402,127	5,347,444	5,402,127
Additions	87,127	130,338	87,127	130,338
Disposals	(35,287)	-	(35,287)	-
Depreciation charge for the year	(166,268)	(185,021)	(166,268)	(185,021)
<b>At 31 December,</b>				
net of accumulated depreciation and impairment	<u>5,233,016</u>	<u>5,347,444</u>	<u>5,233,016</u>	<u>5,347,444</u>

OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>				
Deemed cost	6,487,071	6,435,231	6,487,071	6,435,231
Accumulated depreciation and impairment	(1,254,055)	(1,087,787)	(1,254,055)	(1,087,787)
Net carrying amount - Buildings	5,233,016	5,347,444	5,233,016	5,347,444
Total land and buildings at deemed cost	20,378,816	20,493,244	20,378,816	20,493,244
<b>Leasehold improvements:</b>				
At 1 January, net of accumulated depreciation and impairment	14,131	16,263	14,131	16,263
Depreciation charge for the year	(1,569)	(2,132)	(1,569)	(2,132)
At 31 December, net of accumulated depreciation and impairment	12,562	14,131	12,562	14,131
Cost	157,344	157,344	157,344	157,344
Accumulated depreciation	(144,782)	(143,213)	(144,782)	(143,213)
Net carrying amount	12,562	14,131	12,562	14,131
<b>Plant and equipment:</b>				
At 1 January, net of accumulated depreciation and impairment	1,430,242	1,384,124	1,427,938	1,379,513
Additions	411,505	393,473	411,505	393,473
Disposals	(16,192)	(13,495)	(13,888)	(13,495)
Depreciation charge for the year	(370,340)	(333,860)	(370,340)	(331,553)
At 31 December, net of accumulated depreciation and impairment	1,455,215	1,430,242	1,455,215	1,427,938
Cost	5,192,731	7,246,830	5,192,731	7,054,209
Accumulated depreciation	(3,737,516)	(5,816,588)	(3,737,516)	(5,626,271)
Net carrying amount	1,455,215	1,430,242	1,455,215	1,427,938
<b>Plant and equipment under lease:</b>				
At 1 January, net of accumulated depreciation and impairment	109,703	118,583	109,703	118,583
Depreciation charge for the year	(10,468)	(8,880)	(10,468)	(8,880)
At 31 December, net of accumulated depreciation and impairment	99,235	109,703	99,235	109,703
Cost	129,000	129,000	129,000	129,000
Accumulated depreciation	(29,765)	(19,297)	(29,765)	(19,297)
Net carrying amount	99,235	109,703	99,235	109,703

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>				
<b>Costumes, scenery sets and properties: (b)</b>				
At 1 January, net of accumulated depreciation and impairment	4,100,392	4,341,103	4,100,392	4,341,103
Additions	3,366,649	1,646,628	3,366,649	1,646,628
Impairment charge	(1,075,441)	(762,052)	(1,075,441)	(762,052)
Amortisation charge for the year	(2,253,920)	(1,125,287)	(2,253,920)	(1,125,287)
At 31 December, net of accumulated depreciation and impairment	4,137,680	4,100,392	4,137,680	4,100,392
Cost	19,663,807	16,297,158	19,663,807	16,297,158
Accumulated amortisation and impairment	(15,526,127)	(12,196,766)	(15,526,127)	(12,196,766)
Net carrying amount	4,137,680	4,100,392	4,137,680	4,100,392
Total property, plant and equipment	46,775,753	45,411,363	46,775,753	45,218,742
Accumulated depreciation and amortisation	(20,692,245)	(19,263,651)	(20,692,245)	(19,073,334)
Total property, plant and equipment	26,083,508	26,147,712	26,083,508	26,145,408

(a) Valuation of land and buildings  
Freehold land and building values are stated at deemed cost.

(b) Valuation of costumes, scenery sets and properties  
The insured value of costumes, scenery sets and properties is \$33,901,000. This compares with the amortised balance above of \$4,137,680.

