



**Report of the
Contemporary Visual Arts
and Craft Inquiry**



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Disclaimer

This report was developed for the Commonwealth by the Contemporary Visual Arts and Craft Inquiry. It draws on information, opinions and advice provided by a variety of individuals and organisations during the Inquiry. This report does not necessarily reflect the views of the Commonwealth or indicate its commitment to a particular course of action.

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Contemporary
Visual Arts and
Craft Inquiry

14 June 2002

Senator the Hon Rod Kemp
Minister for the Arts and Sport
Parliament House
CANBERRA ACT 2600

Dear Minister

I have pleasure in submitting to you the Report of the Inquiry into the Contemporary Visual Arts and Craft Sector. The Report is a comprehensive analysis of a diverse and dynamic sector of the Arts that makes an important contribution to Australia's cultural and economic life.

Without exception I found that the Government's decision to initiate the Inquiry was warmly welcomed by the sector and this was reflected in the cooperation and assistance provided to the Inquiry by all concerned.

The Inquiry met with artists and craft practitioners, their organisations, and many representatives of private and public institutions and agencies with an interest in the future development of the sector. It also undertook its own research into issues raised by the terms of reference and in submissions and consultations.

The Inquiry found that Australia's visual artists and craft practitioners have established a well deserved reputation for artistic quality and innovation, and in partnership with governments and the private sector have built a valuable infrastructure for the development, exhibition and marketing of their works. The sector is now at a point where strategic interventions are needed to capitalise on existing strengths and ensure that the obvious potential is realised. The Inquiry's recommendations have been framed with those objectives in mind. I urge the Government to give priority to the recommendations arising from this Inquiry.

I wish to express my appreciation for the opportunity to undertake this Inquiry.

Yours sincerely

Rupert Myer



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CHAIRMAN'S PREAMBLE

This has been a timely Inquiry. It follows on from recent detailed reports and policy initiatives covering other arts sectors as well as a number of reports undertaken by the contemporary visual arts and craft sector. Many of the issues are complex and have required detailed analysis. Enthusiastic support for this Inquiry has ensured that the visual arts and craft communities have significantly contributed to the future shape and direction of the sector as contemplated by this Report.

In imagining the future, it is relevant to consider the development of the Australian film industry, particularly over the last decade. After many years of strategic investment and planning, that industry is reaping the benefits of a healthy slate of local feature films, television drama and other productions. Few now question the value of the public investment that has supported and continues to support this creative industry. We celebrate the success of both the industry and the individuals whose roles have contributed to the essence of our nation's culture. Many of those individuals emphasise the importance of their professional training, access to opportunities to display their talents and the role of publicly funded investment as the key elements of this industry's development. The associated benefits of employment opportunities, related economic and investment activity, tourism developments and the nurturing of our nation's creative talents are widely discussed. The key to these observations is that they are relevant across the whole of the creative arts sector.

The challenge is to maintain and develop a contemporary visual arts and craft sector bristling with vitality and built upon the multiple talents, imagination and commitment of independent artists and craft practitioners. With well-targeted cooperative public investment and a supportive legislative environment, the contemporary visual arts and craft sector can move rapidly to consolidate its current position and further evolve to become bolder and more inventive, providing greater opportunities for its participants. Such a vision requires well resourced organisations confident in their business models with managements committed to promoting artists and exciting audience responses.

It is possible to imagine a future for the sector where artists and craft practitioners enjoy a higher status within the community, where they are faced with fewer economic uncertainties, where there are greater opportunities to exhibit and sell works of art and where the financial and market success of their work is not taken as the sole measure of quality. It is also imaginable that effective advocacy for the sector, publication programs and on-going research and development with new creative disciplines would be valued activities. In such an environment, multiple pathways for artists to follow during their lives would involve ongoing formal and informal learning and skills development, mutually beneficial interaction with the marketplace, audiences and their peers and greater access to publicly and privately funded project activities. The keen remembrance of generation old practices and policies would be replaced by an appreciable enthusiasm for new models of Commonwealth, State and Territory funding and a significantly expanded role for private benefaction and sponsorship.



Building on the strength of core government support, it is possible to imagine the sector well supported by an increasing number of private organisations and individual benefactors. In this scenario, there would be many prospective partnerships promoting Australia's visual culture at significant international events, bilateral exhibitions and events principally for local audiences. This Report proposes policies intended to increase the financial support provided for individual artists and their supporting infrastructure from corporate sponsorship and private philanthropy. This is not intended as a substitute for government support but as a critical supplement.

The successful implementation of new policy initiatives requires the sector to respond with an energetic view of itself and its own potential. The possibilities for such an energised future are already evident in many of the current trends. Throughout its consultations around the country, the Inquiry observed the sector's vibrancy and sophistication. It is also clear that the participants have a strong will to contribute to the sector's successful development.

The growth of the demand for tertiary arts courses, the cultural and commercial appreciation of Indigenous art and the developments in copyright and moral rights contribute to this observation. In addition, capital investment in infrastructure across metropolitan and regional centres, increased opportunities for public art, a committed commercial gallery sector and a lively art market sector are reinforcing the significance of contemporary art and craft practice. These positive elements emerge both anecdotally and through much of the data analysed by this Inquiry and they confirm the capability and contribution of the sector. It is easy to observe and share the passion that people have about what they do.

However, against this background, chronic frailties exist which require early responses. Sustainability is affected by the closure of arts courses, the cessation of publications, inadequate access to new technology and underfunded organisations characterised by part-time staff working full-time, artists substantially subsidising their own sector's infrastructure and diminishing financial reserves. There is evidence of fatigue within organisations brought about by inadequate facilities, over-stretched staff and reductions in programming and exhibition activities. For many artists, there are too few opportunities to display their work or engage with audiences and the economic uncertainties prevent the establishment of sustainable careers. The frailty which is experienced at close hand by many participants in the sector needs to be addressed as part of this overall review of the sector's circumstances.

It is only comparatively recently that, as a community, we have come to find a way to formally value infrastructure. We are now able to ascribe a financial value to our roads, railways, airports and radio frequencies in a way that was previously unknown. Similarly, we are finding ways to value our natural resources including water, timber, flora and fauna. We can also ascribe a value to the human and cultural capital infrastructure that supports the arts, and in the context of this Inquiry, particularly the contemporary visual arts and craft sector. That there are organisations with boards of management, volunteers and staff, leases and equipment, relationships with communities, artists, craft practitioners, government agencies, benefactors and audiences is something to be valued, nurtured and protected. When aggregated, this human and cultural capital is part of our national social capital, the webs of relationships and collaborations that underpin our national cultural, social and economic wellbeing. A healthy infrastructure is also an essential driver for increasing access to the international markets, new media and converging technologies and accessing audiences.

In Australia, public arts funding is provided through significant support from numerous agencies across the three tiers of government. There is little structural reform proposed by this Inquiry as the structure which has developed to support the sector remains effective, if under-resourced. Our federated model of government means that, whilst at times these funding arrangements are coordinated, very often they are not. Successful arrangements in one part of the country are often not known about, or replicated, in other parts. Key government interventions can transform this sector into one that will contribute significantly to our nation's economic circumstances and hugely to our nation's cultural capital.

In reflecting upon the value of this sector, it is appropriate to be mindful that economic value and cultural value are two distinct concepts. Culture will be seriously misunderstood if analysed only as economic value. Whilst there is little question the data discussed in this Report confirms that this sector makes a significant and, importantly, strategic contribution to the nation's economy, it is its cultural contribution which is paramount. At the heart of the strategic interventions proposed in this report is a desire to promote a greater recognition of the value of the contemporary visual arts and craft sector and of artists in our community.

Rupert Myer
Chairman

EXECUTIVE SUMMARY

On 23 July 2001, the then Federal Minister for the Arts and the Centenary of Federation, the Hon. Peter McGauran MP, appointed Mr Rupert Myer to conduct an independent Inquiry into the contemporary visual arts and craft sector.


While the Inquiry followed in the wake of the Major Performing Arts Inquiry it had a wider brief, being required to scope the sector, examine its cultural and economic contribution, and make recommendations on key issues impacting on the future sustainability, development and promotion of the sector as a whole.

The sector, the Inquiry found, comprises around 20 000 visual artists and craft practitioners as well as curators, arts writers and other arts workers, and hundreds of organisations ranging from small artist-run initiatives to the major state galleries. The breadth of the terms of reference, and the number and diversity of stakeholders therefore required the Inquiry to adopt a methodology that focussed on issues and strategies for the sector rather than specific organisations. For similar reasons, the Inquiry also limited ‘contemporary visual arts and craft’ to broadly mean the work of living artists and craft practitioners and the organisations that support their practice.

The Inquiry received 190 written submissions and consulted widely with artists, craft practitioners, visual arts and craft organisations, and Commonwealth, State and Territory government departments and agencies. The submissions came from individuals and institutions, including the commercial sector, in all States and Territories. Consultations included discussions with many stakeholders at artists’ studios, university art schools, contemporary art spaces, craft and design organisations, commercial galleries, Indigenous art and craft centres and philanthropic organisations. The strong impression gained was of a sector that is confident of its talents and abilities, proud of its track record at home and abroad, and enthusiastic about its potential. It is a sector that is used to, but nonetheless increasingly frustrated by, doing more with less. In this regard it is keenly aware that the financial position of other arts sectors has been recently positively addressed.

The Inquiry found that the contemporary visual arts and craft sector makes an important economic contribution through direct creative, innovative and experimental activity, through the commercial art market, and by providing employment. Indirectly, the sector contributes as part of the broader creative economy including other arts sectors, design, advertising, and the sciences.

The most recent estimate available for the value added by the sector to GDP was approximately \$160 million, comparable with that of the record companies and distributors sector (\$162 million in 1995–96) and approximately 40 per cent that of the performing arts industries (\$415.7 million in 1996–97). This estimate does not include the value added of arts education activities, interest groups or government administration—nor does it reflect the value of the social and external benefits the sector provides. Activity in the contemporary visual arts and craft sector will also have flow-on, or multiplier, effects on other parts of the economy.



The cultural contribution is significant and diverse, ranging from the visual interpretation of national and individual identities and the cultural significance of Indigenous art, to its role in establishing Australia's international cultural standing, improving quality of life, enhancing the built environment, and its application in health and rehabilitation programs. There is a general concern in the sector that the economic and cultural contribution is not sufficiently valued, and that the significant achievements of Australia's visual artists and craftpersons are not adequately acknowledged.

From its review of the cultural, social and economic dynamics of the sector, and consideration of its future possibilities, the Inquiry formulated a number of Guiding Principles that inform its recommendations and should underpin their implementation and future policy development for the sector. A key concept is that Australia should value and foster its visual artists and craft practitioners, and acknowledge and build upon their contribution to Australia's national culture and its international standing. Recognition is also due to the valuable role played by the infrastructure, into which governments have made significant investments. Along with the necessary support provided by governments, the Principles strongly endorse initiatives that will stimulate audience growth and demand, and the broadening of the funding base through increased benefaction and corporate sponsorship.

The Inquiry found that contemporary visual arts and craft practitioners generally have incomes lower than that of the general workforce, and of artists in other fields, and that many have to support their practice with other employment. However, financial reward is often not the prime motivator, and consequently while employment prospects for graduates are less certain in the short-term than for other disciplines, the demand for places in tertiary institutions by aspiring artists and non-vocational students has not diminished. The Inquiry was presented with strong arguments about the cultural and economic value of tertiary education in the arts and could not conclude that the number of graduates adversely affects the sustainability of the sector. New technology is having a significant influence on courses being offered, and its cost impacts on the training institutions. It is also a major driver for change in the work of established artists and in display and exhibition venues.

In relation to the working lives of visual artists and craft practitioners, the Inquiry was pleased to note that the sector has developed a code of practice to set standards for the commercial relations between artists and the commercial sector and institutions. While some practitioners achieve considerable commercial success, government support is still fundamental to the development and maintenance of a vibrant culture in Australia. There is a need to increase opportunities for artists of outstanding talent to receive assistance through grant programs so that Australia's cultural strength in the visual arts and craft fields is not diminished.

A number of submitters sought the Inquiry's support for the introduction of Status of the Artist legislation to provide the basis for a better and fairer approach by governments to matters directly affecting the lives of artists. In particular, the sector believes this would facilitate greater acceptance of the nature and value of artists' work and professional standing in the development and administration of policy in areas such as taxation, social security, industrial relations, occupational health and safety, superannuation, copyright, moral rights, freedom of creative expression and insurance cover.

The Inquiry found that perceptions about the value and contribution of artists in Australia do have implications for the administration of policy and the extent to which artists needs and interests are taken into account. It believes there is scope to examine practical ways to overcome the obstacles that some artists encounter through amendments to existing legislation and policy, and for the sector to play a role in education campaigns for its members.

Intellectual property issues are of considerable importance to the contemporary visual arts and craft sector. The establishment and proper administration and enforcement of intellectual property rights is a fundamental element of a well functioning sector. It is also an important potential source of income for visual artists and craft practitioners.


While acknowledging the reforms undertaken in this area, the Inquiry has identified several matters of particular concern to the contemporary visual arts and craft sector and issues of special interest to Indigenous artists that it believes warrant review.

A major issue for the Inquiry was whether Australia should introduce a *droit de suite* or resale royalty scheme that entitles the artist to royalties when a work of art is resold in the market. The Inquiry assessed the potential benefits for visual artists, the particular issues for Indigenous artists, and the likely impact the measure would have upon the market for contemporary art and craft in Australia, having regard to the international experience and local conditions. The Inquiry concluded that a resale royalty arrangement should be introduced.

With regard to the sector's infrastructure, the Inquiry found there are a number of networks of organisations and institutions that play a key role in the development of contemporary art and craft practice in Australia. Through their exhibition, educational and promotional activities they nurture the careers of artists and craft practitioners and arts professionals. They provide opportunities for the revitalisation of the work of established artists and they also provide initial professional experience for emerging artists and curators. Through their networks they help build audiences, create demand for contemporary art and pioneer new international relationships.

The Inquiry also found that current funding levels make it increasingly difficult for these organisations to meet the rising expectations of artists, staff, the public and funding bodies, to exploit potential business and market development opportunities, and for some key organisations to provide leadership in the sector. There is also a lack of capacity to document and promote the artwork being created in their exhibition spaces which limits the long-term creative development of the visual arts in Australia. There is also a limited capacity for creative experimentation due to the cost of new technology.

The Inquiry also examined the roles played by Indigenous art and craft centres, artist-run initiatives, major art museums and regional and university galleries in developing and sustaining the sector as well as the advocacy as well as the support roles of artist services organisations. Curators and art administrators are key players in these organisations.



The Inquiry concluded that strategic investments by governments in the infrastructure, including facilitating access to new technology, were critical if there was to be growth built on these valuable foundations. While the infrastructure is not likely to cease operation without this investment, it will stagnate and some of it may fade from view to the detriment of Australia's visual culture.

Demand for contemporary visual arts and craft is variable yet it is fundamental to the sustainability of the sector. Audience development and education are critical factors and the commercial galleries and auction houses and publications are key players in the market.

The Inquiry found that in the 12 months to April 1999, an Australian Bureau of Statistics (ABS) survey indicated that almost 3.2 million Australians, or 21 per cent of the adult population, attended an art gallery. To place this in perspective, three million people attended a museum in the same period, 3.8 million people attended a popular music performance, and almost ten million attended cinemas. An Australia Council survey found that 31 per cent of respondents had visited a contemporary visual arts or craft venue in the previous two years. In 2001, approximately \$70 million of art was sold in Australian auctions (of which the majority is assumed to be secondary sales), while the value of art sold through commercial galleries in 1999–2000 was \$218 million, of which \$106 million was first sales sold on commission, including but not limited to contemporary visual arts and craft.

Access programs including touring can increase appreciation and interest and grow audiences. Similarly, exhibitions at major art museums are an efficient way of introducing the general public to the work of Australian contemporary visual artists and craft practitioners. The Inquiry concluded that the level of government support is not keeping pace with rising costs for exhibitions touring and believes some targeted investment is required to better meet the access objectives of governments.

Promotional activities in Australia and overseas can boost and stimulate demand. The Inquiry examined the potential for a calendar to be developed around existing major contemporary visual arts and craft events, such as the Asia-Pacific Triennial of Contemporary Art in Brisbane and the Sydney Biennale, to make them the centrepiece of a wide range of contemporary visual arts and craft activities in a particular location. The Inquiry believes these events, if properly supported, have the potential to create local and international opportunities for Australian artists. With the support and involvement of local and State and Territory governments, the events could have wider benefits for the tourism and hospitality sectors.

Submissions from all areas of the sector indicated the fundamental importance of international promotion, market development and cultural exchange. Contemporary visual arts and craft communicate more effectively across cultures than many other art forms. Further, as artists tend to work independently, they have more capacity to work overseas with minimal infrastructure and group support. The Australia Council makes a substantial investment in assisting artists to take advantage of overseas opportunities, increasing the international reputation of Australian visual arts and craft through the support of international touring exhibitions, or through assisting international curators to visit Australia.

The Department of Foreign Affairs and Trade and State and Territory governments also play significant roles in promoting the sector overseas. The Inquiry believes there is scope for better coordination of these efforts to maximise the potential of international promotion.

The Inquiry also believes there is a need to strengthen the sustainability of contemporary arts and craft publications through increased support to enable them to better promote the sector and stimulate audience growth and demand. Similarly, the Inquiry believes there is a case for some increased support for special projects by contemporary visual arts and craft organisations to enhance the sector in Australia and on the world stage.

The terms of reference required the Inquiry to examine the role of governments, across the three-tiers, in supporting the contemporary visual arts and craft sector, and the effectiveness of this support in achieving cultural objectives for both individual artists and arts organisations. The Inquiry has estimated from data collected by the ABS that support from the Commonwealth, State and Territory and local governments for the contemporary visual arts and craft sector totalled some \$58 million in financial year 1999–2000. State and Territory and Commonwealth Government support increased by about 12 per cent (in non-adjusted dollars) over the period from 1994 to 2000. The total value of Commonwealth support for the contemporary visual arts and craft sector in 1999–2000 was estimated to be about \$18.3 million.


Most local government support is directed to regional galleries, of which there are over 100 in Australia. They also support contemporary arts and craft through artist-in-residencies, public art projects, art training, specific artist projects and community art and cultural development projects.

The Australia Council is the main Commonwealth source of grants in the contemporary visual arts and craft sector, although the Aboriginal and Torres Strait Islander Commission also plays a significant role. Other more broadly targeted programs of the Commonwealth Government through various portfolios also make an important contribution.

Funding from the States and Territories is considerably weighted towards support for organisations and infrastructure (which received in aggregate over 90 per cent of funds). By comparison, analysis of Australia Council grants showed that some 69 per cent was spent on organisations/infrastructure, while 31 per cent of expenditure was on individuals. This is consistent with the Australia Council's national priorities that focus on key national infrastructure and support of individuals nationally, on the basis of excellence.

Of concern to the Inquiry has been the need to assess whether, in such a complex funding environment, there is appropriate coordination to ensure that synergies operate where possible and that precious funding is not dispersed too thinly. On the whole, it is the Inquiry's view that there is considerable interaction and coordination between programs, even where these involve several jurisdictions and slightly different policies and priorities.

Support for a national framework of key infrastructure organisations (contemporary art organisations, craft and design organisations and National Exhibitions Touring Support touring organisations) is an example of partnership funding between the Commonwealth (through the Australia Council) and the States and Territories. However, funding arrangements could be further synchronised. Increased funding recommended by the Inquiry will offer the opportunity to increase this cooperative approach and also to pursue tripartite funding arrangements for the benefit of all parties.



There is a high degree of competition for access to limited government funding, and as a result, a clear need for more flexible and varied sources of support for the contemporary visual arts and craft sector. Consultations have suggested there is potential for a greater contribution from philanthropic and sponsorship sources to broadening the financial support base for the sector. There are a number of private individuals and organisations with a desire to contribute to the contemporary visual arts and crafts, but who are unaware of how their contribution would achieve the best outcome.

