

THE FELTON BEQUESTS' COMMITTEE **REPORT FOR THE YEAR ENDED 30 JUNE 2013**

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1 THE FELTON BEQUESTS' COMMITTEE

Members

Sir Andrew Grimwade CBE (Chairman)
Ms Catherine McDowell (retired 19 December 2012)
Mr Rupert Myer AM
Mr Allan J Myers AO QC (retired 10 October 2012)
Mr Bruce Parncutt (appointed 11 October 2012)
Mr Bob Santamaria (appointed 7 February 2013)
Professor Sally Walker AM

Secretariat

Ms Emma Sakellaris (Felton Bequest Secretary & Head of Clients, ANZ Trustees)
Mr Robert Goodridge (Client Manager, ANZ Trustees)
Mr Chris Wootton (Grant Program Development Manager, ANZ Trustees)
Ms Anita Toy (Grant Program Manager, ANZ Trustees)

2 ALFRED FELTON (1831 – 1904)

In the words of his biographer, Professor John Poynter: "Alfred Felton was a man of the nineteenth century. Born in England, and arriving in the Colony of Victoria in 1853, he made a fortune as a merchant and manufacturer over a wide field in the developing colony" from pharmaceuticals to chemicals and glass. He was a lifelong bachelor and an avid art collector.

When Felton died in 1904, he left the bulk of his fortune to the creation of a charitable foundation, known as The Felton Bequest. In his Will, he instructed that his Bequest be placed in the care of a Committee and a Trustee. One half was to make annual distributions to selected Victorian charitable organisations (particularly, but not exclusively, those that benefit women and children).

The other half was to purchase works of art for donation to the National Gallery of Victoria. At the time, it provided the National Gallery of Victoria with access to funds 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.

3 CHAIRMAN'S REPORT

Overview

It is with pleasure that The Felton Bequests' Committee submits its Annual Report on its activities for the year ended 30 June 2013. Its aim is to provide an openness on the stewardship of the Committee and to inform those in fine arts, those applying for grants, and those in the philanthropic community.

The art world saw the retirement on 31 July 2012 of Dr Gerard Vaughan as Director of the NGV after a highly distinguished 13 years, during which time The Felton Bequest was able to gift many world class acquisitions, culminating in those to celebrate the NGV's 150th anniversary.

We were delighted on 1 August 2012 to welcome his eminent successor, Mr Tony Ellwood, as the 12th director in the NGV's 150 years. We are pleased that his first Felton Bequest acquisition of the PixCell Red Deer created huge excitement for the NGV.

In keeping with the objective of acquiring only major artworks, and because of the pressure caused by rising art prices, we took the policy decision to accumulate 50% of future works of art income to a major works of art fund. This will enable a seven figure sum to be available when the opportunity arises for significant future acquisitions.

Requests from the charitable sector continue to grow relentlessly, placing high demands upon available funds. Very careful consideration is given to the many applications for grants; and this is necessary because The Felton Bequest usually receives applications for grants that are many times greater than available funds.

For nearly a decade, the Committee has been concerned at the lack of growth in available income to meet rising art prices and rising charitable requests. Because ANZ Trustees is responsible for the management of the Bequests' corpus, the Committee recommended unanimously to ANZ Trustees that approval be sought so that 15% of income be accumulated to capital each year. This approval was granted by the Supreme Court of Victoria on 7 June 2013 and the default rate of 15% will apply from 1 July 2013.

Governance

Under the terms of the Will of Alfred Felton, responsibility for the distribution of income rests with the Felton Bequests' Committee which has five Members. There are three Continuing Members and two Nominated Members.

The three Continuing Members of the Committee are currently Sir Andrew Grimwade (Chairman), Mr Rupert Myer AM and Professor Sally Walker AM. One Nominated Member is the nominee of the National Gallery of Victoria, usually its President of Trustees. When Mr Allan Myers AO, QC retired as NGV President, he was succeeded by Mr Bruce Parncutt, who then became a member of the Felton Bequests' Committee. The other Nominated Member is the nominee of ANZ Trustees Limited and, when Ms Catherine McDowell retired as a Director of ANZ Trustees, she was succeeded by Mr Bob Santamaria, who is Group General Counsel for Australia and New Zealand Banking Group Limited (ANZ).

The financial affairs of the Felton Bequest and the investment of its funds, are the responsibility of the Trustee, ANZ Trustees Limited, which also provides the Secretariat.

