Bequests, budgets and bureaucracy: why have some of New South Wales’ most established regional galleries looked to sell off artworks?

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Abstract

Evidence suggests that major international and national galleries such as the National Gallery of Art, Washington (est. 1937), National Gallery of Australia, Canberra (est. 1967) and the National Gallery of Victoria, Melbourne (est. 1861) all owe the prestige of their art collections to acts of philanthropy and how the most valuable art collections found in New South Wales regional art galleries came into existence in similar manners. This article will review recent controversy sounding these regional collections and compare the situation to similar circumstances that have recently occurred in English regional gallery models.

Regional public galleries in New South Wales hold a large portion of the state’s distributed art collection, as well as some of the state’s largest and most significant cultural gifts, donated by some of the country’s most generous benefactors. In fact the two regional galleries with the most prestigious and fiscally valuable art collections were both founded due to substantial bequests. These galleries are Newcastle Art Gallery (formerly Newcastle Region Art Gallery) (est. 1957) and the New England Regional Art Museum (est. 1984) located in Armidale.

Due to this fact, both the Newcastle and New England galleries have had a proud and substantial history of receiving further benefaction over the years toward developing their respective and respected art collections. Logically, potential benefactors want to endow their collections to institutions with a strong track-record of conserving, preserving, and interpreting donated private collections and cultural gifts for posterity.

In recent years, it has become apparent that both these well established regional galleries have proposed and even begun to action the deaccessioning and sale of parts of their art collections. This is to provide much needed funds to cover accumulated debts, operational costs and even planned gallery renovations. It could be foreseen that such actions may only reduce the future ability of these galleries to attract further and often vital benefaction, as well as the respective reputations of both regional galleries.

This article will examine why such established regional galleries have considered, or even resorted to such severe methods of raising revenue. Finally, this article will examine ethical and legal ramifications of such actions and the responses of industry stakeholders and key commentators in the field, such as art critics and gallery directors.

An international example of philanthropy and the art gallery

Globally, major philanthropic acts from private wealth and the visual arts have become well acquainted and comfortable bedfellows, especially when it comes to the founding of art museums and supporting acquisitions into public art collections. An international example of this is the National Gallery of Art, Washington that according to the Art Newspaper (est. 1983) of London, in April 2013 is ranked the 8th most visited art museum in the world. The National Gallery of Art is entirely dependent on such benevolent acts, whether it is via financial assistance, or the donation of artworks for all acquisitions in its collection. As the current Director of the National Gallery, Earl A. Powell stated:

"Each work of art in the permanent collection is a private donation, acquired either directly or with contributed funds. Although the Gallery has never relied on federally appropriated funds for obtaining art, it has depended on the Federal Government for essential support. Enabling legislation, passed by the 75th Congress, assured the maintenance of a secure home for the nation’s art collection and a staff to care for it. (Powell 6)"
Although the National Gallery of Art has on-going operational support for the Federal American Government, even the very genesis of the National Gallery of Art can be traced to a benevolent act. In 1930 Andrew W. Mellon (1855-1937), philanthropist and banker, and the then Secretary of the Treasury founded the A. W. Mellon Educational and Charitable Trust. This trust began to purchase the first acquisition for the future National Gallery of Art. When the fledgling National Gallery opened in 1937, Mellon donated his personal and sizable collection of art to the people of America and the National Gallery. In short, from its very inception until now the National Gallery of Art in Washington and its collection has been a successful exercise in philanthropy.

**Australian federal and state examples of philanthropy and the art gallery**

Here in Australia if we look at our equivalent federal art museum, the National Gallery of Australia found in Canberra, we may think differently in regards to the circumstances in which it was founded. Thirty years after the National Gallery of Art, Washington. We may think of the heady days of the 1970s and the brief but potent reign of the Whitlam Labor Government. Along with instigating free health care and tertiary education, the Whitlam Government gave the National Gallery of Australia’s inaugural Director, James Mollison (1931) an unprecedented acquisitions budget, which ranged from $1m in 1972-73 to a phenomenal $4m in 1973-1974! This is even more surprising as the National Gallery of Australia did not at that stage have a building to display its embryonic but affluent art collection until 1982. “In the Budget handed down in August 1972, the (National) Gallery received $4 million for acquisitions. At that moment it was one of the richest museums in the world; certainly the richest without a building.” (Desmond & Lloyd 9)

Mollison used his flair, insight and courage to use this tremendous endowment from the Federal Government to acquire high-modernist artworks at premium price. The artworks, which were purchased by publicly appropriated funds, caused widespread scandal and public backlash. The most famous of these artworks is Jackson Pollock’s (1912-1956) *Blue Poles: Number 11* (1952). Within the vaults of the National Gallery of Australia there are photos of Queen Elizabeth the II (who officially opened the Gallery’s building in 1982); art critic Robert Hughes (1938-2012) and actor Paul Hogan (1939) all scrutinizing the painting now worth over $25m.

