

Goal 3

**A Vibrant and
Sustainable Site**

Intensifying customer
engagement and ensuring
progress works in harmony
with heritage values.

Achievements



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Guillaume at Bennelong, Opera Bar and Theatre Bars celebrate 10 years of service



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Vehicle Access and Pedestrian Safety project
Bennelong Drain and other services diversions



Guided tour visitors increased by 5% to 307,157

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Significant building functionality improvements

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NSW Government's Sustainability Advantage Silver Partner status achieved

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Lighting projects achieve significant energy reduction

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Paper diet resulted in 22% reduction in paper usage

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Kids Discovery Tour launched

High Risk Register implemented

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Emergency and evacuation activities improve preparedness

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Design of Stage Management System Upgrade Project

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Business continuity strengthened

55

Our Precinct



New retail products such as the Sydney Opera House Barbie and Lego model of the building helped increase retail sales by 16%.

Three of our precinct partners (Guillaume at Bennelong, Opera Bar and Theatre Bars) celebrated a decade of service to Sydney Opera House customers this year. Long standing partner Dolce Vita, who serviced both the Green Room and Forecourt, was farewelled. In its full year of operating, Opera Kitchen became firmly established as a family favourite, whilst the rebranding of the resident caterers Aria Catering (formally Opera Point Events) provided new impetus to the functions business. Contribution from food and beverage increased by 27% (\$1.6m), due to continuous improvements in products and customer choices.

New retail products such as the Sydney Opera House Barbie and Lego model of the building helped increase retail sales by 16%. Results and customer access was also improved when a new layout of the onsite retail store was implemented in September 2011.

Guided tour numbers increased by 5.1% to 307,157 this year despite inbound visitors to Australia remaining flat (0.5%). Growth areas this year included China and the return of Japanese and Korean visitors. In December 2011 a trial of an information and ticket kiosk at the entry to the site improved onsite tour ticket sales by 15%. The temporary kiosk will continue until a permanent architecturally designed solution is found.

Kids Discovery Tours were launched for the April 2012 school holidays to engage a local and family based audience by providing a child friendly experience that is fun and engaging. The tour features a video developed by the organisation's Education arm and has become a regular feature of the school holiday program. For the first time a pilot festivals tour was created for Vivid LIVE that featured behind the scenes elements of the Vivid LIVE venues. Themed tours will be developed next year around GRAPHIC and Summer At The House festivals.

Two new products enthusiastically received at the Australian Tourism Exchange trade show commenced this year. A Taste of Opera, combining a tour with a short opera recital, and optional food and beverage designed for the group series and incentive markets appeared in international brochures in April 2012 and A Tour and Tasting Plate, bundling the regular tour with the Opera Kitchen tasting plate for two. Over 1,400 of these products were sold this year, with expectations for growth in 2012/13.

The ongoing rollout of an online portal has streamlined the group tour reservations process, as well as allowing 24 hour access for tour industry customers. Some 135 operators have been trained in the portal's use since its launch in December 2011, with early feedback being very positive. The goal is to have all Eastern and 75% of Western operators using the system by December 2012.

Challenges

Tourism Market – The expected recovery of the US and Europe markets has not materialised, leading to general global uncertainty. With inbound tourism remaining flat and pre booked tours in decline, the focus of sales and marketing activity for the next three years will be on emerging markets as well as developing themed tours focussing on festivals onsite.

THE FUTURE

Expression of Interests for food and beverage, tourism and other precinct customer offerings (2012/13).

Themed tours focussing on major festivals such as GRAPHIC, Summer At The House, Vivid LIVE etc. (2012/13).

Development of a retail gift for the corporate market (2012/13).

New coffee nook/café in the Box Office Foyer (2012/13).





Venues, Building and Site

Planning and design commenced this year for a major technical infrastructure project, the Stage Management System Upgrade Project. Replacing the existing system, the project will integrate paging, communications and audio visual systems for the entire site into custom designed control desks, as well as a broadcast quality high-definition camera and video distribution system and new recording and broadcast studio facilities. This will remove obsolete technology, improve reliability, enhance the quality of the performance experience for patrons and increase the capability to capture, develop and deliver digital content. Design and prototyping has been completed, with manufacturing and installation work to commence in 2012/13. The project is targeted for completion in December 2013.

