

Chair's Report AGM 2020

Unlike the financial report which covers July 2019 to June 2020, my report is for the 2020 calendar year. What a year it has been but with great challenges come great opportunity and I am delighted to report on what has been achieved this year despite the pandemic and our limited opportunities to meet as a supporter community.

Guiding principles

Regardless of the year, the foundation guiding principles do not change. We have remained focused on providing:

- A trusted independent source of funding and advocacy support for Newcastle Art Gallery
- Strong and engaging relationships with our members and stakeholders.
- Prudent financial management of our investments
- Strong governance and compliance processes

Valerie and John Ryan Bequest

The highlight this year has been an act of extraordinary generosity. Gallery supporter and Foundation Governor Valerie Ryan passed away last November and gifted the residue of her estate equally to the Newcastle Art Gallery Foundation and HMRI. The Valerie and John Ryan bequest to the Foundation has an estimated value of \$10million which is predominantly in the form of listed shares. Val contributed generously to the Gallery via the Foundation during her life and this bequest is a testament to her love of this City, the Gallery and her trust in the Newcastle Art Gallery Foundation as an independent, not-for-profit organisation.

This transformative gift will impact the artistic and cultural life of our region for generations to come. We are committed to ensuring Val's legacy is an expanded Newcastle Art Gallery and a strong, robust Foundation with the capacity to support the Gallery into the future.

The distribution of the residue of her estate is underway with the majority of the funds expected to be received and integrated into our investment portfolio during November.

We look forward to celebrating Val's life and legacy with members and supporters in 2021.

Newcastle Art Gallery Expansion Progress

The Valerie and John Ryan Bequest has allowed the Foundation to step forward as the major independent funding partner for the proposed \$36.5 million Newcastle Art Gallery expansion. The Foundation has made an in-principle commitment up to \$10million to the project. Combined with the City of Newcastle pledge of \$10million, this means the project is now more than 50% funded by the local community. This has provided a strong platform to reengage with state and federal government stakeholders to advocate for funding to fill the \$16.5 million gap.

Throughout the year our expansion sub-committee has been working constructively alongside the City of Newcastle and the Lord Mayor's Expansion Working Party chaired by Cathy Tate to engage with the Minister and other key stakeholders at a state and federal level. The positive momentum has seen the Gallery move forward with an amended DA which was presented to the Foundation Board in July and also proceeding with important preparatory works to ensure the project is shovel ready.

Thank you to Gallery Director Laretta Morton, Lord Mayor Nuatali Nelmes, City of Newcastle Chief Executive Jeremy Bath, Cathy Tate and the Expansion Working Party for your ongoing support and advocacy work towards achieving this important project for our city and our region.

Online Engagement

While our original plans for face-to-face member and supporter activities were disrupted this year, the pandemic provided an opportunity to embrace the digital world. Technology has allowed us to continue to meet as a board and implement our strategies to raise funds for Newcastle Art Gallery, connect with supporters and embrace our hard-hit artist community.

Congratulations to our Membership & Development Committee on the innovative collaboration with local artists to present the Love of Art Online Auction in early September. This event was a tremendous success on many levels raising more than \$10,000 in support of Newcastle Art Gallery while also benefiting our artist community. The project significantly grew our social media following on facebook and Instagram and saw us establish a Foundation YouTube channel. The project engaged new supporters and built significant goodwill within the Artist community.

Thank you to all those who bought or bid on works, the generous contributing artists and the many people who enjoyed viewing the wonderful Artist interviews created Probono by The Peninsula City Project lead by Foundation member Karl Brandstater. These stories provided an opportunity to hear artists talk about their work, the gallery and its place in our city. This wonderful collaboration demonstrated the power of Art to bring people together in challenging times.

A special thank you to the M&D committee lead by Ian Andrews for their hard work in making this complex project a success on so many levels. I am also very pleased to report that despite the pandemic and limited opportunities to meet face-to-face, the Foundation achieved its annual new member target. We look forward to welcoming and acknowledging these new members at events in 2021.

Congratulations to all of our Board and subcommittees on the seamless transition of our meetings to the Zoom conferencing platform. This adaptation will no doubt provide flexibility and added benefits beyond covid. This year has also provided an opportunity to review the Foundation website in line with our evolving needs and we look forward to unveiling a new and improved website in early 2021.

Contribution to the Collection

The Foundation is a proud contributor to growing Newcastle Art Gallery's renowned collection. This financial year we contributed \$56,000 towards acquisitions for the Gallery including the most recent addition being a spectacular suite of 5 large photographs from Internationally recognised contemporary photographer Trent Parke's *Crimson Line* exhibition.