Although the dedication of the Whitlam Government in instilling the National Gallery of Australia with a substantial acquisitions budget, derived from publicly sourced revenue and Mollison’s savvy approach to collection policy need to be acknowledged in the development of the National Gallery of Australia in its formative years, philanthropic generosity from private collections has also had a major impact on what is now Australia’s largest art gallery. The Gallery’s current Director, Dr. Ron Radford in the 2011-2012 Annual Report, exemplifies this fact in the following statement:

> The national art collection was revalued this year at $4.6 billion. It is by far the most valuable art collection in Australia. Now comprising nearly 166,000 works, it is also by far the largest... Acquisitions are the lifeblood of major art museums. This has been an exceptional year for the development of the national art collection. Over 2,100 works were acquired, more than half of them gifts. The combined value of gifts and purchases of works of art was $15.8 million (Meredith 14-15)

These facts demonstrate the following: Australia’s Federal art museum, the National Gallery of Australia is unlike its American equivalent, the National Gallery of Art in Washington, because the National Gallery of Australia has had a proud and progressive history of having access to publicly funded acquisitions budgets. But similarly to its American equivalent, philanthropy has still played a major role in the development of the National Gallery of Australia’s collection.

In Australia, the largest and arguably the most prominent act for private benefaction towards a public art gallery is the Felton Bequest, which was left to the National Gallery of Victoria, Australia’s oldest art museum in 1904 by the estate of entrepreneur Alfred Felton (1831-1904). Felton’s bequest predates Mellon’s equivalent gift to the American people by 26 years and was given during a period when “…many public institutions in England and in the United States of America received gifts of art collections, but financial endowment for purchases were uncommon.” (Hoff 7) It is also interesting to note that according to the *Art Newspaper* the National Gallery of Victoria is ranked the 25th most visited art museum in the world and therefore the most visited art museum in Australia. In addition to this fact: “The National Gallery of Victoria in Melbourne, founded in 1861, was the first Australian public museum of art predating its oldest American equivalents by decades.” (Vaughan 261) The reasoning behind the early establishment of art galleries in Melbourne and regional Victoria was the influx of wealth caused by the Victorian Gold Rush (c.1851-1860).

Not only was the Felton Bequest an anomaly because it came in the form of a financial endowment, but because of its unprecedented size. The Felton Bequest drastically reshaped the sphere of philanthropic acts in Australia and to date has not been surpassed, as stated in the National Cultural Policy, the National Gallery of Victoria overnight became wealthier than the combined efforts of the biggest English museums:
More than 100 years ago, the Felton Bequest was established, providing the National Gallery of Victoria with access to funds that were greater than those of London’s National and Tate galleries combined. It is still the most valuable gift ever made to the fine arts in Australia, and set a great precedent for the next century of private sector support for the arts. As a nation we have many great philanthropists who not only give generously but who also lend their expertise and leadership to artistic endeavours. (Commonwealth of Australia 59)

Like the National Gallery of Australia, the National Gallery of Victoria also receives substantial funding from its regulatory government body, this time the Victorian Government. According to the National Gallery of Victoria's 2012-13 Annual Report the State Government provided the Gallery with over $43m. These facts present evidence that Australia has a strong legacy of major patronage towards the visual arts that predates major international equivalents such as Andrew W. Mellon’s gift to the American people in the form of the National Gallery of Art in Washington, but also Australia has a strong history of both Federal and State governments also financially supporting such institutions.

**Victoria and New South Wales: the first regional examples of philanthropy and the art gallery**

Not only did Australia found major art museums before any American model as stated above but also Australia had the very first network of regional galleries outside Great Britain and this network began in Ballarat. “Founded in 1884, the Art Gallery of Ballarat is the oldest regional art gallery in Australia and was the first to be built outside a capital city in the overseas dominions of the British Empire.” (Lowry & Yang 39)

Once again, philanthropy played a major part in the development of Australia’s first regional gallery. To exemplify this we can identify the English born James Oddie (1824-1911) as the pivotal force behind the founding of the Gallery. Oddie was originally a gold prospector in Ballarat during the Victorian Gold Rush (1850s-1860s) and eventually became a wealthy banker, and a prominent, as well as political, member of the Ballarat community. Oddie used his own wealth to organise local art exhibitions. Ballarat’s technique of promoting the visual arts, via local art exhibitions, was repeated in other regional towns in Victoria; often followed by the founding of another Victorian regional art gallery.

Holding an exhibition was a popular strategy to start up a public art gallery in the community – it was also used in Bendigo in 1887, Geelong in 1892 and Castlemaine in 1913. The model for this was the Crystal Palace Exhibition in London in 1851, which spawned the South Kensington Museum (now the V&A). In provincial Victoria the pattern was to use leftovers from the art exhibition to form the nucleus of an art collection, install it in some borrowed room and bingo! Instant art gallery. (Jordon 32)

Prior to the Ballarat Gallery’s opening, Oddie donated one of the paintings he owned to the Gallery’s fledgling art collection. This work is Eugene von Guerard’s (1811-1901) *Old Ballarat as it was in the summer of 1853/54* (1853/54). Oddie was elected founding President of the Gallery, by the committee in charge of the Gallery’s founding. Interestingly in 1884 and 1886 the Gallery received the very first government grants for ‘provincial galleries’ administered by the National Gallery of Victoria, and therefore the first grant for regional galleries in the country. “Ballarat was granted £3000 for land to build a new gallery and £2000 to buy pictures.” (Jordon, *Art & Australia* 459) These facts once again show the private sector and Australian government agencies early commitments to the visual arts and galleries.

