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Opera Australia falls into the red

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April 16, 2010 - 3:00AM

OPERA Australia posted a \$907,677 deficit for a difficult 2009 at its annual meeting in Sydney this week - the company's first deficit in five years, according to chairman Ziggy Switkowski.

The company had earlier said the loss was expected due to the global financial crisis when box office returns fell by about 10 per cent and Sydney tourist numbers fell in early 2009.

Dr Switkowski said the economic downturn coincided with programming riskier works, including *Lady Macbeth of Mtsensk* and *Werther*, while the Melbourne season of *A Little Night Music* in May had not gone as well as projected.

Total box office takings fell from \$47.1 million in 2008 to \$39.2 million in 2009.

In the Sydney summer season last year, admissions to the opera fell from 86,518 in 2008 to 77,860. Admissions fell by 32 per cent in Melbourne's autumn season, with 45,917 people going to the opera compared to 68,454 the year before.

Dr Switkowski refers to the "*My Fair Lady* effect" - the 2008 annual report showed an \$837,785 surplus, much of it due to the popularity of the musical performed in Melbourne in May.

At the same time, the company's capital fund invested in the sharemarket fell from \$12 million to \$7.8 million at the height of the world financial crisis. The money is now back to about \$10 million and also distributed a \$400,000 dividend for the company's use.

"We have entered 2010 with good momentum," Dr Switkowski told *The Age*, although he did not think the company would move out of deficit by the end of this year.

Although not a big ticket seller, Opera Australia has won favourable attention recently for its production of *Bliss*, which, since its development in 2001, has cost about \$2 million to stage.

The opera company's CEO, Adrian Collette, said the new Australian production's six recent Sydney performances and its four Melbourne shows (beginning on Tuesday) would recoup about half its costs at the box office with the remainder paid for by special grants and donations.

Dr Switkowski said Opera Australia's role was to develop new work as well as produce familiar works. He said the board was excited by incoming artistic director Lyndon Terracini's plan to program the Ring cycle from 2013.

"We just have to restrain our enthusiasm until we see a business plan," he said. He said Opera Australia was also working its way through recommendations made by LEK Consulting last year.

This story was found at: <http://www.theage.com.au/entertainment/opera/opera-australia-falls-into-the-red-20100415-shpy.html>