

State OPERA
south australia

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ANNUAL REPORT
Of
THE STATE OPERA OF
SOUTH AUSTRALIA
for the
Year ended 30 June 2016

September 2016



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REPORT FROM THE CHAIR

The Honourable Jack Snelling MP, Minister for the Arts

Dear Minister,

On behalf of the Board of Management of The State Opera of South Australia (SOSA) I am pleased to report that we completed yet another artistically successful season in 2015-16, maintaining and enhancing our reputation as a small company that produces great work and creatively navigates the challenges and opportunities it faces. This was the fifth full year of operations under the inspirational leadership of CEO/Artistic Director Mr Timothy Sexton, and the Board is pleased with how Mr Sexton is reshaping the way SOSA presents its product in an increasingly challenging environment, continuing the enhancement of the SOSA brand through new and increased marketing and profiling initiatives.

There were two major highlights of the season – one traditional and the other new. The presentation of *Faust* in August 2015 was a major collaboration through the Opera Conference, in conjunction with the Royal Opera House, Covent Garden. The production was one of the most lavish traditional productions staged by SOSA in recent times and received glowing critical acclaim. The presentation of the world premiere of *Cloudstreet* maintained SOSA's status as a significant innovator of new opera, in a production that received significant national attention. These productions featured national and South Australian-based singers with the ever-excellent support of the Adelaide Symphony Orchestra. The production of *Cloudstreet*, in particular, reinforced SOSA's place at the forefront among the nation's opera companies as producer of innovative, specialist, ground-breaking work, furthering the tradition set by SOSA in presenting a number of now iconic productions over at least the last 20 years.

SOSA's other main stage productions, *The Magic Flute*, staged in the Freemason's Great Hall and *Verdi's Requiem*, staged at the Adelaide Festival Theatre, achieved critical and audience approval. *The Magic Flute* demonstrated the artistic, financial and artist development benefits of presenting works which enable a significant number of South Australian soloists to be engaged.

Continuing a pattern which has emerged over recent years, some of the main stage productions mentioned above faced tough box office challenges, notwithstanding the high quality of the productions, and the considerable critical acclaim. What was most pleasing was that both *The Magic Flute* and *Cloudstreet* met, or exceeded, box office forecasts. This was particularly encouraging in the case of *Cloudstreet*, where the presentation of new opera is more often than not accompanied by severe box office shortfalls. The *Cloudstreet* box office result was aided, in part, by considerable repeat business from both local and interstate patrons.

SOSA continued to face challenges in suitable venue availability in 2015-16, which will continue in subsequent years. In response to this, SOSA and its Board of Management have been devoting considerable strategic attention to alternative means and venues through which its product can continue to be delivered to both its existing and new audiences. Understanding and navigating the way audiences now engage with the arts remains a critical focus area for SOSA and the Board appreciates and continues to be supportive of Mr Sexton's efforts and aspirations, both to generate new audiences for opera and to continue to explore means by which opera can be brought to a greater proportion of our community in a relevant and meaningful way.

The Board of SOSA is committed to SOSA continuing to balance "specialist" programming with the scheduling of more popular works, and to continue to develop new and innovative ways to present opera in South Australia.

The 2016 calendar year is SOSA's 40-year anniversary, and Mr Sexton has compiled an exciting program of productions to make it a year to remember.

The Opera Studio continues to provide a versatile and flexible experimental space for the development of new work, and new artists. 2015-16 saw the expansion and strengthening of SOSA's James & Diana Ramsay Foundation Opera Program, which now embraces the full gamut of operatic tuition, from languages, repertoire, stagecraft and Alexander Technique for performers, to masterclasses with visiting artists and multiple opportunities for stage performance. Stronger links have also been established with the Elder Conservatorium, University of Adelaide – a welcome industry partnership which will dramatically enhance the attractiveness of Adelaide as a destination for vocalists seeking tertiary music education. This inaugural collaboration will culminate in the first proposed annual opera co-production between the Elder Conservatorium and SOSA in October 2016.

Government funding was maintained with the State Government providing ongoing support through Arts South Australia, and the Commonwealth Government continuing to provide important support through the Major Performing Arts Panel (MPAP) of the Australia Council. What is most encouraging is that private sector support increased by 35% compared with the previous year (which was due in large part to the impact and response to *Cloudstreet*). This is highly commendable in the current financial climate. SOSA also posted a modest operating surplus of \$66,000, without recourse to the use of reserves, an excellent result, given the increasingly difficult and uncertain environment in which SOSA is operating.

SOSA has healthy reserves of 46% of its operating budget. This result is due to the hard work of all staff members, particularly our Finance Director, Mr Nigel Bray, who manage a very lean operation and who successfully contain costs wherever possible. The company also greatly appreciates the interest and encouragement provided by the Minister for the Arts, and all the staff of Arts South Australia.

SOSA has enjoyed ongoing support from local businesses and individual patrons. We acknowledge the special contribution being made by the James & Diana Ramsay Foundation. SOSA's Diana Ramsay Fund provides funding for ongoing support for the development of emerging artists.

We remain grateful to our principal corporate sponsor, TRILITY, and other leading sponsors including The Friends of SOSA Inc, APN Outdoors, Tynte Flowers, Booze Brothers and Coriole Vineyards. Our patronage program has been maintained through the successful "Artist Sponsors" initiative and we thank those individual donors for their significant contributions.

SOSA is also greatly appreciative of the ongoing collaborative relationships it has with its industry partners. The Adelaide Symphony Orchestra, in particular, continues to provide unparalleled support as the orchestra for our main-stage productions. Our opera colleagues and peers from interstate continue to describe it as the best pit orchestra in Australia. We also acknowledge our ongoing association with the Adelaide Festival Centre during the 2015-16 year. I also acknowledge the contribution of my dedicated fellow board members; their continued advice and contribution is invaluable.

Finally, and most importantly, I acknowledge the contribution of the dedicated and talented staff of the SOSA led with energy, commitment and passion by Mr Timothy Sexton. Their skills and judgement have, once again, enabled us to deliver outstanding artistic outcomes this

year. The small team at SOSA provides an admirable model of what can be achieved with a lean and efficient organisation.

Simon Hatcher
Chair

September 2016

CEO & ARTISTIC DIRECTOR'S MESSAGE

ANNUAL REPORT 2015-16

In 2015-16, the State Opera of South Australia (SOSA) completed another landmark year with a season that included the presentation of one subscription production and a subscription concert, both staged in the Festival Theatre, a brand new Mozart production (*The Magic Flute*) in the Freemason's Great Hall, the world premiere season of a new Australian opera (*Cloudstreet*) in Her Majesty's Theatre, two new opera development workshops and a series of Opera Studio performances, including a rare double bill of operatic gems. The presentation of *Cloudstreet* was an essential expression of SOSA's specialist mantra. It achieved major financial, artistic and critical success, garnering national and international attention. In 2015-16, despite the significant cost of mounting two new productions, including set and costume manufacture, efficiencies achieved in production and administration enabled SOSA to end the year with a modest operating surplus of \$66 000, without needing to support this result from reserves.

Subscription numbers continue to be affected by the increasingly limited access to the Festival Theatre, and the subsequent necessity for SOSA to spread its annual season across multiple alternative venues. Subscriptions in 2016 have reduced by 18.8% from the 2015 result as a direct consequence of the lack of sufficient access to the Festival Theatre, with only one production able to be staged in that venue in the 2016 calendar year season.

Despite the considerable challenges in the market and across the sector, the Company's Equity status remains positive with total equity at 30 June 2016 of \$2 375 000, comprising an accumulated surplus of \$464 000 and reserves of \$1 911 000. This represents an improved equity position compared with the 2014-15 result, with an increase in total equity of \$66 000 (\$43 000 increase in the accumulated surplus and \$23 000 increase in reserves).

Budget outcomes are set out in the financial report.

In 2015-16 State Opera engaged in the following activities:

- Presentation of one major subscription opera and a subscription concert at the Festival Theatre (*Faust*, Verdi's *Requiem*) with soloists, the State Opera Chorus and the Adelaide Symphony Orchestra.
- Presentation and premiere of a new (subscription opera) production of Mozart's *The Magic Flute* in the Freemason's Great Hall, Adelaide, with soloists, the State Opera Chorus and the Adelaide Symphony Orchestra.
- Presentation of the world premiere season of *Cloudstreet*, with seven performances presented in Her Majesty's Theatre with soloists, actors and the Adelaide Symphony Orchestra.
- Two-week development workshop of *Cloudstreet – the opera* in preparation for May 2016 premiere season.
- One week musical development workshop of the new opera *Innocence*, in collaboration with SINGular Productions, in preparation for a fully stage workshop in July 2016.
- Multiple activities under the expanded James & Diana Ramsay Foundation Opera Program, including a Summer Showcase.
- Presentation, in collaboration with the Accompanists' Guild of South Australia, of a lieder recital in Elder Hall, featuring international artists Florian Boesch (baritone) and Malcolm Martineau (piano) with four SOSA Young Artists.
- Staging of the 2015 Geoffrey Parsons Award for accompanists in the Opera Studio, as part of the Festival of Accompanists 2015.

