

Case study

Sydney Modern Project – Art Gallery of New South Wales

Flowers that Bloom in the Cosmos

Renowned Japanese artist Yayoi Kusama was invited to create an exuberant floral sculpture, *Flowers that Bloom in the Cosmos*, as part of the art commissioning programme for the Sydney Modern Project – the expansion and transformation of the Art Gallery of New South Wales.

The artwork is prominently positioned on the new building's terrace overlooking Woolloomooloo Bay. Opened in December 2022, the building was designed by noted Tokyo-based architects SANAA with Australian firm Architectus as executive architect, built by Richard Crookes Constructions and delivered by Infrastructure NSW on behalf of the NSW Government and the Art Gallery.

Issue

Having commissioned the artwork to be delivered ahead of the opening of the new building, the Art Gallery needed to pay for it in US dollars. The Art Gallery's foreign exchange exposure began at the time the order was made.

How we helped

The art commission involved 4 different US dollar amounts, to be paid at specific milestone completion points, although the actual dates of these were unknown at the time of the order. Milestones included upfront payment upon agreement execution, approval of structural designs, completed production and installation of the artwork.

TCorp was able to hedge the exposures in 2 tranches to manage the uncertainty around the payment schedule and to accommodate any delays in milestone completion.

The hedges protected the Art Gallery's project budget by locking in Australian dollar payments, reducing exposure to the AUD/USD exchange rate and a potential increase in project cost. Budget volatility was minimised, and the Art Gallery was able to fulfil its Financial Risk Management Policy obligations.



Aerial view of the Art Gallery of New South Wales' SANAA-designed building, November 2022

Flowers that Bloom in the Cosmos
2022 © Yayoi Kusama

Photograph courtesy of Iwan Baana

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