As occurred in Victoria, New South Wales’ first regional art gallery was founded in a wealthy mining town, Broken Hill. Unlike Ballarat, Broken Hill made its wealth from mining silver not gold, but like Ballarat, Broken Hill’s embryonic regional gallery and art collection began with a philanthropic endeavour, this time by another Englishman and mining entrepreneur, George McCulloch (1848-1907) who donated a small collection of English paintings to the mining community.

**Broken Hill Regional Art Gallery was officially opened by the then Governor-General, Lord Northcote, in October 1904, following the bequest of three major artworks by George McCulloch, a founder of Broken Hill Propriety Limited (better known as BHP). The bequest included James Webb’s Lynmouth, North Devon (1867), Harriette Sutcliffe’s After the Bath (1890) and John William Godward’s Memories (1891). (Arts NSW & The Australia Council 56)**
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These facts present evidence that the first regional art galleries in Victorian and New South Wales were produced by private wealth produced by mining gold and silver.

Philanthropy and the art gallery in New South Wales: a current snapshot.

Since Broken Hill Regional Art Gallery’s founding in 1904, New South Wales has gone on to develop a network of 40 regional art galleries found in all localities of the state. Disparate examples include Griffith Regional Gallery (est. 1983) found in the state’s Murray Irrigation Area and the Hazlehurst Regional Art Gallery and Arts Centre (est. 2000) found in the sprawling, multicultural urban jungle of greater Sydney. Hazlehurst Regional Art Gallery itself was also founded due to a bequest:

> In 1976, Ben and Hazel Broadhurst bequeathed their home and its 1.4 hectares of open space and gardens to the local council with the single proviso that it be for community use. The council eventually took formal possession of the property in 1994 and determined that the site would become a community and regional arts complex. (Arts NSW & The Australian Council 104)

Of all the regional art galleries in New South Wales, Newcastle Art Gallery is the largest. To add to this fact, Newcastle is in the progressive and praiseworthy position of having as the city’s single biggest civic asset the Newcastle Art Gallery’s collection. The City of Newcastle has now reported that the Gallery’s collection has exceeded $60 million dollars in value.

The Gallery’s collection is valued at over 60 million and is the City of Newcastle’s single most valuable asset which appreciates in value both culturally, as evidenced by a 10% rise in requests for loans for exhibition, and with the most recent valuation representing 75% increase in asset value since 2003. (NSW Government Architect’s Office 2)

Many regional art galleries in New South Wales, such as Hazlehurst and Penrith Regional Gallery and Lewis Bequest (est.1981) find their genesis in bequests given to local government areas and Newcastle Art Gallery is no exception.

The city of Newcastle’s art collection began in earnest in 1945 when Dr Roland Pope, an ophthalmic surgeon from Sydney, promised his art collection of 137 Australian paintings, conditional upon the constitution of a gallery. (Arts NSW & The Australian Council 148)

It is also important to note that Dr Pope did not have a personal connection to Newcastle. Instead Pope chose Newcastle “because it was the largest city in the state without the benefit of an art gallery”. (Thomas 124) This is unlike many acts of benefaction found in Victoria such as the Laurie Ledger gift and art collection, which became the impetus behind Benalla Art Gallery (est. 1968), and the R. D. Elliott gift that was the impetus of the Mildura Arts Centre/Gallery (est. 1956). Both these men had strong personal connection to towns they bequested their art collections to.

This phenomenon of private art collections finding permanent homes in NSW regional areas, without a direct connection to the benefactor is also the case for the State's second largest and most valuable regional gallery, the New England Regional Art Museum. The genesis of this gallery’s collection began when Howard Hinton (1867-1948) a former Trustee of the Art Gallery of New South Wales (est. 1881) donated his extensive art collection to the Armidale Teachers College. Like Pope to Newcastle, Hinton had no particular connection to the community he was donating his art collection to. One would only assume that Hinton believed in the educational qualities of art and hence gifted his collection to a teachers’ college. It is also a curious fact that both Pope and Hinton were men who lived in Sydney and donated their collection to regional areas during the 1940s. Unfortunately in recent years both these well established and highly respected regional art galleries and their respective art collections have come under financial duress and criticism.

Philanthropy and the Newcastle Art Gallery: the current climate

Currently Newcastle Art Gallery is bracing for both the loss of its Director’s position, but also the commencement of long planned renovation as
requests for government assistance are either denied or revoked. In 2013 the Liberal Premier Barry O’Farrell stated in an ABC radio interview on the subject of the recent government funding having been pulled from Newcastle Art Gallery:

“The Art Gallery of NSW, the art gallery in Albury, have all put in requests for additional funding to build additions to their galleries and they're getting exactly the same answer that regrettably I have to give to the people of Newcastle. If you don’t have money you can’t spend it. (Duncan 3rd March 2014)

To expand on this point further, the Federal Government had recently withdrawn allocated funding from the redevelopment at Newcastle Art Gallery. The $7 million pulled by the Federal Government for the Gallery’s redevelopment project, will now be injected into an interchange in the Hunter Valley.