- Double Bill of operas in the Opera Studio – *La chanson de Fortunio* and *Bastien und Bastienne* featuring the young and emerging artists.
- Marketing Support of Musica Viva's Adelaide Town Hall concert performance of *I Fagiolini* on 30 July 2015.
- Marketing Support of the Andrew MacKinnon Enterprises presentation 'from Broadway to La Scala', with Teddy Tahu Rhodes, Greta Bradman, David Hobson and Lisa McCune in the Festival Theatre on 5 September 2015.
- Production and marketing of Stone-Castro Production's presentation of *The Country* in the Opera Studio as part of the 2016 Adelaide Festival.
- Performance by the State Opera Chorus at the annual Wateraid Ball, Adelaide Convention Centre

MAINSTAGE SUBSCRIPTION OPERAS:

- **FAUST – Adelaide Festival Theatre**

This was a unique Opera Conference collaboration in conjunction with the Royal Opera House, Covent Garden. SOSA was the second company to present the work after Opera Australia. For the Adelaide season of *Faust*, the original direction of Sir David McVicar was very successfully restaged by Bruno Ravello from the ROH. This was a very lavish, traditional setting of the opera, with an imposing set design, beautiful costumes and the opportunity to use the whole theatre, including the Dress Circle balconies, from which the chorus sang, and the mighty Jubilee organ. The uniformly superb cast featured James Egglestone as Faust, Kate Ladner as Marguerite and Teddy Tahu Rhodes as Mephistopheles, supported by Michael Honeyman as Valentin and Desiree Frahn in the role of Marthe. *Faust* is a great chorus opera and members of the State Opera Chorus acquitted themselves magnificently in a production that also featured a full ballet troupe. While *Faust* fell short of box office expectations, the critical and public acclaim for this production was unanimous, with some patrons suggesting it was one of the best productions ever staged by SOSA. The Adelaide Symphony Orchestra, conducted by Kynan Johns, relished the opportunity to bring Gounod's beautiful music to life.

- **VERDI REQUIEM – Adelaide Festival Theatre**

In response to reduced access to the Festival Theatre, the Verdi *Requiem* was presented during the season of *Faust*, as a means of maximizing theatre utilisation, and providing extra operatic product for subscribers. This resulted in a very busy but rewarding period for the singers, especially the chorus. The four soloists were soprano Teresa La Rocca, mezzo-soprano Elizabeth Campbell, tenor Diego Torre and bass Douglas McNicol. They were backed by a 50-voice State Opera Chorus, with the Adelaide Symphony Orchestra conducted by Timothy Sexton. Two performances were presented, in between performances of *Faust*, to a very receptive audience. Whilst falling short of box office targets, the performances, especially the first concert, received critical and public acclaim. The slightly disappointing box office highlighted the care with which close programming of different events needs to be considered by SOSA. There appeared to be a certain reluctance on the part of subscribers to commit to two operatic evenings out in the same week. Nevertheless, it was a worthwhile presentation which enabled SOSA to creatively solve the ongoing dilemma of reduced theatre time in that period.

THE MAGIC FLUTE – Freemason's Great Hall, Adelaide

In February 2016, SOSA presented the premiere of a brand new production of Mozart's *The Magic Flute*. This was a company first on two fronts – firstly it was the first time SOSA had presented a major opera in the context of the Adelaide Fringe Festival. Secondly, it was the first time SOSA had utilised the Freemason's Great Hall in North Terrace as a venue. Again, this was a solution implemented to address, in part, the lack of availability of the Festival Theatre in 2016. Responses to the venue itself were mixed, as it lacked a great deal in fundamental infrastructure, both as a theatre and as a venue (e.g. there was no air conditioning). The performances, held at the height of summer, presented significant challenges in audience management. Considerable resources also had to be expended on basic theatre infrastructure, including a lighting grid and extension staging, to enable the production to be adequately staged. Setting aside the issues with the venue, the production itself was very well received, with a total of six sold out performances being staged over two weeks. Director David Lampard also designed the sets and costumes, with a highly innovative lighting design by Daniel Barber. The modular, moving set provided a visually fascinating backdrop to the opera itself, which featured an almost entirely South Australian cast. Special mention is made of the double cast role of Pamina, performed on alternate nights by Naomi Hede and Desiree Frahn who both brought great artistry to the role. The role of Tamino was beautifully performed by Brenton Spiteri – the only non-South Australian singer. Luke Dollman provided leadership as conductor of the cast and a slightly scaled down Adelaide Symphony Orchestra. The new production was very well received. The issues associated with the venue cannot be solved by SOSA, but it is a performance space with possibilities, if the infrastructure can be improved. *The Magic Flute* season was sold out and the production met its box office targets.

CLOUDSTREET – Her Majesty's Theatre

In May 2016, SOSA presented the world premiere of *Cloudstreet*, with music by George Palmer and libretto by George Palmer and Tim Winton. This was a major commitment for SOSA, as this opera was presented without co-production partners and was the culmination of five years of development work, the latter three involving SOSA. Seven performances were presented in Her Majesty's Theatre. The strong ensemble cast featured 11 locally based singers, including Joanna McWaters, Desiree Frahn and Pelham Andrews. The local cast were further bolstered by four soloists from interstate – Barry Ryan, Antoinette Halloran, Jeremy Kleeman and Australia's only operatically trained indigenous baritone, Don Bemrose. A further three (non-singing) indigenous actors were engaged locally. With the exception of director and dramaturg Gale Edwards, the creative team were all South Australian. *Cloudstreet* received incredible national media coverage, including ABC's Australian Story and extensive print media exposure. This landmark production was a critical, artistic and financial success, exceeding expectations on all fronts.. What was most pleasing was the very significant amount of repeat business from patrons, including those from interstate. Reviews were unanimous in their praise of what has widely been touted as a significant step forward in the creation of a truly accessible, high quality Australian opera. The future challenge is now to ensure that the high level developmental resources invested by SOSA in *Cloudstreet* can be capitalized with further seasons interstate and beyond.

NEW OPERA DEVELOPMENT

- **CLOUDSTREET – THE OPERA**

In October/November 2015, SOSA held a two-week workshop on the whole of *Cloudstreet*; George Palmer's musical and literary adaptation of Tim Winton's iconic Australian novel. Funds received from the Federal Ministry for the Arts were used to support this workshop, which was an essential part of the preparation for the premiere season scheduled for May 2016 - to ensure the greatest possible success for the work. The workshop resulted in a public presentation to an invited audience. During the workshop process, considerable changes were made to the structure of the opera. Composer, George Palmer was in attendance with director Gale Edwards and conductor Timothy Sexton managing and guiding the two-week process. The workshop featured South Australian based singers, a number of whom went on to perform in the premiere season in May 2016.

- **INNOCENCE (formerly *Innocence Lost*)**

In July 2015, SOSA and SINGular Productions presented a one-week music workshop of *Innocence*, as part of the \$100,000 2013 Major Commission grant from Arts SA. *Innocence* is a new opera by Adam Goodburn (librettist) and Anne Cawrse (composer), adapted from Stephen Orr's novel "Time's Long Ruin". This second workshop involved the creation of a further 50 minutes of music for the opera, which was rehearsed and professionally recorded in the Opera Studio. *Innocence* has the potential to be a very significant exploration of grief and loss, in a respectful and appropriate treatment of a socially sensitive issue. The workshop was directed by Andy Packer with musical direction by Timothy Sexton, and featured established South Australian singers.

EDUCATION PROGRAM

Due to the nature of the product being presented by SOSA during 2015-16, and the alteration in timing of the operas, no primary or secondary education initiatives were undertaken during this time. SOSA focused on the development of its industry partnership with the Elder Conservatorium, due to come into full effect in the second half of 2016, and adult-centred education initiatives.

State Opera staged a number of adult-focussed educative events, comprising pre-performance talks prior to each mainstage opera presentation, *En Garde* events for opera newcomers and *Avant Garde* events for more seasoned opera aficionados. There were 23 events of this type in the 2015-16 period, reaching a total audience of approximately 3,980. SOSA also provided production based educational material via its website.

JAMES & DIANA RAMSAY FOUNDATION OPERA PROGRAM

In 2015-16, with the significant financial assistance of the James & Diana Ramsay Foundation, State Opera continued to develop and expand its young artist program. The program now integrates a comprehensive opera education framework embracing both young and emerging artists. Language coursework is provided by Alessandro Vecchiarelli (Italian), Dr. Christine Rothauser (French) and Dr. Margaret King (German). The program involves masterclasses with visiting artists, Alexander Technique classes, public showcases, pop-up operas, chamber operas and cover/minor principal work in main stage operas. During this period, the James &

Diana Ramsay Foundation Opera Program garnered further support from The Friends of State Opera Inc. The aim of the program is to increase the competitiveness of the next generation of opera singers and practitioners, and to construct meaningful pathways for a future career in opera. Major activities included the Schumann and Elder Perspectives Schubert Lieder recital with Florian Boesch and Malcolm Martineau and the involvement of young and emerging artists in the Opera Studio Double Bill, *The Magic Flute* and *Cloudstreet*.

THE OPERA STUDIO – 2015-16

The Opera Studio Program is another initiative supported by the James & Diana Ramsay Foundation and the Frank & Thora Pearce Opera Foundation. The Opera Studio is a very important space for the development of experimental performance and new arts projects. The Opera Studio continued to prove a vital performing resource in 2015-16, enabling not only the rehearsing of the Company's main-stage productions, but also hosting a variety of collaborations and presentations with, and by, other companies. There was less external engagement in the Opera Studio in 2015-16 due to the considerable rehearsal demands on the space for SOSA's extensive annual program. The following activities took place:

- James & Diana Ramsay Foundation Opera Program, including the Festival of Accompanists 2015 and the Opera Studio Double Bill (*Bastien und Bastienne*, and *La chanson de Fortunio* - see below).
- In 2015-16, the Opera Studio was provided by SOSA as a proving ground for new work in development and general arts support. Workshops, sessions, performances and development periods were conducted by the Accompanists' Guild of South Australia, the Adelaide Festival, Various People Inc and SINGular Productions, as well as providing support to the annual activity of The Little Big Book Club.
- SOSA provided marketing and production support for the 2016 Adelaide Festival season in the Opera Studio of *The Country* by StoneCastro. This was a highly successful venture which exceeded box office expectations and was well reviewed.

OTHER ACTIVITIES

MUSICA VIVA CONCERT

- SOSA provided marketing support for the 30 July 2015 Adelaide Town Hall performance by *I Fagiolini* – the exciting English vocal ensemble who presented a wide ranging concert featuring music from the Renaissance through to the present day.

OPERA CONCERT

- SOSA provided marketing support for the September 2015 Adelaide Festival Theatre performance of 'from Broadway to La Scala', with Teddy Tahu Rhodes, Greta Bradman, David Hobson and Lisa McCune, with orchestra conducted by Guy Noble. This venture was presented by Andrew MacKinnon Enterprises.