Only a small proportion of philanthropic donations and sponsorship funding is directed towards the visual arts and craft. An even smaller percentage of the funding for visual arts and craft is directed towards contemporary visual arts, and a smaller percentage again is directed to supporting contemporary craft. The Inquiry believes that a modest amount of additional support would have a demonstrable and significant impact. Contemporary arts organisations tend to be run on very limited budgets, and a small amount of additional funding would allow these organisations to more comfortably achieve organisational goals, and extend their activities and programs in a way which benefits the broader arts community. Private support for individual artists would also have a significant benefit, as visual artists and crafts practitioners tend to have limited incomes, and additional income will directly affect their ability to create work.

There is an understandable level of doubt in the sector regarding the availability of sponsorship in the contemporary visual arts and craft sector. Nevertheless, there are support mechanisms available to assist organisations seeking to make a business case for sponsorship. Many contemporary arts organisations are either not aware of this support, or are unable to make use of these mechanisms due to resource and time constraints.

Overseas experience suggests that there is scope for governments to adopt a wide range of tax incentives and other measures to encourage a greater contribution from philanthropic and sponsorship sources. The Inquiry has recommended a number of measures to build on and promote existing arrangements to expand this funding source for the sector.

RECOMMENDATIONS

The Inquiry has developed a package of recommendations designed to build on the sector's achievements and provide opportunities for its potential to be realised. The financial interventions proposed are strategically directed at ensuring that the sector is in a position to accept new challenges and successfully meet them. The recommendations also establish a new level of engagement with the sector by the Commonwealth, State and Territory governments and the private sector.

The Inquiry believes the Commonwealth Government and the States and Territories have developed and maintained an effective national framework for the contemporary visual arts and craft sector—but that this intervention needs further funding from these funding sources if it is to remain effective. The Commonwealth's leadership will be important in ensuring successful and timely implementation so that functions of a national character can be performed, including the strengthening of a sustainable framework of programs and infrastructure across the nation to support creative excellence, access and participation.

The Inquiry's view is that Commonwealth, State and Territory government funding to the sector should be increased by \$15 million per annum. The Commonwealth's share of this additional funding should be \$7 million per annum, with a supplementary amount of \$2 million per annum being offered, subject to the State and Territory governments agreeing to a total combined contribution of \$6 million per annum. The individual State and Territory contributions will depend on consultation and negotiation.

If implemented in full, the recommendations would take the Commonwealth's support to the sector to \$27.3 million per annum, and the combined States' and Territories' support to \$25.4 million. The Commonwealth would also make a one-off allocation of \$250 000 in year one towards the implementation of a resale royalty scheme. Some recommendations may also involve revenue foregone for the Commonwealth.

Further detail on the proposed joint funding arrangements is provided at Chapter 1 as part of the discussion on implementation.

While the recommendations are presented sequentially, dealing firstly with individual artists and craft practitioners, it is important to note the recommendations in areas such as infrastructure support and philanthropy also impact on, and indirectly benefit, individual practitioners. Some of the issues raised in the Inquiry have implications wider than the contemporary visual arts and craft sector, for example in relation to copyright law. Accordingly, the Inquiry decided that where the broader policy context needed to be considered, the particular concerns and the Inquiry's findings should be further examined in that context.

Consistent with current practices, it is intended that applications for funding would continue to be competitive and selection based on merit.

RECOMMENDATION 1

To ensure that more opportunities exist for Australian visual artists and craft practitioners of outstanding ability to contribute to Australia's culture through the creation of works of artistic excellence, the Inquiry recommends:

- 1.1 The Commonwealth provide an additional \$2 million per annum to the Australia Council for programs that directly support individual visual artists and craft practitioners.
- 1.2 From these additional funds, the Australia Council devolve up to \$100 000 to each State and Territory on the condition they match this support within a new co-badged program for individual visual artists and craft practitioners.
- 1.3 The Australia Council, and the State and Territory arts funding agencies, actively encourage craft practitioners to participate in these programs.

RECOMMENDATION 2

In order to support visual artists and craft practitioners in their practice, the Inquiry recommends:

- 2.1 The Australian Taxation Office make a public ruling on what constitutes carrying on an art business.
- 2.2 The Commonwealth remove the \$40 000 limit on secondary income of artists, and the exemption from the non-commercial losses provision be extended to all visual artists and craft practitioners carrying on a legitimate arts business activity.
- 2.3 The Commonwealth remove any inconsistencies in practice involving the eligibility of Australian Business Number holders to receive unemployment benefits, particularly visual artists and craft practitioners.
- 2.4 The Commonwealth broaden the mutual obligation criteria for Newstart to include a range of arts activities with community benefits.
- 2.5 The Commonwealth support artist service associations and membership organisations to conduct national education campaigns to improve the awareness of visual artists and craft practitioners about superannuation, occupational health and safety and insurance issues.
- 2.6 The Commonwealth Minister for the Arts initiate consultations with appropriate Commonwealth Ministers to progress these matters.

RECOMMENDATION 3

To protect the rights of visual artists and craft practitioners, the Inquiry recommends that the relevant Commonwealth government departments take action in relation to the copyright issues identified by the Inquiry in its findings, including:

- 3.1 commencing consultations in preparation for the review of the Digital Agenda;
- 3.2 considering amendments to deem artists to have asserted their moral rights;
- 3.3 conducting an independent review of the impact of extending the term of copyright;
- 3.4 extending the duration of copyright in photographs to match other copyright media;
- 3.5 considering the viability and implications of repealing provisions dealing with copyright in sculptures and craft works on public display;
- 3.6 examining the costs and benefits of providing a guaranteed distribution of income from statutory licences to artists;
- 3.7 commencing consultations regarding a national education campaign to raise the awareness of copyright creators and users; and
- 3.8 monitoring the practical application and case law developments with respect to the following copyright provisions:
 - definition of artistic work;
 - moral rights;
 - fair dealing exemptions; and
 - exemption permitting artistic works to be incidentally reproduced in film and television broadcasts.

RECOMMENDATION 4

To protect the rights of Indigenous people, the Inquiry recommends that the relevant Commonwealth government departments take action in relation to the Indigenous copyright and Indigenous intellectual property issues identified by the Inquiry in its findings, including:

- the extension of moral rights to Indigenous groups;
- misappropriation of Indigenous cultural imagery and iconography;
- importation of works purporting to be of Indigenous origin; and
- exportation of Indigenous art under cultural heritage provisions.

RECOMMENDATION 5

To further protect the rights of visual artists and craft practitioners, the Inquiry recommends the Commonwealth Government:

- 5.1 Introduce a resale royalty arrangement.
- 5.2 Establish a working group, comprising representatives from government and the visual arts and craft sector, to analyse the options for introducing a resale royalty arrangement.
- 5.3 Conduct a tender to determine an appropriate body to administer the resale royalty arrangement.
- 5.4 Allocate \$250 000 for the development of an implementation strategy.

RECOMMENDATION 6

To strengthen the key role played by contemporary arts organisations in the development and promotion of contemporary visual arts, the Inquiry recommends:

- 6.1 The Commonwealth (through the Australia Council) and the States and Territories increase funding for contemporary arts organisations by \$2 million per annum to provide recurrent increased support additional to their current agreements.
- 6.2 In implementing this recommendation, the Commonwealth commits an initial amount of \$1 million per annum and the Commonwealth and the States and Territories agree that the Commonwealth will commit a supplementary amount of \$0.25 million per annum if the States and Territories commit \$0.75 million per annum.
 - 6.1.1 The Commonwealth and State and Territory funding agencies should agree that grants to applicants should be on the basis of negotiated tripartite agreements.
- 6.3 That the Commonwealth, State and Territory funding agencies also agree to allocate some of this funding for a limited number of contemporary arts organisations for:
 - a. the development of sustainable business practices;
 - b. the development of major sponsorship opportunities; and
 - c. leadership roles nationally and developmental international roles, particularly with regard to:
 - national and regional responsibilities;
 - public access and audience development;
 - development of ideas/intellectual discourse through forums and conferences;

- mentoring and development of opportunities for artist-run initiatives;
 - international opportunities;
 - contemporary visual arts publishing; and
 - developments in art and technology including sound, performance, and other 'hybrid' forms of visual arts practice.
- 6.3.1 That the selection of organisations be by application and based on criteria relating to:
- current financial, business, program and infrastructural strength;
 - historically proven special abilities; and
 - potential for the organisation to substantially develop its programs without destabilisation.

RECOMMENDATION 7

To strengthen the key role played by craft and design organisations, the Inquiry recommends:

- 7.1 The Commonwealth (through the Australia Council) and the States and Territories increase funding for craft and design organisations by \$2 million per annum to provide recurrent increased support additional to their current agreements.
- 7.2 In implementing this recommendation, the Commonwealth commit an initial amount of \$1 million per annum; and the Commonwealth and the States and Territories agree that the Commonwealth will commit a supplementary amount of \$0.25 million per annum if the States and Territories commit \$0.75 million per annum.
- 7.2.1 The Commonwealth and State and Territory funding agencies should agree that grants to applicants should be on the basis of negotiated tripartite agreements.
- 7.3 That the Commonwealth, State and Territory funding agencies should also agree to allocate this funding in order for these organisations to:
- a. develop sustainable business practices;
 - b. develop major sponsorship opportunities; and
 - c. take on leadership roles nationally and developmental international roles, particularly with regard to:
 - national, regional and international audience and market development;
 - the development of public art opportunities for craft and design practitioners;
 - appropriate development and marketing of Australian Indigenous craft and design;

- contemporary craft and design publishing;
 - development of ideas/intellectual discourse through forums and conferences;
 - further development of partnerships between craft/design and industrial design;
 - advocacy of craft and design courses in the education sectors; and
 - development of mentorships, cooperative workshops and other post-tertiary education professional development opportunities.
- 7.3.1 The selection of leadership organisations be by application and based on criteria including:
- current financial, business, program and infrastructural strength;
 - historically proven special abilities; and
 - potential for the organisation to substantially develop its programs without destabilisation.

RECOMMENDATION 8

To strengthen the key role played by art and craft centres in the national development and promotion of Indigenous arts and craft, the Inquiry recommends the Commonwealth, through the Australia Council or another suitable body, allocate \$200 000 per annum to develop and manage short and medium term professional development opportunities for art and craft centre staff.

RECOMMENDATION 9

To strengthen support for artist-run initiatives (ARIs), the Inquiry recommends:

- 9.1 The Commonwealth (through the Australia Council) increase its support for ARIs through an additional allocation of \$100 000 per annum to supplement the dedicated ARI grant category offered as part of the Commonwealth Government's Young and Emerging Artists Initiative.
- 9.2 The Australia Council and the State and Territory arts funding agencies target the support of ARIs through projects (Recommendation 18) to encourage professional development of ARI volunteers and wider audiences for visual arts and craft projects in ARIs.

RECOMMENDATION 10

To ensure that national artist service membership organisations continue to develop an integrated national program for artist services and representation, including the support and representation of Indigenous artists, the Inquiry recommends the Commonwealth, through the Australia Council, increase its funding for national artist service membership organisations by \$200 000 per annum.

RECOMMENDATION 11

To ensure appropriate and current arts creation and presentation equipment is more accessible to contemporary visual artists and craft practitioners and their organisations, the Inquiry recommends:

- 11.1 The Commonwealth and State and Territory governments allocate \$2 million per annum to establish a national technology loan facility.
- 11.2 The Australia Council develop as soon as possible a business model for the technology lease facility, in consultation with the State and Territory governments.
- 11.3 In implementing this recommendation, the Commonwealth commit an initial amount of \$700 000 per annum; and the Commonwealth, States and Territories agree that the Commonwealth will commit a supplementary amount of \$300 000 per annum if the States and Territories commit \$1 million per annum.

RECOMMENDATION 12

To further the professional development of visual arts and craft curators and managers, the Inquiry recommends the Commonwealth make available additional funding of \$200 000 per annum to the Australia Council to extend the current Craft Leadership Program to encompass both the visual arts and crafts and to target both emerging and experienced visual arts and craft professionals.

RECOMMENDATION 13

To ensure that National Exhibitions Touring Support (NETS) agencies expand their role in developing audiences, demand and access in regional areas for the contemporary visual arts and craft in Australia, the Inquiry recommends:

- 13.1 The Commonwealth and the States and Territories increase their funding to NETS agencies by \$500 000 per annum.
- 13.2 In implementing this recommendation, the Commonwealth commit an initial amount of \$100 000 per annum; and the Commonwealth, States and Territories agree that the Commonwealth will commit a supplementary amount of \$50 000 per annum if the States and Territories commit \$350 000 per annum.

RECOMMENDATION 14

To ensure that contemporary visual arts and craft are adequately represented in the exhibitions supported through the Visions of Australia program, the Inquiry recommends that the Government should amend the guidelines for the program so that they do not unnecessarily restrict the touring of non-commercial exhibitions of contemporary works.

RECOMMENDATION 15

To enhance the presentation and promotion of contemporary visual arts and craft (including Indigenous arts), the Inquiry recommends:

- 15.1 The Commonwealth (through the Australia Council) provide \$600 000 additional funding per annum towards three major touring exhibitions of the work of contemporary Australian visual artists and craft practitioners—at least one of which must be an exhibition of the work of Indigenous artists:
 - 15.1.1 The Commonwealth's commitment be dependent on the following eligibility criteria being met:
 - a strong commitment to the project from the initiating institution;
 - collateral and long-term benefits resulting from high quality catalogues, with quality critical input from respected writers and designers;
 - a strong commitment to the project, incorporating exhibition fee input and in-kind commitment by at least one touring partner;
 - developmental business planning for the exhibition including sponsorship, philanthropic and marketing strategies; and
 - substantial funding support for the initial exhibition and tour being received from State and Territory governments, corporate sponsorship and in-kind support from initiating and receiving museums.

RECOMMENDATION 16

To ensure major contemporary visual arts and craft events have the potential to make a significant contribution to developing audiences and demand throughout Australia, and to create international opportunities for individual visual artists and craft practitioners, the Inquiry recommends:

- 16.1 The Commonwealth, through the Australia Council, and State and Territory governments increase funding for the long-term promotion and recurrent support of a number of major contemporary visual arts and craft events and related activities by \$2 million per annum.
- 16.2 In implementing this recommendation, the Commonwealth commit an initial amount of \$700 000 per annum; and the Commonwealth, States and Territories agree that the Commonwealth will commit a supplementary amount of \$300 000 per annum if the States and Territories commit \$1 million per annum.

RECOMMENDATION 17

To strengthen the sustainability of contemporary arts and craft publications to enable them to better promote the sector, stimulate audience growth and demand and take advantage of emerging opportunities, the Inquiry recommends the Commonwealth increase its funding to the Australia Council for contemporary arts and craft publications and writing projects by \$200 000 per annum.

RECOMMENDATION 18

To ensure that a wider variety of organisations are supported to create special projects of excellence and increase opportunities to develop audiences and demand, the Inquiry recommends:

- 18.1 The Commonwealth provide \$600 000 additional funding per annum to the Australia Council to support special projects that support and develop the contemporary visual arts and craft sector.
- 18.2 The Australia Council devolve up to \$75 000 per annum to each State and Territory on condition they allocate up to \$100 000 per annum to match this support within a new co-badged program for the support of projects.

RECOMMENDATION 19

To ensure that government support for the contemporary visual arts and craft sector is well targeted and well coordinated where appropriate across jurisdictions, the Inquiry recommends the Commonwealth and the State arts funding agencies take the opportunity in pursuing the recommendations of this Report to enter into more collaborative and coordinated arrangements, including tripartite funding arrangements in respect of their joint support of the key infrastructure organisations currently receiving triennial funding.

RECOMMENDATION 20

To ensure the funding base for the contemporary visual arts and craft sector is significantly expanded by strategic interventions that build on current arrangements to encourage philanthropy, the Inquiry recommends the Commonwealth develops and implements the following initiatives:

- 20.1 Raise the public profile of existing tax incentive and related programs through better promotion.
- 20.2 Amend the Cultural Gifts Program provisions to permit donors to claim a 125 per cent tax deduction for gifts of new works by contemporary Australian artists to public collecting institutions for a trial period of five years.
- 20.3 Establish a donations program directed at research and development activities, attracting a 125 per cent tax deduction for the first five years.
- 20.4 Establish a program whereby foundations are encouraged to make donations to an Australia Council or other appropriate public fund, which may make distributions to individual artists.
- 20.5 Amend the Cultural Gifts Program provisions to enable individual artists to claim a market value deduction for gifts of their own work under the program, whether these be from their trading stock or personal collection.
- 20.6 Amend the philanthropy provisions to clearly state that an advantage or benefit received by donors does not prevent their ability to receive a tax deduction, provided the benefit does not exceed a specified limit.
- 20.7 Establish an acquisitions fund to provide grants to collecting institutions matching private donations used for the acquisition of works of contemporary visual arts and craft. This fund should have an initial budgetary allocation of \$250 000 per annum for four years. The Commonwealth grants would be contingent upon matching funding being provided by the State or Territory in which the collecting institution is located.

CHAPTER 1 INTRODUCTION

BACKGROUND

On 23 July 2001, the Commonwealth Government announced an independent Inquiry into the contemporary visual arts and craft sector to identify key issues impacting on the future sustainability, development and promotion of the sector, and assess possible options and make recommendations on actions that might be taken by governments and the sector to enhance its future.

In announcing the establishment of the Inquiry, the Minister for the Arts said:

Visual arts and craft are major contributors to Australian culture and the Australian economy, yet at the same time, visual artists and craftspeople are amongst the lowest income earners in Australia. This inquiry... will give us a comprehensive picture of the sector and what can be done by all tiers of government to ensure its continued development in the future.¹

The Minister issued the following terms of reference for the Inquiry:

TERMS OF REFERENCE


The Inquiry will, in the context of the creative and economic contributions made by the Australian visual arts and craft sector, identify key issues impacting on the future sustainability, development and promotion of the sector.

The Inquiry will also assess possible options and make recommendations on actions that might be taken by governments and the sector to enhance its future.

Specifically, the Inquiry will:

- articulate the creative contribution of the sector;
- scope the sector, identifying economic value chains and relationships, including those between arts practitioners, contemporary visual arts and craft organisations, commercial entities, public collecting institutions, collectors, benefactors, sponsors and audiences;
- assess the economic contribution of the sector, including its flow on effects onto other sectors of the economy;
- identify, across the three tiers of government, and assess the effectiveness of support for the sector, and report on opportunities for (a) better targeting of these expenditures at both organisational and individual artist level and (b) the scope for improved synergies between the funding agencies to enhance the sustainability of the sector;
- identify and assess drivers for further change in the sector, including increased competition, new technologies, legislative issues and consumer demand; and
- report on the current trends in the training of arts practitioners at tertiary level for the sector, including graduate numbers, and assess the impact of these trends on the sustainability of the sector.

1. Media Release *Contemporary Visual Arts and Craft Inquiry* Minister for the Arts and the Centenary of Federation, 23 July 2001.



In completing its task the Inquiry will ensure that it is informed by relevant research, including:

- research undertaken by contemporary visual arts and craft organisations;
- Australia Council research and publications, including *Planning for the Future* and *Promoting the Value of the Arts*; and
- research undertaken by State and local governments.

The Inquiry will consult funding agencies at Federal, State and Territory levels, and key organisations within the visual arts and craft sector; seek public submissions (particularly from the visual arts and crafts communities); and take account of the full range of Federal, State and Territory government objectives for cultural development.

The Inquiry should produce a discussion paper and prepare a final report for the Commonwealth Government by the end of March 2002.

Extension of time

In March 2002, the Minister for the Arts and Sport extended the reporting date for the Inquiry to the end of May 2002.

CONDUCT OF THE INQUIRY

Mr Rupert Myer was appointed to conduct the Inquiry. He was assisted by a Secretariat drawn from the Commonwealth Department of Communications, Information Technology and the Arts and the Australia Council.

A biography of Mr Myer is at *Appendix A*.

