

## Chair's Report – Suzie Galwey 2022 Annual General Meeting

**How wonderful to be back together face-to-face following the past two years of virtual AGMs.** It has been an historic year for Newcastle Art Gallery and its supporter communities with the long-awaited Gallery expansion underway; to deliver a revitalised, world-class Gallery for our city and region.



### Guiding Principles

Once again, the Foundation has remained focused on its guiding principles:

- A trusted independent source of funding and advocacy support for Newcastle Art Gallery
- Providing meaningful engagement opportunities for members and stakeholders.
- Prudent financial management of donor funds under investment
- Strong Governance and Compliance processes

### Newcastle Art Gallery Expansion

I am delighted to be standing here with preliminary works for the Newcastle Art Gallery expansion happening right next door. This is the culmination of more than 14 years of perseverance, advocacy, and fundraising from across the spectrum of the Gallery supporter communities. I would like to thank and acknowledge the City of Newcastle, in particular Lord Mayor Nuatali Nelmes and our Council representative Deputy Mayor Declan Clausen and Gallery Director Laretta Morton OAM for their leadership in securing this important physical and cultural infrastructure for our community.

The announcement in early January of an additional \$5million from both State and Federal Governments, confirming funding from all levels of Government, saw the project receive the green light from the City of Newcastle. I would once again like to congratulate Gallery Director Laretta Morton and her team who have worked tirelessly in the first half of this year to pack up and relocate the collection while continuing to curate a series of online and virtual programs to engage the public while also providing support for the Foundation's activities and efforts towards achieving its \$13million funding goal – a third of the projected value of the project.

As you know, the Foundation was able to commit \$10million to the expansion in early 2020 thanks to community fundraising over many years and the extraordinary Valerie and John Ryan Bequest. When the project was confirmed in January, the Foundation received a long-promised bequest of \$500,000 from the

Margaret Olley Art Trust. Fittingly, we launched the expansion fundraising campaign at an event in June celebrating this extraordinary artist and philanthropist.

I am delighted to say that in just 6 months, we have achieved donations and pledges totalling \$1.995million, meaning we have a little more than \$1million remaining in order to achieve our \$13million goal.

Thank you to all our wonderful members and donors who have stepped forward so generously to contribute to building this legacy for our city and future generations.

We also launched our expansion ambassador program and my thanks go out to all those members, including many volunteer Gallery Guides, who put up their hand to act as champions in the community. There are many different ways to support the Gallery and we appreciate people giving their time and skills.

### **Vice Regal Patronage**

In March the Foundation was honoured to receive notification of Vice Regal Patronage from Her Excellency the Honourable Margaret Beazley AC KC Governor of New South Wales and Mr Dennis Wilson. A wonderful endorsement of the Foundation's work and the importance of Newcastle Art Gallery to NSW.

### **Connecting with members and community**

We finished 2021 in the Gallery with a combined event with HMRI on Dec 4 celebrating the life and legacy of Valerie and John Ryan and their transformational gift to the City of Newcastle. The event was attended by Val and John's family members with former Chair and close friend of Val's, Judy Hart, speaking on behalf of the Foundation.

2022 began by saying goodbye and celebrating what's to come with a member gathering in the Sculpture Garden to mark the closing of the Gallery.

The Foundation hosted an expansion information evening at Town Hall on 19th May 2022 where members heard about expansion plans from project manager Matt Bennett and Laretta Morton.

As mentioned, more than 100 members and guests attended our Ode to Olley event at the Newcastle Club on 19 June. Gallery Director Laretta Morton and the Directors of the Margaret Olley Art Trust Philip Bacon and Christine France spoke with passion and humour about Margaret, providing many wonderful insights into her life as an artist, philanthropist and her larger-than-life personality. This coincided with the mailout of our Invitation to Support the Expansion to our members which received an overwhelming response.

Our ambassador network and new members were invited to gather in the beautiful garden of ambassador Sophie Mill on 15 Oct for an update on expansion progress and Foundation activities. We thank Sophie again for her generosity and support as an Ambassador.

Our various events were supported by member communications via email, phone and letter and the ongoing development of our new website. I am very pleased to report that the Foundation achieved its annual new member target of 10 new members.

