

RECEIVED 14/1/09

13 January 2009



Manager  
Philanthropy & Exemptions Unit  
Personal & Retirement Income Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam,

**Improving the Integrity of Prescribed Private Funds (PPF)**

**Re: The Balnaves Foundation & all other PPFs which support the Art Gallery of New South Wales**

The Balnaves Foundation has forwarded us a copy of Treasury's November 2008 Discussion Paper relating to prescribed private funds and a copy of their formal submission in reply.

Before 2000, the Gallery's long term funding for major projects came from corporate sponsors such as Katies', Qantas, News Limited, Rothschild's (later ABN AMRO) Guinness Australia, Louis Vuitton, State Bank (later Colonial). Corporate sponsorship has, however, been in decline since the late 1990s and contracts are rarely entered into for periods longer than two years.

Since 2000 when the Gallery received its first grant from a PPF (Nelson Meers Foundation), the Gallery has entered into several long term partnerships with private foundations. These partnerships have enabled the Gallery to undertake important projects which would not have been possible without guaranteed funding. Some examples:-

In 2000 the Nelson Meers Foundation agreed to support the Gallery in its quest to have the best collection of works by Australian artist Sidney Nolan. Since then, NMF has funded the purchase of 5 important works and it is hoped it will continue to do so for many years to come.

In 2003 The Balnaves Foundation entered into an agreement to fund a sculpture exhibition every year for 5 years. The project was so successful that the Gallery and the Balnaves Foundation have now agreed in principal that the Balnaves Foundation will fund a 6 year bi-annual project commencing in 2010.

The Caledonia Foundation has provided long term funding for one of the Gallery's important public programs which allows children from remote areas of NSW to be brought into to this Gallery.

Last year this Gallery acquired a painting which cost \$ 16.2 million, requiring the most ambitious funding project ever undertaken by this Gallery. The acquisition is

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one of the most important works in the Gallery's collection and was entirely privately funded. Major donations or grants were received from a considerable number of PPFs (without which this project would not have succeeded) including the Clitheroe, Greatorex, W & A Johnson Family, Peter Weiss, Sherman, Wolanski and Gonski Foundations.

Not only are PPFs very important to this Gallery in terms of long term funding for acquisition, exhibition and education programs, their introduction has resulted in a great increase in overall financial support received from private individuals through their PPFs.

This Gallery, and all its one million + visitors each year, benefit greatly from the support received from PPFs. It is hoped that the Government having initiated such a worthwhile scheme to encourage philanthropic giving will continue to encourage and promote PPFs and all the long term benefits they are providing to our society.

Yours sincerely

A handwritten signature in black ink, appearing to read "Anne Flanagan". The signature is written in a cursive, flowing style.

Anne Flanagan  
Deputy Director