The Vehicle Access and Pedestrian Safety project continued to be the major focus of the building and development program this year. The Bennelong Drain diversion was completed along with a package of services diversions on the forecourt in preparation for the main excavation. The contract for the underground loading dock works was awarded to John Holland Pty Ltd in December 2011 and major excavation commenced in early 2012. The project is expected to be completed by the end of 2014.

A major maintenance project commenced in 2011 to replace the waterproofing membrane on the podium and monumental steps, targeted for completion in early 2014. This vital project will ensure the longevity of the Sydney Opera House structure and is being completed in stages to ensure continued access to foyers for customers and no disruption to performance and tour schedules.

The Concert Hall Acoustics program progressed following recommendations made by Kirkegaard Associates in 2009. Sawtooth brushbox timber walls in the stalls and on stage were replaced with flat brushbox walls as part of a two-year trial approved by the Heritage Council of NSW.

The results to date have been positive for musicians and audiences and further testing and acoustic measurements will be undertaken during the trial to prove the concept.

Significant investments have also been made in the functionality of the building, with the completion of the new Theatre Production Warehouse and Lower Concourse public amenities.

Other key projects completed or commenced this year included:

- continued refurbishment of lifts, with one additional lift completed and refurbishment commencing for two others;
- new furniture for the renovated Western Foyers;
- ongoing fire systems and plant room upgrades;
- Western Broadwalk Cathodic Protection upgrades; and
- Electrical Distribution Board upgrades (Phase 1).

Sydney Opera House continued to work closely with the NSW and Australian governments towards publication of the Conservation Management Plan 4th edition this year. While progress was slowed down due to the review of some key pieces of State legislation that are to be referenced in the Conservation Management Plan, publication will proceed once the outcomes of these reviews are confirmed.

Challenges

Coordinating and delivering events across multiple venues and in the midst of major construction onsite is an ongoing challenge for Sydney Opera House and its partners. Summer 2011/12 in particular tested the professionalism and expertise of event delivery teams when 15 performances were held in a single day. Utilising all venues and working closely with internal staff, presenters and onsite partners, all events were delivered according to schedule and to the highest standard, while the construction project remained on target.

THE FUTURE

Ongoing construction on the Vehicle Access & Pedestrian Safety project (2014/15).

Ongoing construction on the Podium Waterproofing Project (2013/14).

Stage Management System Upgrade Project (2012/13).

Progressive upgrade of Lifts (2013/14).

Eastern Shell Lighting upgrade (2012/13).

Box Office Sprinklers and Lighting upgrade (2012/13).

Recording Studio and Multimedia Suite relocation (2012/13).

Environmental Sustainability

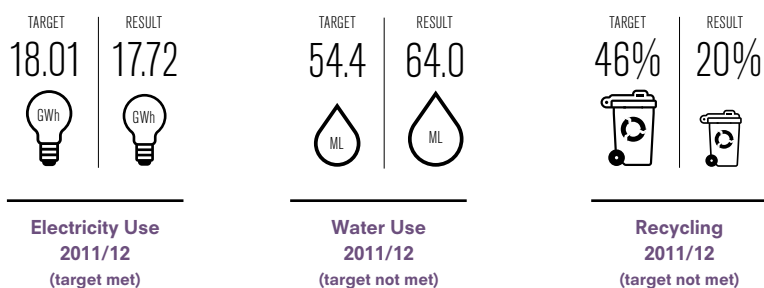
THE FUTURE

Benchmark Sydney Opera House's environmental performance in partnership with EarthCheck (2012/13).

Collaboration with Macquarie University Masters students to undertake waste tracking and visual waste audits in order to identify specific opportunities for improving in existing waste management and recycling systems (2012/13).

Concert Hall low level lighting retrofit to achieve an additional 3% energy saving (2012/13).

Development of a new three-year Environmental Sustainability Plan (2012/13).



Sydney Opera House continued to implement the Environmental Sustainability Plan 2010-2013, with a focus on strategies and programs to reduce energy, waste and water use, increase recycling and integrate environmentally responsible business activities across the organisation.

Recognising significant achievements to date and ongoing commitment to leadership of environment sustainability in the performing arts, Silver Partner status was achieved through participation in the NSW Government's Sustainability Advantage program.