Newcastle has officially lost $7 million in federal funding earmarked for the city’s art gallery, with part of the money to be spent on Lake Macquarie Glendale Transport Interchange instead. (Australian Broadcasting Commission 3rd March 2014)

This withdrawal of funds, although arguably unproductive and regressive in the development of the Newcastle Art Gallery, may be caused by allocated timeframes the Federal Government applies to its grants and projects competition, as it is the case with Albury Regional Art Gallery’s (est. 1981) $10m federal grant.

The federal government funds come with strict timelines for project completion. Under these guidelines the project must be completed by June 2015 or the funding would be withdrawn. (Albury City 2)

Now that the Federal Government has withdrawn this funding for the intended renovations the City of Newcastle is still looking for viable options to continue to bankroll the projects. The Lord Mayor of Newcastle Jeff McCloy has flagged in an ABC radio interview three possible solutions to this predicament. Firstly McCloy has suggest that the Art Gallery and currently unused Library building be combined.

There is an existing building both at the post office and at the library which could be used instead of building another building. We could save an awful lot of money in doing so; we can give the art gallery a bigger space by about 500sqm by joining them (the library and gallery) together. (Duncan, Gallery art sale should fund extension 3 March 2014)

A foreseeable problem with this proposal is that the amalgamation between the adjacent Newcastle Region Library (formally the Newcastle War Memorial Cultural Center) has the limitations and age of a building that was constructed in 1957, twenty years before the current art gallery and it’s not built to the same sophisticated or purpose built standards as the newer building or even to current national museum standards. If this is the case the amalgamation may only diminish Newcastle Art Gallery’s ability to hold significant touring exhibitions as "it is frequently selected as the only regional gallery in the state to host national and travelling exhibitions". (NSW Government Architect’s Office 2)

One advantage the amalgamation could have on the local history and the provenance of the Gallery is that the Newcastle Art Gallery was originally housed in the Library building. "In 1957 the Newcastle City Gallery, as it was then known opened on the second floor of the War Memorial Cultural Centre adjacent to the gallery’s current home". (Arts NSW & the Australia Council 148) The War Memorial Cultural Centre was originally intended to house the City’s library, art gallery and conservatorium of music. It is also noteworthy that the War Memorial Cultural Centre was also built without government assistance or grants in the late 1950s.
Both the Council and the Cultural Centre Committee expected to receive funding for the building from the State Government. However, the organizers were disappointed by the lack of support from the McGirr State Government. The Cultural Centre Committee was feeling confident of success after years of representation to the State Government by both citizens’ groups, local members of parliament and were supported when the State Government refused to support the project. (City of Newcastle March 3 2014)

McCloy’s second suggestion is the use of a vacant Newcastle post office in Civic. This proposition could have some benefit as an annex for the Art Gallery but not as a replacement site, as the building was constructed in 1903 and its lighting and climate control would be far below that of the Gallery’s current purpose built site. A good example of a stately post office becoming an annex for a regional art gallery is in Bendigo. The Post Office Gallery part of the Bendigo Art Gallery (est. 1887) is situated away from the main gallery building and is now a dedicated social history gallery for the Bendigo area. As Newcastle already has a dedicated social history museum, the Newcastle Museum (est. 1988) the vacant post office site could offer the Newcastle Art Gallery a dedicated community access gallery and leave the current gallery primarily for collection based curatorial ventures.

McCloy’s third proposition is much more controversial and provocative. The Mayor suggests in the radio interview that the Newcastle Art Gallery should sell off a portion of its own art collection to raise funds for the renovations. Lord Mayor Jeff McCloy stepped up his attack on his own council’s plans for the redevelopment of the Newcastle Art Gallery and said that the gallery should sell some of its assets to pay for the extension. (Duncan, Gallery art sale should fund extension 3 March 2014)

The deaccessioning of any artworks from a public collection, especially for money has always been an industry taboo. For example, The National Gallery of Australia would only consider the deaccessioning of any part of its art collection as an absolute last resort. Especially in the context of any artworks or collections that may have provenance in a private collection donated in faith to the public, as is the case with Dr. Roland Pope’s collection and The City of Newcastle.

In deaccessioning any item, the (National) Gallery (of Australia) needs to proceed with great care and consideration to avoid any undue public concern and importantly avoid adverse reaction to current and further benefaction. (Collections Law 3 March 2014)

It is the reputation that Newcastle Art Gallery has (and indeed any regional art gallery has) in regards to the preservation and positive promotion of significance collections (especially their bequests) that attracts future benefactors to consider donating their art collections to the institution. A recent example of this for Newcastle Art Gallery is the significant collection of Japanese ceramics donated to Newcastle by Keith Clouton & Jim Deas.

The Newcastle Art Gallery has a long and prosperous history of collecting Japanese ceramics that has yielded many bequests in this medium. Seminal Director David Thomas instigated the Gallery’s interest in Japanese ceramics in 1972. (Thomas was also an important figure for regional galleries as he instigated the influential New South Wales Regional Galleries Association in Newcastle also in 1972). In the catalogue of the gift’s exhibition at Newcastle Art Gallery titled A Japanese Aesthetic, Ron Ramsey states:

The Japanese ceramic collection at Newcastle Art Gallery is without peer in Australia. This is due to a number of factors: the generosity of individuals (which is also at the core of the whole collection), corporate support, trading links with Japan including Newcastle’s sister city, Ube and the initiative of the Directors before me. (McOwen & Ramsey 2)
It is this respected and well known history of carefully nurturing a specialized collection of Japanese ceramics that may have attracted the donors Keith Clouton & Jim Deas to consider donating their collection to Newcastle Art Gallery. Any proposition to sell assets from an art collection, which has the stature of Newcastle Art Gallery, may well taint the prospect of further donors contributing to the growth and development of that art collection.