While we are delighted to be back to face-to-face events, we are working on an exciting visual project with film maker and Foundation member Karl Brandstater of Storyhaus which we will launch as part of our 2023 engagement program.

Thank you to our hard working Membership & Development Committee lead by Ian Andrews and Georgie Plenty, Gael Davies, Dawn Mullane and Lisa Robinson, Emma O'Neill and Mardi Ryan who work so hard to ensure high quality communication and engagement with our members. We are also fortunate to have members such as Vivian Hayles assisting with event photography and Linda Drummond writing articles for our newsletters.

### **Building our Capacity**

#### **- Philanthropy officer**

A major achievement this year has been the appointment of Mardi Ryan as our Philanthropy Officer. Mardi joined us in January on a part time basis to support the Board. Mardi comes from a background in creative arts engagement in Newcastle as well as a personal passion for the arts. Mardi has embraced the role at this busy and exciting time for the Foundation and is helping to build the capacity and professionalism of the Foundation for the benefit of our members, donors and the broader community. She has played a huge role in supporting the Board and subcommittees, particularly the M&D, to bring the Foundation strategy to life so successfully. We can't thank you enough Mardi.

#### **- New database**

Following the launch of our new and improved website in 2021, this year we have made the transition to a new database using the leading Sales Force platform. This important infrastructure will ensure effective and efficient communication with members and that member data is stored securely. I would like to thank Ian, Dawn, Mardi and our service provider, Jess Jones from Dotjess for their tireless work on the database project and its ongoing integration with our website and into our everyday processes.

### **Contribution to the Collection**

Due to the commencement of the expansion project and the transfer of works off site, we did not purchase works this year. We successfully applied to the ATO for a reduction in our 4% Minimum Annual Distribution requirement in preparation for our significant contributions to the expansion project over the next 3 years. This means the Foundation's contribution to the Gallery remained at \$50,000 despite our increased capital base. These funds are being held in trust by the City of Newcastle for the expansion project.

### **Resilient investment results in volatile times**

Our investment decisions are overseen by our Finance and Investment subcommittee lead by Mark Stephens. Mark, Josh Walsh, Robert Henderson, Declan Clausen and myself work closely with investment advisors Ord Minnett. The Foundation Trust's total asset base grew to \$16.4 million at the end of the financial year up from \$11.6million last year. This was due to funds received from the

Valerie and John Ryan Bequest (~\$3.8M), The Margaret Olley Art Trust (\$0.5M), record donations totalling \$875,000 following the launch of the Expansion Fundraising campaign in June, as well as the collection of tax imputation credits. As you will be aware, it has been an extremely volatile period for investment markets which means our overall net investments were down ~\$0.6M or 4.4% of total funds at the end of June. This is a good result considering the All-Ordinaries Index fell by more than 11% during that time.

Following confirmation of the expansion in January, the Board revised our Investment Policy Statement (IPS) to move increasingly towards cash and fixed interest investment instruments in preparation for accessing funds for the expansion project and capitalising on increasing interest rates. Our IPS for the General Fund is now aligned with the Expansion Fund which has always been invested with a conservative approach with a greater focus on capital protection. The Expansion Fund finished the year at \$1.42 million, down from \$1.46million in 2021 but still a substantial 50% gain since the Foundation assumed responsibility for these funds in 2014.

The Board is committed to maintaining an investment base of at least \$3million post expansion, so the Foundation can increase its level of support for a larger, reimagined Gallery. We also plan to continue to grow and nurture philanthropic benefaction as more like-minded individuals and organisations embrace the opportunity to support an iconic, free public institution which contributes so much to the economic, social and cultural fabric of our region.

Thank you to Mark, the Finance and Investment subcommittee members and our advisors Nick Wright and Lara Kable at Ord Minnett for their professional assistance during this time of significant market volatility and change in the scope of our investments.

## **Governance and Compliance**

All our activities are underpinned by the tireless work of our Governance and Compliance Committee; former Director Felicity Wardhaugh, who I will mention a little later, and Treasurer Joshua Walsh. The committee ensures best practice compliance with charities regulator the ACNC and all accounting and tax regulations.