<b>NOTE 14. TRADE AND OTHER PAYABLES (CURRENT)</b>				
Trade payables	217,540	1,056,178	217,540	1,056,178
Other payables	1,817,764	1,843,974	1,776,894	1,846,019
GST payable	-	10,793	-	10,793
Accruals	4,593,795	4,083,203	3,999,831	3,685,686
Total trade and other payables (Current)	6,629,099	6,994,148	5,994,265	6,598,676
Total trade and other payables aging				
Current	4,868,901	4,817,827	4,292,698	4,437,253
31 to 60 days	25,729	273,389	25,729	273,389
61 to 90 days	-	20,797	-	20,797
91 to 120 days	24,730	94,637	24,730	94,637
121 + days	1,709,739	1,787,498	1,651,108	1,772,600
Total trade and other payables (Current)	6,629,099	6,994,148	5,994,265	6,598,676

The fair value of financial liabilities is equivalent to the carrying amount at the balance sheet date as disclosed in the Balance Sheet and related notes. This is because either the carrying amounts approximate to the fair value or because of their short-term to maturity.



OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 15. INTEREST BEARING LOANS AND BORROWINGS</b>				
<b>Current</b>				
Bank loans	2,050,000	1,000,000	2,050,000	1,000,000
Obligations under finance lease (Note 22)	18,060	18,060	18,060	18,060
Total interest bearing loans and borrowings (Current)	<u>2,068,060</u>	<u>1,018,060</u>	<u>2,068,060</u>	<u>1,018,060</u>
<b>Non-current</b>				
Obligations under finance lease (Note 22)	50,740	68,800	50,740	68,800
Total interest bearing loans and borrowings (Non-current)	<u>50,740</u>	<u>68,800</u>	<u>50,740</u>	<u>68,800</u>
Total interest bearing loans and borrowings	<u>2,118,800</u>	<u>1,086,860</u>	<u>2,118,800</u>	<u>1,086,860</u>

*Financing facilities available*

At the reporting date the Group had negotiated with the Commonwealth Bank a bank overdraft facility of \$100,000 and a bill drawdown facility of \$6 million secured by a charge over freehold land and buildings. The overdraft is subject to a floating charge of 10.74%.

Borrowings of \$2.0 million were required at the end of 2008, compared with \$1.0 million in 2007.

**NOTE 16. PROVISIONS**

<i>Long service leave</i>				
At 1 January	3,297,475	3,012,244	2,269,056	2,045,265
Arising during the year	596,670	450,126	412,670	335,094
Utilised	(396,121)	(164,895)	(269,598)	(111,303)
At 31 December	<u>3,498,024</u>	<u>3,297,475</u>	<u>2,412,128</u>	<u>2,269,056</u>
Current	2,774,685	2,599,749	1,812,848	1,704,810
Non-current	723,339	697,726	599,280	564,246
	<u>3,498,024</u>	<u>3,297,475</u>	<u>2,412,128</u>	<u>2,269,056</u>

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 17. OTHER LIABILITIES (CURRENT)</b>				
Future seasons income	281,399	458,969	281,399	458,969
Advance Bookings	14,437,574	14,890,471	14,437,574	14,890,471
Total other liabilities (Current)	<u>14,718,973</u>	<u>15,349,440</u>	<u>14,718,973</u>	<u>15,349,440</u>
<b>NOTE 18. GOVERNMENT GRANTS (NON-CURRENT)</b>				
Grants received in advance	100,000	100,000	100,000	100,000
Total Government Grants (Non-Current)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

This Grant is the first instalment of the New Australian Stories funding awarded by the Australian Government through the Major Performing Arts Board of the Australia Council for the Arts. It supports the commission and production of *Bliss* which is currently scheduled for presentation in 2010.

**NOTE 19. OTHER LIABILITIES (NON-CURRENT)**

Future seasons income	-	75,758	-	75,758
Total other liabilities (Non-current)	<u>-</u>	<u>75,758</u>	<u>-</u>	<u>75,758</u>