The plans to renovate the Newcastle Art Gallery are over a decade old and began with the appointment of Nick Mitzevich (now the Director of the Art Gallery of South Australia est.1881) in 2001. Over his six-year appointment at the Newcastle Gallery "Mitzevich actively promoted the Newcastle Art Gallery’s extensive collection and initiated major plans for the Gallery’s redevelopment". (Newcastle University 22) By 2007 there were already concept drawings of the new gallery published in the Australia Council’s *Beyond Region: Public Galleries in New South Wales* (2007). This publication was the last comprehensive survey of regional galleries in NSW.

The intention of the renovations was one of continuing to keep the Newcastle Art Gallery at the very vanguard of regional art galleries in New South Wales and reinvigorate itself as a bastion of civic pride in the Newcastle region for another 30 years.

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*The redevelopment of the Gallery aims to; refine the notion of a ‘regional gallery’ in Australia, establish a new standard of excellence in collections, exhibitions and public programs of a Gallery located outside major state and national capitals, establish Newcastle Regional Art Gallery as a model of best-practice in the collection, curation and exhibition of visual arts, housed in an iconic landmark building for Newcastle. (NSW Government Architect’s Office 2)*

Now with other regional art galleries such as Albury Regional Art Gallery and Tweed Regional Art Gallery (est. 1988) undergoing renovations of similar complexity, magnitude and cost, Newcastle’s position as the state’s finest regional art gallery may not be guaranteed, now that funding its renovation is in jeopardy. Also in the greater Hunter Valley the demand for local patrons to visit regional galleries is at an all-time high. With the opening of the Cessnock Regional Art Gallery (est. 2008), the Hunter Valley, (which traditionally Newcastle Art Gallery services) now has this highest concentration of regional art galleries in the state of New South Wales, with a total of six, many sharing local government borders, such as Maitland, Cessnock, Newcastle and Lake Macquarie.

A mechanism behind the delay in Newcastle Art Gallery’s renovation may be found in the change of Directorship from Nick Mitzevich to former Assistant Director of the National Gallery of Australia and Cultural Attaché to the United States of America, Ron Ramsey. This is because each Director has had differing ideas and philosophies in regards to Newcastle Art Gallery’s major renovation.

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*We have had two Directors in the time of the redevelopment plans and (and both Directors came with) two totally different concepts. The first concept was to totally knock down and rebuild. The second concept is much more sympathetic to the existing building. (Interview with Lauretta Morton, Exhibitions Coordinator, Newcastle Art Gallery. 11 March, 2013.)*

Mitzevich’s original approach was to raze the current site and construct a completely new purpose built gallery to current museum standards on the gallery’s current site. Contrary to this, Ramsey is sympathetic to the architecture and heritage of the current building, as it is the first purpose built regional art gallery in New South Wales and was open by Queen Elizabeth II in 1977. Ramsey now wishes to build adjacent annexes around the current building over a three stage process.

Both these approaches have their positive and negative outcomes: raising a building from a pre-existing site, will allow you to development the site without hindrance from pre-existing obstacles. You can also modernize the entire infrastructure to required standards and expunge any problems the previous building may have had. But in contrast to this, you lose some of the heritage value of a site permanently.

The opposite approach to this is integrating the pre-existing building/s into the renovation; if so the new buildings are dictated by the size and scale of the remaining available land on-site. Secondly, the new buildings may also inherit any pre-existing problems the original building may have developed or retained. The upshot of this method of gallery renovation is you preserve the often rich heritage and provenance of a site for future patrons.

It is now important to mention that as of 30th of September 2013 the Newcastle Herald published an article claiming that McCloy’s Council was in the process of making Ramsey’s current role of Director of Newcastle Art Gallery redundant, and forming a Cultural Services Manager position to oversee all of Newcastle City Council’s cultural institutions. One speculation is this reaction may have been caused by the indecision about the
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Gallery’s renovations, which cost the Council the previously mentioned $7 million Federal Government grant. The Chair of the Art Gallery Board formally responded to this proposition:

Dr Henderson (Chairman) has written a scathing letter to Newcastle lord mayor Jeff McCloy about the impact on the gallery, saying the loss of a stand-alone director would leave Newcastle open to ridicule and damage its reputation almost beyond redemption. (Kirkwood, 4 March 2014)

The conjecture about the proposed abolishment of the individual directors of each of Newcastle’s cultural facilities was confirmed on Tuesday the 15th of October 2013 after a Newcastle City Council meeting.

