

ART GALLERY  
OF SOUTH AUSTRALIA

2 October 2014

Hon Jay Weatherill MP  
Premier  
15<sup>th</sup> Floor, State Administration Centre  
Victoria Square  
ADELAIDE SA 5000

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Dear Premier

I am writing on behalf of the members of the Board of the Art Gallery of South Australia in response to the recent Boards and Committees Interim Report. Thank you for the invitation to consider the initial outcomes of the reform work.

In earlier correspondence of 9 July 2014, the former Chair, Michael Abbott outlined the essential purpose of the Board of the Art Gallery of South Australia and arguments for retaining the Board – specifically the need for independence, financial benefits, and governance – so I will not go over this ground again.

The purpose of this correspondence is to provide input in relation to our current status, 'subject to further investigation', with the government indicating an interest in exploring greater collaboration between North Terrace cultural institutions.

The Art Gallery supports collaboration between North Terrace cultural institutions. We believe each institution plays its unique role in creating, sustaining and transmitting the culture of South Australia and contributing to the vibrancy of the State, playing their parts in making the North Terrace precinct the most prestigious strip in the city. We currently engage regularly at a board and staff level and welcome opportunities for further collaborative activities where appropriate to enhance the cultural life of South Australia.

However, we view with great concern the notion of combining the boards of the North Terrace institutions and consider this would be detrimental to the innovation and efficiency of each of the institutions and damaging to the cultural vitality and future of South Australia.

As a former member of the South Australian Museum Board, I fully appreciate it is the diversity and differentiation each cultural institution brings that lies at the heart of North Terrace's vibrancy and which forms the foundation of the precinct's cultural and economic value. This insight was the basis of a significant and cornerstone legislative change, introduced in 1939, to separate the boards of the Library, South Australian Museum and the Art Gallery of South Australia.

Abandoning the current governance structure and combining North Terrace institutions' boards into one body carries several major risks with serious consequences, which are outlined below:

### **The Art Gallery's Growth and Expansion**

The Gallery, as you are aware, has been on a growth trajectory for the past four years, spearheaded by Gallery Director, Nick Mitzevich. The Board works very closely with the Director to develop high-level strategies aimed at growth. We are future ready with an exciting plan for the Art Discovery Centre, a digital strategy, audience growth and public program strategy, a family program that will position us as cutting edge, and the nation's most accessible and innovating gallery.

The increased scale and scope of activities position the Gallery and the State as a dynamic, progressive and vibrant cultural hub.

**Risk:** A new governance structure would require major changes in the relationships between each institution and the government, resulting in disruption to leadership with consequent detrimental effects on the maintenance of the Art Gallery's current trajectory of growth and expansion.

### **Fundraising and Benefaction**

The funds raised and managed by the Board totalled \$8.4m in 2013/14. This record level of benefaction in a highly competitive environment is a direct result of the Board's dedication, strategic initiatives and their personalized approach. The Board is very active in benefaction and fundraising. In addition to significant, individual contributions from Board and Foundation members personally, Board members are responsible for developing and nurturing benefactors based on the Gallery's vision. The Board members work closely with the Foundation in promoting and supporting the Director and senior curators in their artistic endeavours and have established a strong and growing community who are passionate supporters of the visual arts, and in particular the Art Gallery of South Australia.

**Risk:** Losing Board members who understand the specialized nature of Art Gallery business would have a very negative impact on the capacity of the Gallery to engage with the Gallery community and hence on benefaction and fundraising, membership and support generally. It may well also put in doubt multi-million dollar promised bequests as the donors have confidence in the current Board and management structure and could feel nervous about a dilution of the Board's focus.

### **Corporate Sponsorship**

Corporate sponsorship and other commercial activities are highly competitive within the cultural sector. Cultural institutions Australia-wide compete for the corporate and consumer dollar by leveraging their unique strengths and differentiated propositions.

Merging cultural institutions dilutes these propositions and creates further conflicts and difficulties in generating corporate sponsorship opportunities.

**Risk:** Reducing the opportunity for each institution to build its relationships with the corporate sector based on unique strengths and competitive advantages would affect overall corporate sponsorship to all North Terrace institutions.