# OPERA AUSTRALIA

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>NOTE 20. OTHER RESERVES</b>				
<i>Net Unrealised Gains Reserve</i>				
Opening balance	466,065	2,150,325	-	-
Realised gains on disposal of available-for-sale financial assets	-	(1,771,896)	-	-
Net gains/(losses) on available-for-sale financial assets	(466,065)	87,636	-	-
Closing balance	-	466,065	-	-
<i>New Works and Touring Reserve</i>				
Opening balance	1,000,000	-	1,000,000	-
Transfer from retained earnings	-	1,000,000	-	1,000,000
Closing balance	1,000,000	1,000,000	1,000,000	1,000,000
Total Other Reserves	1,000,000	1,466,065	1,000,000	1,000,000
<b>NOTE 21. RETAINED EARNINGS</b>				
Opening balance (a) (b)	15,891,463	13,151,269	8,628,447	8,540,524
Surplus/(deficit) for the year (a)	(3,267,966)	3,740,194	1,588,411	1,087,923
Transfer to New Works and Touring Reserve	-	(1,000,000)	-	(1,000,000)
Closing balance	12,623,497	15,891,463	10,216,858	8,628,447

(a) Refer to Note 2 – Deferred Production Costs

(b) On transition to AIFRS and in accordance with AASB 116: Property, Plant and Equipment, the Group elected to continue to value land and buildings at deemed cost. The balance within the Asset Revaluation Reserve of \$9,827,537 relating to revaluations of land and buildings in prior years was transferred to Retained Earnings as at 1 January 2004.

### NOTE 22. COMMITMENTS

#### (A) ARTISTS AND VENUE CONTRACTS

Committed expenditure is payable as follows:

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
Within one year	9,294,548	8,936,554	9,294,548	8,936,554
After one year but not more than five years	3,963,764	2,924,150	3,963,764	2,924,150
	<u>13,258,312</u>	<u>11,860,704</u>	<u>13,258,312</u>	<u>11,860,704</u>

The Group, by the nature of its operations, has entered into contracts for performances scheduled to take place during 2009 and subsequent years. These amounts include the maximum expenditure required to satisfy the contracts with the artists. The terms and conditions of the contracts place a liability on the Group under certain circumstances to pay specified sums should the artists not be engaged or the performances not take place.

The parent entity enters into contracts for the hire of theatres and performances venues. As at 31 December 2008, only the contract for use of the Victorian Arts Centre has been finalised and included within commitments above. Current year commitments and prior year's comparatives do not include any commitment for venue hire at the Sydney Opera House as the contract is being renegotiated.

#### (B) OPERATING LEASE COMMITMENTS

Operating leases have been entered into to provide costume, set and properties storage and also for the hire of machinery. Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

Within one year	119,509	172,124	119,509	172,124
After one year but not more than five years	4,939	124,448	4,939	124,448
	<u>124,448</u>	<u>296,572</u>	<u>124,448</u>	<u>296,572</u>

#### (C) FINANCE LEASE COMMITMENTS

A finance lease has been entered into for the purchase of machinery in the current reporting period. Future minimum lease payments under the finance lease together with the present value of the minimum lease payments are as follows:

	2008	2008	2007	2007
	Minimum Payments \$	Present Value of payments \$	Minimum Payments \$	Present Value of payments \$
<i>Consolidated</i>				
Within one year	24,862	18,060	24,862	18,060
After one year but not more than five years	55,274	50,740	80,136	68,800
Total minimum lease payments	<u>80,136</u>	<u>68,800</u>	<u>104,998</u>	<u>86,860</u>
Lease amounts representing finance charges	(11,336)	-	(18,138)	-
Present value of minimum lease payments	<u>68,800</u>	<u>68,800</u>	<u>86,860</u>	<u>86,860</u>



# OPERA AUSTRALIA

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>NOTE 23. REMUNERATION OF AUDITORS</b>				
Total of all remuneration received or due and receivable by Ernst & Young Australia for:				
Auditing the accounts*	100,000	85,000	93,750	80,000
	<u>100,000</u>	<u>85,000</u>	<u>93,750</u>	<u>80,000</u>

\* During the year an amount equivalent to the audit fee of \$100,000 (Parent \$93,750) was donated by the Ernst & Young Foundation to Opera Australia.

There was no fee charged by PricewaterhouseCoopers for the audit of Opera Australia Capital Fund and Opera Australia Capital Fund Limited.

### NOTE 24. SEGMENT INFORMATION

The Group operates predominantly in the performing arts industry, specifically the production and staging of operas as the National Company in Australia and the provision of orchestral services to both Opera Australia and The Australian Ballet.

