

Statement by the Board of Newcastle Art Gallery Foundation

My name is Judy Hart and I'm Vice Chairman of the Newcastle Art Gallery Foundation.

Our Chairman, Rob Henderson, is out of town on a family matter, so I'm authorised by the Board to present this statement on its behalf.

The Foundation was established in 1977. Since then the Foundation has carefully built on its funding base. The past five years has seen unprecedented growth in membership, activity and fundraising which has seen the Foundation's resources, and the works it has helped secure for the Gallery, grow exponentially.... works by Bill Dobell and Joseph Lycett, Rosalie Gascoigne, Albert Namatjira, Daniel Walbidi and Brett Whiteley, among many others.

That is why the Foundation is deeply saddened by the termination of the employment of Gallery Director Ron Ramsey, and Director Future Cities, Judy Jaeger.

Many of those generous donations came at the initiative of Ron Ramsey, who has shown great leadership, knowledge, energy and a truly amazing breadth of contacts across the art world, business and government.

The Foundation is an independent body, with independent directors who volunteer their time and skills to an organisation which exists solely to support the art gallery and to help acquire works for this collection - which is now the most valuable asset owned by the city. The Foundation is not part of Council, and does not report to Council, although Council appoints a corporate representative to the Foundation Board of Directors.

The Newcastle Art Gallery Foundation is cooperating fully with Newcastle City Council to address Council's concerns about the acquisition of the Brett Whiteley sculpture, "*Black totem II*".

What's important for everyone to note is that the acquisition of this wonderful artwork - which enhances the reputation of this gallery and our city - was at no cost to the Council, its ratepayers or the people of Newcastle. Not one dollar. Not a single brass razoo.

Its \$40,000 removal cost from Sydney, its transport to Newcastle, installation in Laman Street - in accordance with a Development Application approved by Council - was totally met by the Art Gallery Foundation. Not Council money. Not ratepayers' money. It was the Foundation's own funds, and the generosity of its donors.

This transaction was carried out in good faith, by people of good will, for no reward other than the betterment of the Newcastle Art Gallery. No-one in the Foundation has drawn any benefit whatsoever from this transaction.

Following is a short history of the events leading up to the installation of "*Black totem II*". It's important to note that the negotiations with Wendy Whiteley, and the Commonwealth's Cultural Gift Program procedures, in relation to the acquisition of this work were led by the Art Gallery, not the Foundation.

Since early 2012, the Foundation had decided to, and budgeted for, the acquisition of a significant sculpture to mark the planned redevelopment of the Newcastle Art Gallery. The Foundation's budget for the sculpture was approximately \$350,000. Once again.... this was totally from the Foundation's resources - Not Council money. Not ratepayers' money.

The Art Gallery advised the Foundation that “*Black totem II*”, designed by Brett Whiteley and owned by Wendy Whiteley, could become available and would be an appropriate work for this purpose.

The Art Gallery advised the Foundation that Wendy Whiteley may be prepared to sell the Sculpture to the Foundation for \$350,000 despite its value being (at that time) in excess of \$700,000 and that she intended to donate to the Art Gallery one half of the value of the Sculpture through the Cultural Gifts Program. (The Board understands that the Sculpture was later valued at an even higher figure.) Wendy was later advised that this was not possible.

The Art Gallery advised the Foundation that Wendy Whiteley had received advice that the Sculpture could be donated to the Art Gallery under the Commonwealth’s Cultural Gifts Program and that the budgeted contribution of \$350,000 could be made separately – by the Newcastle Art Gallery Foundation - to the Brett Whiteley Foundation. The Brett Whiteley Foundation is run under the auspices of the Art Gallery of New South Wales.

In order to secure Wendy Whiteley’s donation of the work, the Board, having budgeted the sum of \$350,000 for the acquisition, agreed to this proposal and was satisfied that it would be beneficial to the Art Gallery to make the donation to the Brett Whiteley Foundation, by instalments over approximately 12 months.

At the end of 2013 “*Black totem II*” was lifted from its former site in Sydney, carefully loaded onto a truck, transported up the M1 and installed here in Laman Street. The first instalment of \$100,000 of the donation to the Brett Whiteley Foundation was paid by the Newcastle Art Gallery Foundation. Not by Council. Not by ratepayers.

The Newcastle Art Gallery Foundation and its Board has acted in good faith in every aspect of this process. We are cooperating – and would be happy to cooperate in future – with Council and any other statutory organisation to explain the process. We are confident that any concerns in relation to this matter will be addressed in full. If, however, any issues are discovered in relation to that process, the Foundation will address those issues immediately.

The Foundation has – to the best of our ability - provided all the information Council has requested in relation to this transaction. The Foundation takes good governance very seriously and established a Governance and Compliance committee over two years ago. It’s always looking for ways to improve and has accepted Council’s offer to provide assistance to review and enhance our governance and risk management procedures. We’ve provided Council with a list of all members of the Foundation. We’ve given Council access to the Foundation’s financial records. If they require any more information, we’d be happy to help.

In conclusion, the Foundation hopes all Novocastrians and visitors will continue to enjoy the amazing artworks in the collection at this wonderful gallery.

Robert Henderson
Chairman

Judy Hart
Vice Chairman