A key initiative this year was the 'Paper Diet', held in March 2012. The campaign involved all areas of the business actively working to reduce their paper usage and developing ideas to save paper over the longer term. During the campaign paper use was reduced by 22% and a range of initiatives were developed in order to further reduce paper usage, including e-tendering, changes to tourism printing and e-show bags.

The implementation of a series of lighting projects, with the support of the NSW Government's Building Retrofit Program, has successfully reduced energy use this year. Projects included installation of automatic lighting controls (CBus) throughout the building, new LED house lights providing a 50% energy reduction in the Playhouse and Drama Theatre, and lighting retrofits in backstage loading areas which delivered a 60% energy reduction on the previous fitting (refer page 107).

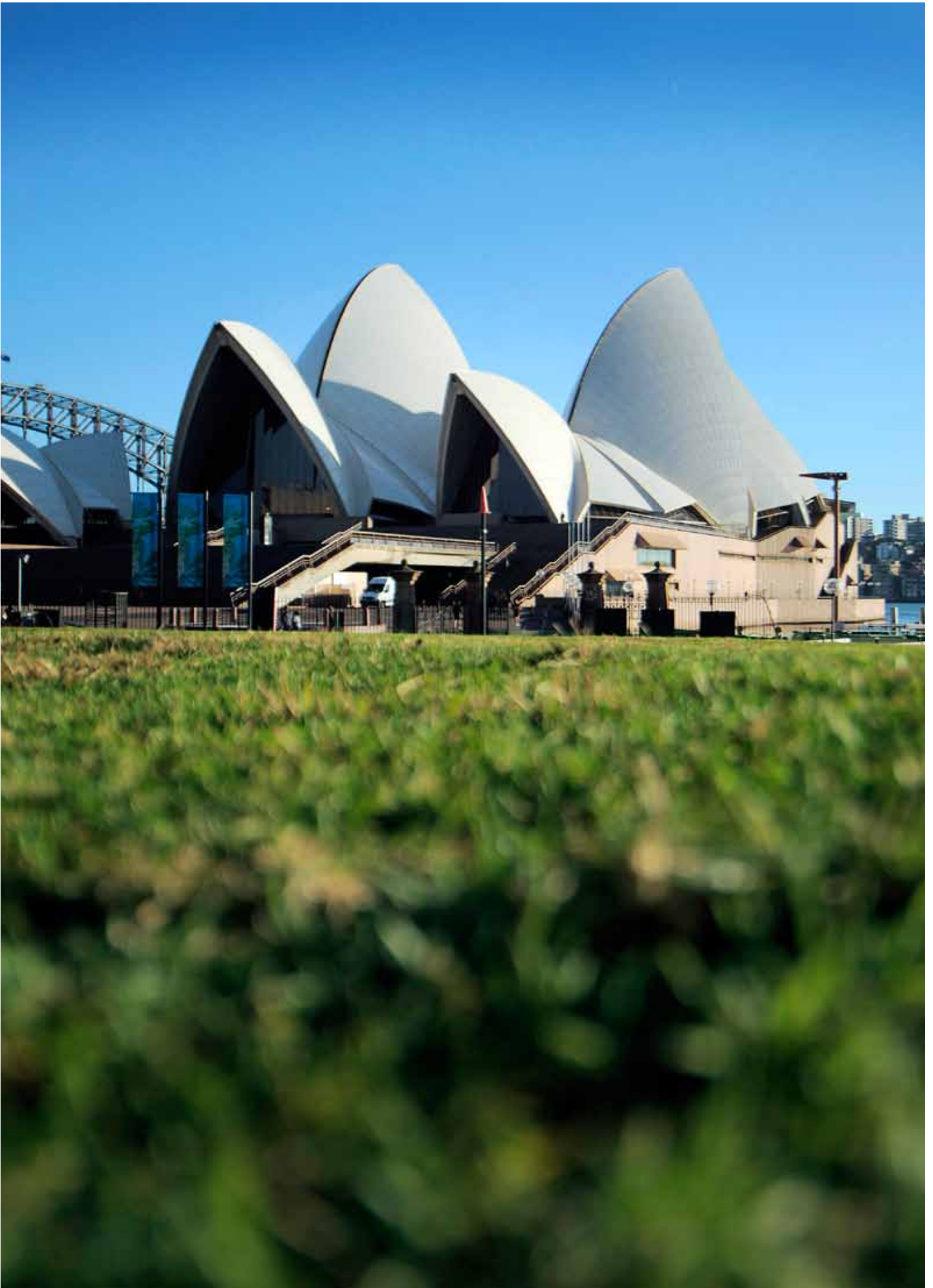
Work continued on a sustainable events management project, with sustainability action plans developed for Theatre and Events and SOH Presents business units. Work will be undertaken in 2012/13 to ensure these actions are integrated further into event operations. In addition, work continued with corporate partner Origin to improve a carbon footprint and measurement and analysis tool for SOH Presents festivals and programs such as Vivid LIVE (refer page 109).