### NOTE 25. KEY MANAGEMENT PERSONNEL COMPENSATION

The following compensation was made to the nine employees on the executive team for their contributions as employees of the Group and for conducting and directing services:

Short-term employee benefits (a)	2,492,000	2,326,000	2,492,000	2,326,000
Total compensation	<u>2,492,000</u>	<u>2,326,000</u>	<u>2,492,000</u>	<u>2,326,000</u>

(a) Short-term employee benefits include annual salary, superannuation payments, conducting and directing fees, and all other compensation

### NOTE 26. RELATED PARTY DISCLOSURE

#### (A) CONTROLLED ENTITIES

The following were controlled entities at 31 December 2008. The Australian Opera and Ballet Orchestra Limited, Opera Australia Capital Fund, Opera Australia Capital Fund UK and Opera Australia Capital Fund Limited have the same balance sheet date as that of the parent entity and have been included in the consolidated financial statements. OA Super Pty Limited was a superannuation trust company. With the winding up of the OA Superannuation Fund, the company is now a shell company and as such is not included in the consolidated financial statements.

Name of controlled entity	Balance Sheet Date	Place of Incorporation	Ownership interest
Australian Opera and Ballet Orchestra Limited	31 December	Australia	100%
OA Super Pty Limited	30 June	Australia	100%
Opera Australia Capital Fund *	31 December	Australia	0
Opera Australia Capital Fund UK *	31 December	United Kingdom	0
Opera Australia Capital Fund Limited *	31 December	Australia	0

\* Opera Australia Capital Fund Limited is the trustee of the Opera Australia Capital Fund. These entities and Opera Australia Capital Fund UK are controlled entities as the Opera Australia Board has the right of veto over independent

appointments to the Opera Australia Capital Fund Limited Board and Opera Australia is the predominant beneficiary of the Opera Australia Capital Fund.

Although included in the consolidated result of Opera Australia Group, the Opera Australia Capital Fund reserves of \$7,783,522 are only accessible to Opera Australia through the provisions of the Opera Australia Capital Fund Trust Deed and the Reserve Incentive Scheme Deeds referred to in Note 6.

During January 2009, \$1.2m was paid by the Melva Thompson Estate to the Melva Thompson Bequest Fund, of which Adrian Collette, Chief Executive of Opera Australia, is one of two trustees. The Melva Thompson Estate was settled in November 2008. These funds are to be managed jointly by Opera Australia with the Victorian Opera Company, the other beneficiary, to assist the development and performance of opera and music theatre in the state of Victoria.

#### (B) TRANSACTIONS WITH RELATED PARTIES IN THE WHOLLY OWNED GROUP:

The parent entity entered into the following transactions during the year with related parties in the wholly owned group:

- loans were received and repayments made on short-term intercompany accounts; and
- management fees were received from a wholly owned controlled entity.

These transactions were undertaken on commercial terms and conditions. Interest is payable on intercompany loans between Opera Australia and the Australian Opera and Ballet Orchestra at the average cash rate for each month.

Transaction type	Class of related party	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>Loans to other related parties</b>					
Loan advanced	Controlled Entities	-	-	3,812,826	3,305,905
Interest received or receivable	Controlled Entities	-	-	89,909	91,005
<b>Other transactions</b>					
Management charges received	Controlled entities	-	-	414,586	386,280
Payment for orchestral services additional to the amounts funded through grants	Controlled entities	-	-	(1,143,311)	(934,621)

#### (C) TRANSACTIONS WITH DIRECTORS

The parent entity's Memorandum of Association prohibits the payment of remuneration to Directors and no Director has received or become entitled to receive any remuneration during the financial year.

Contracts are entered into in the normal course of business by the Group with companies of which some Directors are common to both. Apart from details disclosed in this note, since the end of the previous year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Group with the Director, with a firm of which he or she is a member, or with a company in which he or she has a substantial interest.

During the year, purchases totalling \$7,939 (2007: \$9,530) at normal market prices have been made by the parent entity from Porter Novelli. Porter Novelli is owned by Clemenger Communications Ltd, of which Robert Morgan, a director of the parent entity, is the Executive Chairman. No amount was outstanding at 31 December 2008.

In 2008 income for rehearsal studio hire of \$16,690 (2007: \$27,422) was received by the parent entity from The Really Useful Company Asia Pacific. The rehearsal studio hire was charged at normal market prices. Also, during the year, purchases totalling \$1,552 (2007: \$0) at normal market prices have been made by the parent entity from The Really Useful Group Theatres (UK). The Managing Director of The Really Useful Company Asia Pacific is Tim McFarlane, a director of the parent entity. No amount was outstanding at 31 December 2008.