FUNDING, SPONSORSHIP & PHILANTHROPY

Private sector income remains a critical factor in balancing the budget and I am pleased to confirm that during the 2015-16 period, SOSA was able to maintain support from its principal corporate partner TRILITY (formerly United Utilities Australia) and its other leading Production Sponsors comprising the James & Diana Ramsay Foundation, The Friends of State Opera Inc. and the Seaborn, Broughton & Walford Foundation. State Opera's Industry and Media Partners were the Adelaide Festival Centre, the Adelaide Art Orchestra, the Adelaide Symphony Orchestra, the State Library of South Australia, the University of Adelaide, Elder Hall, Nation, SINGular Productions and APN Outdoor. These were joined by company sponsors Tynte Flowers, Saturno Brothers (Booze Brothers) and Coriole Vineyards.

Private giving from donors and patrons showed modest trends upwards, which was a solid result in what has been a challenging couple of years for the wider business community. The season also attracted private artist sponsors based both here in South Australia and interstate, including Simon & Sue Hatcher, Dr. Ruth Marshall, Peter and Pamela McKee, Kaaren and Kevin Palmer and Andrew Sutherland.

The continued financial support of the State and Commonwealth Governments is also gratefully acknowledged by the Board and management.

In the year ended 30 June 2016 the Company earned total revenue from all sources of \$5 136 000 and expended \$5 070 000 resulting in an operating surplus of \$66 000. The Company's total community support network of 2104 at 30 June 2016 was provided through 1488 subscribers, 258 Friends and 358 individual patrons.

AWARDS

As a final comment on the 2105-16 year, it was with great pleasure that SOSA collected four awards for its productions. In the annual Adelaide Theatre Guide Awards, SOSA won three:

- Best Show, Musical (Professional)
 - *The Philip Glass Trilogy*
- Best Technical – Set & Costume Design (Professional)
 - Mary Moore & Geoff Cobham – *The Philip Glass Trilogy*
- Best Male Performance (Professional)
 - Grant Doyle – *Don Giovanni*

In the SA Ruby Awards, SOSA won:

- Best work – *The Philip Glass Trilogy*

And finally, in the annual Helpmann Awards, SOSA received four nominations, including Best Opera for *The Philip Glass Trilogy*.

This was fitting acknowledgment of the extraordinary output from SOSA, and a testament to the incredible artistic talent present in South Australia.

Timothy Sexton

Chief Executive Officer and Artistic Director

September 2016

MAJOR SPONSORS 2015-16

The State Opera of South Australia gratefully acknowledges the financial support of the Government of South Australia, and the Commonwealth Government through its arts funding and advisory body, the Australia Council.



The State Opera of South Australia thanks the following companies, organisations and individuals for their generous financial support:

PRODUCTION SPONSORS



INDUSTRY AND MEDIA PARTNERS



SPONSORS



ARTIST SPONSORS

Simon & Sue Hatcher
Dr Ruth Marshall & Mr Tim Muecke

Peter & Pamela McKee
Andrew Sutherland

Kaaren & Kevin Palmer

STATE OPERA PATRONS

The State Opera of South Australia thanks the following patrons for their generous contributions throughout the 2015-16 financial year:

Grand Benefactor Patrons (\$10,000+)

The Friends of the State Opera
Peter & Pamela McKee
The Frank & Thora Pearce Foundation
The James & Diana Ramsay Foundation

Platinum Patron \$6000 - \$9999

Simon & Sue Hatcher
Kaaren & Kevin Palmer
Tynte Flowers

Gold Patron \$3000 - \$5999

Anon x 1
Assoc Professor Greg Crawford & Mrs
Christine Crawford
Dr & Mrs Paul Drysdale
Barry & Ginger Fitzpatrick
Richard & Jan Frolich
Francois Gouws &
Katrin Burmeister-Gouws
Jane Lomax-Smith
The Rotary Club of Adelaide
Dr Christine Rothauser

Silver Patron \$1500 - \$2999

Anon x 1
Assoc Professor Margaret Arstall
Mr Rob Baillie
The Hon D J & Mrs E M Bleby
Mrs Pauline Brooks OAM
David Colville
Dianne Davidson
Mark de Raad
Anne Edwards
Leigh Emmett
Meg & Jack Favilla
Elizabeth Olsson
Chris Perriam & the late Donald Perriam
Christopher Stone
Mrs M W Wells

Sponsor Patrons \$500 - \$1499

Anon x 16
Aldridge Family Endowment
J W Baker
Dr Kym Bannister &
Professor Brenda Wilson
Peggy Barker
Graeme & Susan Bethune
J Brownell
George Burton
Dr Beata Byok
Peter & Margaret Cannon
Dr A F Connors AM
Angela Cook & Derek Brown
Tony & Rachel Davidson
John Dawes Valuations Pty Ltd
Antonio & Eleonore De Ianno
Mr Bruce Debelles AO QC
Dr Christopher Dibden
Mrs Anne E Dow
Jane Doyle
Dr Michael Drew
Lorraine Drogemuller
Colin & Libby Dunsford
Mr Frank Ford AM
Cassandra Francas
D J & R A Gilmour
Emeritus Professor Ruth Grant AM
RJ, LL & SJ Greenslade
Peter & Helen Herriman
Dr Stuart Inglis
Suzanne Johnson
Dr Ian Klepper
Mr P & Dr J Lammersma
Patricia Lange
S T McGregor
Dr Helen Marmandis & Dr Michael
Hammerton
Dr Ruth Marshall & Mr Tim Muecke
Drs Geoff & Sorayya Martin
D G & K C Morris
Edward Nichols MBE VRD
Alex Nicol
Peter & Gina Osborne
Jocelyn Parsons
Brian Peat
Martin Penhale
Glen Quick
Roger Raftery
The Late Dr J M Roberts AO
Andrew & Gayle Robertson
Dr J B Robinson
Mrs Margaret Scharer
Suzanne Sexton
Mrs Anne Shadgett in memory of
Patricia Smith
John Sheat & Yvonne McMurray
Bill & Helen Stacey
Ann Sutcliffe
Andrew & Sibby Sutherland
Peter & Mary Sutherland
Mr & Mrs Tony Taddeo
Mrs Susan Tarr
Dr Pamela Tonkin
David & Linnett Turner
Mrs K Walsh
G C & R Weir

Professor Julian White
Jan & Ingrid Wilson
Dr Lesley Woodard-Knight
Barry Worrall
Jacqueline Wright

Donor Patrons \$200 - \$499

Anon x 10
Julie Almond
Alpha Family Lawyers/
Kerry Antoniou
Prof & Mrs Bradley
Robert Bryce & Lyn Edwards
Ann & Jeffrey Crocker
Estelle & David Farwell
Trevor Grant & The Late Bernice
Grant
Dr & Mrs A W & A K H Grieve
Mrs Josephine Hails
P M Hardy
Grace Koo & Terence Yeow
Nicholas Linke
Mr Robert Marrone
Elizabeth McEvoy
G R J McEwin
Mr G Morgan
Amparo Moya
Dr Kenneth O'Brien
Chris O'Nyons
Philip H Page
John & Jenny Pike
Gunther & Junia Rath in memory
of Patricia Smith
Betty Ross
Meredith Sarah AM
Gwen Shaughnessy
R B & L M Siegle
Geoff & Vicki Smith in memory of
Patricia Smith
Starship Mawson
Michael & Mary Tatchell
Caroline Treloar
Mrs J R Vel
Merry Wickes
Mrs Rene Young
Mrs Fy Zaikos

Supporting Patrons \$100 - \$199

Anon x 69
 Julie Almond
 Alan Atkinson
 Ms Wilma Bajka-van Velze
 Allan & Kaye Bates
 Sally Bates
 Rosey Batt
 Judith Bayly
 Jane Bennett in memory of Dienneke de Raad
 Joy Bishop
 Barbara Bond
 Irene Botzek
 Vicki Bowman
 Rob Byrne & Corrie Bennett in memory of Dienneke de Raad
 Les & Jenny Cleland
 Mrs P M Cohen
 Come Out! Children's Festival
 Lynn Crosby
 Dr Ian Crouch
 Mr P & Ms M D Cutri
 Malcolm Day
 Robert Fletcher
 The Foubister Family in memory of Patricia Smith
 Ms Maria Geraghty
 H B & I D Gray in memory of Patricia Smith
 Dr & Mrs H A Handley
 Diane Hart & Graham Bate in memory of Dienneke de Raad
 Ms Penny Hewson
 Susan Howlett
 J Jaensch
 Mrs Diana Jeanes
 Mr Peter Jones & Mr Brian Heenan
 Warren Jones AO
 Mrs Nikki King
 Mary & Franz Kosiak
 J A Langford
 Judith A Langford
 Anne Levy
 Joan Loftus
 Alan Marriage
 Roger Masters
 Roger Menz
 Patricia Mould
 Sonya Murchland
 Dr Shirley O'Grady
 E & E Rabot
 Diana Roberts
 Barbara Rowney
 Linda Sampson
 Dr Geoffrey Seidel
 D & S Shannon
 Neil Smith in memory of Patricia Smith
 Rosemary Stimson
 Dr Georgette Straznicki
 S Stuart
 Patricia Stuart-MacAdam
 Mrs M Swetenham
 Senator & Mrs Baden Teague
 Gillian Thomas
 Dr Kathy Tiller
 Kim Tolotta
 Kym Trethewey
 Joyce M Venner
 Barbara Wall
 June Ward
 R L & G K Willing
 Bud Zekanovic

Faust

An Opera in Five Acts (1859) by CHARLES GOUNOD
Libretto by Jules Barbier and Michel Carré from Carré's play *Faust et Marguerite*, loosely
based on Johann Goethe's *Faust*.
First performed at the Theatre Lyrique, Paris, on 19 March 1859

ADELAIDE FESTIVAL THEATRE
22, 25, 27, 29 August 2015 at 7:30pm

State Opera Chorus & Adelaide Symphony Orchestra

Cast & Production

Faust	James Egglestone
Marguerite	Kate Ladner
Méphistophélès	Teddy Tahu Rhodes
Valentin	Michael Honeyman
Wagner	Joshua Rowe
Siébel	Cherie Boogaart
Martha	Desiree Frahn
Conductor	Kynan Johns
Original Director	Sir David McVicar
Revival Director	Bruno Ravella
Assistant Director & Revival Choreographer	Shane Placentino
Original Choreographer	Michael Keegan-Dolan
Set Designer	Charles Edwards
Costume Designer	Brigitte Reiffenstuel
Lighting Designer	Paule Constable
Chorus Master	Timothy Sexton
Repetiteurs	Andrew Georg & Mark Sandon
French Language Coach	Dr Christine Rothauser
Production Manager	David McLean
Stage Manager	Nicola Keene
Deputy Stage Manager	Jess Nash
Assistant Stage Manager	Marie Docking
Props Master	Angela De Palma
Props Assistant	Melissa Colley
Fight Choreographer	Rev. Rob MacPherson
Surtitle Operators	Elizabeth Holbert & Jennifer Bird

This Opera Conference production of *Faust* is based on the Royal Opera House Covent Garden, Opera de Monte-Carlo, Opera de Lille and Fondazione Teatre Lirico Giuseppe Verdi, Trieste production first performed at Covent Garden on 11 June 2004.