Newcastle City Council’s controversial new management restructure will go ahead after a rescission motion failed at an extraordinary council meeting on Tuesday night. The restructure will mean the City’s museum; gallery and performing arts managers will be abolished and replaced with a single Manager of Cultural Facilities. (Museums & Galleries New South Wales, 16 October 2013)

Such drastic action by Newcastle City Council to disable the Art Gallery from the top down has had repercussions not only from the Newcastle community, but the wider arts community in the State. The eminent art critic John McDonald wrote in the Sydney Morning Herald on the 26th October 2013, in regards to Ramsey and recent bequests to the Newcastle Art Gallery:

This is the kind of drastic measure normally brought about by catastrophic mismanagement or financial meltdown. Yet Newcastle, by common agreement, is one of the best managed galleries in the country. It had an excellent director in Ron Ramsey, who had brought in a succession of valuable bequests and donations, the latest being an $850,000 Brett Whiteley sculpture, gifted by the artist’s widow, Wendy. (McDonald 4 March 2014)

To further demonstrate the positive relationship the Newcastle Art Gallery had with the Whiteley Estate, Wendy Whiteley opened the prestigious Whiteley on Water (2012-2014) exhibition at Newcastle Art Gallery on Saturday the 2nd of November 2013. The exhibition is toured from the Brett Whiteley Studio, Art Gallery of New South Wales. It has only been exhibited in one other regional gallery, Hazelhurst Regional Gallery and Arts Centre.

But recently it has been alleged that the scrutiny over the Newcastle Art Gallery’s Directorship may in fact be related to the recent acquisition of the Whiteley sculpture. It has been alleged that part of the sculpture may have been paid for, and not gifted which puts the Gallery and Council’s not-for-profit status in jeopardy.

Council’s general manager Ken Gouldthorp says Mr. Ramsey publicly stated that the Brett Whiteley Black Totem II Sculpture, now installed outside the gallery, was a gift but there appears to have been a $350,000 payment. He says this payment was not disclosed to council...The failure to disclose it puts council at significant risk of losing our tax-deductibility status – of both council and in fact the Art Gallery foundation. (Cox 4 March 2014)

This lingering state of affairs came to a dramatic climax on Monday the 10th of March 2014. After three months of investigation the Newcastle City Council unceremoniously terminated both Ron Ramsey, and his supervisor “Future City” Director Judy Jaegar in relation to the acquisition of the Whiteley sculpture. Four days after the event Ramsey, who was bound for America, commented on the future of the Newcastle Art Gallery renovations and the Whiteley sculpture: "One day city leaders, recognizing the cultural and potential economic benefit of owning and exhibiting
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such a precious treasure, will fund a new gallery which, I trust, will prominently feature the controversial Black Totem II”. (McCarthy March 14 2014)

But no matter the circumstances, this unfortunate turn of events will now leave New South Wales’ largest and most prestigious regional art gallery not only lacking the renovation that the previous Gallery Director, Nick Mitzevich had established a decade ago, but also lacking a director at all. This logically would affect the likelihood of future donations to the Gallery’s collection.

"One expects that bequests and donations will drop to zero, while exhibitions will be dealt with in a perfunctory fashion. Supporters of Newcastle Art Gallery are waiting nervously to see whether the plan to sell off works from the collection is reinstated. (McDonald)

The Director of the National Gallery of Australia, Dr. Ron Radford has commented on the situation in Newcastle and the potential impact on the Newcastle Art Gallery to attract future donations and finally, even the possibility of the National Gallery suspending any loans or exhibitions to Newcastle Art Gallery if the Directorship role is removed for staff. Most compelling is that Radford has accused Newcastle Council of acting in a “bogan-like” manner. Radford stated the following:

"Now why on earth at this late stage when this great collection has been formed and the gallery has a great reputation, the highest it’s ever been, are they going backwards with this antiquated decision to appoint a sort of arts administrator of the whole complex – the theatre and other arts organisations including the gallery – I just think it’s a step backwards. It’s baffling. It’s simply baffling that this should happen. Newcastle should be the beacon, the council should be showing tremendous leadership for the future but it looks like it’s going backwards. It looks antiquated, it looks anti-arts and looks almost bogan...I understand that important works are already starting to be withdrawn that were planned as gifts and if the gallery is not staffed correctly we will have to look at our lending to them. (Duncan & Hyland 4 March 2014)

It could be foreseeable that the proposed new ‘Manager of Cultural Facilities’ due to the heavily bureaucratic nature of this new job may be more preoccupied with revenue raising, corporate governance and other local government administration rather than art collection provenance and development, which the previous Art Gallery Director role was intrinsically concerned with. This sentiment is summed up in a letter from the Chair of the Regional & Public Galleries NSW and Director of the Lismore Regional Gallery (est. 1953), Brett Adlington to Newcastle City Council:

"While a ‘Cultural Facilities Manager’ may be able to oversee budgetary concerns, some staffing and building management – the essence of the organisation (Newcastle Art Gallery) will be lost with the removal of a position that fully understands the intricacies of the organisation as well as the greater cultural industries. (Adlington March 14 2014)

If this is the case the new Manager of Cultural Facilities may side with the Lord Mayor and see value in the proposed selling off of portions of the Gallery’s art collection to produce revenue for the Art Gallery and renovation. If this scenario were to arise and portions of the Gallery’s art collection were to be so sold off, this would only tarnish the reputation of the Newcastle Art Gallery even further. Once again this sentiment is summed up by John McDonald. “The restructure is an act of consummate brutality that will take one of the leading regional galleries in the country and turn it into a major embarrassment”. (McDonald 4 March 2014)

If Newcastle Art Gallery’s growth is continued to be impeded by Newcastle City Council, it can be forecast its long held and privileged place as the premier regional gallery in the State will be diminished, not only from other regional galleries found in the Hunter Valley that have undergone significant renovations such as Maitland Regional Art Gallery (est. 1972), but also from newly renovated regional galleries in Greater NSW such as Albury Regional Art Gallery.