Ms Emma Sakellaris is Secretary of The Felton Bequest and during the year was supported by her ANZ Trustees colleagues, Mr Robert Goodridge, Mr Chris Wootton and Ms Anita Toy.

Grants made during the Year and Commitments

During the year under review, net income totaled \$2,053,323 (last year \$1,872,813) and this was earned from a portfolio with a market value at year-end of \$37,531,847. As is required, one-half of total income was allocated to General Charitable purposes and one-half to purchase Works of Art to be gifted to the National Gallery of Victoria.

The annual allocation of income to the Works of Art account allowed further purchases totalling \$338,915 (last year \$825,516) to allow the first acquisition by Mr Tony Elwood as the new NGV Director, as set out elsewhere in this Annual Report.

In respect of the General Charitable account, a total of \$925,017 (last year \$906,805) was distributed during the year. Multi-year funding commitments mean that there are further charitable commitments which apply to future years. Details are also set out elsewhere in this Annual Report.

Future Directions

Because of the ever-escalating cost of works of art, the Felton Bequests' Committee has agreed that future acquisitions will be limited to outstanding artworks or collections. Advice is regularly sought from the Director of the National Gallery of Victoria and from other sources from time to time.

Because the current level of applications for charitable grants vastly exceeds the available funds, sometimes by a factor of ten, much thought continues to be given to achieving the best possible outcomes. In an effort to make life easier for prospective applicants, the grant application process has been simplified, particularly in respect to smaller grants.

Appreciation & Thanks

With the retirement of Dr Gerard Vaughan AM on 31 July 2012 as Director of the National Gallery of Victoria, The Felton Bequests' Committee places on record its sincere appreciation for his achievements during his brilliant 13 years in office. We have valued most highly his knowledge, expertise and judgment, all of which have resulted in some outstanding Felton Bequest acquisitions during his tenure.

We express our thanks to the Secretariat and the staff of ANZ Trustees Limited for their considerable help during the year. We also thank all those recipients of grants who have worked so tirelessly to advance the cause of philanthropy.

4 CURRENT CHARITABLE PRIORITIES

Current Priorities

The Felton Bequest is giving priority to proposals from charitable organisations in Victoria that explore new ideas and involve projects which can act as catalysts to benefit the well-being of women and children, including projects such as:

- Projects for vulnerable children and young people;
- Projects focused on indigenous groups and communities;
- Projects located in, and supporting, rural and regional areas;
- Early intervention projects designed to tackle the causes of disadvantage;
- Projects to meet the needs of women and children in health care and access to it.

Preferred Characteristics

The Bequest will favourably consider funding projects that show all or some of these characteristics:

- They aim to bring about change, particularly beyond the immediate project target group and/or organisation;
- They have made plans for sustainability;
- There is the potential to leverage additional funding from other sources;
- They will build the capacity of the organisation to better respond to need;
- They are not eligible for, or suitable for, government funding from existing government programs.

Preferred Organisations

The Bequest will favourably consider applications from organisations that:

- Respond to new or emerging needs of the community;
- Show deep commitment to the groups that they serve and support;
- Have the passion and capability to undertake new projects and developments;
- Encourage volunteer participation in their organisation;
- Display enthusiasm, are able to evaluate the project and to learn from its findings;
- Collaborate and share knowledge with other organisations and groups in order to achieve the best long term outcomes for the community at large.

Small Projects

In addition to supporting catalytic projects, the Bequest now allocates small grants under \$20,000 to special projects that will alleviate a pressing need.

5 WORKS OF ART GIFTED IN 2012/2013 YEAR

2013

PixCell Red Deer by Kohei Nawa

\$338,915.47

2013 Total:

\$338,915.47

6 GRANTS & COMMITMENTS MADE DURING THE 2012/2013 YEAR

Flagship Grants

Deakin University (2011 – 2015)

\$750,000 over 5 years; Third Instalment:\$150,000

The Alfred Felton Chair of General Practice for Rural and Regional Victoria

The Felton Bequest is funding the establishment of The Alfred Felton Chair of General Practice for Rural and Regional Victoria to seek to address the severe shortage of general practitioners in rural and regional areas in Victoria. The aim of Deakin University's first-named Chair, Professor Gerard Gill is to equip young doctors to work in a vital and often neglected part of the community rural general practice. Deakin University has been chosen to partner this strategic flagship project because of its leadership and influence in rural areas and its capacity to address a critical health need.

Major Grants

The Felton Bequest established an Expression of Interest process for all Major Grants in 2012/13 to reduce the workload on community organisations, so that only detailed applications were invited from organisations with projects likely to have a high chance of success.

