



OPERA AUSTRALIA CONSULTANCY BRIEFING

Opera Australia is a Major Performing Arts Board (MPAB) company with National Flagship categorisation.

Opera Australia has returned an operating surplus for the past five years and over that period has undertaken continuous business improvements to ensure the most efficient level of operation. In recent times, the company has experienced significant changes including the appointment of a new Chair and the impending appointment of a new Artistic Director. Consequently, it is timely for Opera Australia to evaluate its business structure and activities to enable the company to work from a stable foundation for the next decade.

Opera Australia has requested that the Australian, New South Wales and Victorian governments support an independent, external consultancy to undertake a review of its current and future operations.

Background

Opera Australia is Australia's largest performing arts company, with a turnover in the 12 months to 31 December 2008 of more than \$70 million.

More than 70 per cent of the company's income is derived from box office sales, sponsorship and private donations. Funding from the Australian, New South Wales and Victorian governments will provide direct financial support of \$21.9 million in 2009.

The NSW and Victorian Governments also provide Opera Australia with subsidised rental for venues.

Opera Australia's financial structure includes reserves in the form of a Capital Fund that operates as a separate entity, and assets including ownership of three working properties in Sydney and Melbourne.

Opera Australia requires extensive lead times to plan and secure programs. For example, the company must enter into commitments by November 2009 to deliver its 2011 program.

Current financial situation

After several years of steady growth, Opera Australia's box office receipts for the calendar year 2009 have plateaued and to date are lower than anticipated. Accumulated reserves of capital funds have been considerably reduced as a consequence of unprecedented deterioration in equities markets.

Consultancy outcomes

The objective of the review is to examine possible new operating models within current government funding that would result in a more stable ongoing financial environment and the ability of the company to continue to achieve high artistic standards, continued audience development, and strong education programs and access.

Possible avenues to attain this are through an achievable mix of greater earned income, increased endowment earnings and reduced costs.

This project will require:

- A review of Opera Australia's current operations and costs
- Examination of possible impact on funding levels should contractual outputs change
- Planning to provide for short-term (18 months), medium (three years) and long-term (10+ years) options to achieve a more stable financial position
- Benchmarking Opera Australia processes and outcomes against similar international organisations
- Commencement by 1 July 2009 and presentation of a final report to the funding agencies and Opera Australia by October 2, 2009
- Reporting through a reference group comprising of representatives of the Australian, New South Wales and Victorian governments and the Chairman of the Major Performing Arts Board of the Australia Council.

Other information

This consultancy has the full support of the Opera Australia Board and management; the selected consultant can expect full support of the company and the access required to successfully undertake this task.

A secretariat will be provided by the Major Performing Arts Board of the Australia Council and Opera Australia. While the consultant may be engaged in either Sydney or Melbourne, the greater share of work will be undertaken in Sydney.

This will be a limited tender. The workings and report will be subject to commercial confidence.

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