Sponsored by



TRILITY

Total Attendance: 5,390

Requiem

A Requiem Mass (1874) in memory of Alessandro Manzoni by GIUSEPPE VERDI
First performed in the church of San Marco, Milan, on 22 May 1874

ADELAIDE FESTIVAL THEATRE
26, 28 August 2015 at 7.30pm

State Opera Chorus & the Adelaide Symphony Orchestra

Cast & Production

Soprano	Teresa La Rocca
Mezzo-soprano	Elizabeth Campbell
Tenor	Diego Torre
Bass	Douglas McNicol
 Conductor & Chorus Master	 Timothy Sexton
Repetiteur	Andrew Georg

Total Attendance: 2,488

The Magic Flute (K.260)

An Opera in Two Acts (1791) by WOLFGANG AMADEUS MOZART

Libretto by Emanuel Schikaneder.

First performed at the Theater auf der Wieden, Vienna, on 30 September 1791

FREEMASON'S GREAT HALL, NORTH TERRACE, ADELAIDE

18, 19, 22, 23, 24 February 2016 at 7:30pm & 20 February at 3.00pm

State Opera Chorus & Adelaide Symphony Orchestra

Cast & Production

Tamino.....	Brenton Spiteri
Pamina.....	Naomi Hede & Desiree Frahn
Papageno	Nicholas Cannon
Papagena.....	Karina Jay
Queen of the Night.....	Joanna McWaters
Sarastro	Robert England
First Lady	Deborah Caddy
Second Lady	Rosanne Hosking
Third Lady	Meran Bow
Monostatos.....	Adam Goodburn
Child Sprites.....	Sarah-Jane Pattichis, Lisa Cannizzaro
.....	Rachel McCall
Speaker of the Temple.....	Jeremy Tatchell
Priests.....	Beau Sandford, Joshua Rowe
Armed Man 1 & 2.....	Mark Oates, Daniel Goodburn
Priest/Follower/Bird Lady.....	Norbert Hohl
Chorus	Catherine Campbell, Desiree Frahn,
.....	Kristen Hardy, Greg John, Rodney Kirk,
.....	Sara Lambert, Jenn Tranter,
.....	Andrew Turner, Hew Wagner
Conductor	Luke Dollman
Director & Set & Costume Designer	David Lampard
Lighting Designer	Daniel Barber
Assistant Director & Movement Coach	Daniela Taddeo
Chorus Master.....	Timothy Sexton
Repetiteurs	Andrew Georg & Mark Sandon
Production Manager	David McLean
Stage Manager	Nicola Keene
Deputy & Assistant Stage Managers	Jess Nash & Marie Docking

A new production created by State Opera of South Australia.

Sponsored by



Total Attendance: 2,400

Cloudstreet (World Premiere)

An opera in Two Acts (2016) by GEORGE PALMER
Libretto by George Palmer and Tim Winton.

HER MAJESTY'S THEATRE, ADELAIDE
12, 13, 18, 19, 20, 21 May 2016 at 7:30pm and 14 May 2016 at 3.00pm

Adelaide Symphony Orchestra

Cast & Production

Lester Lamb	Pelham Andrews
Oriel Lamb	Antoinette Halloran
Fish Lamb	Nicholas Jones
Quick Lamb	Nicholas Cannon
Hattie Lamb/Mrs Clay	Kristen Hardy
Red Lamb	Courtney Turner
Elaine Lamb	Karina Jay
Lon Lamb	Ben Francis
Sam Pickles	Barry Ryan
Dolly Pickles	Joanna McWaters
Rose Pickles	Desiree Frahn
Ted Pickles	Hew Wagner
Chub Pickles	Beau Sandford
Toby Raven/Pilot/Gerry Clay	Jeremy Kleeman
Bob Crab	Don Bemrose
Spirit Girls	Natasha Wanganeen, Lilla Berry, Kirsty Williams
Musical Director/Conductor	Timothy Sexton
Director & Dramaturg	Gale Edwards
Set Designer	Victoria Lamb
Costume Designer	Ailsa Paterson
Lighting Designer	Nigel Levings
Video Designers	Craig Williams and Victoria Lamb
Assistant Director	Velalien
Indigenous Consultant & Movement Coach	Nicky Ashby
Chief Repetiteur & Orchestration Asst.	Andrew Georg
Repetiteurs	Mark Sandon, Dale Ringland
Production Manager	David McLean
Head of Wardrobe	Judith Branford
Stage Manager	Nicola Keene
Deputy Stage Manager	Jess Nash
Assistant Stage Manager	Rohan Yates

A new premiere production created by State Opera of South Australia.
Presented in association with the Adelaide Festival Centre and supported by a grant from



Total Attendance: 5,326

Presented by State Opera of South Australia
in association with the Accompanists' Guild of South Australia

Elder Perspectives Concert ***Schubert & Schumann Lieder***

ELDER HALL, UNIVERSITY OF ADELAIDE – Saturday 4 July 2015 at 7.30pm

Featured guest artists

Baritone	Florian Boesch
Accompanist	Malcolm Martineau
Guest pianist	David Barnard

State Opera SA James & Diana Ramsay Foundation Emerging Artists

Soprano	Desiree Frahn
Mezzo-soprano	Fiona McArdle
Tenor	Branko Lovrinov
Baritone	Jeremy Tatchell

Program

Schumann: From Myrthen Op.25

Die Lotosblume

Aus den östlichen Rosen

Widmung

Die Hochländer-Witwe

Schumann: Spanische Liebeslieder Op.138

Schubert: Die schöne Müllerin Op.25, D.795

This production supported by



Total Attendance: 336

The James & Diana Ramsay Foundation Opera Program

OPERA DOUBLE BILL

Bastien und Bastienne (W.A. Mozart)
& *La chanson de Fortunio* (J. Offenbach).

THE OPERA STUDIO – Friday 9 & Saturday 10 October 2015 at 7.30pm

State Opera Young & Emerging Artists

Cast & Production

Bastien and Bastienne

Bastienne	Desiree Frahn
Bastien.....	Branko Lovrinov
Colas.....	Jeremy Tatchell

La chanson de Fortunio

Fortunio	Joshua Rowe
Laurette	Naomi Hede
Valentin.....	Beau Sandford
Babet	Meran Bow
Friquet	Hew Wagner
Landry.....	Sarah-Jane Pattichis
Guillaume	Lisa Cannizzaro
Saturnin	Courtney Bridge
Sylvain	Desiree Frahn

Music Director/Conductor	Timothy Sexton
Director, Choreographer & Production Design	David Lampard
Assistant Director & Movement Coach	Daniela Taddeo
Lighting Designer	Marie Docking
French Language Coach	Dr Christine Rothauser
Repetiteur	Penelope Cashman
Surtitle Operator	Andrew Georg
Production Manager	David McLean
Stage Manager	Jess Nash
Head of Wardrobe	Judith Branford
Head of Props	Angela De Palma

This production supported by



Total Attendance: 326

CLOUDSTREET - Workshop

THE OPERA STUDIO – Monday 26 October 2015 - Saturday 7 November 2015.
Public showing: Saturday 7 November 2015 at 2.00pm

Cast & Production

Lester Lamb	Adam Goodburn
Oriel Lamb	Johanna Allen
Fish Lamb	Gareth Keegan
Quick Lamb	Nicholas Cannon
Hattie Lamb/Mrs Clay	Kristen Hardy
Red Lamb	Bethany Hill
Elaine Lamb	Karina Jay
Lon Lamb	Ben Francis
Sam Pickles	Joshua Rowe
Dolly Pickles	Joanna McWaters
Rose Pickles	Desiree Frahn
Ted Pickles	Hew Wagner
Chub Pickles	Beau Sandford
Bob Crab	Trevor Jamieson
Composer	George Palmer
Librettists	George Palmer & Tim Winton
Musical Director/Conductor	Timothy Sexton
Director & Dramaturg	Gale Edwards
Chief Repetiteur	Andrew Georg
Repetiteurs	Mark Sandon, Dale Ringland
Production Manager	David McLean
Stage Manager	Nicola Keene
Deputy Stage Manager	Jess Nash
Assistant Stage Manager	Rohan Yates

This production supported by a grant from the Federal Ministry for the Arts

Total Attendance: 100

Other Activities

Musica Viva

Presented by Musica Viva in association with State Opera of South Australia

I Fagiolini

Adelaide Town Hall
Thursday 30 July 2015 at 7.30pm

Director Robert Hollingworth leads this exciting English vocal ensemble, acclaimed for its fearless performances of music that demand the utmost from its singers. This is extreme a cappella that ranges from the hyper-real playfulness of Jannequin's *La Chasse* to the rich imagery of a Monteverdi madrigal.