#### NOTE 27. GUARANTEE

Every member of the parent entity undertakes to contribute to the assets of the company, if it is wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the company, contracted before he/she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributors amongst themselves, such amount as may be required but not exceeding twenty dollars (\$20).

OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

NOTE 28. FINANCIAL INSTRUMENTS  
(A) INTEREST RATE EXPOSURE

The following table summarises interest rate risk for the consolidated and the parent entities, together with effective interest rates as at balance sheet date.

Consolidated

2008	Fixed interest rate maturing in				Non-Interest Bearing	Total	Average Interest Rate	
	Floating Interest (AUD)	1 year or less	Over 1 to 5 years	More Than 5 years			Floating % (i)	Fixed %
<b>Financial assets</b>								
Cash	-	-	-	-	25,312	25,312	-	-
	11,633	-	-	-	-	11,633	1.00 %	-
	251,600	-	-	-	-	251,600	1.25 %	-
	2,780	-	-	-	-	2,780	0.01 %	-
	1,084,433	-	-	-	-	1,084,433	2.25 %	-
<b>Total Cash</b>	<b>1,350,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,312</b>	<b>1,375,758</b>		
Trade receivables	-	-	-	-	3,675,422	3,675,422	-	-
Available-for-sale investments	-	-	-	-	7,495,983	7,495,983	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	-	-	6,629,099	6,629,099	-	-
Interest bearing loans and borrowings:								
Other Loans	-	2,050,000	-	-	-	2,050,000	-	5.83%
Obligations under finance leases	-	18,060	50,740	-	-	68,800	-	5.27%
<b>Total Interest bearing loans and borrowings</b>	<b>-</b>	<b>2,068,060</b>	<b>50,740</b>	<b>-</b>	<b>-</b>	<b>2,118,800</b>		

(i) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.

NOTE 28. FINANCIAL INSTRUMENTS (CONTINUED)

Consolidated

2007	Floating Interest (AUD)	Fixed interest rate maturing in			Non-Interest Bearing	Total	Average Interest Rate	
		1 year or less	Over 1 to 5 years	More Than 5 years			Floating % (i)	Fixed %
<b>Financial assets</b>								
Cash	-	-	-	-	25,353	25,353	-	-
	56,626	-	-	-	-	56,626	2.60 %	-
	431,809	-	-	-	-	431,809	4.35 %	-
	26,860	-	-	-	-	26,860	0.80 %	-
	820,105	-	-	-	-	820,105	4.50 %	-
<b>Total Cash</b>	<b>1,335,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,353</b>	<b>1,360,753</b>		
Trade receivables	-	-	-	-	2,564,094	2,564,094	-	-
Available-for-sale investments	-	-	-	-	11,821,933	11,821,933	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	-	-	6,994,148	6,994,148	-	-
Interest bearing loans and borrowings:								
Other Loans	-	1,000,000	-	-	-	1,000,000	-	8.80%
Obligations under finance leases	-	18,060	68,800	-	-	86,860	-	5.27%
<b>Total Interest bearing loans and borrowings</b>	<b>-</b>	<b>1,018,060</b>	<b>68,800</b>	<b>-</b>	<b>-</b>	<b>1,086,860</b>		

(i) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.



OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

NOTE 28. FINANCIAL INSTRUMENTS (CONTINUED)

Parent

	Fixed interest rate maturing in				Non-Interest Bearing	Total	Average Interest Rate	
	Floating Interest (AUD)	1 year or less	Over 1 to 5 years	More Than 5 years			Floating % (i)	Fixed %
<b>2008</b>								
<b>Financial assets</b>								
Cash	-	-	-	-	25,312	25,312	-	-
	2,780	-	-	-	-	2,780	0.01 %	-
	1,084,433	-	-	-	-	1,084,433	2.25 %	-
<b>Total Cash</b>	<b>1,087,213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,312</b>	<b>1,112,525</b>		
Trade receivables	-	-	-	-	3,588,470	3,588,470	-	-
Non-trade amounts owing by controlled entities	-	-	-	-	3,812,826	3,812,826	-	-
Available-for-sale investments	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	-	-	5,994,265	5,994,265	-	-
Interest bearing loans and borrowings:								
Other Loans	-	2,050,000	-	-	-	2,050,000	-	5.83 %
Obligations under finance leases	-	18,060	50,740	-	-	68,800	-	5.27 %
<b>Total Interest bearing loans and borrowings</b>	<b>-</b>	<b>2,068,060</b>	<b>50,740</b>	<b>-</b>	<b>-</b>	<b>2,118,800</b>		

(i) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.

