

## Submission to the Productivity Commission: Future Foundations for Giving

The National Portrait Gallery of Australia appreciates the opportunity to provide a submission to the Productivity Commission on the draft report *Future Foundations for Giving*. As a national collecting institution, the Gallery's role is twofold: firstly, to develop, preserve, maintain and promote a national collection of portraits and, secondly, to engage a national audience with our collection, exhibitions and programs. Private support and giving is integral to fulfilling the Gallery's ambitions to reflect the face of Australia, tell Australian stories and increase understanding and appreciation of Australian identity, history, culture, creativity and diversity through art.

The Gallery was founded through philanthropy and has since been the beneficiary of significant philanthropic support. With the recent uplift in Government funding to the collecting institutions, philanthropy and private giving will shift from supporting core business to encouraging greater artistic ambitions, elevating our program and exhibition offerings, and increasing public support and connection.

The Gallery's comments in this submission will respond to the areas of the review that it feels it can add most value to, including:

1. Philanthropy contributes to a better society by providing money, time, skills, assets or lending a voice to people and communities who would otherwise receive lower quality, or have less access to, goods and services.
2. Establish firm foundations for the future of philanthropy, so that the benefits of giving can continue to be realised across Australia.

### Philanthropy contributes to a better society

Through philanthropy, the Gallery has grown from a small collection held at Old Parliament House to a significant cultural institution for Australians, with more than 3,000 works of art displayed and stored in a purpose-built facility in the National Triangle.

Philanthropy plays a significant role supporting the expansion and diversification of the national portrait collection. While the Gallery receives some annual government funding for acquisitions, philanthropy supports increased ambitions to create a collection that is reflective of Australia and Australians in the 21<sup>st</sup> century. In 2023, the exhibition *Portrait23: Identity* was made possible through a significant philanthropic gift. This exhibition transcended the conventional constraints of portraiture, encouraging artists and visitors to engage with the artform in new and innovative ways. Economic and social impact research showed that the exhibition resulted in more than 4,500 visitors travelling to Canberra with approximately 53% of attendees visiting the Gallery for the first time.

Philanthropy also enables innovation in program and service delivery, building better experiences and opportunities for visitors and artists. Private giving allows organisations to trial new experiences, offering a greater tolerance for experimentation and varied outcomes. Philanthropy supports organisations to develop successful pilot program models that can then be funded by government on a larger scale. The Gallery's public and education programs are supported through philanthropy; last year this enabled more than 36,000 visitors to engage more deeply with the collection, virtually and onsite. Private giving has also supported the expansion of the Gallery's digital outreach program offering, engaging with audiences from every electorate across Australia last year.

## Foundations for the future of philanthropy

### *Expanding giving circles*

The future of philanthropy requires engaging a broader donor base and considering mechanisms for engagement across income tax brackets and thresholds. Giving to the Gallery takes many forms, all of which are appreciated and acknowledged appropriately. Established in 2015, the Foundation is the Gallery's core fundraising vehicle, encouraging gifts, donations, bequests and legacies. The Foundation leverages its members' corporate knowledge, professional skills and circle of influence to elevate the work of the Gallery and engage supporters. Key giving programs include:

1. The Australian Government's Cultural Gifts Program (CGP) offers tax incentives to encourage donations of cultural objects to the Galleries, Libraries, Archives, and Museums (GLAM) sector. The CGP has supported acquisition of many portraits to the collection.
2. Collective giving programs enable donors to participate in giving at levels representative of their individual capacity and circumstance. These include:
  - a. The Annual Appeal, offering existing donors, members and ticket holders the opportunity to engage with philanthropy and contribute to acquiring new works.
  - b. The Portrait Dinner Series, bringing together more than 70 donors in locations around the country to support contemporary acquisitions.
  - c. The ICONS Syndicate, generating significant philanthropic support from engaged and dedicated individuals and foundations to support ambitious exhibitions.

The Gallery also acknowledges ongoing intergenerational transfer of wealth and the importance of engaging younger/emerging philanthropists. Increased bequests/planned giving is another key growth area. The Gallery recommends the Commission undertake further research to better understand how to engage with emerging philanthropists.

### *Transparency through good governance and reporting*

The future of philanthropy will be founded on strong institutions that inspire public trust through increased transparency and accountability. The Gallery holds deductible gift recipient (DGR) status but, unlike many other charitable organisations, is not required to report directly to the ACNC. However, as an Australian Government agency, the Gallery conducts robust reporting as required by the *Public Governance, Performance and Accountability Act (2013)*. The Foundation's performance measures and financial reports are published in the Gallery's annual report, tabled in Federal Parliament and available online. This reporting mechanism provides full transparency and oversight of fundraising operations, ensuring public accountability is at the forefront of fundraising and expenditure.

Successful reporting should also measure the reach of organisational investment through quantifying impact. The Gallery recommends that performance of charity and not for profits consider impact measures, not just raw expenses, to support understanding of charity effectiveness. The profound impact of programs may be difficult to quantify in traditional Return on Investment (ROI) terms, but impact reporting would support increased public value and understanding. The Gallery sees an opportunity for development of impact templates to support the reporting obligations and build public value and trust.

### **Further information**

For further information, contact the Governance team at [Governance@npg.gov.au](mailto:Governance@npg.gov.au)