Year	Organisation	Amount	Project title	Description
2012	Children's Protection Society Inc	\$150,000 over 3 years (3 x \$50,000)	Extending the reach of the Early Years Education Program (EYEP) for vulnerable children	To document the Early Years Education Program (EYEP) model and develop practical learning tools and training sessions for early years' educators. This project builds on the success of the EYEP pilot to help children (0-5 years) reach their full developmental and learning potential at an early age.
2012	Deakin University	\$36,106	Improving access to justice for women and children survivors of family violence in regional Victoria	To document women's experience of accessing the justice system / related services when they have experienced domestic violence in regional Victoria.

2102	Monash University	\$40,000	Young people with a Disability transitioning from state out-of-home care in Victoria	To undertake a scoping study to examine the current experiences of, and support services available, to young people with a disability transitioning from out-of-home care in Victoria. Through interviews and focus groups, Monash University will work with 10 key organisations involved in out-of-home care and leaving care.
2012	Legacy Melbourne	\$30,000	Prevention and treatment of Age-related Macular Degeneration in Legacy Widows	To expand the early detection, treatment and care program of Age-related Macular Degeneration (loss of vision) in Legacy widows. The Felton Bequest will contribute to the cost of treatment, equipment and travel cost to medical appointments.

Small Grants

Year	Organisation	Amount	Project title	Description
2013	Aboriginal Literacy Foundation Inc	\$25,000	\$22,500 ALF Literacy Support Program – Regional Victoria	To support 25 children (age 8-16) from regional Victoria who are struggling to meet the national literacy benchmark.
2013	Bluearth Foundation	\$19,200	Bluearth Approach – helping improve the health and wellbeing of schools on the Surf Coast Victoria	To deliver educational programs specifically designed to enhance left/right brain development which is linked to numeracy and literacy learning in students across 3 schools in Surf Coast Victoria.
2013	Guide Dogs Victoria	\$20,000	Young Mums Group	To support 30 blind and visually impaired young mothers who have mobility challenges in the Geelong and northern Melbourne region
2013	LICAU-SED (Victoria) Inc	\$20,000	"NewLife Fashion" Shop – Phase One of "NewLife Centre" Cooperative Social Enterprise	To contribute to the cost of purchasing tailoring equipment for the "NewLife Fashion" shop which is used to tailor Western African style clothing in Brimbank.
2013	Prison Fellowship Victoria	\$15,000	Extraordinary Lives: XL – Teen Mentoring Project	To provide 1:1 mentoring support to young people whose parents are incarcerated to build resilience, foster hope and transform their lives by completing their education and reconnecting with the community through activities.
2013	Cutting Edge Youth Services – Uniting Care	\$14,145	Youth Adventures	To deliver the "Youth Adventures" program to young people with a disability to improve their quality of life by teaching them core communication and living skills.
2013	St Kilda Gatehouse	\$20,000	St Kilda gatehouse Parental Support	To provide a safe and supportive environment for sex workers to form positive and meaningful relationships with their children through the help of an in-house counsellor.
2013	Villa Maria	\$12,999	TAP iT ADA Compliant interactive learning station	To contribute to the cost of purchasing one TAP iT interactive learning station for children with a disability attending St. Paul's College.

7 GRANTS PAID 2012 / 2013

Temcare	\$18,000
Child Wise Ltd	\$16,800
Muscular Dystrophy Association	\$13,950
Food Skil Inc	\$4,177
Paraquad Victoria	\$20,000
Mallee Family Care Inc	\$20,000
Western Suburbs Legal Service	\$19,550
Koorie Heritage Trust Inc	\$56,670
Fitted For Work	\$50,000
St Luke's Anglicare	\$40,000
Children's Protection Society	\$50,000
Legacy Melbourne	\$30,000
Deakin University	\$36,106
Second Bite	\$42,700
Monash University	\$42,420
Royal Women's Hospital Foundation	\$80,000
Tweddle Child & Family Health	\$70,000
Post Placement Support Service	\$55,800
Deakin University	\$150,000
Aboriginal Literacy Foundation	\$22,500
Cutting Edge youth Services – UnitingCare	\$14,145
Bluearth Foundation	\$19,200
Villa Maria Society	\$12,999
Guide Dogs Victoria	\$20,000
St Kilda Gatehouse	\$20,000
TOTAL:	\$925,017

8 CONTACT DETAILS

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