### **National and International profile**

The Art Gallery has strategically engaged national and international audiences over the past three years with the inclusion of *Turner from the Tate*, and *Fashion Icons: Masterpieces from the collection of Musée Des Arts Décoratifs* in our exhibition program and our relationship with Art Exhibitions Australia. We have developed a national profile through exhibitions such as the *Adelaide Biennial of Australian Art*, positioning our brand in the national 'gallery-scape' as being bold, innovative and a leader within the visual arts community. If we were to identify as a part of a larger cultural group our ability to define the Gallery will be compromised. Our growth strategy has been to increase local and national visitors to the Gallery and importantly to attract benefaction and sponsorship on a national scale.

**Risk:** The loss of its own Board would lead to a weakening of the Art Gallery's profile, identity and network of key relationships.

### **Efficiency**

The Gallery has the ability to attract high-calibre board members who are passionate about visual art as well as bringing a range of other skill-sets. This unique and specialized combination contributes to the successful governance and performance of the Gallery. Beyond fulfilling their formal duties, all board members offer their time, support and donations with abundant generosity. This generosity reflects their passion for the Art Gallery of South Australia. Total board fees for 2013/14, at their current modest level, were \$36,000 which is insignificant in comparison to the \$8.4m non-government funds the board raised and managed in the same financial year.

**Risk:** The Art Gallery Board contributes expertise and strategic thinking, as well as enthusiasm at a very modest cost and losing the support and skill set of such a board would have a negative effect on the performance of the institution.

### **Overall Performance**

The Gallery is currently preparing a very exciting strategic plan for the next three years that builds on recent achievements and will greatly benefit the Gallery and South Australia. The risks identified above, should the Gallery lose its independence and autonomy, would put the Director in a very difficult position to achieve our ambitious vision. The future success of the Art Gallery depends substantially on the strong relationship between the Board and the Director.

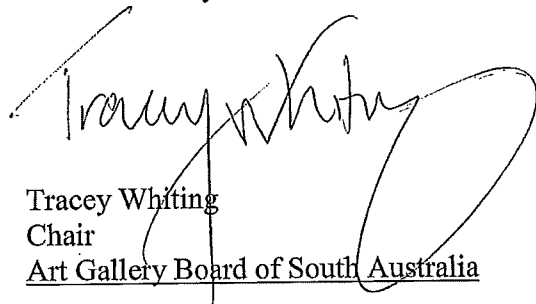
**Risk:** Changes to the board and governance structure pose a major threat to the retention of Gallery Director Nick Mitzevich and hence to the continued success of the Gallery.

In summary, the Board is confident that, with the vision of the Director, the Art Gallery can become an extraordinary South Australian institution. The government funding provides a solid platform for us to double our funds through benefaction, sponsorship and commercial activities.

The independence and autonomy of the Art Gallery of South Australia through the mechanism of its own board provides the Gallery with the governance structure that allows us to think creatively and make the best decisions for the Art Gallery. This is at the heart of our success and passion as a cultural institution as well as contributing to the vibrancy of the North Terrace precinct. Should we lose our independence by being merged into a single governance body covering all the major North Terrace cultural institutions, the risks outlined above are realistic and would significantly diminish the institution.

We ask you to consider our request to remain an independent statutory authority responsible for governing the Art Gallery of South Australia.

Yours sincerely



Tracey Whiting  
Chair  
Art Gallery Board of South Australia

c.c. Hon Jack Snelling MP, Minister for the Arts  
Alex Reid, Executive Director, Arts SA, Dept. of State Development

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Hon Jay Weatherill MP  
Premier of South Australia

Ms Tracey Whiting  
Chair  
Art Gallery Board of South Australia  
North Terrace  
ADELADE SA 5000

Dear Ms Whiting

Thank you for your letter of 2 October 2014 to the Premier of South Australia, the Hon Jay Weatherill MP, about the Boards and Committees Reform.

Your letter has been sent to the Minister for the Arts, the Hon Jack Snelling MP, as this matter falls within his portfolio responsibility.

Should you have any queries about your letter, please contact the Minister's office on telephone 8463 6270.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Jay Weatherill', written over a horizontal dotted line.

**Premier's Correspondence Unit  
Office of the Premier**

9 October 2014

*cc: Office of the Hon Jack Snelling MP, Minister for the Arts*