

Regional galleries are widely valued as an important part of the cultural landscape in New South Wales, but the cost of running them can present enormous challenges.

Just how big these challenges can be has been highlighted by recent developments at Armidale's New England Regional Art Museum, which has run into controversy over plans to sell a half-share in one of paintings to help pay off debts of nearly half a million dollars and secure a sustainable future for the Museum.

by CHERENE SPENDELOVE



IN EARLY 2005 IT BECAME APPARENT THAT THE NEW ENGLAND Regional Art Gallery (NERAM) was carrying a significant debt (of some \$490,000). State and Local Government, NERAM Trustees and staff met to work out a way forward. The Board of Trustees stepped down; Armidale Dumaresq Council established an Advisory Committee and allocated \$200,000 to keep NERAM's doors open. This arrangement has since been extended to the 2006/07 financial year.

The Director's position has been vacant for two years and will not be advertised until the end of 2006 but a Business Manager was appointed to keep a tight rein on running costs. NERAM and its many supporters, including the Friends of NERAM, the Armidale Dumaresq Council, Arts NSW and the Art Gallery of NSW, have been looking for possible solutions to the crisis.

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' *Mosman's Bay* was conceived.

Bill Dangar, Chairman of the Friends of NERAM, believing that the immediate aim should be financial independence for NERAM, supports the plan to sell a half-share in *Mosman's Bay*, arguing that it is the only way for NERAM to remain operational and move forward.

In an open letter, Mr Dangar outlined the rescue plan, which includes the establishment of a public company to run NERAM.

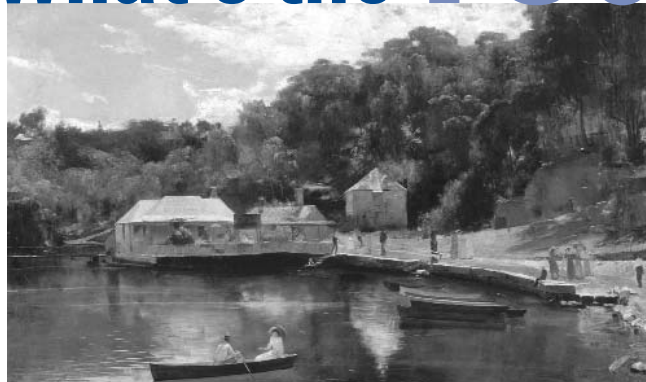
Should *Mosman's Bay* be valued at the hoped-for \$3.5 million and the sale go ahead, NERAM would clear its debt and establish a 'Future Fund', which could be boosted over time by government, corporate, local and other support, NERAM's ongoing running costs would then largely be met by interest generated by the Fund.

"With this corporate model in place, it will be virtually impossible for NERAM to ever again face an embarrassing debt," Mr Dangar says.

The reality of NERAM's financial situation and the proposed 'half sale' of *Mosman's Bay* have provoked considerable emotion in the community and have raised the very difficult question: What is the real cost of running a regional gallery?

Dolla Merrillees, Director of Visual Arts at Museums & Galleries NSW, estimates that core funding required by an average sized

What's the real



regional gallery with three staff and an active program would be close to \$500,000 per year. Would the proposed NERAM rescue plan be able to meet these operating costs?

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 Gallery receives \$570,000 each year from Council, Orange Regional Gallery receives \$650,000 per annum and Wagga Wagga City Art Gallery receives \$550,000; and these Councils have also provided the buildings to house their public galleries. In contrast, although NERAM is larger and houses what is considered to be the most

September

9 September

The St Lawrence String Quartet International Quartet. Presented by Musica Viva. Tel 02 6772 0970

9 September – April 2007

Mungo Festival – A seven-month long festival celebrating the world cultural and environmental significance of the **WILLANDRA** Lakes Region Heritage Area. Highlights 9 - 11 September 2006. Tel 03 5021 5133 mungofestival.com.au

9 September – 5 November

In the World: head, hand, heart
2006 Tamworth Fibre Textile Biennial.
TAMWORTH Regional Gallery.
Tel 02 6767 5459 Email
gallery@tamworth.nsw.gov.au

12 – 13 September

Cowra Spring Show Local agricultural show with pavilion displays, rodeos, and more. **COWRA** Showground
Tel 02 6342 1977

significant collection of Australian art in regional NSW (valued at over \$45 million) the gallery has operated independently since the Queen's Counsel ruling gave custodianship of the Howard Hinton Collection to the city. Rather than the local government authority building and maintaining a Council gallery to house the Collection, private citizens undertook the task.