Total Attendance: 500

From Broadway to La Scala

Presented by Andrew MacKinnon Enterprises with support from
State Opera of South Australia

Adelaide Festival Theatre
Saturday 5 September 2015 at 7.30pm

The exuberance of musical theatre with the passion of grand opera, featuring Teddy Tahu Rhodes, Greta Bradman, David Hobson and Lisa McCune with an orchestra conducted by Guy Noble.

Total Attendance: 1,600

The Country

By Martin Crimp

Presented by StoneCastro in association with State Opera of South Australia, Insite Arts and the Adelaide Festival of Arts 2016

Opera Studio
8, 9, 10, 11 12 & 13 March 2016

A doctor and his wife move to the country to start a new life, but their rural idyll is shattered one night when he returns home with an unconscious woman he claims to have found collapsed on a rural roadside. A game of secrets and lies unveils a backdrop of even greater delusion, that the countryside offers escape.

Total Attendance: 1,200

BOARD OF MANAGEMENT

The following persons held the position of Board Member during the financial period:

Mr Simon Hatcher (Chair)
Mrs Kimberly Philp
Ms Elizabeth Olsson
Dr Christine Rothauser

Mrs Pauline Brooks OAM
Mr James Bruce AM
Mr Mark de Raad
Mr David Colville

STAFF

Chief Executive Officer & Artistic Director
Finance Director
Executive Assistant & Communications Manager
Head of Wardrobe
Marketing Manager
Administrative Assistant (part time)
Sponsorship Co-ordinator

Timothy Sexton
Nigel Bray
Debra Pahl
Judith Branford
Lara Francis
Jessica Meffert
McLeod & Johansen

Honorary Life Members

Richard Brown, Hugh Cunningham, Diana Ramsay AO

THE FRIENDS OF THE STATE OPERA OF SOUTH AUSTRALIA INC

President	Pauline Brooks OAM
Vice-Presidents	Rene Young & Robina Weir
Treasurer	Yvonne McMurray
Secretary	Kay Dowling

Committee Members

The following individuals served as committee members during the 2015-16 financial year:

Dr Beata Byok, Jan Harris, Helen Haines, Marlene Gregory, Karen Peterson, Christopher Stone, John Tuckey, Timothy Sexton (ex officio).

FUNCTION, OBJECTIVES, VISION AND STRATEGIC GOALS OF THE STATE OPERA OF SOUTH AUSTRALIA

Function

The activities and services undertaken by the State Opera of South Australia (SOSA) contribute directly to the desired objectives of Arts South Australia and are in line with South Australia's Strategic Plan.

The State Opera of South Australia Act 1976 empowers SOSA to:

- present, produce, manage and conduct theatrical and operatic performances that promote the art of the opera and related theatrical arts;
- promote public interest and participation in the arts of the opera and related theatrical arts;
- contract artists, choreographers, designers and directors for the performance of operatic works; and
- promote the training of all persons concerned in the production of operatic and other related theatrical presentations.

Objectives

The charter of SOSA is to produce operatic work that attracts a diverse local, national and potentially international audience, fulfils South Australian Government priorities and is attractive to sponsors and donors, while retaining SOSA's role as a flagship arts organisation in South Australia and managing its resources effectively by minimising risk and maintaining costs at supportable levels.

In fulfilling this charter, SOSA aims to:

- stage operatic work that is of the highest artistic quality, promoting excellence and innovation;
- offer employment and creative development opportunities for local artists and theatre workers;
- provide a leadership role for the local arts community;
- attract new audiences to opera, providing opportunities for engagement and participation to all members of the community;
- facilitate this accessibility and achieve a State-wide profile through touring productions to country South Australia;
- work collaboratively with other arts organisations to optimise audiences and resources; and
- exercise prudent management of resources.

Vision

SOSA aspires to be the most exciting and innovative opera company in Australia, enhancing South Australia's reputation nationally and internationally.

Strategic Goals

1. Artistic

- To develop and deliver opera of an international artistic standard and nurture the development of leading young opera singers and practitioners in South Australia.

2. Programming

- To present an innovative, challenging and unique program of traditional and specialist repertoire that extends opera as an art form, excites the imagination and is accessible to all South Australians.

3. Brand, Marketing and Communications

- To expand our market profile, reach and reputation as an innovator and centre of excellence in opera.

4. Education

- To build awareness, appreciation and participation in high quality opera experiences through targeted education programs and content for people of all ages.

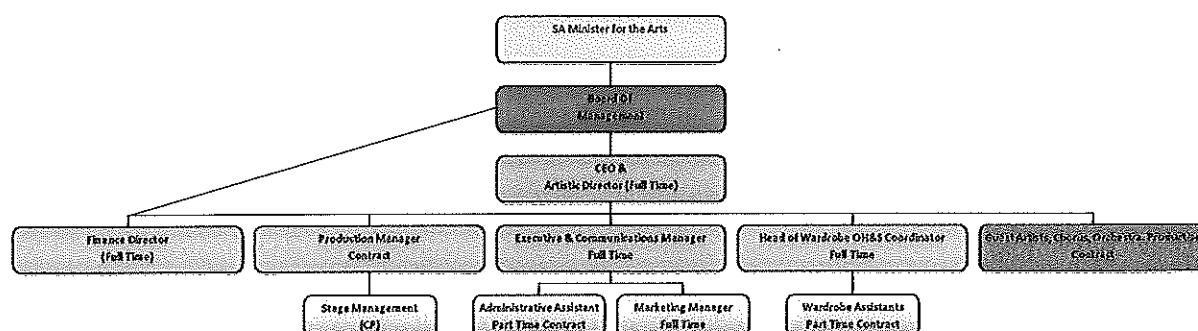
5. Financial & Risk Management

- To maintain and secure and sustainable financial position utilising effective financial and risk management practices

6. Organisation & Culture

- To reflect our values and best practice in governance and management throughout the company

Organisation of Agency



There have been no changes to the organisation's structure during the 2015-16 financial period.

EMPLOYMENT***Executive employment, staff employment and other human resource matters******Executives***

The Company employs three permanent senior executives:

SALARY BRACKET	GENDER	STATUS
\$115,938+	1 Male	3-year contract (expiry 30.06.17)
<i>Senior Management</i>		
\$90,000-\$115,938	1 Female	Ongoing
	1 Male	Ongoing

Other staff

The Company employs two other permanent staff at the following salary levels:

SALARY BRACKET	GENDER	STATUS
\$70,000-\$89,999	1 Female	3-year contract (expiry 30.12.16)
\$60,000-\$69,999	1 Female	Ongoing

Permanent Staff Details as at 30 June 2016

Number of employees: Five

Gender: 40% male and 60% female

Number of persons separated from the agency during the 2015-16 financial year: Nil

Number of persons recruited to the agency during the 2015-16 financial year: Nil

Number of persons on leave without pay at 30 June 2016: Nil

Leave Management

As the activities of SOSA are seasonal, it actively encourages staff to take leave between productions and between each calendar year season.

The average number of sick days taken per FTE worker during this reporting period was as follows:

2015-16	2014-15	2013-14
12.7	4.20	2.60

Family carer's leave days are available to all staff. One staff member took such leave in the reporting period.

Performance Management

All permanent SOSA staff underwent individual performance reviews during 2015-16. The CEO/AD's performance is reviewed by the Board on an ongoing basis with feedback provided regularly by the Chair, but the formal review process for the 2015-16 year is yet to be conducted.

Leadership & Management Development

No leadership or management development training was undertaken in the 2015-16 period.

Training & Development

Staff are encouraged to undertake part-time courses at TAFE or the Universities in areas appropriate to their skills and personal development plan with a subsidy from the Company's training budget. In addition, staff are encouraged to undertake shorter courses for specific skill development or to attend seminars and conferences of value to their professional development. One staff member attended a specialist Conference in the 2015-16 financial year.

SOSA also maintains the James & Diana Ramsay Foundation Opera Program providing invaluable language, coaching and performing opportunities for young and emerging artists.

Implementation of accredited training packages across classification levels

No accredited training packages were implemented in the 2015-16 financial year.

Employment Opportunity Programs

SOSA was not involved in any public sector wide employment opportunity programs established under Section 65 of the PS Act during 2014-15. SOSA caters for performing arts sector skills development and employment opportunity through targeted mentoring of emerging talent through the James & Diana Ramsay Foundation Opera Program, and through the general operation of seasonal contract employment for the Chorus, Dancers and Supernumeraries. SOSA actively engages with the Elder Conservatorium (University of Adelaide) to provide more clearly defined career pathways for music graduates and uses its ancillary concerts and activities to further enhance skills of young and emerging performers and creative personnel.

Equal Employment Opportunity

It is the policy of SOSA to employ people regardless of their gender, race, religious beliefs or sexual orientation. Among the full time employees, the following distribution can be reported as at 30 June 2016:

Workforce Diversity

	Total employees	Female employees	% of employees who are female	Number of employees identifying as other	Number of employees identifying as indigenous	Number of employees with a permanent disability	Number of employees accessing family related workplace policies
Executives	1	0	0	0	0	0	0
Senior Managers	2	1	50%	0	0	0	0
Middle Managers	0	0	0	0	0	0	0
First line supervisors	0	0	0	0	0	0	0
Others	2	2	100%	0	0	0	0
TOTAL	5	3	60%	0	0	0	0

Breakdown of the permanent staff by gender is thus:

<i>Male</i>	(65-69) 1
	(55-59) 1
<i>Female</i>	(60-64) 1
	(50-54) 1
	(30-34) 1

Work Health and Safety and Injury Management

SOSA is committed to addressing issues relating to injury prevention and rehabilitation following a workplace injury with the objective of achieving the maximum possible restoration of physical, psychological, economic, vocational and social functions of injured staff members at the earliest possible time.

SOSA regularly reviews its Work Health & Safety, rehabilitation and claims management systems, under the auspices of the Department of State Development (in 2015-16), in consultation with its employees or their representatives, with the objective of improving overall performance.

With such a small and focused company, all employees are kept abreast of the WHS issues and procedures, as they apply to SOSA. This is enhanced through online training, regular all-of-staff meetings and a rigorous risk assessment process for each production activity undertaken by SOSA. As a result, SOSA has maintained an excellent track record of managing WH&S issues within its functions, despite the diverse challenges presented by the productions and activities it undertakes.