The terms of reference for the Inquiry envisaged a national, wide-ranging review of the contemporary visual arts and craft sector in a nine-month period. However, the breadth and diversity of the sector placed limits on the scope of the Inquiry's investigations.

The Inquiry decided to:

- regard 'contemporary' in the context of contemporary visual arts and craft as encompassing living Australian visual artists and craft practitioners, and the institutions and organisations that support their practice;
- acknowledge that while Indigenous contemporary visual arts and craft are a unique, highly visible and culturally significant component of the sector, the Inquiry had not been asked to report specifically on Indigenous issues. However, the Inquiry decided to ensure, through the engagement of expert Indigenous assistance, that key issues were identified, and that an Indigenous perspective was obtained;
- limit considerations of education and training issues to the tertiary sector, as required by the terms of reference;

- recognise this was a broad Inquiry into the whole sector and that it was not directed to, nor was it practical to, undertake a financial or operational analysis of specific organisations or institutions; and
- consider flexible funding arrangements for the sector involving the three tiers of government, consistent with the terms of reference.

The Inquiry's *Issues Paper* released in September 2001 foreshadowed this approach to assist submitters and other Inquiry participants to focus on the key issues.

Inquiry methodology

The Inquiry employed a number of strategies to inform itself about the nature and operations of the contemporary visual arts and craft sector, to encourage public and sector participation, and to develop its recommendations. These steps were:

- consultation with focus groups of practising artists and other individuals representing a wide range of contemporary visual arts and craft interests to develop an *Issues Paper* for the Inquiry;
- distributing the *Issues Paper* as widely as possible, and inviting written submissions. On 8 September 2001, the Inquiry invited public submissions by national and major metropolitan press advertisements in *The Australian*, *Sydney Morning Herald*, *The Age*, *The Courier-Mail*, *The Advertiser*, *The West Australian*, *The Canberra Times*, *The Mercury*, *The Territory News*, and *The Australian Financial Review*. The advertisement was also sent by direct email to individuals and organisations on list servers for the contemporary visual arts and craft sector;
- posting information about the Inquiry at regular intervals on the Inquiry website at www.cvacinquiry.dcita.gov.au;
- conducting an extensive round of face-to-face consultations with artists and craft practitioners, government agencies, Indigenous representatives, public and private gallery directors and arts workers, arts and craft representative organisations, journalists, publishers, educators and benefactors. The Inquiry also met with all Inquiry participants who specifically sought meetings to discuss particular issues;
 - A list of the persons and organisations consulted by the Inquiry and conferences attended by Inquiry staff is at *Appendix B*;
- engaging a consultant with extensive knowledge of the Indigenous visual arts and craft sector and convening an Indigenous Reference Group (*Appendix C*); and
- undertaking additional research, literature and Internet searches, attending conferences and seminars on issues relevant to the Inquiry, analysing the submissions lodged with the Inquiry and following the analysis of submissions and undertaking further consultation on specific issues as required.

Key references used in the preparation of the Report are at *Appendix D*.

Consultants

The Inquiry engaged Mr Djon Mundine as a consultant to advise on issues arising from the submissions relevant to the Indigenous contemporary visual arts and craft sector. The Inquiry also engaged Ms Lesley Alway to advise it on the development of the Inquiry's Report.

SUBMISSIONS

One-hundred-and-ninety submissions were lodged or notified by the closing date of 24 October 2001. A list of submissions received is at *Appendix E*.

The Inquiry was particularly pleased that a number of individual artists and craft practitioners made personal submissions to the Inquiry.

The submissions provided the Inquiry with useful insights and information about the status of practitioners in the community, their cultural, social and economic contribution, financial returns and interaction with commercial organisations and government funding agencies. Submissions from education and training institutions, including staff and graduates, reported on the trends and challenges in the tertiary educational sphere of the sector, while public and commercial galleries, contemporary art spaces, craft bodies and arts organisations made submissions about the dynamics of the sector's infrastructure.

Government agencies submitted information and views on funding and support policies; professional organisations on intellectual property and other financial and legislative matters including *droit de suite*; and individuals and institutions on Indigenous arts and craft issues.

Submissions by State and Territory

New South Wales	64
Victoria	35
Queensland	29
Western Australia	20
South Australia	15
Australian Capital Territory	11
Northern Territory	9
Tasmania	7
TOTAL	190

Confidential submissions

A number of submitters asked the Inquiry treat their submissions as confidential. The Inquiry has agreed to these requests and accordingly the confidential submissions have been counted in the table above but have not been listed at *Appendix E*.

STRUCTURE OF THE REPORT

Following this Introduction there are five chapters that provide the framework for the Inquiry's response to the terms of reference.

Chapter 2, *the overview*, scopes the sector, as required by the terms of reference, by presenting a snapshot of the range of visual arts and craft practice and the roles and relationships between art and craft practitioners, the sector's infrastructure, governments and the private sector. The economic and cultural contribution of the sector is discussed and some key statistical information about the sector is presented.

Some of the material summarised in this Chapter is necessarily duplicated in the more detailed analysis in later chapters. Similarly, it has been necessary to duplicate some material in more than one chapter to provide context for the discussion.

At the conclusion of this Chapter, the Inquiry has stated its *Guiding Principles* for the future development of the contemporary visual arts and craft sector.

Chapter 3, *Valuing artists*, focuses on the individual artist and craft practitioner. It analyses the educational, financial and legislative issues confronting artists in the passage from student to emerging to professional and mid and late career artist, including the impact of new technology on artistic practice.

Chapter 4, *Strengthening the infrastructure*, identifies and analyses the components of the sector's infrastructure that both support artists and craft practitioners in the development, exhibition and promotion of their work and also provide important advocacy and professional services roles.

Chapter 5, *Expanding the market*, analyses the dynamics of audience development and demand for contemporary visual arts and craft and the important role played by the commercial galleries, auction houses and publications. The Chapter examines the scope and opportunities for improving the promotion of the Australian contemporary visual arts and craft sector domestically and overseas, including touring opportunities and building on existing promotional events.

Chapter 6, *Resourcing the sector*, examines government support to the sector and whether there is scope for better targeting of funding and more coordinated and efficient processes for that support. The Inquiry examines whether there is scope for broadening the funding base through a combination of a better understanding and promotion of existing philanthropy and sponsorship arrangements and increased but targeted incentives.

In each of Chapters 3–6 the Inquiry makes *Findings* from its analysis of the submissions and research, and *Recommendations* on matters that the Inquiry believes action is required to enhance the promotion, development and sustainability of the sector. The Inquiry has made less formal observations in the text on some matters that arose that were outside of its terms of reference.

A Glossary of Terms used in the Report is at *Appendix F*.



IMPLEMENTATION ISSUES

Joint funding recommendations

Nine of the Inquiry's 20 recommendations propose a joint funding commitment by the Commonwealth and State and Territory governments. Under these proposals funding increases would flow to existing or new programs administered by the Australia Council and State and Territory arts funding agencies. As part of the post-Inquiry implementation, the Commonwealth will need to seek agreement from the State and Territory governments to the joint funding proposals.

The Inquiry has specified the recommended Commonwealth contribution in each case. However, as individual State and Territory contributions will depend on consultation and negotiation, they are shown as aggregated amounts.

Five proposals involve the Commonwealth contributing additional annual funding for a particular purpose under one of its grant programs. As a reflection of its leadership role, and to ensure increased State and Territory funding of the same target group, the Commonwealth would agree to a further amount of funding, as specified in the recommendations, if the State and Territory increases its contribution at a level negotiated through tripartite agreements.

Under two other proposals the Commonwealth would agree to provide funding for a particular project only if there is a significant contribution brought to the project by either the State and Territory government and/or private support (e.g. corporate sponsorship).

There are two proposals where the Commonwealth would allocate funding to the Australia Council which would devolve funds to a State/Territory for a jointly 'badged' grant program administered by the State/Territory, on the condition that the State/Territory agrees to contribute a matching amount to the program.

This approach is intended to maximise flexibility in negotiating appropriate funding arrangements between the Commonwealth and the States and Territories.

Timing

The Inquiry has not specified a time frame for implementation in each recommendation. It believes that each recommendation needs to be implemented as an immediate priority, and in the case of recommendations with budgetary implications, the Commonwealth should provide for those recommendations in the 2003–04 Budget.

Implementation Working Group

Successful implementation of the Inquiry's recommendations will rely on a coordinated and cooperative approach involving the Department of Communications, Information Technology and the Arts and the Australia Council, other Commonwealth departments and agencies, the States and Territories and the sector.

The Inquiry would therefore encourage the early establishment of an Implementation Working Group chaired by the Commonwealth with appropriate representation of other stakeholders to steer the implementation process.

ACKNOWLEDGMENTS

The Inquiry received invaluable assistance and support from many individuals and organisations associated with the contemporary visual arts and craft sector. Their willingness to consult with the Inquiry in a frank and open manner ensured that the Inquiry heard the voice of the practising artist and others working in the sector. In particular, the Inquiry wishes to thank the National Association for the Visual Arts and the Australian Council of University Art and Design Schools for their assistance.

The Department of Communications, Information Technology and the Arts provided most of the physical resources for the Inquiry and generously allowed its staff to assist the Inquiry. The Australia Council and its staff contributed significantly to the Inquiry's understanding of the issues by providing advice and information.

The Inquiry would particularly like to thank Ms Victoria Lynn, Chair of the Australia Council's Visual Arts/Craft Board, the Council's Chief Executive Officer, Ms Jenny Bott, Council executives Mr Ben Strout and Ms Anna Waldmann, and departmental executives, Dr Alan Stretton and Mr Les Neilson, for their support and guidance.

The Inquiry is also grateful for the helpful advice and cooperation it received from senior executives and staff members in the State and Territory arts agencies around Australia.

Finally, the Inquiry would like to thank the staff of the Secretariat and in particular, the Manager, Mr Jim Adamson, for their professionalism, commitment and hard work over the course of the Inquiry.



CHAPTER 2

THE CONTEMPORARY VISUAL ARTS AND CRAFT SECTOR—AN OVERVIEW

The terms of reference for the Inquiry required it to:

...scope the sector, identifying economic value chains and relationships, including those between arts practitioners, contemporary visual arts and craft organisations, commercial entities, public collecting institutions, collectors, benefactors, sponsors and audiences.

This term of reference gives an early indication of the many and varied elements of what is broadly called the contemporary visual arts and craft sector, and signals that a range of complex interactions and dependencies, both financial and non-financial, run through the sector. The Inquiry was to find that a broad, diverse range of practices and organisational structures and functions exist in the sector; the edges are often blurred and overlapping; and the relationships are both complex and fluid.

It was important for the Inquiry to try to establish some boundaries in order to focus its investigations and target its advice and recommendations to government. Accordingly, it has had to carefully consider nomenclature and definitional issues around each of the terms used in the title of the Inquiry.

The Inquiry also felt that it was important to establish what distinguishes the contemporary visual arts and craft sector from other art forms and other parts of society and the wider economy, and what it has in common. The character of the sector is an important determinant in what can be done for both individuals and the organisations working and operating in the sector.

In many of the submissions and consultations, the Inquiry was cautioned not to lose sight of the central role of the individual artist and craftsperson. There is a potential to be distracted by the dominant positions of organisations and institutions in any sector as they have, relative to the individual, a higher profile and better access to the resources necessary to assemble the facts and arguments to make a case for assistance.

In this Chapter, and in the report generally, the Inquiry acknowledges the significant and fundamental contribution of individual and small groups of arts and craft practitioners, along with the infrastructure provided by government, not-for-profit and commercial sectors, with which they have an interdependent relationship.

The following narrative is a brief snapshot of the sector and its key participants. More detailed information can be found in the Chapters that follow.

DEFINING AND MEASURING THE SECTOR

The Inquiry was frequently asked to explain what it meant by ‘contemporary’ visual arts and craft. In broad terms, the Inquiry adopted as a working definition: ‘creative work by living visual artists and craft practitioners, and the institutions and organisations that support their practice’. This assisted in focussing the Inquiry on matters of concern to emerging and established practitioners active in creating new work, and organisations active in exhibiting, supporting and promoting that work. This simple definition served its purposes, and did not prove to be too limiting.

One submission described contemporary art in the following way:

For art to be contemporary it has to speak the language of the day, engage with issues of today, and ‘push the envelope’ to surpass past understandings.²

The degree to which the term was inclusive was also an issue. The types of art and craft practice that might potentially be included are ever expanding and changing. More than one submission confirmed the view that:

Much of contemporary art has blurred the boundaries between the conventional disciplines in art, craft and design and the moving image. Such is the nature of our times that these can exist side-by-side, and indeed emerge from more conventional object-based art.³

The Inquiry was keen to be as inclusive as possible and did not wish to pre-empt submissions on relevant issues. Consequently, the Inquiry’s Issues Paper did not prescribe a list of permissible subjects. A wide range of practices was subsequently represented in the submissions—ceramics, painting, glass, sculpture, tapestry, design, digital media, wearable art, print making, to name a few—as well as the creative work of art writers and curators.

NOMENCLATURE

The issue of nomenclature in the sector itself was raised as a concern, in particular in relation to craft and the current blurring of the lines that separate ‘visual arts’ and ‘craft’ and ‘design’. It was argued with reference to statistical data available on tertiary enrolments, that art schools have replaced the word craft with general terms such as visual communications, graphic arts and design which may obscure the extent of interest in craft and may have an adverse effect on funding decisions for craft.

Similarly, the use of terms such as ‘Decorative Art and Design Curators’ was felt to be ‘clouding the true picture of what is happening in the craft sector of the visual arts’.⁴ On the other hand, artists will often see themselves as ‘artists’ rather than a painter or a sculptor or a glass artist.

To quote from Object, the Australian Centre for Craft and Design:

Over the last decade many aspects of the sector have changed, particularly in regard to crossover practice between visual art, craft and design. Fluidity between fields and the hybrid nature of many aspects of the craft and design area are commonplace and exciting aspects of our sector. Craft and design practice is a vibrant element in a complex and changing contemporary visual culture.⁵

2. Submission: Beth Jackson.
3. Submission: Victorian College of the Arts.
4. Submission: Jane Burns.
5. Submission: Object.

The 1990s saw a shift away from the position that craft must retain an identity separate from the visual arts. Trained visual artists are exhibiting in craft and design organisations, trained craftspeople are exhibiting in contemporary arts organisations. Advances in art and technology and the acknowledgment of the importance of Indigenous art and craft and contemporary Asian art have blurred the boundaries further.

Indigenous artists tend to draw no distinction between practices. Craftsouth, in its submission to the Inquiry pointed to ‘Indigenous visual arts practice where notably there is no distinction between craft and visual art’⁶ as an example of the problem associated with current hardline definitions.

Craftsouth noted that ‘it is critical that definitions remain flexible enough to accommodate the emergence of new types of practice to include craftspeople, designer-makers and visual artists who specialise in ideas development and project coordination not necessarily culminating in object making or exhibition’.⁷

As Object noted in its submission:

Craft and design products are an important part of the material culture that help define our complex cultural identity both within the country and internationally, through tourism and export initiatives. Contemporary craft and design practice in Australia is confident, diverse, opportunistic and flexible, strategically ranging over numerous interests simultaneously. It encompasses experimental, exhibition, production and commercial work.⁸


Many submissions reiterated that craft practitioners themselves are increasingly insisting on being recognised as designers, designer/makers, art/designers, craft/designers. Many other submissions stated that craft should not be confused with design and that the combining of the two forms was, or would be, detrimental to craft practice in Australia.

STATISTICAL LIMITATIONS

While reference is made throughout this Report to statistics from a number of different sources, a few initial comments should be made regarding the availability of statistics and some of the limitations on the utility of these statistics.

The availability of data on Australia’s cultural industries in general, and the contemporary visual arts and craft sector in particular, has improved markedly in the past few years. A large part of this improvement has been a result of the efforts of the ABS, through its National Centre for Culture and Recreation Statistics, and through national coordination by the Statistics Working Group of the Cultural Ministers Council. Also, the release in 2001 of the Australian Culture and Leisure Classification by the ABS provides a structure around which improvements can continue to be made in the scope and consistency of available data.

6. Submission: Craftsouth.
7. Submission: Craftsouth.
8. Submission: Object.



However, there are several areas in the scope and timing of the statistics available that have constrained the Inquiry's ability to carry out its research into the contemporary visual arts and craft sector. Due to the cost involved in the collection and analysis of data of all types, data is often published at a broad, aggregate level. As a result, data relating to the area of interest, in this case the contemporary visual arts and craft sector, is often unavailable.

With respect to government funding, the statistics collated by the ABS have been analysed by the Inquiry to develop estimates of funding support by the Commonwealth and the various States and Territories. The statistics compiled by the ABS regarding government funding provide funding levels for 'visual arts, crafts and photography' and funding levels for 'art galleries'. The Inquiry has extrapolated funding levels at the Commonwealth, State and Territory, and local government levels. These figures are based upon estimates of the level of involvement of art galleries in the contemporary visual arts and craft sector.

Some important regular data collections, such as the ABS Service Industry Surveys and reports on cultural funding levels, were released during the course of the Inquiry and as a result provided timely, relevant data. However, some data used in this Report is now dated. In particular, data on the numbers and incomes of visual arts and craft practitioners—largely drawn from the ABS Census of Population and Housing and from the Survey of Individual Artists⁹—dates from as far back as 1992–93. The latest collections of both of these important data series were undertaken during the course of the Inquiry. However, results for each data series will only be published after the conclusion of the Inquiry.

VISUAL ARTISTS, CRAFT PRACTITIONERS AND ARTSWORKERS

In the 1996 ABS census, 80 000 people identified themselves as arts professionals. Arts professionals are those people whose full-time or main-paid job is in the arts field. Of these, approximately 15 800 were identified as visual arts and craft professionals or photographers. However, it should be noted that the census has underestimated the number of Indigenous artists in Australia. A study of art and craft centres in 1997 estimated that there were 5 000–6 000 Indigenous artists.¹⁰ The Inquiry has added 5 000 artists to the Northern Territory artist population. Thus, the ABS census data, combined with a more reliable estimate of the number of Indigenous visual arts and craft practitioners, indicates 20 566 full-time arts and craft practitioners in Australia in 1996.

9. C. D. Throsby, and B. Thompson, *But What do you do for a Living?: A New Economic Study of Australian Artists*, Australia Council, Sydney, 1994.

10. C. Mercer, *Creative Country: Review of the ATSI Arts and Crafts Industry Support Strategy (ACISS)*, report prepared for the Culture Section, Culture, Legal and Family Policy Branch, ATSI, AGPS, Canberra, 1997.

Table 2.1 Employment in selected culture/leisure occupations in Australia, by State, 1996

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
Painter (visual arts)	797	544	476	194	230	53	80	40	2 414
Sculptor	130	146	89	42	38	18	4	4	471
Potter/Ceramic artist	583	627	464	164	205	64	17	30	2 154
Visual arts and craft professionals	1 346	1 158	733	356	370	177	5 060	68	9 268
Photographer	2 219	1 661	1 062	456	558	133	41	129	6 259
Total, by State	5 075	4 136	2 824	1 212	1 401	445	5 202	271	20 566
% by State	25	20	14	6	7	2	25	1	100

Source: ABS 1996 *Employment in selected leisure occupations (with 5 000 added to the NT artist population)*

Of course, part-time arts and craft practitioners also make an important contribution to the sector and the contribution of the 20 566 identified in the above table (whose main jobs are as arts and craft practitioners) forms only a part of the total contribution. A further 3 150 persons were employed in public and commercial galleries in 2000.¹¹

The median income of Australian visual artists in 1996 was \$15 300, which was 60 per cent of the median income of arts professionals as a whole (\$26 900) and 57 per cent of the median income for the total workforce (\$25 500).¹²

Visual artists and craft practitioners work flexibly in a variety of different work environments. Arts workers tend to be a highly mobile class of worker, and are most commonly self-employed, offering their services in a highly competitive commercial market. The contemporary visual arts and craft sector is largely unregulated, and arts workers are generally unable to access the types of support other workers enjoy on a day-to-day basis. Within the sector there are high levels of volunteerism, and a general absence of employment-related benefits and union representation.