NOTE 28. FINANCIAL INSTRUMENTS (CONTINUED)

Parent

	Fixed interest rate maturing in				Non-Interest Bearing	Total	Average Interest Rate	
	Floating Interest (AUD)	1 year or less	Over 1 to 5 years	More Than 5 years			Floating % (i)	Fixed %
<b>2007</b>								
<b>Financial assets</b>								
Cash	-	-	-	-	25,353	25,353	-	-
	26,860	-	-	-	-	26,860	0.80 %	-
	820,105	-	-	-	-	820,105	4.50 %	-
<b>Total Cash</b>	<b>846,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,353</b>	<b>872,318</b>		
Trade receivables	-	-	-	-	2,502,463	2,502,463	-	-
Non-trade amounts owing by controlled entities	-	-	-	-	3,305,905	3,305,905	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	-	-	6,598,676	6,598,676	-	-
Interest bearing loans and borrowings:								
Other Loans	-	1,000,000	-	-	-	1,000,000	-	8.80%
Obligations under finance leases	-	18,060	68,800	-	-	86,860	-	5.27%
<b>Total Interest bearing loans and borrowings</b>	<b>-</b>	<b>1,018,060</b>	<b>68,800</b>	<b>-</b>	<b>-</b>	<b>1,086,860</b>		

(i) Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.

OPERA AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

NOTE 28. FINANCIAL INSTRUMENTS (CONTINUED)

(B) STRATEGY IN USING FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group diversifies its investments to moderate certain risk exposures.

The Group's objective is to achieve capital growth through investing in a selection of unit trusts held with Russell Investment Management Funds.

(C) MARKET PRICE RISK

The Group purchased units in Russell Investment Managed Funds to achieve overall capital gains and distribution income.

All financial investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The Group's underlying investments are monitored on a daily basis by the Group's Investment Manager (Russell Investment) and are reviewed on a regular basis by the Board of Directors.

Equity securities are susceptible to market price risk arising from uncertainties about future prices of the instruments.

(D) FOREIGN EXCHANGE RISK

The Group does not have any significant direct foreign exchange exposure.

(E) CREDIT RISK

The Group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are raised for losses that have been incurred.

The credit risk on financial assets of the Group which have been recognised in the Balance Sheet is the carrying amount, net of any provision for doubtful debts. The credit risk is considered to be minimal.

Cash transactions are undertaken with regard for the credit worthiness of counterparties.

(F) LIQUIDITY AND CASH FLOW RISK

The Group is not exposed to significant liquidity risk, due to the nature of the Group's activities and particularly the cash basis of box office receipts.

(G) NET FAIR VALUE OF FINANCIAL ASSETS

There are no financial assets or liabilities for which the carrying amounts are materially different from the net fair values.

(H) SUMMARISED SENSITIVITY ANALYSIS

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

*Consolidated*

31 Dec 08	Carrying amount \$	Interest rate risk (1)				Foreign exchange risk (2)				Equity market risk (3)			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial assets</b>													
Cash and cash equivalents	1,375,758	(13,758)	(13,758)	13,758	13,758	(2,242)	(2,242)	2,242	2,242	-	-	-	-
Trade receivables	3,675,422	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale Investments	7,495,983	-	-	-	-	-	-	-	-	(749,598)	(749,598)	749,598	749,598
<b>Financial liabilities</b>													
Trade payables	6,629,099	-	-	-	-	-	-	-	-	-	-	-	-
<b>Interest bearing loans and borrowings</b>													
Other loans	2,050,000	(20,500)	(20,500)	20,500	20,500	-	-	-	-	-	-	-	-
Obligations under finance leases	68,800	-	-	-	-	-	-	-	-	-	-	-	-
Total interest bearing loans and borrowings	2,118,800	(20,500)	(20,500)	20,500	20,500	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(34,258)</b>	<b>(34,258)</b>	<b>34,258</b>	<b>34,258</b>	<b>(2,242)</b>	<b>(2,242)</b>	<b>2,242</b>	<b>2,242</b>	<b>(749,598)</b>	<b>(749,598)</b>	<b>749,598</b>	<b>749,598</b>