Members of the Work Health & Safety Committee, reporting regularly to the Chief Executive, represent the various areas of the company's operations.

Debra Pahl	<i>Management</i>
Judith Branford	<i>Wardrobe</i>
David McLean	<i>Production Manager</i>
Nicola Keene	<i>Stage Management</i>

In addition, SOSA liaises regularly with the WH&S Committee of the Adelaide Festival Centre to address pertinent issues relating to the safety of performers, crew and audience members in the theatre and foyers.

Workers Compensation claims experience

Financial Year	Total Claims	Average Cost of Claims	Days Lost	Paid to Date
2015-16	6	\$537	0	\$3224
2014-15	3	\$1745	0	\$5234
2013-14	1	\$308	0	\$308

Injury Management Legislative Requirements

Financial Year	Participants in Rehabilitation Program	Employees reassigned to alternative duties	Rehabilitated back to original work
2015-16	0	0	0
2014-15	0	0	0
2013-14	1	0	1

Workers' Compensation

Financial Year	Workers' Compensation Levy Percentage Rate	Open Claims
2015-16	<i>Self-insured via Department of State Development</i>	0
2014-15	<i>Self-insured via Department of State Development</i>	0
2013-14	<i>Self-insured via Department of Premier & Cabinet</i>	0

There were no notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices).

There were no prosecutions pursuant to WHS Act Part 2 Division 5.

There were no enforceable undertakings pursuant to WHS Act Part 11

Agency gross workers compensation expenditure for 2015-16 compared with 2014-15

Expenditure	2015-16 (\$)	2014-15 (\$)	Variation (\$) + (-)	% Change + (-)
Hospital	0	0	0	0
Income Maintenance	0	0	0	0
Investigations	0	0	0	0
Legal Expenses	0	0	0	0
Lump Sum	0	0	0	0
Other	0	0	0	0
Registered Medical	3224	5234	(2110)	(40.3)
Rehabilitation	0	0	0	0
Travel	0	0	0	0
Total Claim Expenditure	3224	5234	(2110)	(40.3)

Voluntary Flexible Working Arrangements

Currently there are no staff members making use of voluntary flexible working arrangements.

DISABILITY ACCESS AND INCLUSION PLAN

The State Opera Disability Access & Inclusion Plan is enshrined in both its Strategic Plan and Business Plan, and ensures that members of the community with disabilities have access to our premises and to our performance venues. These include The Opera Studio at Netley and the Adelaide Festival Theatre, both of which are equipped with disability access and facilities for disabled people. Information on disability access and facilities is included in State Opera annual season brochures. SOSA has adopted a practice of encouraging community theatre groups to use The Opera Studio at Netley because the venue provides excellent facilities, parking and access for people with disabilities. SOSA has also forged strong links with Tutti Ensemble, in a partnership named OPERATU which provides outstanding performance opportunities for performers with a range of disabilities.

SUSTAINABILITY REPORTING

SOSA endeavours to meet the requirements of this 'greening' initiative by adopting practices that will improve its environmental performances. Generally, the impact of State Opera's activities have a minimal environmental impact as the Company employs only five full time employees in leased premises at our headquarters at Netley Commercial Park.

During 2015-16, as tenants of a leased building, under the oversight of Building Management and Accommodation Services, a division of the Department of Transport, Energy and Infrastructure, SOSA relies to a large extent on the actions of the Department to address improving environmental performance that relate to our premises. The same applies to SOSA's performance venues where the Adelaide Festival Centre management must be relied on to adopt and apply suitable greening policies.

However, State Opera will, where feasible, continue to address priority areas including Energy, Wastewater & Waste Management; Water Conservation; Building, Travel, Fleet & Human Resources Management; Green Procurement & Government Administrative Policies/Guidelines.

PERFORMANCE AGAINST THE SEVEN GOVERNMENT PRIORITIES.

SOSA's area of activity falls within three of the seven State Government strategic focus areas:

AN AFFORDABLE PLACE TO LIVE

SOSA continues to provide subsidised, high quality arts experiences to South Australian audiences through the careful management of ticket prices, the offering of aged and student discounting and the offering of free performances where possible.

CREATING A VIBRANT CITY

SOSA continues to present a wide ranging program of activities involving more than 400 performers and practitioners, working together in the presentation of existing productions and the ongoing creation of new works. SOSA acts as a magnet for the best creative talent South Australia has to offer, creating an environment of extraordinary creativity which is recognised nationally and internationally.

EVERY CHANCE FOR EVERY CHILD

SOSA's long term collaboration with Tutti Ensemble provides a unique opportunity for children with a range of disabilities to not only experience opera, but also perform in it. Student rush tickets, competitive pricing for children, and the creation of works specifically for children also allow SOSA's work to be experienced by a wide range of South Australian children.

FINANCIAL ISSUES

Account payment performance

	Due date	Within 30 Days	After 30 Days
No. of Payments	808	23	8
% by number	96.31%	2.74%	0.95%
\$ Value	\$3 743 083	\$57 142	\$9 008
% by value	98.26%	1.5%	0.24%

Contractual Arrangements

No contractual arrangements exceeding \$4 million and extending beyond one year have been entered into by SOSA.

Use of Consultants

Legal consultancy was sought during the 2015-16 financial year.

Fraud

There are no cases of fraud to be reported for this period. The internal control structures of SOSA are working efficiently thereby reducing the risk of fraud occurrence.

PUBLIC COMPLAINTS

Category of complaints by subject 2015-16	Number
Ticketing issues with BASS	10
Issues with productions	20
Total complaints	30

During 2015-16, SOSA received a total of 30 complaints, 10 of which were concerned with problems with ticketing through BASS, which is a wholly owned subsidiary of the Adelaide Festival Centre, and over which SOSA has no control or jurisdiction. SOSA is contractually obliged to use BASS as a non-negotiable condition of the hire of any Adelaide Festival Centre controlled venue.

These ticketing complaints were handled in a respectful and efficient manner, with SOSA taking responsibility to resolve the issues as quickly as possible. All 10 complaints were satisfactorily resolved. This level of complaint varies slightly from year to year.

A further twenty complaints were received pertaining to individual stage productions. These are, by their very nature, subjective complaints informed by and around personal, individual taste and around aspects of productions with which audience members had issue. All of the concerns of each of the complaints were discussed with them at length. These are not complaints which have a resolution but each complainant was satisfied that they had an opportunity to express their opinion and that their concerns and perceptions were acknowledged. The production of *The Magic Flute*, in particular, attracted comments due to the lack of air conditioning and other standard amenities in the Freemason's Great Hall. SOSA, as hirer, not owner of the venue, was only able to address these issues in part, but all feedback was passed onto the Freemasons, as owners of the venue.

FREEDOM OF INFORMATION

SOSA's structure and functions are detailed earlier in the report with a full staff and artist listing. SOSA presents public performances of opera productions open by ticket purchase to all members of the public. It also offers special access for disabled members of the public as well as economically disadvantaged members of the public and to school students and youth.

Documents held by the agency may be accessed and amended where it concerns their personal affairs, where allowed under the Freedom of Information Act 1991. Requests for access to documents should be accompanied by a \$33.50 application fee and directed in writing to:

Timothy Sexton
CEO & Artistic Director
State Opera of SA
216 Marion Road
Netley, 5037

An additional search fee of \$50.00 per hour may be required, as well as a deposit, depending upon the amount of time required to complete the search.

WHISTLEBLOWERS PROTECTION ACT 1993

The State Opera of South Australia has appointed a responsible officer for the purposes of the *Whistleblowers Protection Act 1993* pursuant to section 7 of the *Public Sector Act 1993*.

There has/have been no instance/s of disclosure of public interest information to a responsible officer of the State Opera of South Australia under the *Whistleblowers Protection Act 1993*

CONTACT INFORMATION



State OPERA
south australia

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The State Opera of South Australia was established under The State Opera Act of 1976 and is in receipt of financial assistance from the South Australian Government through Arts South Australia and the Commonwealth Government through the Australia Council.

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ABN 31 382 679 566

THE STATE OPERA OF SOUTH AUSTRALIA

Financial Statements
for the year ended
30 June 2016



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**To the Chair, Board of Management
State Opera of South Australia**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 18(3) of the *State Opera of South Australia Act 1976*, I have audited the accompanying financial report of the State Opera of South Australia for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair, Board of Management, Member Board of Management, Chief Executive Officer and Artistic Director, and the Finance Director.

The Board's responsibility for the financial report

The members of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances.

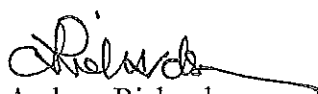
An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the State Opera of South Australia's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the State Opera of South Australia as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson

Auditor-General

29 September 2016

STATE OPERA OF SOUTH AUSTRALIA

Statement of Comprehensive Income for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
EXPENSES			
PRODUCTION EXPENSES:			
Performers and staff benefits		1766	2054
Theatre hire and related expenses		903	979
Costumes and sets		341	468
Opera conference support		277	272
Advertising		223	274
Travel and accommodation		221	114
Shipping and freight		59	67
Other expenses		<u>205</u>	<u>155</u>
Total Production Expenses	4	<u>3995</u>	<u>4383</u>
ADMINISTRATION, MARKETING AND FINANCIAL:			
Staff benefits		584	533
Rental accommodation and service expenses		237	232
Subscription and marketing costs		97	93
Travel and accommodation		34	31
Audit & Legal Fees		34	24
Insurance		9	10
Depreciation		6	8
Net Change in market value of investments		2	-
Other expenses		<u>72</u>	<u>78</u>
Total Administration, Marketing and Financial		<u>1075</u>	<u>1009</u>
Total Expenses		<u>5070</u>	<u>5392</u>
INCOME			
Box office and production revenue	5	1545	1241
Commonwealth Government grants	7	1501	1463
Sponsorship and donations	6	411	271
Dividend income		14	14
Net Change in market value of investments		-	20
Interest and sundry revenue		<u>86</u>	<u>95</u>
Total Income		<u>3557</u>	<u>3104</u>
Net Cost of Providing Services		<u>1513</u>	<u>2288</u>
REVENUES FROM GOVERNMENT			
State Government grants	7	<u>1579</u>	<u>1551</u>
NET RESULT		66	-737
TOTAL COMPREHENSIVE RESULT		66	-737

The net result and comprehensive result are attributable to the SA Government as owner

The above Statement should be read in conjunction with the accompanying notes.