EDUCATION AND TRAINING

Australia's arts tertiary education and training sector is composed, very broadly, of university art and design schools, vocational education institutes, and other training providers such as private trainers, on-the-job training and community colleges. In 2000, there were approximately 370 visual art and craft courses offered by universities in Australia. In the vocational education and training (VET) sector there are more than 80 institutes currently providing over 400 visual arts and craft courses.

There are also a number of different types of Indigenous art courses run at tertiary level, including studio-based study, in-community delivered courses and art historical studies.

While many contemporary visual artists and craft practitioners are not art school graduates, many of them have made their mark on contemporary art without formal practical art training. There are also many people who have completed a visual arts and craft related course who do not work as professionals in the sector. Many people move into other industries, where their visual arts and craft skills may help them in their new endeavour, and many pursue visual arts and craft practice concurrently with their principal occupation in another field.

11. ABS, *Commercial Art Galleries*, Cat no 8651.0, ABS, Canberra, 2001.

12. H. H. Guldberg, *The arts economy 1968–1998: three decades of growth in Australia*, Australia Council Research Report, Australia Council, Sydney, 2000, p. 42.



INFRASTRUCTURE: KEY ORGANISATIONS AND INSTITUTIONS

Australia enjoys a comprehensive network or infrastructure of organisations and programs dedicated to the creation and exhibition of visual arts and craft across each State and Territory. All three tiers of government support this infrastructure, which provides a backbone for the research and development role of contemporary visual arts and craft. The funding models, and therefore the resources available for each of these organisations, vary enormously, as does the character of their artistic programs.

Major art museums

Every capital city in Australia has a major art museum, for example, the Art Gallery of New South Wales in Sydney. These galleries have a museum function, involving the collection, preservation, interpretation and exhibition of historical material. Major art museums support contemporary art through purchasing works of art at first point-of-sale, through the exhibition of their collections of contemporary art and through the use of contemporary art in their temporary exhibitions programs.

Craft and design organisations

There are craft and design organisations in every State and Territory that support a range of craft and design practitioners. Begun as membership service organisations, many craft and design organisations have taken on additional roles, including exhibition development and touring, retail sales and promotion, studio management, and publication production.

Contemporary arts organisations

Contemporary arts organisations are non-collecting exhibition venues whose primary focus is to facilitate the creation, exhibition and interpretation of artistic works created by living artists. Contemporary arts organisations also produce publications, arrange conferences and touring exhibitions, conduct education programs, and act as centres for local artist communities by providing residency and studio management. There is at least one contemporary arts organisation in each capital city.

Regional galleries

There are more than 100 regional galleries in Australia, located in rural, suburban and metropolitan areas. Regional galleries may have historical collections, but will also purchase and present contemporary visual art and craft through temporary exhibitions and purchase contemporary art for their collections. A few regional galleries specialise in specific media.

University galleries

There are university galleries in every State and Territory. University galleries focus on Australian contemporary arts and craft, as part of their aim is to support research and education in the sector. Like contemporary arts organisations, regional galleries and craft and design organisations, many university galleries also provide education programs, offering activities such as open lectures, floor talks, seminars, forums, conferences and programs for school groups.

Art and craft centres

There are now more than 106 art and craft centres in Australia. Art and craft centres are community-based and owned enterprises that facilitate the production and marketing of Indigenous art and craft. While some act almost solely as retail outlets, others have a myriad of functions important to their communities. The centres provide artists with materials, accommodation and facilities as well as documentation of works, management, promotion and marketing services. The centres are spread over the six states and the Northern Territory. As a group, the art and craft centres represent more than 5 000 Indigenous artists.

Artist-run initiatives

Currently there are around 85 artist-run initiatives operating in Australia—in all States and Territories, in capital cities, major cities and regional areas. They are primarily exhibition spaces, sometimes incorporating studio spaces, generally run by collectives of practising artists. Artist-run initiatives generally charge artists a fee per week to cover rent, utilities and some limited marketing, such as invitations and press releases. They are staffed on a voluntary basis.

Artist service organisations and associations

Artist service organisations and associations in Australia range from media-specific volunteer-run associations and guilds developed with the aim of self-support between small groups of practitioners, to large organisations with key national advocacy and lobbying objectives and large memberships. National organisations include the National Association for the Visual Arts (NAVA), the Australian Network for Art and Technology (ANAT), VISCOPY, the Arts Law Centre of Australia and Craft Australia. Through the provision of professional advice and service, these organisations assist contemporary visual artists and craftspeople to attain the high standards of professionalism necessary to create beneficial relationships between business and artists.

National Exhibitions Touring Support

There is one touring agency, titled the National Exhibitions Touring Support (NETS), in every State and in the Northern Territory. The NETS scheme was established by the Australia Council to support regional exhibition development. Exhibitions may tour the regional galleries networks, but may also tour to or from contemporary arts spaces and craft and design organisations.

Major contemporary visual art and craft events

Australia supports a number of recurrent major contemporary visual art and craft events such as the Biennale of Sydney, the International Craft Triennial, the Telstra Aboriginal and Torres Strait Islander Art Award, the Adelaide Biennial and the Asia–Pacific Triennial of Contemporary Art.

Contemporary artists in metropolitan, rural and regional areas are also supported by community arts organisations and regional arts organisations in every State and Territory.

Studios and workshops

Craft practitioners often need expensive equipment (such as special kilns, glass ovens, lathes etc.) to create work and will group together in workshops or studios to share costs. While the studios are often initiated through practical necessity, they sometimes develop to operate as a banner or umbrella for various numbers of artists to create and exhibit. Examples of this would include the Gray St Workshop in Adelaide and the Union Street Studios in Lismore.

A cooperative can face difficulties raising the finance to purchase and maintain the necessary equipment. It can become a *de facto* role of art schools to allow their equipment to be used and occasionally a particular area will have a dedicated institution that ensures access to well maintained high cost equipment. The Jam Factory, in Adelaide, is an example of such an institution; the Meat Market, in Melbourne, had a similar function.

AUDIENCES FOR CONTEMPORARY VISUAL ARTS AND CRAFT

In the 12 months to April 1999, an ABS survey indicated that almost 3.2 million Australians, or 21 per cent of the adult population, attended an art gallery.¹³ Audiences for contemporary visual arts and craft, while naturally smaller than the total gallery audience, are nonetheless significant. In a survey commissioned by the Australia Council's Visual Arts/Craft Board in 2001,¹⁴ approximately 31 per cent of respondents had visited a contemporary visual arts or craft venue in the previous two years.

Compared to the general population, attendees are more likely to be female, younger (18–29 years old), have a higher level of education, have higher incomes, and have no children. According to the Australia Council survey, those in regional areas are only marginally less likely than those in capital cities to attend contemporary visual arts and craft venues.

13. ABS, *Attendance at selected cultural venues*, cat. no. 4114.0, ABS, Adelaide, 1999.

14. Australia Council, *Contemporary Art and Craft Audience Development Study*, Draft research report commissioned by the Australia Council and prepared by Woolcott Research and Positive Solutions, 2001.

COMMERCIAL MARKET

The commercial contemporary visual arts and craft sector and its interaction with the wider economy can be described as a network, or chain, of individuals, businesses and organisations. At the supply end are the visual artists and craft practitioners, who produce original works of art and craft. At the demand end of the chain are consumers, those individuals, businesses and organisations that purchase or view the visual art and craft works. In between are businesses and organisations—craft and design centres, commercial galleries, auction houses and other retail outlets—that act as intermediaries between the producers and the final consumers.

According to an ABS survey, at June 2000 there were 514 commercial art galleries operating in Australia, including 31 Aboriginal and Torres Strait Islander art centres.¹⁵ However, in 2001 there were 1 930 businesses listed as art galleries in Telstra White Pages.

Table 2.2 Art galleries in 2000–01

	VIC	NSW	QLD	NT	WA	SA	TAS	ACT	Total
Telstra	484	672	344	34	153	122	77	44	1 930
ABS	118	230	61	41	22	28	8	5	513

Source: ABS 2001 (8651.0) and Telstra White Pages (2001 Internet survey by Inquiry staff)

The value of art sold through the 513 commercial galleries surveyed by the ABS in 1999–2000 was \$218 million, of which \$106 million was first sales sold on commission.¹⁶ Estimates extrapolated from a household survey conducted by the Department of Communications, Information Technology and the Arts (DCITA) in 1997 show that the total value of visual art and craft items (in the broadest sense) sold in Australia in 1997 was approximately \$1 821.6 million. Approximately \$551.6 million was spent on visual arts; the remainder (\$1 270 million) was spent on craft items.¹⁷

Australians buy contemporary visual art and craft art from a number of different sources: commercial galleries/dealers, auction houses, merchants such as department stores and tourist enterprises, artist-run initiatives, arts and craft fairs, craft organisations, and directly from the artists themselves. A great deal of Indigenous art is also sold at art and craft centres. The most important source of total visual arts and craft sales may be direct from the artist.¹⁸

During 2001, approximately \$70 million of art was sold in Australian auction houses—of which the majority is assumed to be secondary sales.¹⁹ The commercial sector is also represented in a number of annual and biennial sales orientated art fairs. Pre-eminent amongst these events is the biennial Melbourne Art Fair. There are also a large number of smaller arts and craft fairs held in a number of locations around Australia.

15. ABS, *Commercial Art Galleries*, Cat no 8651.0, ABS, Canberra, 2001.

16. *ibid.*

17. Department of Communications and the Arts, *Cultural Trends in Australia No 7: Art and Craft Purchases 1997*, Canberra, 1998, p. 18. The household survey was quite broad, and included all manner of arts and crafts, including furniture, jewellery, clothing, ceramics and woodcrafts. The survey included sales in retail stores, markets, fairs, specialty shops, as well as dealers, museums and galleries, and direct from the artist.

18. *ibid.*

19. J. Furphy, *The Australian Art Sales Digest*, Acorn Media, Victoria, 2000.

A large number of prizes and awards impact on the supply of works of visual arts and craft. These vary a great deal, from acts of private benefaction, such as the Samstag Awards, to State gallery events such as the Archibald Prize. The awards also vary in terms of the artistic media eligible, structure, prize and the requirements for entry.

Australia also supports the publication of a number of contemporary art and craft magazines and journals. These publications promote the contemporary visual arts and craft sector, encourage sales and disseminate information regarding developments in contemporary visual arts and craft.

Commercial support for craft

There is limited commercial gallery support for craft in Australia. However, (and perhaps because of their scarceness) the ones that exist are proactive and important to the sector. These can include general craft galleries such as Beaver Galleries in Canberra and Quadrivium in Sydney, but are just as often focussed on specific media, for example Mura Clay Gallery and the Glass Artists Gallery in Sydney and Makers Mark and Mari Funaki in Melbourne which focus on jewellery. Most craft and design organisations have well developed retail functions.

Contemporary Australian craft is also marketed through arts and crafts fairs, through suburban weekend markets and through many design orientated general retail and objet d'art stores which may not promote themselves as specifically supporting and promoting craft practice, but which are nonetheless integral to the sector's financial wellbeing.

FUNDING SOURCES

Government support

Federal, State and Territory, and many local governments have programs that provide support to contemporary visual arts and craft. Government interventions are many and varied, ranging from infrastructure measures to support the environment in which visual artists operate, to direct financial assistance for projects and individual artists. Programs and projects developed and managed by visual artists and craft practitioners and arts organisations are supported by all cultural funding agencies. Most direct grant support for individual artists in Australia comes from the Commonwealth through the Australia Council. However, individual artists can also apply for grants to State and Territory arts funding agencies.

Through an analysis of ABS data,²⁰ the Inquiry has estimated that during 1999–2000, the total government commitment from the three tiers of government to the contemporary visual arts and craft sector was \$58 million. The following table indicates the relevant contributions by the three tiers of government towards support of contemporary visual arts and craft.²¹

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20. National Centre for Culture and Recreation, ABS, *Cultural Funding in Australia—Three Tiers of Government, 1999–2000*, Cultural Ministers Council Statistics Working Group, 2002. Please note the alterations made by the Inquiry to the ABS data to estimate expenditure on contemporary visual arts and craft—this point is discussed above under the heading Statistical Limitations.
21. For the purposes of the Inquiry, it was estimated that only 10 per cent of the value of support provided by State and Commonwealth Governments for the major art galleries (at least one in each State and Territory; and the National Gallery of Australia and the National Portrait Gallery) was estimated to flow to contemporary art and craft—since these galleries focus principally on heritage as opposed to contemporary visual art and craft. Local Government support is principally for regional galleries, which are more involved with contemporary work—thus it was estimated that 50 per cent of support of art galleries by Local Government was relevant. The Inquiry considered that 100 per cent of the category, 'Visual arts, craft and photography' was support for the contemporary visual arts and craft sector.

Table 2.3 Government funding of contemporary visual arts and craft, 1999–2000

	Art galleries	Visual arts/craft	Total	%
Commonwealth Government	\$3 990 000	\$14 300 000	\$18 290 000	31.5
State/Territory Government	\$8 740 000	\$10 700 000	\$19 440 000	33.5
Local Government	\$15 450 000	\$4 900 000	\$20 350 000	35.0
Total Government	\$28 180 000	\$29 900 000	\$58 080 000	100.0


In addition to support through the Australia Council, the Commonwealth supports contemporary visual art and craft through its departments and agencies, including programs run by DCITA, the Aboriginal and Torres Strait Islander Commission (ATSIC) and the Department of Foreign Affairs and Trade (DFAT). The following table shows the principal contributions by the Commonwealth to the contemporary visual arts and craft sector.

Table 2.4 Principal Commonwealth support for contemporary visual arts and craft 1999–2000

	\$
Australia Council	9 370 000
Artbank*	470 000
Support for National Gallery of Australia and National Portrait Gallery	3 990 000
ATSIC (primarily art and craft centre support)	4 200 000

*Artbank amount is a self-funded contribution to the sector through art purchases

These programs are supplemented by a range of other non-dedicated Commonwealth sources of support for contemporary visual arts and craft including DCITA's Visions of Australia program which supports exhibitions touring, including some contemporary visual arts and craft; DCITA's tax incentive programs which encourage gifts of cash and artwork to many cultural organisations and institutions, including contemporary visual arts and craft; and the Australian Broadcasting Commission (ABC), through radio and television programs explaining and interpreting contemporary visual arts and craft. The total dollar value of these interventions would be difficult to estimate.



The Australia Council's Visual Arts/Craft Board (VACB) funds individual artists and organisational projects on a grant application basis. On a triennial basis it supports at least one touring agency, one craft council and one contemporary arts organisation in every State and Territory. Such support is generally made with the Australia Council as the junior partner in a funding partnership with a State and Territory arts funding agency.

Other sections of the Australia Council also support contemporary visual arts and craft practice. The Aboriginal and Torres Strait Islander Arts Board, the New Media Arts Board and the Community Cultural Development Board all support individual contemporary visual art and craft practitioners and projects. The Council's Audience and Market Development and Planning, Communications and Policy Divisions also support projects that benefit contemporary visual art and craft.

Entities supported by the Australia Council on a triennial basis include the national network of contemporary craft and visual arts organisations, the artist services organisations NAVA and Craft Australia, and four contemporary art periodicals. Some commercial galleries also receive support to participate in international art fairs.

Emerging artists, curators and artist-run initiatives have received support from the Commonwealth Government's Young and Emerging Artist Initiative through the Australia Council as well as receiving support from the VACB's general funding programs. Some have also received extensive support from State and Territory funding agencies.

Artbank, a self-funding Government unit within DCITA, was established in 1980 to purchase contemporary visual art and craft from the primary market for rental to both private and public sector buildings across Australia, and in Australian Embassies and High Commissions. Artbank rents contemporary visual art and craft works from its collection to over 600 public and private clients. Artbank has a stock of Australian art and craft works valued at over \$13 million, and in 2000–01 Artbank purchased \$500 000 worth of contemporary art and craft items.

The State and Territory arts funding agencies support contemporary visual arts and craft through advertised grants programs and through lead agency agreements. The States and Territories also support contemporary visual arts and craft through the support of their local State Art Gallery when it exhibits and supports contemporary art, craft and design. The support also extends to large capital projects to house contemporary art and craft organisations; large and small public art projects and programs; and when other large State-based cultural institutions (e.g. libraries, museums, new media centres) work with contemporary art, craft and design.

Local government support most often comes through the support of regional galleries. There are also many instances of local government support for artist-in-residencies, public art projects, art training, specific artist projects and community art and community cultural development projects.

Many local councils in urban areas give extensive financial support to local exhibition venues. Artist-run initiatives have received in-kind (e.g. rent relief) or direct financial assistance from their local council.

Philanthropy and corporate sponsorship

Philanthropic organisations, individual benefactors and corporate supporters all play a role in the contemporary visual arts and craft sector. The Australia Business Arts Foundation (AbaF) estimates that in 1999–2000 museums and galleries received \$34 million from donations, bequests and fundraising, and \$20 million from sponsorship.²² Little of this is for the direct support of contemporary visual arts and craft. With respect to Indigenous visual art and craft, philanthropy is virtually non-existent.

A number of programs have been introduced by the Commonwealth Government to encourage philanthropic giving and corporate sponsorship. In the philanthropy area, the two most important initiatives are the Commonwealth Government's Cultural Gifts Program and the Register of Cultural Organisations. The Cultural Gifts Program provides tax incentives for donations of significant cultural items and collections to approved (gift deductible) public museums, art galleries and libraries. The Program is an important source of acquisitions for Australia's collecting institutions, and for many regional institutions with limited acquisition budgets it is the main avenue for developing their collections.

New tax incentives introduced in 1999 by the Commonwealth Government include two major enhancements to the Cultural Gifts Program, namely, exemption of gifts from Capital Gains Tax and the ability to apportion donation deductions over a period of up to five years. Some 400 public museums, art galleries and libraries participating in the Cultural Gifts Program benefit from this, with flow-on exposure benefits to artists through the transfer of their work to public collections. Donations totalling \$27 million were made under the Program in 2000–01, with the largest proportion of donations being in the visual arts category.

The Register of Cultural Organisations (ROCO) lists cultural organisations eligible to receive tax deductible donations. ROCO includes 128 organisations providing services or support to the visual arts who will also benefit from the increased philanthropic support incentives. These organisations range from local art societies to community art centres, exhibition touring agencies and other member groups such as NAVA.

In the area of sponsorship, a key government intervention was the creation of the AbaF—which is a Commonwealth company set up to facilitate sponsorship and partnership arrangements between cultural organisations and businesses. The Commonwealth Government also actively encourages partnership building between corporate bodies and the community through the Prime Minister's Community Business Partnership, a ten-member consultative team which promotes partnerships through advocacy, recognition and facilitation roles.

22. Australian Business Arts Foundation, 'More Business Support for the Arts', *Newsletter*, December 2001, at www.abaf.org.au/public/o112/o112_01.html.

CULTURAL DIVERSITY

Australia is a culturally diverse nation. The 1996 census found that 14 per cent of contemporary visual artists and craftspeople were born in a non-English speaking country.²³ Data is not available on the number born in Australia of non-English speaking parents.

The Australia Council monitors its support of artists of culturally diverse backgrounds through the Australia Council Multicultural Arts Committee (ACMAC). Through this committee the Council has played a leading role in the promotion of diversity within Australian art. Twenty-three per cent of successful individual applicants to the VACB in 2000–01 nominated themselves as being from a non-English speaking background.

The benefits of cultural diversity include: creativity, innovation and artistic expression. It is considered to be a key element in the sustainability of the visual arts and craft sector. A culturally diverse society can be said to advance creative and artistic development and build audiences. Despite these benefits the submission from ACMAC stated that the full potential of Australia's cultural diversity has not yet been realised in the visual arts and craft sector.²⁴

Organisations such as the Asian Australian Artists Association (Gallery 4A) in Sydney and Nexus Multicultural Arts Centre in Adelaide reflect the increasing cultural diversity of Australian contemporary visual arts and craft. These two organisations promote multicultural arts and artists within the context of exploring contemporary cultural relations with Australia and challenging a mono-cultural understanding of these relations.