Solid financial results in challenging times

Congratulations to our Finance and Investment subcommittee Mark Stephens, Joshua Walsh and Rob Henderson on their sound management of our investment portfolio through this period of uncertainty.

We maintained our total asset base at \$2.6million with both our Foundation Fund and the Gallery Expansion Fund holding stable at \$1.3 million each.

While investment returns for both funds were down, in line with expectations, they were still above the APRA Retail fund benchmark return for the year. Josh will go through this in detail as a part of his treasurers report later tonight.

These results in volatile times justify our strategy of balancing capital protection and growth. Our members should be aware that all of our investments are with a long term view and we expect them to build in value over time while also providing annual income. We retain a significant portion of our investments in cash as part of our risk management strategy and to ensure ready access to support the Gallery.

In June we formally engaged Ord Minnett to provide investment advice and operational support for our investment portfolio. This is timely and prudent given the increased funds under our care following the Valerie and John Ryan Bequest. The Foundation funds will be invested in a balanced portfolio in line with our investment policy to ensure our core assets continue to grow over time for the benefit of the Gallery. The expansion fund will continue to be invested with a conservative approach with a greater focus on capital protection.

Governance and Compliance

As always our activities are underpinned by the tireless work of our G&C Committee; Felicity Wardhaugh and Joshua Walsh. The committee has an ongoing commitment to best practice compliance with charities regulator the ACNC and all accounting and tax regulations.

Our online fund-raising event required the committee to ensure compliance with inter-state fundraising regulations and to supervise the preparation of Expressions of Interest from artists and Terms and Conditions for the online auction.

The G&C Committee has played an active role in facilitating the distribution of the Valerie Ryan bequest in order to maximise its value for the Foundation. It has also commenced an audit process designed to align our activities with ACNC best practice.

2021 Priorities

Looking ahead to our priorities for 2021. We will have a strategic planning meeting following our Board appointments today however our priority areas will be:

- Gallery expansion - Continue to work with the Gallery Director, the City of Newcastle, the Working Party, and all levels of government, to advocate for the Newcastle Art Gallery expansion.
- Governance and Compliance policy review to ensure best practice compliance with our governing body the ACNC.
- Succession planning to ensure the strength and viability of the Foundation Board.
- Continuing to oversee our investments to safeguard and grow our expanded funding base.
- Build and maintaining our membership and donor base - Assuming ongoing covid restrictions, we will be looking at meaningful ways to engage with supporters in smaller groups. However, we do hope to be back in the Gallery when health guidelines permit. As members you are our greatest asset. If you know of anyone who has an interest in art and shares our belief that an art gallery is an essential part of the wellbeing and economic life of our city and region, please encourage them to join or let us know so we can invite them to one our events or meet with them personally.

Board of Directors 2020

As the Constitution stands, all Board positions, except for the City of Newcastle Council representative, Councillor Jason Dunn, are vacated every year at the AGM. Invited Board member Matthew Endacott is stepping down from the Board this year. I would like to extend our sincere thanks to Matt for his energy and expertise. In particular for his assistance on the M&D in building connections with the Business

Community and his role on the Expansion Committee during this crucial year. Although Matt is stepping down from the Board, I am pleased to say he will remain on the Expansion committee in 2021.

Delighted that all other board members are renominating this year. As always we welcome new nominations but have not received any for the coming year. We will assess this in our upcoming skills audit as a part of our Strategic Planning session in December.

Thank you

I would like to officially thank the Board for their hard work, professionalism, adaptability and sense of humour this year. It is a truly high performing team of impressive, skilled individuals. I would like to thank vice-Chair Gael Davies and secretary Dawn Mullane for their mentorship and support during my first year as Chair. I would also like to acknowledge Lisa Robinson on the M&D and Robert Henderson on the F&I committees for their contributions. As members, if you feel you have the relevant skills, time and energy, and would like to join any of our sub-committees, please talk to us at any time.

A huge thank you to Laretta Morton and the Newcastle Art Gallery team for your ongoing support for all of the Foundation's activities. Congratulations on your innovative online initiatives this year and for keeping the Gallery open safely during this challenging time. This year has truly highlighted the vital role Newcastle Art Gallery plays in our community; creating connections, joy, distraction and so much more.

Finally, the Foundation does not exist without the support and engagement of our members. My thanks go to you all as we continue to work together to ensure a strong, vibrant Newcastle Art Gallery. We look forward to seeing you all back in the Gallery next year.

Suzie Galwey

Chair Newcastle Art Gallery Foundation