The case of New England Regional Art Museum and Tom Roberts’s Mosman’s Bay
Newcastle Art Gallery may find the selling or deaccessioning of any artworks may also be unethical or illegal, if donated through a trust deed. An example of this is the 2009 case of Tom Roberts’s (1856-1931) *Mosman’s Bay* (1933) and the New England Regional Art Museum Ltd. In 2004 the New England Regional Art Museum (NERAM) found it was in debit to the Armidale Dumaresq Council between the order of $490,000 and $420,000. After Newcastle’s art collection, the New England Regional Art Museum’s collection is the second largest and most valuable regional public collection in NSW. But NERAM does not receive the same protection of being a department in local government as the vast majority of regional galleries in NSW. NERAM is an incorporated body and only receives 48% of its required funding from the Armidale Dumaresq Council and only 3.3% from the State Government.

NERAM does not receive its core funding in the same way as other regional galleries in NSW, which are owned by their local government authority. Bathurst Regional Art Gallery receives $570,000 each year from Council, Orange Regional Art Gallery receives $650,000 per annum and Wagga Wagga City Art Gallery receives $550,000; and all these Councils have provided the building to house their public galleries. In contrast, although NERAM is larger and houses what is considered to be the most significant collection of Australian art in (inland) regional NSW (valued at over $45 million) the gallery has operated independently since the Queen’s Council ruling gave custodianship of the Howard Hinton Collection to the city. Rather than local government authority building and maintaining a Council gallery to house the Collection, private citizens undertook the task. (Spendlove 8-9)

The former Director of the Art Gallery of New South Wales, Edmund Capon would have been aware of the value and importance of Hinton’s gift to Armidale, along with other important donations such as the Chandler Coventry Collection, when he offered financial assistance to NERAM in mid 2006 via purchasing half of Roberts’s painting.

In May 2006, Edmund Capon, Director of the Art Gallery of NSW approached the Council’s advisory Committee with an offer of help. The idea of sharing the iconic piece of Armidale’s Howard Hinton Collection, Tom Roberts’s *Mosman’s Bay* was conceived. Bill Danger, Chairman of the Friends of NERAM believed that the immediate aim should be financial independence for NERAM, supports (Capon’s) the plan to sell a half-share of Mosman’s Bay, arguing that it is the only way for NERAM to remain operational and moving forward. (Spendlove 8)

Logically the proposition caused a division in Armidale and the wider arts community in regards to the provenance of the donated painting by Hinton, and the ethics surrounding Capon’s proposal. The case was eventually taken to the Supreme Court in 2009. In its findings the Court found the proposition of selling half of the Tom Roberts painting unethical and void.

The plan came unstuck in the Supreme Court when it was discovered the painting could not be sold anyway, due to a trust deed set up by the original donor of the painting, Howard Hinton. And so the painting remained in Armidale, as part of the Hinton Collection. (Watson 4 March 2014)

Unfortunately another way of annulling NERAM’s debt to the Armidale Council was not obtained, and the Gallery is still attempting to pay back its debt by now attempting to sell duplicates of paintings found in its collection to limited success. In July 2013 the Armidale Express stated:

New England Regional Art Museum said it has sold artworks in an effort to pay back the $420,000 dept to Armidale Dumaresq Council. NERAM Director Caroline Downer said duplicates of painting have been sold to the $42,000 (10%) annual repayment to Council. (Harris 4 March 2014)
Although NERAM is still financially in the red, the Armidale Dumaresq Council seems to appreciate the predicament NERAM is currently facing and (as stated above) only requires a 10% annual repayment. At this stage, it will take NERAM 10 years to pay off its accumulated debt to the Council without the sale of any bequeathed artworks. If the City of Newcastle got any traction on McCloy’s plan to sell off artworks from the Newcastle Art Gallery’s collection, it could be foreseeable that any sale may be deemed unethical by the Supreme Court, as it was for the Roberts’s Mosman’s Bay and NERAM.

For context: the current climate of English regional art galleries

For the sake of context, and to demonstrate that the phenomena of regional galleries selling off parts of their art collections as a quick-fix to financial peril is not exclusive to just Australian regional galleries, we will turn briefly to recent events in England. In April 2011 the English magazine The Spectator (est. 1828) commented on the opening of a new English regional gallery called the Hepworth Wakefield (est. 2011). As the gallery’s name logically states: it’s located in Wakefield and is named after the English Sculptor, Barbara Hepworth (1903-1975), a local to the area.

Recently the popular English magazine, The Spectator dulls the adulation surrounding the opening of the Hepworth Wakefield Gallery by sagely drawing our attention to the fact that not all is well in the English regional gallery sector.