ECONOMIC CONTRIBUTION OF THE CONTEMPORARY VISUAL ARTS AND CRAFT SECTOR

There are several measures that can be used to illustrate the contribution of the contemporary visual arts and craft sector to the Australian economy. These include:

- employment;
- sales;
- value added;
- multiplier effects; and
- broader economic effects.

The commercial activities of galleries, auction houses and retail outlets have been mentioned earlier. The following indicates the contribution made by the sector through measuring value added, multiplier effects and the broader economic and creative contribution.

23. H. H. Guldberg, *op. cit.*, p.120.

24. Submission: ACMAC.

Value added

Value added measures the contribution of an industry to GDP—it is a net measure of the size of an industry’s output. Put simply, it is the value of the output of the industry, minus the resources from other industries that were used to produce that output. Value added is basically the sum of two components: the wages and salaries earned paid to employees in the contemporary visual arts and craft sector; and the profit of the sector.

Using this measure, in 1996–97, the value of the contemporary visual arts and craft sector was approximately \$160 million. This estimate does not include the value added of arts education activities, interest groups or government administration.

Table 2.5 Value added of contemporary visual arts and craft sector, 1996–97 (a)

Activities	Value added \$
The creation of visual arts and crafts	129 500 000
The collection and display of visual art and craft items	9 300 000
Writing about contemporary visual arts and craft in magazines, journals and newspapers	1 500 000
Printing and publishing art and craft journals, magazines, and articles in newspapers	
Retailing contemporary visual arts and craft objects	16 800 000
Contemporary visual arts and craft education	na
Provision of support services to the sector	3 000 000
Contemporary visual arts and craft interest groups	na
Contemporary visual arts and craft copyright services	100 000
Total value added	160 200 000

na: Not available.

(a) For full details regarding sources and derivation of these data, see Appendix G.

According to ABS service industry surveys, the value added of the sector in 1996–97 was comparable with that of the ‘record companies and distributors’ sector (\$162 million in 1995–96)²⁵, and approximately 40 per cent that of the performing arts industries (\$415.7 million in 1996–97).²⁶

The financial estimate of the contribution of the sector to the Australian economy may underestimate its true value, due to the social and external benefits it provides, as discussed later. Many activities undertaken in the sector are unpaid—for example, the ABS estimated that in the year to April 2001, some 106 000 people were involved in an unpaid capacity in art and craft show organising alone.²⁷ It also does not include the broader effects of the sector on the Australian economy, which are discussed below.

25. ABS, *Business of music, Australia*, cat no. 4142.0, ABS, Canberra, 1997.

26. ABS, *Performing arts industries, Australia*, cat no 8697.0, ABS, Canberra, 1998.

27. ABS, *Work in selected culture and leisure activities, Australia*, cat. no. 6281.0, ABS, Canberra, 2001.

Multiplier effects

Activities by the contemporary visual arts and craft sector also result in economic activity from other sectors. For example, if an increase in demand were to result in higher activity by the sector, then arts and craft practitioners would have to purchase more arts supplies, commercial galleries would need to purchase more labour and other inputs, more insurance and art transport services would be bought, etc. These inputs would be bought from other industries, thus the increase in activity in the sector will have flow-on, or multiplier, effects on other parts of the economy.

Unfortunately, no multipliers have been calculated for the contemporary visual arts and craft sector, due largely to the aggregation problem mentioned earlier. However, multipliers have been calculated for culture-related industries, and these can be used to give an idea of the flow-on economic effect of the sector. For creative arts, the value added multiplier was 1.55.²⁸ This means that for each \$100 of extra demand for creative arts goods and services, Australia's GDP increases by \$155 dollars. For libraries and museums, the value added multiplier is 1.79.

Broader economic effects

Apart from its direct contribution to GDP (measured as value added), the contemporary visual arts and craft sector contributes to GDP in a broader sense. Skills developed in the contemporary visual arts and craft sector, as well as the general, less tangible influence of the sector, contribute to the economic activity in many related and disparate industries. Increasingly important is the contemporary visual arts and craft sector's interaction with the creative industries.

Australia's creative industries

The creative industries have been defined as industries 'in which the product or service contains a substantial element of artistic or creative endeavour';²⁹ they are generally regarded as industries whose major output is intellectual property. The range of creative industries includes activities such as advertising, design, film, photography, music, publishing, as well as the visual arts. With digital code fast becoming the *lingua franca* of the creative industries, the opportunities for collaboration between different industries are numerous.

The contemporary visual arts and craft sector impacts on the creative industries in a number of ways. Firstly, and most directly, the visual arts and crafts are a part of the creative industries, providing creative output, as well as content for other creative activities. Secondly, people trained in the sector often take these skills into other industries. Thirdly, work done in the sector can influence other creative sectors in intangible ways—this influence can be strengthened by collaborative projects between visual arts and craft practitioners and people from fields such as science, industrial design and architecture.

28. ABS, *Multipliers for Culture-Related Industries*, report prepared by the National Centre for Culture and Recreation Statistics, ABS, Adelaide, 2001.

29. R. E. Caves, *Creative industries: contracts between art and commerce*, Harvard University Press, Massachusetts, 2000.

There are numerous examples of collaboration between the visual arts and scientific fields—such as Horst Kiechle’s work as artist-in-residence at the CSIRO’s Division of Mathematical and Information Sciences in 1998, developing virtual environment technology as a means of displaying and interacting with data. Oron Catts and Ionat Zurr’s project, Tissue Culture & Art, is carried out in conjunction with the tissue culture laboratories of the Department of Anatomy and Human Biology at the University of Western Australia.

In a report to the Prime Minister’s Science, Engineering and Innovation Council in 1999, John Rimmer, then Chair of the Australia Council’s New Media Arts Fund, commented that:³⁰

...the arts can greatly contribute to the Government’s goals of developing a ‘knowledge’ economy, of which innovation and ideas are the key drivers. Within an environment in which knowledge is appreciated as a valuable commodity it is the ability to keep one step ahead by pursuing on-going research and development which provides the only competitive advantage ... artists and ‘creative’ people can significantly contribute to the innovative process, by providing a differing perspective, attempting to push the technological boundaries, and by strengthening creativity.

The Royal Melbourne Institute of Technology commented in its submission that:

Aside from the economic and social benefits of an educated workforce, creative industries such as visual arts and crafts are content producers and hence are key building blocks in the knowledge economy. Visual arts and craft practitioners employ different processes of creative thinking and action-based research, which provide alternative concept models, which are available to the creative, as well as other industries.³¹


It is very difficult to quantify the broader economic contribution of the contemporary visual arts and craft sector, largely due to the myriad, and often intangible, contributions it makes.

The creative industries are seen by many as a major engine for economic growth. The former British Secretary of State for Culture, Media and Sport stated that ‘the most successful economies in the 21st century will be creative ones’.³² The creative industries experienced rapid growth worldwide during the 1990s, typically double the growth of the rest of the economy in OECD (Organisation for Economic Cooperation) countries.³³

CULTURAL AND CREATIVE CONTRIBUTION

The terms of reference for the Inquiry stated that the Inquiry would ‘articulate the creative contribution of the sector’. After consideration of submissions received, and from its own research, the Inquiry felt there were cultural as well as creative elements of the sector’s contribution. Many submitters to the Inquiry commented on the sector’s cultural and creative contribution and the different meanings that may be attached to the term ‘contribution’.

30. J. Rimmer, *Clash of Cultures* → *New Partnerships* → *Innovation*, Presentation to the 3rd meeting of the Prime Minister’s Science, Engineering and Innovation Council, 25 June 1999.
 31. Submission: Royal Melbourne Institute of Technology.
 32. Department for Culture Media and Sport (United Kingdom), *Creative Industries Mapping Document*, at: www.culture.gov.uk/creative/, accessed 8 March 2001.
 33. J. Rimmer, *Australian Content: New Imperatives and Opportunities in the Global Electronic Marketplace*, Speech to OZeCulture conference, Melbourne, 14 June 2001.



The Inquiry considers that the cultural and creative contributions of the contemporary visual arts and craft sector are a part of everyday life for Australians. The sector impacts on a range of audiences, from those who are strongly involved in the sector, to those who simply view a television commercial, or casually observe a piece of public art on their way to work. The cultural and creative contributions made by the sector are so much a part of our lives that they may easily be taken for granted.

Creative contribution may be regarded as the sector's input into the work of other sectors by way of its provision of design, concept or other artistic information. This can include activities as diverse as the design of new automobiles, to theatre and film set design, marketing and advertising, education, science, the media and so on.

The activities in which artists engage establish a wide range of creative relationships between industries and service providers of all kinds. They produce not only new products but also new aesthetic expectations and increase markets for others. It is clear from the style and strategies of commercial marketing campaigns that the creative input has been influenced by an increased level of visual arts education producing a sophisticated understanding of contemporary cultural imperatives.³⁴

The value of a visual education in contemporary society was emphasised by several submitters:

In a society that increasingly relies on written text as a means of communication, learning in the visual arts and crafts is of critical importance to comprehensive skill development. The visual arts and crafts encourage the development of tactile, visual and three-dimensional interpretations of the world that encourage us to perceive differently. Developing a range of perspectives and interactions with our society and the world at large enhances both the artist's and the audience's critical capacities. A critical approach to life in the twenty-first century contributes to the enrichment of Australia's intellectual capacity.³⁵

The values instilled in graduates and other students through an arts education are also of value to the wider community. Such values include encouraging different modes of thought, alternative viewpoints, innovation, interpretation of information and communication skills: 'the nature and character of art education focuses on learning other ways of seeing, flexibility, improvisation, lateral thinking and visual realisation of particular issues.'³⁶

Cultural contribution

Participation in the contemporary arts and craft sector, as a practitioner or an audience member, is viewed as a powerful positive influence on Australian society. The sector is regarded as being tolerant, non-competitive, inclusive, innovative and accessible by many Australians. While recognising that the economic or other tangible evidence of the sector's contribution to Australian society and its constituent communities is sometimes difficult to demonstrate in concrete terms, many submitters were concerned that the sector's cultural contribution be recognised formally, and its full value acknowledged.

34. Submission: Victorian College of the Arts.

35. Submission: Arts Training NSW.

36. Submission: Canberra School of Art.

One of the significant values of the sector is that of bringing communities and individuals together, through participation in projects large and small:

The visual arts and craft sector makes a valuable contribution to the community in more ways than one. Such groups get together because they have a passion and a social conscience, and in their own way want to make a difference [...] all this is done voluntarily, selflessly and simply because we love it.³⁷

An appreciation of aesthetic qualities is also recognised as being a valid human need, and one which can introduce enjoyable and valuable notions into everyday life, from the significant to the whimsical: ‘the human scale of objects and tactile nature of the materials used fulfil an important need in people’s daily lives, whether objects are domestic or architectural.’³⁸

Contemporary visual arts and craft define and interpret our national and individual identities. The sector can be a voice for society, a commentator, a visionary, and a reminder of our history:

Artists construct new spaces for social and cultural activity. Artistic practice is an effective means of renegotiating and inhabiting history. Culture implies changes. The arts are an expression of broader contemporary cultural values and are one of the principal measures of a culture retrospectively. Without recourse to prominent cultural articulations, national identity and debate are diminished.³⁹

Another aspect of the sector’s contribution to society is its ability to transcend borders of age, sex, race, language and culture, allowing artists and audiences to communicate on a fundamental level, and presenting images of society which can inspire, provoke or challenge:

Artists value difference and therefore contribute to social tolerance and open-mindedness regarding cultural diversity. As such, the arts play an important social, cohesive and spiritual role. Artists also allow the unfamiliar and the exploratory to become valued.⁴⁰


As well as presenting a country with representations and interpretations of its identity, the sector can present these same aspects worldwide, establishing a record of Australian society and culture:

A country’s identity is keenly articulated through visual culture. Art and artists are responsible for the articulation of national identity at a national and international level. Identity is an evolving measure and needs to be nurtured on a continuous basis. If properly nurtured the arts can instil a sense of pride and can improve daily life.⁴¹

The development process of artworks in itself inspires constant change and evolution in our culture:

Contemporary visual arts and craft play a powerful and central role in developing, engaging, challenging and reinterpreting culture, evolving new forms, and creating new audiences and new work.⁴²

37. Submission: Vishna Stanuga-Collins.
 38. Submission: Darani Lewers.
 39. Submission: 200 Gertrude Street.
 40. *ibid.*
 41. *ibid.*
 42. Submission: Arts Industry Council (Victoria).



Contemporary visual arts is regarded as a field in which pure ideas for their own sake are still of value, whether or not they will eventually attain a monetary or research value. It is a field that encourages experimentation and radical innovation, values that are often discouraged in other sectors, because of cost or lack of time:

For me visual art and craft is an essential and often deeply perceptive way of unravelling the gossamer quality of experience. It is a place where society can ponder. A place for ideas and skill to be appreciated for their own sake. A place driven not by a post-industrial ethos of constant progress, or by cultural notions of right and wrong or by society's insatiable demand for solutions. The visual arts and crafts provide us with a space for questions to float with the humbling pleasure of the unknowable⁴³

The sector also values complexity and subtlety:

Cultural complexity, ambiguity and nuance, risk and invention are important factors in the visual arts social contribution and value. Winners and losers are less evident than in the overtly competitive activities that we use to identify national character. Thus also, ideas of product development and consumer demand which may have applicability for the crafts, as a form of design, are inappropriate as a measure for the visual (fine) arts⁴⁴

One of the contributions made by the sector can be loosely described as a quality of life contribution—that is, the sector can contribute in many ways, large and small, to the overall quality of our lives, improving how we feel about ourselves, about others, and how we are able to move in and interact with contemporary society.

There are many examples of the use of contemporary visual arts and craft practices in the healthcare, rehabilitation, disability, and community service sectors:

Another thing that the organisation was responsible for was starting the Inside Art/out project under Steve Fox about five years ago. This initiative was instrumental in sending artists into prisons here and working with the mostly Indigenous inhabitants and getting them painting again or for the first time. This project has now grown into the Ending Offending project and is managed by the prison, but this points to an important sustainable long-term project with identifiable social outcomes that was started by a contemporary art space.⁴⁵

Contemporary visual arts and craft practices are also used as part of programs for young Australians:

AWESOME is exciting, contemporary and challenges the notion that the Arts are a stuffy, predictable pastime. Each year thousands of young West Australians participate in a wide range of skills enhancing creative exercises which then showcase alongside professional artists at the AWESOME festival.

AWESOME engages the Arts to reinforce a sense of community and to provide an outlet for young people to express their individuality. In a world where all too often the creative possibilities of our children are stifled by the need to conform, violence, and anger, AWESOME provides a safe environment where young people are encouraged to explore who they are and what they want to become.⁴⁶

43. Submission: Patrick Hall.

44. Submission: Richard Dunn.

45. Submission: 24hr Art.

46. Submission: Awesome Arts.

Visual arts and craft works are also used in urban development and re-development projects. For example, the Melbourne Docklands project features an integrated art program which has been funded through a Per Cent for Art scheme. The Docklands Authority decided to incorporate a strong arts element into the project both as a way to portray the aspirations and ideas of contemporary society, and to make the project a welcoming and interesting place for its community, as a means of encouraging Melbourne residents to use the space.

Contemporary arts and craft based projects have been recognised by government, community and other groups as being worthwhile for communities:

We (the schools, Councils, community groups...) place high value on such projects for their cultural benefits and for the way they encourage community-building and increase the self-esteem of participants'.⁴⁷

The sheer enjoyment found by many in arts or craft practices is also a valuable contribution to society, providing an outlet and means of expression and comment for practitioners both professional and amateur. The value of this contribution is equally beneficial from the most dedicated, full-time professional with post-graduate qualifications to the weekend arts or craft practitioner, to the most casual gallery visitor. All of these can make use of this contribution in a serious, considered, or even spiritual way, right through to the most lighthearted and whimsical way:

Visual art and craft are part of everybody's life. The contribution towards enjoyment, aesthetic outlook, design and general social and cultural capital of our society is invaluable from this sector'.⁴⁸

Scientists have noted, and continue to find evidence that, from the earliest human societies to the present day, the practice of visual arts and craft is a significant and valued human trait, even if we are not always able to explain why this should be so.

Contemporary craft is notable in particular for its contributions to the design sector, and its emphasis on functional and experimental objects. The sector is also noted for the high level training and for its accent on practical skills and knowledge of materials:

Craft practitioners engage in a range of education and training systems, both formal and informal, and require advanced training levels in skills pertinent to their profession. A successful craft practitioner requires superior knowledge of materials and technology, a high level of competence and dexterity in working craft media and internationally accessible training in the generation of creative and conceptual processes.⁴⁹

The benefits of an education in the craft sector can therefore be felt in a number of other sectors of Australian society, from education to industrial design to healthcare. The practice of a craft is recognised as having therapeutic and emotional benefits, as well as being accessible to all members of the community:


As classically functional art, contemporary craft's economic and cultural contributions are interwoven. It has the capacity to both inform and enthuse in the range of design arts—interior and industrial design, architecture and urban design. It is also an explicitly accessible form of visual art which is both highly appealing and relatively affordable.⁵⁰

47. Submission: Kevin Free.

48. Submission: Nexus Multicultural Arts Centre.

49. Submission: Craft Australia.

50. Submission: Jam Factory.



The craft sector has a significant role to play in interpreting and commenting on Australian culture, and also plays a strong role in the research and development contribution of the sector, particularly through its links with the design sector:

Craft and design products are an important part of the material culture that help define our complex cultural identity both within the country and internationally, through tourism and export initiatives. Contemporary craft and design practice in Australia is confident, diverse, opportunistic and flexible, strategically ranging over numerous interests simultaneously. It encompasses experimental, exhibition, production and commercial work. Crafted objects are among the most persuasive physical embodiments of contemporary social concerns. This is not to say that objects are necessarily political in intent, but that they are reflective of contemporary Australia and that they occupy special places in our hearts, homes and museums. Some will eventually become potent signifiers; gauges by which we can appraise ourselves, and by which others appraise us [...] artists are social commentators, critiquing its precepts, more and structures. While not all artists are extreme in their commentary, all contribute to the processes of reflection and anticipation, making the stock for a 'savings bank of the soul'. Craft as social criticism (or 'social capital' as Eva Cox has described arts practice), comprises a complex process of thinking, making presentation and discussion.⁵¹

Valuing the contribution

There is a perception in the sector that culture and artistic achievements are less highly valued in contemporary Australian society, than, say, sporting or business achievements. Submissions expressed concern that, despite extensive overseas success and recognition for Australian visual artists and craft practitioners, contemporary arts and craft practice is not marketed well to Australians, and in some communities is regarded as a pastime or hobby at best, and a pointless exercise with no valid end product at worst: 'within an economic rationalist environment it has become increasingly difficult to argue for values other than those which are economic in purpose and competitive in realisation'.⁵²

This lack of recognition has led to a dichotomous situation for many in the sector—they may be recognised, feted and successful in overseas markets, but almost unknown at home:

The nation actively markets itself to the world via its culture—in particular via Indigenous art—yet often fails to sell its message to its own population. This should be a priority—otherwise so many other issues such as tax benefits/reform for the arts may not succeed.⁵³

This situation has led to many in the sector feeling that although they have much to offer, and although their skills may contribute to some aspects of other sectors, they are not being allowed to take up the role in society of a major contributor and driving force. Visual artists and craft practitioners feel that their contribution often remains unacknowledged and almost clandestine, with their works and ideas taken on by other sectors when required, but at other times ignored or devalued:

Much of the work in this sector is hidden and unquantifiable. It is the nature of the sector that artists often work alone and working on a grass-roots level in their community or workshop. In an environment of limited support, practitioners are characterised by the Australian ethos: 'Let's just create and make it happen', lending a vitality and relevance to work that is largely taken for granted⁵⁴

51. Submission: Object.

52. Submission: NAVA.

53. Submission: Mackay Artspace.

54. Submission: Arts Industry Council (Victoria).

A further disadvantage for the sector is the stigma of elitism—members of the sector feel that the accusation of elitism within contemporary visual arts and craft is not warranted, and is based on stereotypic ideas about the sector, rather than on reality. However, research has indicated that one of the main reasons non-regular visitors to galleries and other exhibition venues are reluctant to visit is a fear of encountering elitist attitudes.⁵⁵

In the sports sector, elite sports people are mostly viewed with admiration and appreciation and are regarded as role models whose achievements are to be celebrated. In the arts, the accusation of elitism is a negative one. Artists are likely to be branded as outsiders whose achievements are obscure and not worth a great deal outside their own sector.