**OPERA AUSTRALIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**NOTE 28. FINANCIAL INSTRUMENTS (CONTINUED)**

Parent

31 Dec 08	Carrying amount \$	Interest rate risk (1)				Foreign exchange risk (2)				Equity market risk (3)			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial assets</b>													
Cash and cash equivalents	1,112,525	(11,125)	(11,125)	11,125	11,125	-	-	-	-	-	-	-	-
Trade receivables	3,588,470	-	-	-	-	-	-	-	-	-	-	-	-
Non-trade amounts owing by controlled entities	3,812,826	-	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>													
Trade payables	5,994,265	-	-	-	-	-	-	-	-	-	-	-	-
<b>Interest bearing loans and borrowings</b>													
Other loans	2,050,000	(20,500)	(20,500)	20,500	20,500	-	-	-	-	-	-	-	-
Obligations under finance leases	68,800	-	-	-	-	-	-	-	-	-	-	-	-
Total interest bearing loans and borrowings	2,118,800	(20,500)	(20,500)	20,500	20,500	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(31,625)</b>	<b>(31,625)</b>	<b>31,625</b>	<b>31,625</b>	-	-	-	-	-	-	-	-

- (1): The Directors believe 1% to be a reasonable base for assessing sensitivity to interest rate risk.  
(2): The Directors believe 10% to be a reasonable base for assessing sensitivity to foreign exchange rate risk.  
(3): The Directors believe 10% to be a reasonable base for assessing sensitivity to equity market risk.

**NOTE 29. EMPLOYEE NUMBERS**

	Consolidated		Parent	
	2008	2007	2008	2007
The number of full-time equivalents employed as at 31 December	448	424	350	325
Total number of full-time equivalents	<u>448</u>	<u>424</u>	<u>350</u>	<u>325</u>

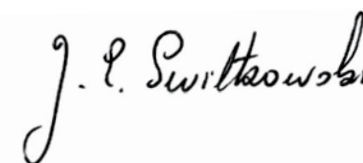
**OPERA AUSTRALIA**  
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Opera Australia, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company and consolidated entity are in accordance with the Corporations Act 2001, including:  
(i) giving a true and fair view of the company's and Group's financial position as at 31 December 2008 and their performance for the year ended on that date; and  
(ii) complying with Accounting Standards and Corporations Regulations 2001; and  
(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Z. SWITKOWSKI  
Director



T. McFARLANE  
Director

Sydney  
6 March 2009

## Independent auditor's report to the members of Opera Australia

We have audited the accompanying financial report of Opera Australia, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

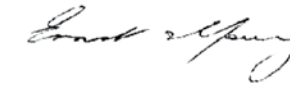
### Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included at page 88.

### Auditor's Opinion

In our opinion, the financial report of Opera Australia is in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the financial position of Opera Australia and the consolidated entity at 31 December 2008 and of their performance for the year ended on that date; and
- ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



Ernst & Young



Craig M Jackson  
Partner  
Sydney  
Date: 11 March 2009





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 Tel: +61 2 9248 5555  
 Fax: +61 2 9248 5959  
 www.ey.com/au

### Auditor's Independence Declaration to the Directors of Opera Australia

In relation to our audit of the financial report of Opera Australia for the financial year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Craig M Jackson  
 Partner  
 Date: 11 March 2009

Liability limited by a scheme approved

## OPERA AUSTRALIA SALUTES ITS PARTNERS

### Hero Partners



### Gold Partners



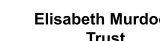
PHILIP BACON GALLERIES

*Dr Douglas Mitchell*

### Silver Partners



### Major Sponsors



### Government Partners



Opera Australia is assisted by the Australian Government through the Australia Council, its arts funding and advisory body.



Opera Australia acknowledges the support of the Victorian Government through Arts Victoria.



Opera Australia is assisted by the NSW Government through Arts NSW.

### Performance Partners









opera  
australia