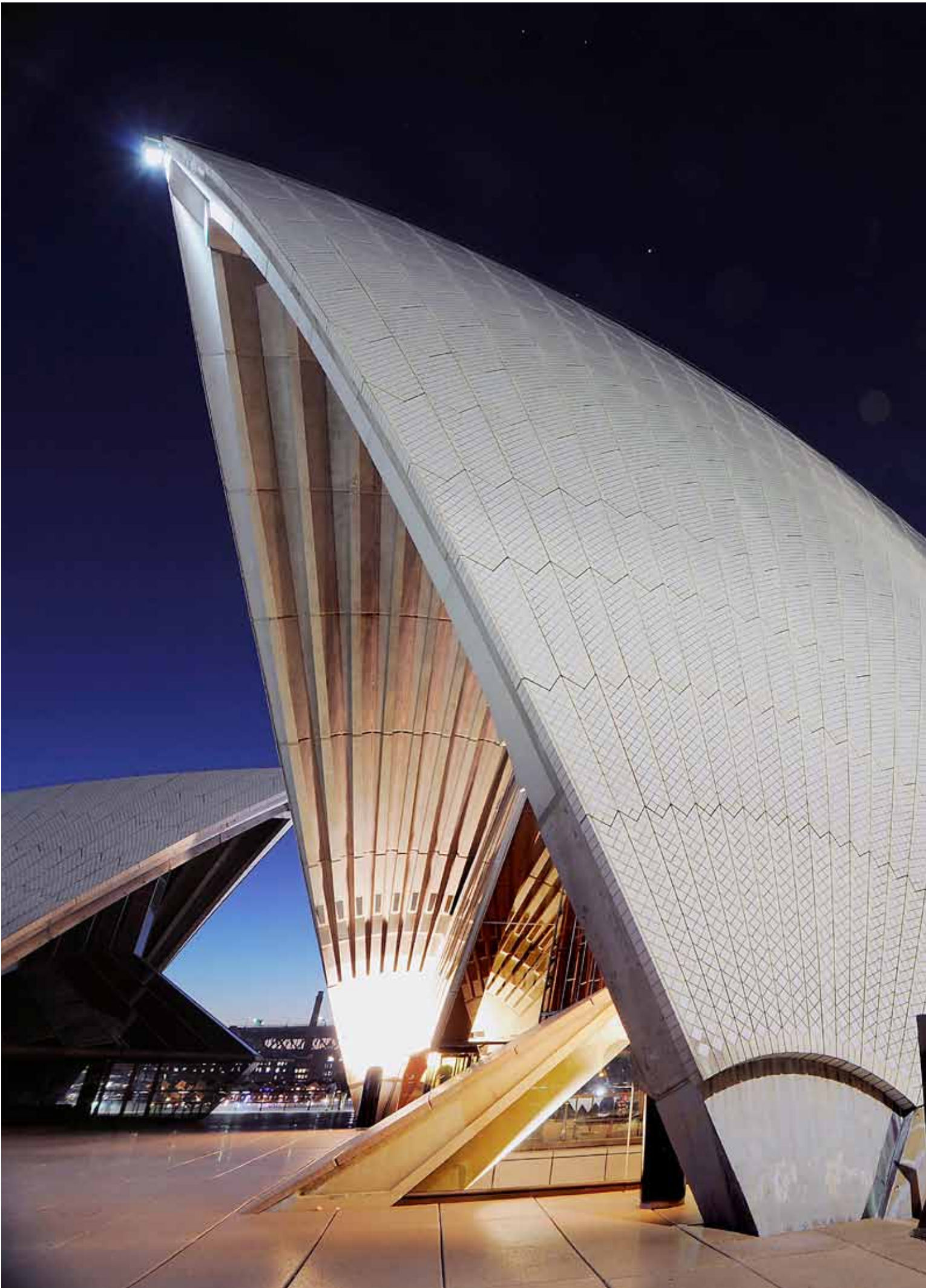
Reaching out to the broader community, Earth Hour was once again celebrated on 31 March 2012. In addition to turning off the Sail lights for the hour, this year Sydney Opera House turned off advertising screens, dimmed lights where possible and hosted the World Wide Fund for Nature Earth Hour Awards onsite. In another first, broadcasts of Sydney Opera House's support of Earth Hour were posted on YouTube and the UNESCO website.