Just as many Australians participate in sporting or physical activities, often without the specific intention of doing so (going for a walk on a pleasant afternoon, playing cricket with their kids, and so on), many Australians also participate in the contemporary visual arts and craft sector in a similarly casual way. Australian public spaces would look unusual without their quota of sculpture, murals or other artworks. This would seem to demonstrate that we can assimilate arts and craftworks and practices into our lives more easily than we think, and that the sector is not, therefore, impenetrably elitist or exclusive.

Many submissions called for formal recognition of visual artists and craft practitioners' status as contributors to Australian society, and for their work to be acknowledged as being of value to society and industry. The enthusiasm and commitment which artists contribute to the community goes largely unacknowledged, although they may contribute significantly on a daily basis in fields such as education, training, design and even healthcare.

There has to be a real value placed on cultural work. The contribution artists make to society has to be re-valued and acknowledged.⁵⁶

Artists produce Australian culture. They also subsidise it heavily. Artists' time and energy, were it costed out properly, would probably surpass the investment made by governments in the sector. It is a daily miracle that intelligent young people choose to dedicate themselves to creative practice, but who would like to live in a world where this was not so?⁵⁷

55. Australia Council, *Australians and the Arts—A Report to the Australia Council from Saatchi & Saatchi Australia*, Australia Council, Sydney, 2001.

56. Submission: Art Gallery of NSW.

57. Submission: Artists' Foundation of WA (AFWA).

Indigenous art and craft

A significant cultural contribution also originates from the country's Indigenous arts and craft community. Indigenous artworks have a positive effect on Australia's artistic and cultural reputation worldwide, attracting tourists and arts students to the country:

Recognition is due that the Indigenous arts and crafts industry has made a tremendous contribution to the Australian economy beyond the arts sector, by creating an increased interest in Australia as a tourism destination and the opening up of many new destinations in Australia. This has also had many additional social benefits including an increased understanding and respect for the strength and complexities of Aboriginal and Torres Strait Islander cultures [...] the contribution of Indigenous artists and craftspeople to both the social and economic well being of the Australian community is extremely significant and should be valued accordingly.⁵⁸

The existence, support and promotion of a strong Indigenous arts and craft sector can be a more accessible way for non-Indigenous Australians to engage with Indigenous culture. It is also a way for our Indigenous artists to take their culture and interpretations outside of the boundaries of their communities:

Australia's international profile is undergoing a sea-change, where we are increasingly being seen as a sophisticated culture, both urban and engaging with our Indigenous cultures. This is partly due to our film industry and the fine arts market for Indigenous works. It is also fed by a growing and largely unrecognised stream of visual arts and crafts works.⁵⁹

Just as the sector as a whole provides enormous benefits, cultural, social and economic to the community, so too are Indigenous artists able to bring these advantages both to their immediate communities, and to Australian society in general. The rewards of promoting and supporting traditional cultures are out of all proportion with the resources needed to do so: 'it has the potential to sustain and nourish Indigenous communities and reward relatively minor government investment with enormous cultural, social and economic rewards.'⁶⁰

The arts as a profession, or main activity, are much more prevalent in Indigenous communities than in other parts of Australian society. This is an aspect of Indigenous society which is not much commented on when Indigenous issues are being discussed—as in non-Indigenous communities, concerns about adequate infrastructure, healthcare and education predominate, and the arts and craft are often considered by non-Indigenous policy makers to be a luxury, or merely a pastime, not a significant employer. The significance of arts and craft practice in Indigenous communities needs to be taken into account, therefore, and supported adequately:

While there are issues related to social justice, land rights, deaths in custody, health etc. that specifically need to be considered in relation to Indigenous arts, many Indigenous people consider the arts to be their primary area of activity or profession. For this reason training and skills development delivery and resourcing need to be reconsidered and targeted better in remote Aboriginal communities [...] the fact that so many Indigenous people do perceive the arts as a major employment opportunity, is telling and means that arts training delivery and outcomes need to be fully supported in order to ensure that Indigenous artists are fully aware of industry issues and able to fill high skilled positions⁶¹

58. Submission: ATSIIC.

59. Submission: Arts Industry Council (Victoria).

60. Submission: Hetty Perkins.

61. Submission: Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA).

The Inquiry believes there is a growing recognition and appreciation of the creative and cultural contribution of the contemporary visual arts and craft sector. Surveys of Australian attitudes indicate that ‘the majority of Australians consider that “having some creative skill” has a high or fairly high value (88 per cent)’,⁶² and that ‘Australians are responsive to the arts and value artists’.⁶³ As demonstrated elsewhere in this Report, governments provide significant financial support to arts and craft practitioners both directly and indirectly, with the aim of ensuring that Australia has a culturally vibrant and sustainable contemporary visual arts and craft sector. Government leaders also reflect this support in their public statements:

I regard the artistic achievements of this country and the artistic excellence of this country every bit as importantly as I treasure and value all the sporting prowess and the sporting achievements of this country. A nation for all its people is a nation that honours artists as much as it honours sportsmen⁶⁴

However, there is still a sense in the sector that there is scope for more frequent and direct public statements of support for the sector and the arts in general from those who lead and shape public opinion and perceptions. The Inquiry shares this view and would encourage greater public acknowledgment and celebration of the achievements of Australia’s visual artists and craft practitioners.

This Chapter has provided a brief overview of the contemporary visual arts and craft sector—but gives, nevertheless, some insight into its breadth, diversity and complexity. This is a sector that is typified by the new and the experimental and which crosses and dissolves art form boundaries. It also includes significant artistic activity by Indigenous artists. It is a sector which encompasses many individual visual and craft artists who typically have a low income from their cultural practice and may often have a second job to supplement this. Many art and craft practitioners may have formal qualifications in their field, but some may not.

The presence of arts and craft practitioners in most communities across Australia means that the sector is geographically widespread, multi-layered in terms of the levels of professionalism of practitioners and organisations, and heterogenous in its creative vision. It has been moulded and shaped both by grass roots influences and imposed government policies. These features appear to serve the sector well, and give it strength and dynamism so that any notions of restructuring the sector are likely to be impractical and unnecessary.


Contemporary visual artists and craft practitioners are supported by a comprehensive infrastructure of organisations and programs, many of which are funded by one or more of the three tiers of government. The infrastructure also includes non-government elements such as commercial galleries and auction houses.

Private philanthropy and corporate sponsorship also play an increasingly important role in supporting the sector, through individual donations to visual arts and craft organisations, through donations of contemporary work to public museums, through the grants programs of charitable foundations and through sponsorship partnerships in support of major cultural events.

62. Australia Council, *Australians and the Arts—A Report to the Australia Council from Saatchi & Saatchi Australia*, Australia Council, Sydney, 2001.

63. Australia Council, *Planning for the Future—Issues, Trends and Opportunities for the Arts in Australia*, Discussion Paper, Australia Council, Sydney, February 2001.

64. Transcript of the Prime Minister, John Howard MP, Launch of the Tarrawarra Museum of Art, North Melbourne 24/4/02.



This sector makes an important economic contribution to Australia. The market for contemporary visual arts and craft ranges from audiences for exhibitions, to renters of art through such organisations as Artbank, to buyers who may include private collectors and public art museums. At the broader level, the sector may be seen as part of the growing phenomenon of creative industries, which will be increasingly significant to our economy.

However, it is the sector's cultural and creative contribution to the Australian community which is most significant, instilling as it does a quality-of-life element which transcends the practical and the monetary to embrace innovation, imagination and beauty.

GUIDING PRINCIPLES

Having reviewed the composition and dynamics of the contemporary visual arts and craft sector, and having considered the visions and aspirations of many participants expressed through submissions and consultations, the Inquiry has formulated some principles for the sector's future direction.

The Inquiry believes that such principles can provide a set of common objectives for the sector, governments, and the private sector to ensure that Australia's visual art and craft culture has a vibrant and sustainable future. These principles underpin the Inquiry's recommendations, and should inform their implementation and future policy development for the sector.

The guiding principles formulated by the Inquiry are as follows:

- Australia should value, foster and promote the creativity, innovation, diversity and excellence of its Indigenous and non-Indigenous contemporary visual arts and craft practitioners, and acknowledge their cultural, social and economic contribution at an international, national and regional level.
- Australia should recognise the value to its national well-being of a life long cultural education and the importance of a continuum of education in the arts from primary to tertiary level.
- Australia should ensure that vibrant, strategic, adaptable and sustainable organisations nurture and support Australian contemporary visual arts and craft practitioners in developing their creativity, skills and professionalism, and to exhibit, promote and market their work.
- Australian visual artists, craft practitioners and their organisations should have the opportunity to maintain pace and engage with changing international standards in arts practice and exhibition, including advances in technology.
- The contemporary visual arts and craft sector, through its publicly-funded and private organisations, should encourage and facilitate the cultural engagement of the broader Australian community. It should stimulate demand through initiatives and programs that develop and educate audiences, and provide interpretation and access, including by touring contemporary arts and crafts exhibitions to non-metropolitan Australia.
- Australian governments play a critical role in fostering and maintaining a dynamic contemporary visual arts and craft sector. At the Commonwealth level the legislative framework impacts upon visual art and craft practitioners throughout their working lives. At the three levels of government, policy should be developed, implemented and evaluated in consultation with the sector. Governments need to share knowledge and experience and strive for a coordinated approach within and across governments to achieve better targeted and synergistic outcomes that will enhance sustainability.
- At all times governments and the sector should meet high standards of transparency and accountability, and the rationale for funding, and the responsibilities of all parties should be clear.
- Australia should continue to develop and foster an environment that encourages individual and corporate benefaction and sponsorship as a means of broadening the support base for the contemporary visual arts and craft sector.

CHAPTER 3

VALUING ARTISTS

In this Chapter, the Inquiry focuses on issues directly affecting the individual artist and craft practitioner and the implications of those issues for the future development, sustainability and promotion of the sector.

From the outset the Inquiry was mindful of the fact that, notwithstanding the generally higher profiles and activism of arts organisations and the significance of their contribution, the creative individual is central to developing and sustaining a vibrant contemporary visual arts and craft sector. Therefore, where possible, the Inquiry included practising artists in its consultations and encouraged artists to make submissions. Around a quarter of the submissions received were from individuals, many of whom described themselves as practising artists or craft practitioners.

The position of individual artists and craft practitioners is mentioned specifically in some but not all of the terms of reference for the Inquiry. In order to ensure the issues relevant to individuals and through them to the sector were adequately addressed, the Inquiry's *Issues Paper* was broadly structured around the phases in the professional life cycle of an artist or craft practitioner. This Chapter adopts a similar approach, reflecting the passage from art student and then emerging artist to professional and mid and late career artist and grouping the issues accordingly.

At each of these stages, talented individuals may decide to either continue to pursue their vocation or change direction, with the subsequent loss to Australia of their potential creative contribution. The Inquiry believes that 'valuing artists' involves identifying not only how training might be structured and support might be directed to encourage and nurture the best talents, but also examining whether there are other barriers and obstacles that might hinder their capacity to sustain a creative practice that might be removed.

Within this framework this Chapter firstly looks at the artist population then examines:

- Whether there are adequate training facilities and places available to ensure that Australia maintains a pool of creative, innovative visual artists and craft practitioners producing works of excellence by international standards.
- The employment and income prospects for graduates and emerging artists and whether the numbers of students graduating in visual arts and craft have a bearing on this. Is sufficient information made available to prospective students about the realities of the marketplace and the skills needed to establish and operate a practice? What mechanisms might make sure that emerging arts graduates are not lost in the transition from art school to successful practice?
- How grants and other support programs for individuals could better target and nourish outstanding talent.
- Whether the circumstances of artists—their professional status and the nature of their work practices—need to be better acknowledged and understood by governments and society generally so that artists are not disadvantaged compared to other citizens in relation to taxation, social security, superannuation, insurance, industrial relations, occupational health and safety and other administrative regimes.

- How artists' intellectual property rights might be better protected and enforced.
- Whether artists and their families should be able to share in the increased value of their work.

THE VISUAL ARTIST AND CRAFT PRACTITIONER POPULATION

In the 1996 ABS census, 80 000 people identified themselves as arts professionals. Arts professionals are those people whose full-time or main-paid job is in the arts field. Of these, approximately 15 800 were visual arts and craft professionals or photographers. According to census data, the numbers of visual arts, craft and photography practitioners grew at an average annual rate of 3.6 per cent between 1986 and 1996. This compares with an average rate of 4.4 per cent for all artists, and 1.4 per cent for the total workforce. The census only identified approximately 400 Indigenous visual arts, craft and photography practitioners.

There are a number of problems with using the census for estimating the number of visual arts and craft practitioners in Australia, and these problems may lead to an underestimation of the size of the industry. Firstly, visual arts and craft practitioners frequently hold more than one job and, for census purposes, their occupational classification may be related to their non-arts work. Also, the census underestimates the number of Indigenous visual arts and craft practitioners, due in part to classification by their non-arts occupation, and also due to the geographical isolation of many Indigenous artists. A study of Indigenous art centres in 1997 estimated that there were between 5 000 and 6 000 Indigenous artists.⁶⁵ This estimate is largely supported by a 1999 survey⁶⁶ of art centres, which estimated that there were 4 500 Indigenous artists represented by the art centres surveyed. The ABS census data, combined with a more reliable estimate of the number of Indigenous visual arts and craft practitioners, suggests that there were approximately 20 000 full-time visual arts and craft practitioners in Australia in 1996, including Indigenous Australians.

Of course, part-time visual arts and craft practitioners also make an important contribution to the sector. The significance of this contribution is emphasised by an ABS survey which found that in the 12 months to April 2001, there were approximately 270 000 people who had some paid involvement in visual arts and craft activities.⁶⁷

The other major source of employment in the contemporary visual arts and craft sector is in galleries—both public and commercial—and art museums. A survey of public art galleries and museums in 2000 (which includes state and regional galleries) found that there were 1 741 people employed⁶⁸ in this sector. A survey of the commercial gallery sector found that there were 1 409 people employed in 2000.⁶⁹

65. C. Mercer, *Creative Country: Review of the ATSI Arts and Crafts Industry Support Strategy (ACISS)*, report prepared for the Culture Section, Culture, Legal and Family Policy Branch, ATSI, AGPS, Canberra, 1997.

66. F. Wright, and F. Morphy, (eds), *The art and craft centre story: a survey of thirty-nine Aboriginal community art and craft centres in remote Australia*, Volume 1 Report, ATSI, Canberra, 1999.

67. ABS, *Work in selected culture and leisure activities, Australia*, cat. no. 6281.0, ABS, Canberra, 2001.

68. ABS, *Museums*, cat no 8560.0, ABS, Canberra, 2001.

69. ABS, *Commercial Art Galleries*, cat no 8651.0, ABS, Canberra, 2001.

ARTISTS' INCOMES

There is relatively little comprehensive recent data on the income levels of Australian visual arts and craft practitioners. However, the data available tends to suggest the income of visual arts and craft practitioners is lower than for the workforce in general.

Table 3.1 shows that in the 1996 census, the most recent income data available, the median annual income (from all sources) of visual artists and potters (\$15 300 and \$13 300, respectively) was lower than that for other artists, and of the total workforce. Between 1986 and 1996, real median incomes of visual arts and craft practitioners fell by an average of between 1.6 and two per cent per annum, compared with an average of 0.4 per cent for the economy in general.

The average income of visual arts and craft practitioners reported in the 1996 census was higher than the median incomes (\$18 231 and \$15 287 for visual artists and potters, respectively). This indicates there are a smaller number of artists at the higher end of the financial scale, while a larger number of artists earn lower incomes.

Table 3.1 Estimated median income (all sources), 1986–96 (1996–97 dollars)

	1986 (\$)	1996 (\$)	Average annual change %
Visual artists (except potters and unspecified)	18 000	15 300	-1.6
Potters and unspecified visual artists	16 300	13 300	-2.0
Artists and related professionals (undefined)	24 500	23 600	-0.4
Photographers	28 300	22 800	-2.1
Designers and illustrators	29 300	28 200	-0.4
Journalists and related professions	38 200	37 300	-0.2
Authors and related professions	31 300	27 500	-1.3
Film, TV, radio and stage directors	38 700	33 000	-1.6
Musicians and related professions	23 700	20 500	-1.4
Actors, dancers and related professions	21 800	19 400	-1.2
Media presenters	30 800	28 000	-0.9
TOTAL Arts professionals	28 800	26 900	-0.7
TOTAL Workforce	26 500	25 500	-0.4

Source: Census data, cited in Guldberg, 2000.

Although not a representative survey, a submission to the Inquiry supports this assessment:

Eighty-two per cent of practitioners have gross income from all sources of less than \$15 000 with negative income from their art. Their average taxable income is \$11 300 with an average tax refund of \$620...

Thirteen per cent have gross income between \$15 000 and \$40 000. This group is more likely to have positive income from their art if the art based income forms more than half of the total ... the break-even turnover is about \$15 000 – \$20 000 although that can vary from year to year...

The remaining five per cent had average gross income of \$88 000, practically all of it from the art practice, with annual tax liabilities of about \$27 000...

The reason why such a large percentage of the sample seems to be at such a low income level may be due to my practice being involved mainly at the emerging end of the arts; it may be indicative of the market as a whole.⁷⁰

Due to the generally low returns from their primary artistic activities, visual arts and craft practitioners regularly take other work to help support their practice. The census data estimates total income for arts professionals, not just that income earned from their primary artistic occupation.⁷¹

Visual arts and craft practitioners are often motivated in their activities by other considerations. As the Painters and Sculptors Association submitted.

Artists, generally, are not predominantly financially motivated. This does not mean that they don't want to make money. It means that their priorities lie in attempting to create great works of art and they are not prepared to compromise their art in order to *maximise their profits*.⁷²

As a result, all other things (including skills and qualifications) being equal, the returns to visual arts and craft practitioners may be lower than those in the wider workforce.

FINDINGS

The incomes of contemporary visual arts and craft practitioners in Australia are lower than that of the general workforce, and of artists in other fields. Contemporary visual arts and craft practitioners commonly supplement their arts-related incomes with income from other occupations.

70. Submission: Brian Tucker.

71. A survey by Throsby and Thompson (1994) found that in 1992–93, 37 per cent of median visual artists' incomes came from their primary arts activity, and 54 per cent of median craft practitioners' income came from their primary arts activity. In 1992–93, 74 per cent of visual artists and 50 per cent of craft practitioners earned less than \$10 000 from their primary artistic activity.

72. Submission: Painters and Sculptors Association.

EDUCATION AND TRAINING

This section examines whether there are adequate training facilities and places available to ensure Australia maintains a pool of creative, innovative visual artists and craft practitioners producing works of excellence by international standards.

In its terms of reference the Inquiry was asked to:

Report on the current trends in the training of visual arts and craft practitioners at tertiary level for the sector, including graduate numbers, and assess the impact of these trends on the sustainability of the sector.

Responses to the Inquiry's *Issues Paper* reinforced the view that the education and training of Australia's visual arts and craft practitioners is a key issue in the sustainability of the sector. Comments received also sought to impress on the Inquiry the importance of recognising the significant contribution primary and secondary arts education, as well as tertiary training, make to the sustainability of the sector and society in general. Others felt the *Issues Paper* implied that the growth in the number of graduates in visual art and craft was detrimental to the sustainability of the sector, and that some criticism of tertiary training institutions was also implied.