The G&C Committee has played an active role in facilitating the distribution of the Valerie Ryan estate in order to maximise its impact in line with Valerie's wishes. The committee has also assisted with drafting and executing the Foundation Donor Agreement. The committee, along with Mark Stephens and myself, has also been working with the City of Newcastle to develop the Foundation's Funding Agreement for the Gallery expansion.

The Foundation also benefits from pro bono support from Sparke Helmore Solicitors and we thank Julien Castaldi and Isabelle Hazell for their invaluable assistance this year.

## 2023 Priorities

Looking ahead to our priorities for 2023. Following our Board appointments today we will schedule our annual strategic planning session for early next year. The areas the Board will be focussing on are:

- **Supporting the expansion project;** We will continue to work with the Gallery, the City of Newcastle, expansion ambassadors, members and the community to grow excitement and support for the expansion and achieve our philanthropic goal.
- **Resourcing, capacity building and succession planning** to ensure the strength and viability of the Foundation during this busy and exciting period for the Gallery.
- **Nurturing and growing our membership and donor base** - Our M&D and Board will be focussing on innovative ways to engage with members, the community while the Gallery is closed. As members, if you know of anyone who may share our belief that a vibrant 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.
- **Investment strategy** - Oversee our investments to safeguard and grow our expanded funding base and facilitate the staged transfer of funds to the City of Newcastle for the expansion project.
- **Governance and Compliance** ongoing monitoring and policy reviews to ensure best practice compliance with our governing body the ACNC and overseeing all external stakeholder agreements.

## Board of Directors 2023

As the Constitution stands, all Board positions, excepting the City of Newcastle Council representative, Councillor Declan Clausen, are vacated each year at the AGM.

Felicity Wardhaugh, our legal representative on the board, resigned in September. We thank Felicity for her diligence and unparalleled work ethic during what has been a very complex and busy time for the Foundation. We are delighted to be retaining Felicity's expertise as a part of our Governance and Compliance committee. At our November Board meeting, the Board invited Genevieve McMahon to join as an invited Director pending the outcome of today's election. Genevieve is a practicing lawyer with experience in the corporate and non-profit sectors and was formerly a NAGF Director in 2015. We look forward to welcoming Genevieve onto the Board. We are delighted that all our Directors are renominating this year and that Emma O'Neill, an Invited Director last year, is nominating as a General Director for 2023. Emma is Sydney based and it is pleasing that moving to Zoom Board meetings has allowed for greater geographic diversity and flexibility for our Board.

We continually re-assess skills gaps as a part of our annual Strategic Planning session. We greatly welcome new nominations so please don't hesitate to approach myself or another board member if you are interested in becoming more closely involved.

I would like to officially thank the Board for their hard work and professionalism this year. It is a high performing, hard-working team of impressive individuals who volunteer considerable time and energy. I have thanked our committee members throughout my report but would also like to pay tribute to Deputy Chair Gael Davies, Board Secretary Dawn Mullane and Treasurer Josh Walsh who not only have significant Office Bearer responsibilities but also work across a broad range of sub-committees.

I would like to thank our sub-committee members. It has again been wonderful to have Judy Hart and Matt Endacott on our Expansion committee. Lisa Robinson (M&D) and Robert Henderson (F&I). As members, if you feel you have the relevant skills, time and energy, and would like to join any of our sub-committees, please get in touch.

## THANK YOU

A huge thank you to Laretta Morton OAM and the expanding Newcastle Art Gallery team for your ongoing support. While we miss seeing you all in the Gallery we are full of excitement and anticipation for what's to come.

Finally, the Foundation does not exist without the generous support and involvement of our member community. Our thanks go out to you, our members, as we continue to work together to build a vibrant, modern, inclusive Newcastle Art Gallery for future generations.



The 2023 Board (L to R): Ian Andrews, Joshua Walsh (Treasurer), Suzie Galwey (Chair), Genevieve McMahon, Gael Davies OAM (Deputy Chair), Dawn Mullane (Secretary), Laretta Morton OAM (Gallery Director and invited Guest), Georgie Plenty and Mark Stephens. Not pictured: Declan Clausen and Emma O'Neill.



*Photographs by Vivian Hayles.*