The celebrations in Wakefield come at exactly the same time as the bitter news from Sheffield that the City Council is cutting the opening hours of the Graves Art Gallery to three mornings a week – Thursday, Friday and Saturdays. Government cuts, naturally. This 1930s gallery became part of a trust when the council relinquished responsibility for its art collections in the 1990s. (Hamilton 39-40)

The withdrawal of Government funds is once again highlighted as the cause for the reduction of opening hours and Sheffield’s Graves Art Gallery (est. 1934), which was also founded due to the support of a benefactor, John George Grave (1866-1945) who financially aided the construction of building and bequeathed his own extensive art collection to the Gallery. What is even more disappointing about this fact is that the Sheffield Council absolved itself of responsibility for its art collection in the 1990s. Even in the most extreme circumstances in New South Wales, such as New England Regional Art Museums Ltd., which only receives just under half of its annual funding from the Armidale Dumaresq Council, the prospect of a local government area entirely retracting its support from the region’s art gallery has not as yet occurred.

To extend this situation further, a number of major English municipal galleries are also finding themselves in the same predicament as Newcastle and New England Regional Galleries and are looking to, or already have sold off parts of their art collections.

...the Sheffield situation exposes a crisis in regional art galleries. The openings in Margate and Wakefield may not be such a joy if they mask subtle closures elsewhere. Our great municipal art collections – Bristol, Birmingham, Manchester, Sheffield, all of which have struggled ingeniously for years to make ends meet – have underlying core costs of security, conservation and display which are cut at peril. As a depressing background theme, curators are being made redundant or downgraded principally in favor of PR and marketing. This has been going on for years. Bury Council in Greater Manchester sold its (L.S.) Lowry in 2006 for £1.4 million, and now Bolton Council is selling 36 paintings, presumably with those curators who are left kicking and screaming. (Hamilton 40)

Conclusion

Philanthropy is a potent catalyst for the founding and assisted development of art galleries and their collections internationally (such as the National Gallery of Art, Washington), nationally (such as the National Gallery of Australia and National Gallery of Victoria), and in greater regional Australia (for example The Art Gallery of Ballarat, and Benalla Art Gallery). The former Executive Officer of the Regional Galleries Association of New South Wales (est.1972), Jane Raffin stated in regard to Orange Regional Art Gallery (est. 1987) celebrating its 25th birthday in 2011: “As far
as I am concerned there isn’t one regional gallery in NSW that was born out of deep passion from the community, the way this gallery was.” (Harris, 4 March 2014) But for many regional art galleries a “deep passion from the community” is only half the story. In many cases, such as the Newcastle Art Gallery and New England Regional Art Museum, it was major philanthropic acts from individuals donating their art collection to a community or region that was the mechanism for the founding of a regional art gallery.

This occurred often with the donor having little or no connection to the community they were donating their collection to, as was the case with Roland Pope to Newcastle and Howard Hinton to New South Wales. It is the legacy of such major philanthropic acts that often yields further bequests, which was the case with the major Chandler Coventry Collection gifted at Armidale and the recent Keith Clouton & Jim Deas Ceramic Collection gifted to Newcastle. It is this reputation for caring for and preserving such public gifts, in the form of art collection that attracts future benefaction. But unfortunately in recent times, the reputation of such galleries has come under threat.

It is clear that New South Wales’ largest regional galleries have recently come into immediate financial peril, and galleries such as Armidale and Newcastle have seriously considered the deaccessioning and sale of parts of their art collections as a viable solution. This situation can aggravate already sensitive situations such as the recent controversy surrounding the now jeopardised Directorship of Newcastle Art Gallery and the current investigation in regard to recent donations to the Newcastle art collection.

But as discussed early in this article, actions such as selling-off collection items have been deemed unethical in some cases, such as the recent situation at New England Regional Art Museum, and although Newcastle Art Gallery looks to lose its Director’s position to an integrated Cultural Services Manager, Newcastle Regional Council has still not set in motion the deaccessioning of any of its sizable collection for financial gain.

Currently in England, the situation surrounding regional galleries is similar to current events occurring in New South Wales. The municipalities of Sheffield, Manchester and Bolton had already sold off artworks or axed curatorial roles in their respective regional galleries, and the future for such collections is uncertain. Currently in New South Wales the aforementioned sale of artworks from regional galleries is still only speculative; in the case of Newcastle Art Gallery, or has been overturned by the Supreme Court in the case with NERAM.

If New South Wales’ network of dynamic regional art galleries is to prosper and command the respect and attention of future benefactors and the wider arts industry, detrimental propositions such as the sale of collection pieces must not be allowed to be considered a viable option in regards to revenue raising or bankrolling debts. Such acts of benefaction need to be respected and not seen as a financial asset to be liquidated as required, or as a larder for the financially lean times. Local, state and federal government bodies will need to look at further or alternative options for sustaining the operational capacity and development of regional art galleries, and not tarnish the well established reputation individual galleries have for attracting and caring for current and future acts of benefaction.

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Bequests, budgets and bureaucracy: why have some of New South Wales’ most established regional galleries looked to sell off artworks? @ Fusion Journal


Interview with Lauretta Morton, Exhibitions Coordinator, Newcastle Art Gallery. 11 March, 2013.


About the author

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