In its submission, the Australian Research Council (ARC) expressed concern about the focus being only on the education and training of undergraduate visual arts and craft practitioners and their transition into employment:

...the contribution of universities to Australian arts and creative culture is greater than this... The universities make up one of the channels through which Government support for the sector is provided. Professional artists—as staff and postgraduate research students—gain access to equipment, facilities and space. As significant is the stimulating intellectual and creative milieu, collegial support and feedback, and opportunities to exhibit offered by quality university art schools.⁷³

Other submitters were concerned about the lack of attention to non-academic training. One submission indicated concern that academic interests and universities would dominate the attention of the Inquiry. The submitter commented that this would only reinforce the currently held belief that art is an elitist activity.⁷⁴

In another submission it was commented that:

...there is too much emphasis placed on tertiary graduates (particularly university grads). There are plenty of artistically minded people out there who prefer to learn vocationally and want to keep close to their roots. They may not have a lot of money, or even a lot of confidence to do tertiary study—but they have passion.⁷⁵

The Inquiry notes there is no prescribed pathway for entering artistic practice.

The term of reference also stimulated debate about the resources available to tertiary visual arts and craft training institutions and the training needs in particular art forms, especially in craft, and in the area of Indigenous visual arts and craft.

73. Submission: ARC.

74. Submission: Peter Wilde.

75. Submission: Christine Polowyj.

The Inquiry's approach

The Inquiry has addressed the issues relevant to this term of reference in its consultations with, and its analysis of, submissions from tertiary training institutions, State and Territory government arts agencies and the Commonwealth Department of Education, Training and Science, and other interested groups and individuals. A major submission was lodged by the Australian Council of University Art and Design Schools (ACUADS).

ACUADS was established in Australia in 1981 as the National Conference of Heads of Art and Design Schools, and as ACUADS in 1994. It is the peak body for tertiary art and design education and as a national association it represents 30 university art and design schools around the country.⁷⁶

The Inquiry has been mindful that it was not asked to inquire into the state of arts education in Australia. While it received views through submissions and consultations about whether there are too few or too many art schools, and about education, funding, resources and structural issues, the Inquiry has not felt it necessary or appropriate to attempt to reach conclusions or formulate recommendations about broader tertiary education policy affecting contemporary visual arts and craft.

Nevertheless, in order to report on the current trends in education and training, the Inquiry felt it necessary to provide some context, and to acknowledge the dynamics underpinning the trends. Hence some funding and related issues that impact on tertiary education and training in the contemporary visual arts and craft are reviewed.

Similarly, the Inquiry has not undertaken a detailed study of the issues surrounding primary and secondary arts education, as this would be to go beyond its terms of reference which reflect the fact that these aspects of education are primarily the responsibility of State and Territory governments. At the same time the Inquiry acknowledges the importance of the arguments about the need for an appreciation and understanding of the value of art to be fostered in the early years of education, as part of a broader cultural policy approach to the arts.

The tertiary training environment

The Australian tertiary sector is a two-tier system. The two tiers are Australian universities and the Vocational Education and Training (VET) institutions. In the past, universities were less vocationally oriented and VET institutions were highly vocationally-oriented. In recent years, the educational aims have become increasingly similar. The two tiers award differing types of degrees. The VET tier focuses on bachelor and lower level awards, whilst the university tier generally awards bachelor and higher degrees.

76. Submission: ACUADS.

The Commonwealth Government contributes roughly two-thirds (66.4 per cent) of the revenue received by publicly subsidised higher education institutions. In 2001, the Commonwealth provided over \$5.86 billion in funding for higher education through the former Education, Training and Youth Affairs portfolio. Some 40 of the 45 higher education institutions receiving operating grants from the Government offer courses of study in visual arts and craft.

Universities have a high level of autonomy in making decisions about the distribution of student places between disciplines and across levels of study. Universities are free to select students and determine enrolments by field of study in line with their strategic plans and in response to factors such as student demand and community priorities.

The Inquiry received comments on funding issues in a number of submissions. The ACUADS submission encapsulated most of the key concerns. They noted the necessity of further financial support, inability to meet demand for places, reduced staffing levels, increased capital works but declining support for studio-based activities, and that art school graduates generally continue to use the schools' facilities after graduation.

Within even the most supportive university environments, visual art studies, at both undergraduate and postgraduate level, are not funded at appropriate levels. The Council believes that art and design funding should be established on a similar index to that of science and other laboratory-based disciplines.⁷⁷

ACUADS noted that greater financial support is needed if the tertiary sector is to keep pace with changes in new technologies and Australia is to capitalise on the expanding opportunities provided by the new economy. The University of South Australia's submission noted it costs ten times as much to run an IT studio as it does to run a standard visual arts studio.⁷⁸

ACUADS also noted that within the universities, new relationships have opened up new cross-disciplinary opportunities for student study programs and for research initiatives working across departments, offering scope for industry connections. In this case, industry connections can include cultural institutions, as well as conventional private sector industry and entrepreneurial businesses.⁷⁹

These views were generally reinforced in submissions from individual tertiary art schools in metropolitan areas and in regional centres such as Cairns and Canberra, and in the Inquiry's consultations with the sector. There was a particular emphasis on the need for the costs associated with studio-based disciplines and new technology to be recognised in funding arrangements.

Commonwealth funds for vocational education and training supplement those provided by State and Territory governments, which are responsible for their own training systems, including courses in contemporary visual arts and craft. The Commonwealth contributes to the costs of delivery of vocational education and training and infrastructure (capital) costs by providing funding to the States and Territories, rather than to individual institutions. Commonwealth funds are provided to support the development of a national VET system.

77. Submission: ACUADS.

78. Submission: University of South Australia.

79. Submission: ACUADS.

Information and resource sharing

There was a call for greater information sharing within the contemporary visual arts and craft educational sector. ACUADS called for the setting up, and publication, of a database with visual arts and craft educational possibilities. This would easily enable potential students to access information about university subjects, placement numbers and courses. The same submission also called for better information sharing between the different visual arts and craft education facilities. It argued that funding should be provided for the creation of better linkages between TAFE and universities.

The NAVA submission called for the Commonwealth Government to coordinate inter-government policy and funding related to visual arts and craft education and training.⁸⁰ Craft Queensland recommended a national educational taskforce be established to develop and deliver high quality training opportunities for visual arts and craft teachers at all levels of education.⁸¹

In the realm of resource sharing, the Adelaide Institute of TAFE's Roma Mitchell Arts Education Centre has close ties with the University of South Australia, the South Australian School of Arts and Adelaide Central School of Arts. Students undertake cross-institutional enrolment and the institutions have formal arrangements for transferral of credit for externally undertaken courses or units.⁸²

Other universities also work in supportive arrangements, such as Queensland College of the Arts with South Bank TAFE in Brisbane and Curtin University of Technology and the Central Metropolitan College (CMC) of TAFE. An agreement between Curtin and CMC TAFE allows the sharing of ceramic and printmaking facilities and some course components for mutual benefit. These two institutions have signed a Letter of Understanding that formalises their collaboration and an articulation from CMC TAFE's Diploma and Advanced Diploma courses, into the BA and Postgraduate streams at Curtin.

The Victorian College of the Arts (VCA) has established a relationship with the Victorian Arts Centre. The VCA, as a Registered Training Organisation, accredits aspects of the technical training in the performing arts, which they co-deliver, to a degree course at the VCA.

The Inquiry noted that specialisation by certain schools in particular art forms is an efficient use of resources. However, there are additional costs for students if they are required to move interstate to study. Opportunities exist in the tertiary education sector for greater information sharing and better linkages.

80. Submission: NAVA.

81. Submission: Craft Queensland.

82. Submission: Adelaide Institute of TAFE.

Trends in course types and availability

University art schools

In 1997, 14 910 tertiary courses were provided across all fields of study in Australian universities:

- 310 courses were offered in visual arts and craft, or two per cent of the total number of courses; and
- Of these, there were 159 courses offered in Fine Arts (51.2 per cent of all visual arts and craft courses).

In 2000, 19 834 tertiary courses were provided across all fields of study in Australian universities:

- the number of visual arts and craft courses had increased to 370 or 1.9 per cent;⁸³ and
- of these, there were 198 courses offered in Fine Arts (to 53.5 per cent).⁸⁴

Decreases were recorded in the subject areas of craft and the conservation of art and cultural materials from 1997 to 2000, decreasing from 19 courses to 14, and 17 to 15 respectively. A full table is listed below:

Table 3.2 Number of university courses by field of study and year

	1997	1998	1999	2000	% change 1997–2000
Conservation of art and cultural materials	19	21	15	14	-26.3
Crafts	17	17	17	15	-11.8
Film and photographic arts	47	58	58	64	36.2
Fine arts	159	174	198	198	24.5
Graphic arts and design	68	75	80	79	16.2
Visual and performing arts – general	107	115	122	124	15.9
Visual and performing arts – other	43	51	50	60	39.5
TOTAL Visual arts and craft	310	345	368	370	19.4
TOTAL	460	511	540	554	20.4

Source: Department of Education, Science and Training (DEST) submission

83. Department of Education, Training and Youth Affairs, *Students 2000: Selected Higher Education Statistics*, Canberra, 2000.

84. Submission: DEST.

Post-graduate study

As with undergraduate courses, a diverse range of courses are offered by universities around Australia.⁸⁵ These range from short, specialised study programs supplementary to the undergraduate degree, to more formal qualifications, including graduate diplomas, Masters, PhDs, and for those artists seeking to become art teachers, Diplomas of Education. Postgraduate study in visual arts and craft is becoming an increasingly important component of tertiary education for artists, given the competitive market place.

VET courses

There are in excess of 680 visual arts and craft related VET courses currently offered by approximately 30 institutions around Australia. A list of tertiary institutions offering visual arts and craft courses is at *Appendix H*.

Course availability and demand trends

The Inquiry found it difficult to accurately identify trends in course development and availability because of the wide variations in course names and descriptions. In consultations with the sector the Inquiry was informed that the old terminology such as ‘fine arts’ was being transformed by the new technology components of many courses. It was also suggested that many former craft students would now be enrolled in such courses and hence not separately identified.

Tertiary institutions have responded to changing interests and demand and now provide courses covering:

- multimedia;
- animation;
- website development;
- digital video;
- film; and
- IT-related developments.

This has led to new degrees in Digital Arts and Multimedia studies and the Inquiry was informed that demand outweighs supply of places available. Examples are:

- The University of Western Sydney is instituting animation as a major strand within their BA Design (Visual Communication). Recent purchases of new high tech equipment have allowed the School to institute a degree that is a response to the changing world technologies.
- Queensland University of Technology has a new Bachelor of Digital Design starting in 2002 and a new Digital Art and New Media major in the Fine Arts Degree.⁸⁶
- The Tasmanian School of Art intends to introduce a combined degree with the Faculty of Commerce—a Bachelor of Fine Arts/Information Systems—from which graduates will move into management positions with expertise in graphic design, web design and like fields.

85. Submission: ACUADS.

86. Submission: ACUADS.

ACUADS pointed to the trends in the rationalisation of courses across the country with several courses in printmaking and ceramics closing down and the visual arts courses within Charles Sturt University closing completely. This approach requires students to be willing to travel to where courses are offered. The Inquiry was informed that most students still prefer to complete their first degree in their home state as their mobility is limited by financial constraints. Nevertheless, there has been further movement within the sector towards self-regulation resulting in the emergence of areas of special emphasis in particular schools. ACUADS indicated support for the principle of specialisation and diversification within universities across Australia:

The current practice of self-regulation in university Art & Design Schools and the TAFE sector needs to be encouraged to continue to enhance the focus and specialisations they offer as part of a nationally co-ordinated art education program.⁸⁷

Craft

In its submission, Craft Australia called for the provision of incentives to tertiary institutions to reinstate specialised craft and design training and qualifications and to re-equip craft studios. Craft Australia also recommended the provision of incentives to set up craft centres of excellence.⁸⁸ The Roma Mitchell Arts Education Centre, the Hand Weavers and Spinners Guild of NSW and the Sturt Craft Centre were among others who expressed concern about the state of craft training.

One submission recommended that purpose built and solely dedicated centres of learning of craft that are staffed by experts in their field be supported by the Government. The centres could offer training that encompasses sales, marketing and other practical skills and could operate as commercial outlets for the sale of student and staff work.⁸⁹

A number of submissions called for reinstatement of specific craft courses. However, the Inquiry was informed that demand for traditional craft courses has diminished.⁹⁰

Tertiary courses for Indigenous artists

University art and design schools have played, and continue to play, an important role in the growth of multicultural and Indigenous cross-cultural awareness.

Courses currently run at tertiary level take a number of forms:

- Studio-based study of contemporary Indigenous art, usually delivered by Indigenous staff for Indigenous students (Queensland College of the Arts, Curtin University).
- Generic programs that require identical standards for all students, regardless of cultural background. These work on the principle of changing curricula to be inclusive of Indigenous peoples and providing additional support (e.g. tutoring and materials) to reach university required standards. The employment of Indigenous staff and cultural protocols workshops for all staff are usually essential components of the success of this approach.

87. Submission: ACUADS.

88. Submission: Craft Australia.

89. Submission: Andrew MacDonald.

90. Submission: ACUADS.

- In-community delivered courses take the art school to the community. These have advantages in some instances in that students are not removed from their social structure where learning is often better contextualised with elders and other community life is included. There, students are not placed in stressful situations (particularly important for young women students) and a two-way process occurs that leads to greater innovation and productivity. At the Northern Territory University this approach has been highly successful.
- Art historical studies in the practices and work of established artists. These programs are generally delivered and studied by non-Indigenous people.

Indigenous studies curricula are aimed at encouraging:

- improved awareness of the peoples' shared understandings and differences;
- cultural maintenance through empowering Aboriginal and Torres Strait Islander peoples with knowledge of their contribution to Australian society; and
- cultural brokerage through exchange. Arts exchanges often precede other commercial and political enterprise in building trust and respect between peoples. In many societies, a longstanding exchange provides a significant advantage in other transactions.

Trends in enrolments

Between 1990 and 2000, enrolments in university visual arts and craft courses, as measured by equivalent full-time student unit (EFTSU),⁹¹ have increased by 42 per cent (Table 2), a similar increase to the total of all university fields of study. The growth in EFTSU was strongest for the graphic arts and design courses, while the data suggests that the EFTSU for craft courses declined significantly over the period. This data must be used with caution, however, as it is possible that some of the decline in craft EFTSU is as a result of students studying craft within fine arts degrees.

Table 3.3 EFTSU in selected Australian university visual arts and craft courses

Field of study	1990	1995	2000	% Growth 1990–2000
Art	8 783	9 705	10 819	23.2
Graphic arts/fashion design	1 795	2 523	3 999	122.8
Crafts/ornaments	942	792	533	-43.4
Other visual/performing arts	1 644	2 164	3 313	101.5
TOTAL Visual arts and craft	13 164	15 184	18 664	41.8
TOTAL EFTSU	383 838	467 748	557 763	45.3
Percentage of all enrolments	3.43	3.25	3.35	-

91. The EFTSU measure does not measure the number of students, but rather the load on staff. Hence part-time and post-graduate students have a respectively lower and higher load rating, than full-time undergraduate students.

Demand for visual arts and craft courses at Australian universities

There is very high demand for places in visual arts and craft courses. Of the courses with first preference enrolments, the majority experienced an excess of demand for first year places over places available, in some cases by up to 600 per cent.⁹² Only a small number of courses were under-subscribed in the first round of offers.

Vocational education and training

In 2000, there were almost 49 000 VET students enrolled in visual and performing arts courses (Table 7). It is estimated that the majority of these students were enrolled in visual arts and craft courses. For example, in 1998 approximately 88 per cent of visual and performing arts students were in visual arts and craft streams.⁹³

Table 3.4 VET enrolments in arts courses, 1996–2000

	1997	1998	1999	2000
Visual and performing arts general	12 784	13 420	-	-
Conservation of art and cultural material	74	211	-	-
Crafts, ornaments	7 829	7 178	-	-
Dance	621	259	-	-
Dramatic arts	1 311	1 024	-	-
Film and photographic arts	3 872	3 997	-	-
Fine arts	7 096	6 601	-	-
Graphic arts and design	6 919	8 916	-	-
Music	4 606	4 376	-	-
Fashion design	2 362	1 391	-	-
Visual and performing arts other	1 694	1 465	-	-
TOTAL Visual and performing arts	49 168	48 838	52 046	48 700

Source: National Centre for Vocational Education Research (NCVER) unpublished data.

Comments on enrolments

The responses to the Inquiry's *Issues Paper* centred on comments that:

- The number of students seeking entrance to visual arts courses continues to exceed the number of places on offer.⁹⁴
- The ABS figures do not necessarily reflect a proliferation of courses or students.⁹⁵ There is often a flow-on from course to course within institution from an undergraduate degree to postgraduate study. There is also a flow-on from institution to institution, for example from TAFE to universities.

92. Submission: ACUADS.

93. Disaggregated data on VET enrolments in visual and performing arts courses is not available after 1998.

94. Submission: ACUADS.

95. See <http://acuads.curtin.edu.au/>.

- Not all students who enrol are seeking employment in the visual arts and craft sector. There is an increasing number of people returning to study after completion of their first careers. This group of students is seeking engagement at a highly intellectual and practical level but with no expectation of moving into the work force. Art schools have a large percentage of mature age students (often as high as 50 per cent) and the opportunities for their education need to be accommodated within the tertiary sector.⁹⁶
 - ACUADS cited the University of Southern Queensland, where the Bachelor of Visual Arts attracts a large number of mature age students, with the 2001 intake consisting of over 30 per cent non-school leavers including professional and business people.

Enrolments of Indigenous students

While Aboriginal and Torres Strait Islander (ATSI) art has emerged as a major driver in the visual arts both in production and in sales of work, universities currently have a low participation rate of Indigenous people within art schools (less than one per cent nationally). ACUADS informed the Inquiry it was attempting to redress this and that its recent conference in Darwin, *The Meeting Place – Two Way Education and Other Cross Cultural Approaches*, aimed to:

- introduce Top End Aboriginal art practices at its source in local communities to a wider audience of tertiary art educators;
- critically assess teaching and research methods currently applied to Indigenous students and issues arising from cross-cultural engagement; and
- investigate teaching methods that recognise cultural differences and needs, and explore intercultural representation in new and established media.

A number of submissions called for the Inquiry to develop measures to encourage ATSI people into formal tertiary educational facilities. Some of the issues around the area of Indigenous visual arts and craft are highlighted by these submissions, including the need for in-depth research projects to discover the pathways and value chain for Indigenous art and artists:

- ATSI called for the differences between ATSI and other ways of learning to be recognised. ATSI contemporary visual arts and craft is culturally informed through community based systems of education and training. This contrasts with the formalised and institutionalised form of education common within the non-Indigenous Australian sector. Of concern to ATSI is the lack of ongoing and culturally appropriate training for ATSI visual artists and craft practitioners in new techniques and methodologies.⁹⁷
- The Northern Territory's Department of Arts and Museums submitted that the majority of the Territory's Indigenous artists live in communities that embed artistic skills in customary kin-based apprenticeship systems. In these communities training in visual arts and craft is a matter of cultural protocol. The right to stories and to utilise motifs is also bound into this system. In this context commercial art practice, while still a significant cultural activity, is primarily designed to increase low household income.⁹⁸

96. Submission: ACUADS.

97. Submission: ATSI.

Submissions highlighted some of the more everyday problems in the realm of Indigenous visual arts and craft education and training in the Northern Territory. These difficulties include:

- the fact that English is often a second or third language for Indigenous peoples; and
- that transport to and accommodation in major towns (where most tertiary institutions are located) may be unavailable and/or expensive.⁹⁹

The Inquiry was informed that a number of measures should be adopted to encourage Indigenous persons into formal visual arts and craft education:

- the establishment of competitively awarded HECS free places in tertiary fine and studio-based arts courses;
- the creation of Indigenous curator training programs;
- that Abstudy should cover the costs of visual arts and craft students' materials while studying; and
- that Indigenous visual arts courses (preferably given by Indigenous teachers) be integrated into compulsory foundation courses at all art schools.¹⁰⁰

ACUADS has expressed concern about the low number of Indigenous Australians currently either qualified or becoming qualified visual arts and craft practitioners. There is a need to establish support services and a culturally appropriate environment in order to encourage Indigenous Australians into formal visual arts and craft education. Currently extra funding is not provided to arts schools to implement such changes to existing visual arts and craft courses.¹⁰¹

98. Submission: Department of Arts and Museums (NT).

99. Submission: Marina Strocchi.

100. Djon Mundine, 2002.

101. Submission: ACUADS.

FINDINGS

The numbers of courses available in visual arts and craft rose from 1997 to 2000. All subject areas experienced an increase in course numbers with the exception of craft and the conservation of art and cultural materials.