STATE OPERA OF SOUTH AUSTRALIA

Statement of Financial Position as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
ASSETS:			
CURRENT ASSETS:			
Cash Assets	8,15	2866	2803
Prepayments		81	69
Receivables		10	33
Total Current Assets		<u>2957</u>	<u>2905</u>
NON-CURRENT ASSETS:			
Investments		288	290
Plant and equipment	9	31	13
Total Non-Current Assets		<u>319</u>	<u>303</u>
Total Assets		<u>3276</u>	<u>3208</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Advance box office		332	308
Creditors		73	46
Accruals		67	52
Advance sponsorship		18	99
Workers compensation provision		13	13
Staff benefits	10	79	89
Staff on-costs		16	21
Total Current Liabilities		<u>598</u>	<u>628</u>
NON-CURRENT LIABILITIES:			
Staff benefits	10	256	219
Staff on-costs		16	21
Workers compensation provision		31	31
Total Non-Current Liabilities		<u>303</u>	<u>271</u>
Total Liabilities		<u>901</u>	<u>899</u>
NET ASSETS		<u>2375</u>	<u>2309</u>
EQUITY:			
Reserves		1911	1888
Accumulated surplus		464	421
TOTAL EQUITY		<u>2375</u>	<u>2309</u>
COMMITMENTS AND CONTINGENT LIABILITIES	12		

Total Equity is attributable to the SA Government as owner.

The above Statement should be read in conjunction with the accompanying notes.

STATE OPERA OF SOUTH AUSTRALIA

Statement of Changes in Equity for the year ended 30 June 2016

	Future Productions Reserve	Reserves Incentive Scheme Funds Reserve	Trust Funds Reserves	Accumulated Surplus	Total
Balance at 30 June 2014	1,358	237	795	656	3,046
Total comprehensive result for the year	-	-	-	(737)	(737)
Transfer (from)/to reserves	(550)	-	48	502	-
Balance at 30 June 2015	808	237	843	421	2,309
Total comprehensive result for the year	-	-	-	66	66
Transfer (from)/to reserves	-	-	23	(23)	-
Balance at 30 June 2016	808	237	866	464	2,375

All changes in equity are attributable to the SA Government as owner

STATE OPERA OF SOUTH AUSTRALIA

Statement of Cash Flows for the year ended 30 June 2016

	Note	2016 (Outflows) Inflows \$'000	2015 (Outflows) Inflows \$'000
CASH FLOWS FROM OPERATING ACTIVITIES :			
CASH OUTFLOWS			
Performers and staff entitlements		(2333)	(2576)
Production, administration, marketing and other payments		(2951)	(2757)
Cash Used in Operations		(5284)	(5333)
CASH INFLOWS			
Grants - Commonwealth Government		1653	1609
Box office and production		1577	1104
Sponsorship and donations		351	257
Dividends received		14	14
Interest and sundries		87	95
GST recovered from Australian Taxation Office		110	58
Cash Generated from Operations		3792	3137
CASH FLOWS FROM SA GOVERNMENT			
State Government grants		1579	1551
Cash Generated from SA Government		1579	1551
Net cash provided by (used in) Operating Activities		87	(645)
CASH FLOWS FROM INVESTING ACTIVITIES :			
Purchase of equipment		(24)	(6)
Net cash used in Investing Activities		(24)	(6)
NET INCREASE IN CASH HELD		63	(651)
CASH AT 1 JULY		2803	3454
CASH AT 30 JUNE	15	2866	2803

The above Statement should be read in conjunction with the accompanying notes.

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. State Opera of South Australia Objectives and Funding

The State Opera of South Australia (the Company) objectives are:

- To promote and develop the State Opera of South Australia as one of Australia's most exciting and innovative performing arts companies.
- To reinforce, through its activities, South Australia's reputation both nationally and internationally as a State recognised for its rich cultural life and artistic excellence.
- To be recognised as a forward-thinking performing arts company that "does it differently."
- To be renowned nationally and internationally as the performing arts company that presents a mix of traditional and non-traditional specialist repertoire that enhances the cultural vibrancy and variety of the State, provides significant employment opportunities for artists and arts sector workers and generates economic gains for the State through cultural tourism.

The State Opera of South Australia's principal sources of funds are State Government grants, Commonwealth Government grants (through the Australia Council) and box office and production revenues.

2. Summary of Significant Accounting Policies

Statement of Compliance

The Company has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The Company has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Company is a not-for-profit entity.

Basis of Preparation

The State Opera is a statutory authority established pursuant to the *The State Opera of South Australia Act 1976*.

The financial statements and accompanying notes include all the activities of the Company.

The presentation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or where assumptions are significant to the financial statements, are outlined in the applicable notes; and
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*, by authority of Treasurer's Instruction 19 Financial Reporting. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in these financial statements:
 - a) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
 - b) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff; and
 - c) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than direct out-of-pocket reimbursement.

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Statement of Significant Accounting Policies (continued)

The Company's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and accounting policy statements have required a change.

Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

Taxation

The activities of the Company are exempt from Commonwealth income tax but subject to other Commonwealth taxes such as Fringe Benefits Tax, Goods and Services Tax and other State taxes (including payroll tax).

Income, expenses, assets and liabilities are recognised net of the amount of GST except where the amount of GST incurred by the Company as a purchaser is not recoverable from the Australian Taxation Office. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows 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 Australian Taxation Office is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Income and Expenses

Income and expenses are recognised in the Company's Statement of Comprehensive Income when and only when it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Revenues

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is measured at the fair value of the consideration received or receivable.

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Statement of Significant Accounting Policies (continued)

The Company has the following specific revenue recognition criteria:

- State and Commonwealth grant revenue is received under a funding agreement between the Company, the Australia Council for the Arts (as represented by the Major Performing Arts Panel) and Arts SA. Control over these revenues is normally obtained upon receipt.
- Box Office and production revenue from ticket sales is recognised in the Statement of Comprehensive Income at the time of staged performance. Revenue in respect of productions not yet performed is included in the Statements of Financial Position as Advance Box Office under Current Liabilities.
- Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are bestowed.
- General donations are brought to account as received.

Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits will occur and can be reliably measured.

The following are specific recognition criteria:

- Staff benefits expenses includes all costs related to employment including wages and salaries, non monetary benefits and leave entitlements. These are recognised when incurred.
- Expenses for productions are recognised when a production has concluded. Production costs for future productions and productions in progress at reporting date are recorded as prepayments.

Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. The Company has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call and in other short-term, highly liquid maturities 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 purposes of the Statement of Cash Flows cash includes cash on hand, cash at bank and investments that are readily converted to cash and are used in the cash management function on a day-to-day basis. Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from trade receivables and interest receivable. Trade receivables arise in the normal course of selling goods and services to the public. Trade receivables are generally receivable within 30 days after issue of an invoice or the goods/services have been provided under a contractual arrangement.

Prepayments

Production expenses for future productions and productions in progress at year end are carried forward as prepayments and are not included in expenses from ordinary activities for the year.

Investments

Investments represent equity holdings in publicly listed companies. These holdings are valued at market value with the movement in the market value of the investments being recognised in the Statement of Comprehensive Income during the period in which the movement occurs.

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Statement of Significant Accounting Policies (continued)

Depreciation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. All non-current fixed assets are held at historic cost.

The useful lives of all major assets held by the State Opera of South Australia are reassessed on an annual basis. Depreciation for non-current assets is determined as follows:

Class of Assets	Depreciation Method	Useful Life (Years)
Production Equipment	Straight line	5-10
Office furniture & Equipment	Straight line	5-10
Computer Equipment	Straight line	3

Payables

Payables include creditors, accruals and staff on-costs.

Creditors represent the amount owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Company.

Accrued expenses represent goods and services provided by other parties during the period which are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Staff on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

The Company makes contributions to the State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid.

Economic Dependency

The normal business activities of the Company are dependent on the continuation of grants from the State Government and the Australia Council at an appropriate level. The State Opera of South Australia, Arts South Australia and the Australia Council have a formal agreement which maintains funding up to 31 December 2018.

Staff Benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value and short-term staff benefits are measured at nominal amounts.

Wages, Salaries, Annual Leave and Sick Leave

Liability for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement of sick leave.

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Statement of Significant Accounting Policies (continued)

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departure and periods of services. These assumptions are based on employee data over SA government entities. Expected future payments are discounted using market yields at the end of the reporting periods on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Leases

The Company has entered into operating leases, related to property and vehicles. In respect of these leases, the lessor effectively retains substantially the entire risks and benefits incidental to ownership of the leased items. Operating lease payments are recognised as an expense on the basis which is representative of the pattern of benefits derived from the leased assets.

Insurance

The Company has arranged, through the insurer, South Australian Government Financing Authority (SAFA), SAICORP Division, to insure all major risks of the Company. The excess payable under this arrangement varies depending on each class of insurance held.

Workers Compensation Provision

The Company is self insured for workers compensation. A provision has been reported to reflect unsettled workers compensation claims.

Provisions are recognised when the Company has a present obligation 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.

The expense relating to the provision is presented in the Statement of Comprehensive Income. The provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Reserves

Future Productions Reserve

The future productions reserve includes previous surplus amounts which have been allocated directly to assist in the staging of future productions, rather than for general use.

Reserves Incentive Scheme Funds Reserve

The Company entered into an agreement, known as the Reserves Incentive Scheme Funding Agreement, with the Australia Council and Arts SA during 2009-10. The Scheme is designed to encourage and assist the Major Performing Arts companies to strengthen their Statement of Financial Position by building reserves to a level that is sufficient to underpin their financial health.

