The Structure of Regional Galleries

Neil Andersen Consulting and Positive Solutions have been engaged to provide advice on the future vision for the Castlemaine Art Gallery and Historical Museum (the Gallery). We have also been asked to make recommendations regarding the future corporate structure and governance arrangements for the Gallery.

Most regional galleries in Victoria and elsewhere are owned and operated by local government. In a number of cases there is a separate Foundation which provides a legal vehicle for fundraising, especially to support the acquisition of new works to the gallery collection. The Castlemaine Gallery is currently an unincorporated association – this is unique in Victoria and raises concerns about the personal financial risks taken on by Committee members and Trustees, and about overall organisation stability.

A range of options for Gallery corporate structure is visible from other galleries in Victoria and interstate:

1. An independent incorporated association or company limited by guarantee. Typically, associations are small community-focused and membership-based organisations. Companies limited by guarantee tend to be larger and have a focus on public benefit that is much wider than the membership. It is becoming increasingly common for associations that mature and grow to transition to company limited by guarantee status. Recent arts examples include Salamanca Arts Centre in Tasmania and Circa in Queensland. It is also much more common now for a start-up arts organisation to opt for company limited status

2. A controlled entity of local government. This might be a company limited by guarantee or by shares (but not allowed to issue dividends, to protect its tax-deductible status for donors), with local government as the sole member or shareholder. One benefit is that the arms-length arrangement enables the arts organisation/gallery to have its own board and a degree of independent operation. Examples include Brisbane Powerhouse and Gold Coast Arts Centre
3. An unit within local government, part of a Leisure or Economic Development Department or similar, as is the case at Bendigo and Ballarat.

During the next few weeks the consultants will be examining the options available to the Gallery in Castlemaine and – in consultation with key stakeholders – providing advice on the best arrangements for the Gallery. Ultimately, any changes proposed will need to be agreed by the membership. The Committee will, therefore, be bringing proposals back to you at a later stage.

As will be evident from the notes which Andrew Pickles has prepared, there are a range of other legal issues to address in moving to a preferred structure for the Gallery. The consultants will also be discussing these with the Committee and others.

David Fishel, Positive Solutions
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