Challenges

Monitoring and managing water use – Limited equipment for monitoring water use and detecting leaks continued to be a barrier in monitoring and analysing water usage across the site. This resulted in an undetected leak in May and June 2012 resulting in increased water use. This was stopped after detection. Improvements to water metering and monitoring, planned for 2011/12 were delayed while an integrated solution for metering of electricity, gas and water is investigated in 2013.

Improving waste and recycling - Five new recycling streams have been introduced in the past two years. Despite this, the recycling rate continues to track below target. Contributing factors include insufficient control of waste contract conditions and limited space for recycling storage. Opportunities to improve over the next two years include waste and recycling requirements to be included in food and beverage and cleaning and waste contracts and the re-design of the waste and recycling areas in the new Vehicle Access and Pedestrian Safety project facility to better enable recycling outcomes.





Safety and Security

THE FUTURE

Emergency management scenario and simulation based training (2012/13).

Quarterly review of the high risk activities register will continue (2012/13).

Alignment of common risk management processes and important safety policies through the OzPac Safety leaders group (2012/13).

Better understanding of the safety culture and implementation of interventions and training to progress to the next level of safety maturity (2012/13).

Participation in the iLead Exchange Program, designed to develop leadership in the security sector (2012/13).

Sydney Opera House strives to implement best practice health and safety initiatives.

As part of our commitment of ensuring a healthy and safe environment for all Sydney Opera House staff, artists, patrons and visitors, the Occupational Health and Safety Policy was reviewed this year to reflect the changes in the Work Health and Safety legislation. The policy is available on the Sydney Opera House website under the Corporate Information section.

A number of initiatives were implemented this year to improve safety including the implementation of a high risk activity register. Risk control owners have been identified and Trustees and management physically inspected a number of the high risks. An external risk specialist has been contracted to independently review the risks on a quarterly basis to ensure that the controls continue to be the best available.

A review of traffic management and fork lift truck movements around the building and site was undertaken during January and February 2012 and a plan for implementation has been established. A safety audit program for the Vehicle and Pedestrian Safety construction project was established and a senior auditor was engaged to lead the safety audit program.

The Emergency Planning and Response Group were restructured this year to enable the Head of Security to undertake critical strategic planning and management of major risks in the security and emergency planning area. The newly created Operations Manager, Security, Fire and Safety role is responsible for liaison for regular event and key stakeholder security and fire prevention requirements for the site.

In January 2012 Sydney Opera House partnered with the Designing Out Crime Research Centre to identify methods to reduce and prevent crime through the design of products, buildings and environments that pre-empt and deter criminal behaviour. Recommendations have been identified that will compliment the security approach whilst enhancing the visitor experience.

To ensure emergency preparedness, a number of activities were undertaken this year including security, fire and warden training for staff, resident companies and commercial operators. Evacuation drills were conducted onsite and staff attended offsite training conducted by Fire and Rescue NSW. Sydney Opera House now has a well prepared Emergency Control Organisation that is aligned to AS 3745 Planning for Emergencies in Facilities.

This year the approach to business continuity was strengthened through improvements to communication and the further identification of supply chain links. Testing was undertaken to assess the ability to communicate between business streams and produce work during the simulation exercises.

Challenges

Improved Safety Outcomes – Heritage and physical building constraints limit capacity to implement high level risk controls. Safe work procedures and personal protective equipment are often the only solutions available. The long term solution would require major funding and re-design. New work health and safety legislation require changes to numerous policies, procedures and consultation arrangements. Work has and continues to be undertaken to update all systems and processes.