The funds received under the Agreement must be placed in escrow and can only be released under certain circumstances, which are set out in the Agreement, which includes the Company making a formal submission, signed by the Board Chair, to Arts SA and the Australia Council.

These funds are long term deposits which are held with the South Australian Government Financing Authority.

Trust Funds Reserves

Diana Ramsay Fund and the Thora and Frank Pearce Opera Foundation reflect Trust funds held and controlled by the Company. Refer to note 17 for further information.

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Statement of Significant Accounting Policies (continued)

Programs

In achieving its objectives The Company has one primary program – to stage opera performances, principally in South Australia. All assets, liabilities, income and expenses therefore relate to this program.

Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating and production arising from contractual sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

3. New and Revised Accounting Standards and Policies

The Company did not voluntarily change any of its accounting policies during 2015-16. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Company for the period ending 30 June 2016. The Company has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Company.

AASB 16 Leases will apply for the first time to our 30 June 2020 financial report. This standard will require us to recognise all leased items in the statement of financial position as assets to represent the value of what we lease, and liabilities to represent expected future lease payments. The financial impact of this is yet to be determined.

**4. Total Expenses
Production Expenses**

Production costs which can be directly attributed to operas, staged during the year, other events and other production costs, are as follows:

Opera:	2016 \$'000
<i>Faust</i>	1386
<i>Cloudstreet</i>	1135
<i>The Magic Flute</i>	595
<i>Verdi Requiem</i>	183
<i>Opera Studio</i>	174
Opera Conference support	277
Other production costs	<u>245</u>
	<u>3995</u>

STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

5. Box Office and Production Revenue		
Comprises revenue for operas and other events staged during the year:		2016 \$'000
Opera:		
<i>Faust</i>		757
<i>Cloudstreet</i>		430
<i>The Magic Flute</i>		202
<i>Verdi Requiem</i>		144
<i>Opera Studio</i>		<u>12</u>
		1545
6. Sponsorship & Donations	2016	2015
This comprises money received from:	\$'000	\$'000
Sponsorship		
Private Sector	255	166
Donations from Private Sector		
Patrons	<u>156</u>	<u>105</u>
	411	271
7. Grant Revenues comprise:		
State Government:	2016	2015
	\$'000	\$'000
From Arts SA for:		
General purpose	1565	1551
Special purpose – Singular Productions	<u>14</u>	<u>-</u>
	1579	1551
Commonwealth Government:	2016	2015
	\$'000	\$'000
From Australia Council and Ministry for the Arts for:		
Australia Council General purpose	1491	1463
Australia Council Special purpose – Singular Productions	<u>10</u>	<u>-</u>
	1501	1463
8. Cash Assets		
Cash assets comprises:	2016	2015
	\$'000	\$'000
Short term deposits ⁽¹⁾	2836	2770
Cash at Bank	27	30
Cash on Hand	<u>3</u>	<u>3</u>
	2866	2803
⁽¹⁾ Includes \$2.63m (\$2.56m) deposited with SAFA		
All other amounts are deposited with private sector financial institutions.		
9. Plant and Equipment	2016	2015
	\$'000	\$'000
Production equipment – at cost	197	173
Less: Accumulated depreciation	<u>170</u>	<u>166</u>
	27	7
Office furniture and equipment — at cost	84	84
Less: Accumulated depreciation	<u>81</u>	<u>80</u>
	3	4
Computer equipment — at cost	80	80
Less: Accumulated depreciation	<u>79</u>	<u>78</u>
	1	2
	31	13

STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

9. Plant and Equipment (continued)

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the 2015-2016 financial year.

	Office			2016
	Production Equipment	Furniture & Equipment	Computer Equipment	Total
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of year	7	4	2	13
Additions	24	-	-	24
Depreciation expense	(4)	(1)	(1)	(6)
Carrying amount at the end of year	<u>27</u>	<u>3</u>	<u>1</u>	<u>31</u>

10. Staff Benefits

AASB 119 contains the calculation methodology for long service leave liability. This year, an actuarial assessment performed by the Department of Treasury and Finance was used to calculate the liability rather than using a short hand measurement technique for the calculation of the liability.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2015 (3.00%) to 2016 (2.00%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in the current financial year is an increase in the long service liability of \$12,000 and employee benefits expense including on costs of \$13,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and left the salary inflation rate at 3% for annual leave. As a result there was no net financial effect resulting from changes in the salary inflation rate.

	2016 \$'000	2015 \$'000
Staff Benefits:		
Annual Leave and accrued salaries		
Accrued salaries and fees - current	-	19
Staff benefits –current	<u>79</u>	<u>70</u>
	<u>79</u>	<u>89</u>
Long Service Leave:		
Staff benefits – non-current	<u>256</u>	<u>219</u>
	<u>256</u>	<u>219</u>
Aggregate Staff Benefits	<u>335</u>	<u>308</u>

STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

11. Financial Risk Management - Categorisation of Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial assets, financial liability and equity instrument are disclosed in note 2.

Category of Financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying Amount	
			2016 \$'000	2015 \$'000
Financial Assets				
Cash and cash equivalents	Cash and cash equivalents	8,15	2866	2803
Receivables	Receivables ⁽¹⁾ ⁽²⁾		10	33
Total financial assets			<u>2876</u>	<u>2836</u>
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾		115	74
Total financial liabilities			<u>115</u>	<u>74</u>

⁽¹⁾ Receivable and payable amounts disclosed above exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirement will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax, etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amount disclosed here excludes prepayments. As prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

12. Commitments and Contingent Liabilities

Operating Lease Commitments

Commitments under non-cancellable operating leases, related to property, vehicles and equipment, at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:

	2016 \$'000	2015 \$'000
Not later than one year	188	121
Later than one year but not later than five years	1027	-
Later than five years	435	-
Total Lease Commitments	<u>1650</u>	<u>121</u>

Production Contracts

The Company, by the nature of its operations, has entered into contracts with artists and theatre proprietors for performances scheduled to take place subsequent to 30 June 2016. The terms and conditions of the contracts may also place a liability on the Company to pay some or all of these amounts should the artist not be engaged or the theatre, hired scenery, or costumes not be used.

These commitments have been made on the basis that ongoing funding will continue from the State and Federal Governments at an appropriate level.

	Due Within 1 Year \$'000	Due Within 1-5 Years \$'000	2016 Total \$'000	2015 Total \$'000
Performers' salaries, etc	174	-	174	153
Construction and hire agreements	106	-	106	111
	<u>280</u>	<u>-</u>	<u>280</u>	<u>264</u>

Contingent assets and liabilities

The company is not aware of any contingent assets or liabilities

**STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. Related Party Information

The Board members who have held office during the financial year are:

Mr Simon Hatcher (Chair)
Mrs Pauline Brooks OAM
Mr James Bruce AM
Mr David Colville

Ms Elizabeth Olsson
Mrs Kimberly Philp
Mr Mark de Raad
Dr Christine Rothauser

No Board member received any remuneration from the Company during the twelve months to 30 June 2016 (remuneration nil in 2014-2015). Members of the Board of Management use the services of the Company no more favourably than members of the public, except for the provision of tickets to each staged production. The CEO through his association with the Adelaide Art Orchestra has provided orchestral services to the Company to the value of \$3,000.

14. Remuneration of Staff

Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, fringe benefits tax and other salary sacrifice benefits. The Company has a staff member who received remuneration equal to or greater than the base executive remuneration level. The total remuneration received by this staff member for the year was \$196,000 (\$205,000 in 2014-2015).

15. Reconciliation of Cash

Cash at 30 June as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016	2015
	\$'000	\$'000
State Opera – Cash assets	1997	1964
Trust Funds – Cash assets (refer Note 17)	578	554
Reserve Incentive Scheme Funds – Cash assets	291	285
	<u>2866</u>	<u>2803</u>

16. Consultants

One consultant was engaged this year and was paid \$9,000 (nil in 2014-2015).

STATE OPERA OF SOUTH AUSTRALIA
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FOR THE YEAR ENDED 30 JUNE 2016

17. Trust Funds

The State Opera of South Australia holds funds in a trustee capacity. These funds are included in the financial statements as cash and investments as they are effectively controlled by the State Opera.

The State Opera administers the Thora and Frank Pearce Opera Foundation established in August 1999 and the Diana Ramsay Fund established in November 2001. The Foundation and the Fund are both financed by public donations. All funds are to be used exclusively for cultural purposes associated with opera.

	2016	2015
	\$'000	\$'000
Thora and Frank Pearce Opera Foundation		
Balance 1 July	190	185
Interest and sundry revenue	2	5
Balance 30 June	<u>192</u>	<u>190</u>
Represented by:		
Cash Assets	<u>192</u>	<u>190</u>
Diana Ramsay Fund		
Balance 1 July	653	610
Dividend income	14	14
Interest and sundry revenue	9	9
Changes in market value of investments	(2)	20
Balance 30 June	<u>674</u>	<u>653</u>
Represented by:		
Cash Assets	386	364
Investments	<u>288</u>	<u>289</u>
	<u>674</u>	<u>653</u>
Total Trust Funds held	<u>866</u>	<u>843</u>

18. Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

STATE OPERA OF SOUTH AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Certification of the Financial Statements

We certify that the:

The Financial statements for the State Opera of South Australia:

- Are in accordance with the accounts and records of the State Opera of South Australia; and
- comply with relevant Treasurer's Instructions; and
- comply with relevant accounting standards; and
- present a true and fair view of the financial position of the State Opera of South Australia as at 30 June 2016 and the result of its operations and cash flows for the financial year.

Internal controls employed by the State Opera of South Australia over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.

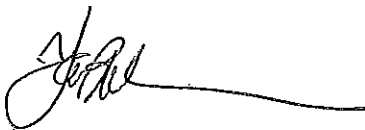
Date 28th September 2016



Simon Hatcher
Chair Board of Management



Kimberly Philp
Member Board of Management



Timothy Sexton
CEO & Artistic Director



Nigel Bray
Finance Director