Armidale Dumaresq Council has provided \$90,000 per annum towards NERAM's running costs, which was increased to \$112,000 in 2000. Its current allocation of \$200,000 is a positive response to the current crisis and evidence of Council's desire to actively assist. However, former NERAM Curator, Caroline Downer, believes that if Council increased its annual funding to between \$500,000 and \$600,000 and covered the art museum's general operating costs, other supporters would secure funding to pay NERAM's debt without having to sell any part of *Mosman's Bay*. This outcome would please many in the community who are opposed to the sale.

cost of running a regional gallery?

"Council funded a study by Access Economics in 2001, which stated that unless NERAM received an increase in local government support, its ability to remain viable would be severely undermined," said Ms Downer.

In the past NERAM has been successful in raising hundreds of thousands of dollars each year to largely cover general operating costs including staff and electricity. It has also secured project funding from State and Federal Government agencies. Arts NSW provides annual funding to regional galleries for specific initiatives – projects, exhibitions or new positions. Perhaps there is a way for Arts NSW, in collaboration with regional

galleries, to look at funding options that might contribute to long-term sustainability and planning for regional galleries – a change in the funding mix?

The current financial situation at NERAM has highlighted the tremendous amount of goodwill there is towards the art museum. What is not clear is whether NERAM can continue as a self-funding institution. How can it achieve sustainability?

There have been offers from the community of significant cash contributions and there is currently a proposal on the table from the University of New England that offers long-term support.

Armidale Dumaresq Council has expanded its Advisory Committee to include Bill Dangar, former NERAM Curator Michelle Ahrens and Jack Ritchie, Regional Arts Development Officer at Arts North West. Their priority is to look at the long-term sustainability of NERAM.

Sustainability was one of the key issues identified in the *2005 Regional Gallery Scoping Study*, commissioned by Museums & Galleries NSW and funded by the Visual Arts and Crafts Program of the Arts NSW. The Study sought to measure the resources of the regional gallery sector in NSW and to identify opportunities to position the sector within a sustainable future. Thirty two of the 34 regional galleries in NSW, including NERAM, were surveyed. Some of the key facts that came out of the study are:

- Average Local Government net annual operating cost per gallery = \$434,089;
- Approximate level of Local Government sector support 1992–2005 = \$63,577,026 (\$4,890,540 pa);
- Approximate level of Ministry for the Arts funding to the sector 1992–2005 = \$21,501,227 (\$1,653,940 pa); and
- Approximate Australia Council support to the sector 2000–2005 = \$350,079 (\$70,015 pa).

The study concludes that programs fostering collaboration and partnerships will be crucial in growing financial resources – local, state, regional, national and corporate. This would suggest that the NERAM's Advisory Committee might be on the right path to finding an answer – harnessing NERAM's support to foster collaboration and partnerships and to generate income from a variety of sources. ■

A summary of the 2005 Regional Gallery Scoping Study is available in PDF from the MGNSW website www.mgnsw.org.au

Facing page: The painting in question, Mosman's Bay by Tom Roberts, valued at up to \$3.5 million.

This page: The New England Regional Art Gallery front courtyard.

September

13 – 17 September

👂 Yaamma Festival – Major community festival celebrating Indigenous history and culture. **BOURKE**
Tel 02 6872 1331 Website
www.yaammafestival.org

13 – 17 September

👂 Turning Wave Festival Celebrating Irish Australia through music, literature and theatre. **GUNDAGAI**. Tel 02 9489 5786
Email turningwave@optusnet.com.au
Website www.turningwave.org.au

13 September – 30 October

👁️ *Horsepower: The history of Wawrick Farm* Explores the iconic horse and motor racing venue. Australian Mineral and Fossil Museum, **BATHURST**
Tel 02 6331 5511

15 – 17 September

📄 The Pacific Edge Regional Arts Australia National Conference. Part Conference, part Festival, all art! (See p. 2) **MACKAY** Tel 07 3846 7500
Website www.thepacificedge.com.au