New technology is having a major impact on the types of courses being offered and the demand for courses offering technology components is high.

Enrolments in visual arts and craft courses have increased over recent years, and have stayed relatively stable as a proportion of all enrolments. The fastest growing field of study in terms of enrolments has been the graphic arts and design sector, while enrolments in 'traditional' craft courses have declined.

Demand for visual arts and craft courses generally exceeds places available.

Due to the relatively high number of enrolments by non-vocational and mature age students, enrolment numbers may not be an accurate indicator of the supply of art and craft practitioners.

Specialisation by certain schools in particular art forms is an efficient use of resources but imposes additional costs on students if they are required to move interstate to study. Opportunities exist in the tertiary education sector for greater information sharing and better linkages.

A range of courses focussing on Indigenous art has been developed with differing delivery methods and purposes to meet the needs of the Indigenous and non-Indigenous communities.

Profitable and full-time professional practice is not always the goal of every visual arts and craft student. There are many factors that structure a person's decision to study in this field; there are factors beyond the economic that inform artistic practice.

There may be a case for establishing support services and a culturally appropriate environment in order to encourage Indigenous Australians into formal visual arts and craft education.

GRADUATES AND EMERGING ARTISTS

This section examines the employment and income prospects for graduates and emerging artists, and whether the number of students graduating in visual arts and craft has a bearing on this.

Employment data

In assessing the value of a tertiary arts education, the simple equation of the number of graduates measured against the number of employment opportunities is far too simplistic. An arts education at tertiary level provides graduates with skills that make a significant impact on the cultural health and wealth of the community.¹⁰²

The Commonwealth monitors broad trends in the demand for graduates. A key source of information is the Graduate Destination Survey, which is an annual survey of recent higher education graduates, funded by the Department of Education, Science and Training (DEST) and conducted by the Graduate Careers Council of Australia. The survey provides information on graduate destinations by field of study for graduates available for full-time employment. The survey's results indicate the proportion of graduates who were in full-time employment, employed part-time and seeking full-time employment and not working and seeking full-time employment.

An analysis of the demand for visual arts and craft graduates published in a recent ABS publication *Supply and Demand for Arts Practitioners* found that a high proportion of visual arts and craft students experience difficulty in finding employment after graduation.¹⁰³

In 2000, 60.9 per cent of visual and performing arts graduates were in full-time employment six months after graduation (not necessarily in an arts-related field). The average for all graduates was 83.6 per cent. In general, visual arts and craft graduates may be fairing marginally better in finding full-time employment than in previous years, for example, in 1996, only 53.6 per cent of graduates were in full-time employment six months after graduation.¹⁰⁴ This may be due to the general trends within the wider job market, rather than an increasing demand for those with qualifications in the visual arts and crafts.

102. Submission: ACUADS.

103. ABS, *Supply and Demand for Arts Practitioners*, Canberra, 2001.

104. Submission: DEST, Graduate Destination Survey results.

Table 3.5 Visual and performing arts tertiary graduates, 1996–2000

Year finished degree	1996 %	1997 %	1998 %	1999 %	2000 %
VISUAL AND PERFORMING ARTS					
Employed full-time	53.6	53.3	57.3	62.8	60.9
Seeking full-time work					
not working	19.7	18.9	16.6	13.9	15.8
working part time	26.7	27.8	26.1	23.4	23.3
TOTAL GRADUATES					
Employed full-time	77.6	79.6	80.8	83.6	83.1
Seeking full-time work					
not working	10.4	8.9	8	6.7	6.9
working part time	12	11.6	11.2	9.7	10

Source: ABS, Supply and Demand for Arts Practitioners, 2001

The ABS document *Demand and Supply for Arts Practitioners 2001* census data shows that there were 40 813 persons employed in visual arts and craft related occupations. Of these, 26 835 people possessed a tertiary qualification and 12 470 held qualifications in visual and performing arts or craft-related subject.

Table 3.6 Qualifications of workers in visual arts and craft occupations, 1996

Occupation	Qualifications			Total
	Visual and performing arts and craft	Other	None	
Visual arts and craft professionals	1 899	3 074	4 545	9 518
Photographers	1 825	1 566	2 868	6 259
Conservators/curators	205	743	175	1 123
Designers/illustrators	8 541	8 982	6 390	23 913
TOTAL	12 470	14 365	13 978	40 813

Source: ABS, 2001.

The ABS also examined the employment status of those with qualifications in the visual arts and crafts. This data set shows that these persons are not likely to be employed full-time in a field related to their degree. Those with qualifications in graphic arts and design are the most likely to be employed in a related field, whilst those with qualifications in the field of art and craft are the least likely to be employed in a related field.

Table 3.7 Occupations of those with visual arts and craft qualifications, 1996

	Qualification (field of study)		
	Arts occupation	Other occupation	Unemployed
Art and craft ¹⁰⁵	1 846	9 514	1 647
Photography	1 815	3 304	545
Graphic design	6 934	8 398	1 539
Visual and performing arts general	2 799	8 254	2 643
TOTAL	13 394	29 470	6 374

Source: ABS, 2001

In 1996, only 7.0 per cent of recent visual arts and craft graduates from the VET sector were employed in the arts. Persons from the field of Graphic Arts and Design were most likely to be employed in the arts.¹⁰⁶

In summary, the ABS data shows that at the time of the 1996 census only a minority of practising contemporary visual artists and craft practitioners had formal qualifications in visual arts and craft. Additionally, a large percentage of visual arts and craft graduates were employed in fields not directly related to their qualifications.

Comments on employment data

The Inquiry received a number of comments about the ABS employment data published in its *Issues Paper*. The definition of employment within the field of visual and performing arts by the ABS is problematic because it classifies respondents by their main field of employment, not preferred field or vocation. The Artists Foundation of Western Australia commented that the data showed:

...how hard it is to quantify this area of the arts. In census forms, for example, an artist may state their occupation as the job which pays the rent (waitress, driver, teacher, etc.) or unemployed/on benefits. Perhaps the next census could change its wording to accommodate the reality.¹⁰⁷

The ABS data may not give an entirely accurate picture of the state of employment for visual arts and craft practitioners after graduation, as it may exclude those employed in higher education in teaching roles, but who also engage in artistic practice.

Concern was also expressed about DEST's Graduate Destination Survey. ACUADS argued that the survey:

Does not provide accurate information to chart the success of graduates from art and design schools across the full range of employment opportunities and activities.

105. 'Arts occupations' includes visual arts and craft, as well as design, media and performing arts occupations.

106. ABS, op. cit., 2001.

107. Submission: Artists Foundation of Western Australia.

There was also criticism that the survey is conducted too soon after graduation (six months) to accurately measure the employment prospects of visual art and craft graduates. It was argued that the nature of art and craft practice is such that there is no clear-cut vocational pathway into full-time employment for the visual artist. This dilemma was clearly articulated by the National Institute of the Arts (at the ANU):

Often, while there is no actual job to go to on graduation, the creative artist creates his/her own opportunity.¹⁰⁸

Another group that is hard to quantify consists of those graduates who engage in art making practices on a part-time basis in tandem with paid employment. These people are not looking for a single ordered life-style but find fulfilment through their art practice, supplementing their income through other avenues.¹⁰⁹

ACUADS called for a more detailed study into the employment of art school graduates, 'including those... not seeking regular employment but who nevertheless make a contribution to the creative life and cultural health of the community'. Such a study should cover a longer time frame and 'identify when and how (graduates') art studies have influenced whatever occupation they have chosen to undertake'.¹¹⁰

The submission from the University of Tasmania included a longitudinal study of the employment destinations of all postgraduate students since 1983. This study shows that none of the 114 graduates is currently unemployed. Whilst the current whereabouts of nine postgraduates is unknown, the remainder are in full-time employment or full-time study. Only one postgraduate is working in a field unrelated to visual arts and craft. Thirty-six are teaching at the tertiary level, and ten are teaching at the secondary and primary levels. Eleven of the postgraduates are employed in the arts promotion field, whilst 14 are professional artists and 23 are freelance artists. A further six are undertaking further tertiary study and one was deceased.¹¹¹

The Furniture Design School at the Tasmanian School of Art submitted that since the early 1980s all furniture design graduates from the School have become fully employed as designers and have established a number of initiatives.

FINDINGS

The available data points to visual arts and craft graduates experiencing comparatively higher unemployment in the immediate post-graduation period. Longer-term employment prospects appear more favourable. There is a need for better data collection on graduate employment in the contemporary visual arts and craft sector and the wider economy.

108. Submission: ANU.

109. Submission: ACUADS.

110. Submission: ACUADS.

111. Submission: University of Tasmania.

The value of arts training

Despite some graduates experiencing difficulty in finding employment immediately in the short-term, many submitters felt that arts training received brought significant benefits to graduates and the broader community. Many submissions emphasised the value of arts training in equipping students to be part of a flexible and multi-skilled workforce.

NAVA stated the position in the following way:

...many people with arts training bring their much needed and valued skills into a range of other industry sectors. In this current climate it is the very skills of lateral thinking, innovation, adaptability, entrepreneurship, multi skilling and communication which are increasingly sought after and valued within the corporate and industrial world.

The NAVA submission expressed reservations about measuring the value of the contemporary visual arts and craft sector via standards such as employment opportunities and destinations, and acquired skill sets. The submission directly addressed what they call the 'civic benefits' of visual arts and craft education and training. These are benefits accrued by the arts and craft graduate in addition to the economic benefits of such training. NAVA claimed these wider ranging benefits are not a focus of government policy:

Governments and other policy bodies need to broaden their understanding of arts activity to embrace the arts in all its diversity instead of trying to contain it within a narrow economic mould.¹¹²

The Inquiry also noted that the emphasis on creative industries has elicited some concern about the risks of narrow training as opposed to broad education.

In the thirty schools affiliated through ACUADS, the potential of our graduates to take creative practices out into the world has never been more apparent. However, these creative industries must be seen as consisting of and formed from a nexus of history, theory, experiential learning and creative thinking. There is a great danger that short fix solutions will create a legion of technicians with little or no capacity to engage intelligently and critically with the technology they employ.¹¹³

Improving prospects for graduates and emerging artists

While participants in the Inquiry stressed the wider benefits of tertiary training in art and craft, there was a recognition that those graduates who wished to pursue a vocation in the sector faced some difficulty in the transition period between art school and a working practice.

The danger period for a graduate is the first five years after graduation where no support networks are set up for either pastoral or financial support. Artist collectives have the potential to be self-sufficient, but such groups face many pressures. Unless initial financial support is forthcoming, the difficulties impact negatively on the groups. Some institutions are attempting to fill this void with mentorship programs in various forms, for example Victorian College of the Arts and Queensland College of the Arts.¹¹⁴

Emerging artists face a large number of obstacles in becoming full-time, professional artists. Rates of attrition are high:

112. Submission: NAVA.

113. Submission: ACUADS.

114. Submission: ACUADS.

I turned to my friends, past art school students, to see where they were with their art careers and if they could advise me about how to get a one-person show. Not one of these friends had achieved the magic of being a solo exhibitor; in fact most had stopped producing art and were working in jobs quite remote from their art training.¹¹⁵

Once outside the education system, it falls to emerging artists to fund their art practice, to find opportunities to show their work, and to handle documentation such as applications for grants, tenders for work and proposals for galleries. Many artists consider that they are not prepared for the realities of life as a professional artist or craft practitioner while undergoing their training.

Art school graduates face a double dilemma: they predominantly find it difficult to secure opportunities to show their work, and they find it difficult to apply successfully for grants and other funding with no track record of (preferably solo) shows supporting their work:

...it is a great shame that emerging artists are still not supported by dealers, buyers, philanthropists, curators and arts funding bodies to the extent they need, or deserve...¹¹⁶

Assistance for emerging artists

Assistance is available for emerging artists, notably from the Australia Council, which offers grants of \$5 000 to \$10 000 through the New Work category. Assistance is also available from a range of State, Territory and local government programs. The Commonwealth Government's Young and Emerging Artist Initiative Scheme is also administered by the Australia Council and benefits organisations that assist practitioners. These programs are discussed elsewhere in this Report.

Professional practice

Concern was expressed in submissions and elsewhere that many artists consider that they are not prepared for the realities of life as a professional artist or craft practitioner while undergoing their training (which more and more frequently extends to post-graduate level):

How do you go about surviving in the real world after art school? I wish this topic had been taught as a mandatory survival course where I was at university [...] university did not equip me with the knowledge I needed to survive the transition from art student to professional artist. Let alone did art school teach me how to get an individual exhibition or a studio, write submissions, apply for grants and cope with all the other factors that are a daily part of an artist's professional life.¹¹⁷

and:

the visual arts/craft institutions and infrastructure needs a revamp and a change in artistic educational direction. Students coming to Roar may have potential talent, but on the whole are poorly equipped for the realities of making a living from their art. I refer specifically to presentation, administration and marketing.¹¹⁸

115. D. de Williams, 'How I got my first solo exhibition', from *Artists Talk*, West Space, 2000, page 32.

116. Submission: Roar Studios.

117. D. de Williams, op. cit., page 31.

118. Submission: Roar Studios.

Although many undergraduate courses offer professional practice units covering such topics as performance expectations, small business practice, information about funding opportunities and how to prepare promotional material,¹¹⁹ these courses (although they may be compulsory) are not necessarily undertaken, or undertaken fully by all students enrolled, for a variety of reasons. Some submitters have expressed concern that students may not be interested in studying business practice while busy with art study, and that opportunities to do so will always have to compete against students' desire to develop their art practice.

It has also been suggested that less than enthusiastic attitudes towards business training may have to do with the fact that even those institutions providing visual arts and craft training may consider it unlikely that many of their graduates will have the opportunity to practice as a full-time artist:

Art courses generally do not set out to enable their students to make a living on their art. The assumption is that this is so unlikely that little attempt to shape a course to achieve this end is made [...] matters of quoting, scheduling, commissioning, procedures, contract, copyright, moral rights, client psychology, subcontracting etc. are not taught [...] leaving potentially talented and successful students without the basic business knowledge to conduct an art practice ...¹²⁰

However, art schools have to negotiate various students' interests, and various requirements placed upon them by their parent institutions, and have finite budgets with which to do so. They may not be able to ensure that every student actually undertakes business training, or that such courses are as comprehensive as some users would like, nonetheless many tertiary institutions and other training bodies do offer professional business training. A further stumbling block is that on occasion the marketplace may evolve faster than the curriculum, with new business situations arising for which students have not been trained.

The Inquiry was informed that ACUADS and NAVA are considering collaborating to develop a standardised, national curriculum for professional practice units.¹²¹

Submissions stressed the need to provide young and emerging artists with mentors, who are established visual arts and craft practitioners employed and/or practising outside the tertiary sector. The Inquiry believes that mentors can provide the emerging art or craft practitioner with a range of experience and contacts in the field.

The SA Youth Arts Board¹²² and ACUADS¹²³ identified the need for mentoring and training to support and nurture young visual artists on completion of their tertiary study. This should also include networking opportunities through residencies and free membership to professional and other associations.

119. Submission: ACUADS.
 120. Submission: Association of Sculptors of Victoria.
 121. Submission: ACUADS.
 122. Submission: SA Youth Arts Board.
 123. Submission: ACUADS.



FINDINGS

Tertiary training in visual art and craft can equip graduates with a wide range of marketable skills. However, graduates seeking work as artists can face difficulties in the early years after graduation.

The provision of support to young and emerging artists in their practice is an investment at a critical stage in their careers.

The incorporation of professional practice units in courses is being jointly encouraged by the sector and the training institutions to assist graduates to successfully operate an arts practice on a business footing.

The Inquiry believes the mentoring of young practitioners by established artists is an effective means of developing emerging artists and helping them build their practice and networks. Skills transfers and mentoring remain of significant value through the careers of contemporary visual arts and craft practitioners.

The Inquiry was presented with strong arguments about the cultural and economic value of tertiary education in the arts. The Inquiry did not see any evidence that graduate numbers are having a detrimental effect on the sustainability of the sector in terms of its artistic vibrancy, creativity or innovation. The Inquiry does not believe there is a case for a significant overhaul of tertiary education in the arts in terms of the number of schools, courses or places on offer, or that limits should be placed on enrolments.

RELATIONSHIP BETWEEN THE ARTIST AND THE COMMERCIAL GALLERIES

The commercial galleries are an important and integral part of the contemporary visual arts and craft sector. Most established artists have been supported and nurtured by commercial galleries. However, it is quite unusual for an emerging artist's work to be taken on by a commercial gallery—such a show would generally be regarded as too high a risk. Visual artists and craft practitioners are often aware of this situation, and many would not consider approaching commercial galleries. Should an artist be successful in gaining an opportunity to show their work, there are a number of different arrangements that might be instituted.

For visual artists, it is most common to have full gallery representation, where the gallery acts as the artist's exclusive representative in the market. In contrast, for craft practitioners, it is common for there to be multiple gallery and/or retail outlet representation.¹²⁴

Selling-on consignment is the most common arrangement for the sale of both visual art and craft. If the work is sold, the seller claims a commission, and the remaining proceeds of the sale are remitted to the artist. The alternative to consignment is for the seller to purchase the work outright from the artist.¹²⁵

While consignment arrangements are the most common commercial arrangement for the sale of contemporary visual arts and craft, the levels of service provided to the artist and the type of promotional activities undertaken by the gallery vary. They range from full gallery representation, to a single exhibition promoted by the gallery, to work held for sale in the stock room of a gallery or shop floor of a retail outlet. In some circumstances, services provided to the artist may involve a combination of the above.¹²⁶

A recent development in Australia is for some established artists to be represented by arts managers. The role of an arts manager varies, and can include providing financial services, acting as an advocate and negotiator for the artist with the commercial galleries, and providing a salary to the artist during the production phase. While this is not yet a common practice, this form of patronage has the potential to provide much needed support to emerging artists seeking commercial sales and promotion of their works.

The role of the commercial galleries, dealers, auction houses and other participants in the sale and promotion of works of contemporary visual arts and craft is discussed elsewhere in this Report.

124. VAIGRP, *The Code of Practice for the Australian Visual Arts and Craft Sector*, NAVA, Sydney, 2001, p. 19.

125. *ibid.*

126. *ibid.*

Commission levels

Artists are reliant upon their own efforts and resources when negotiating with commercial operators, which can lead to a disparity of bargaining power between the artist and the commercial gallery or dealer.

One area of disputation is the level of commission charged by commercial galleries on sales of works of visual art and craft. The commission rate charged by commercial galleries generally varies from 33 per cent to 40 per cent, and in some cases reaches 50 per cent. An artist may also be expected to pay many of the costs associated with having an exhibition at a gallery, and some galleries may take a proportion of a commission or prize that an artist wins.¹²⁷

A submission from a group of art practitioners indicated that when combined with the GST, commission fees are excessive, and place a burden on the artist seeking to exhibit. Further, galleries are not obliged to cover exhibition costs:

These costs place an enormous burden on the artist and in effect mean that an artist is now responsible for partially funding their own exhibitions. In terms of gallery representation the gallery is under no obligation to guarantee that they cover the artists costs associated with an exhibition through the sale of artworks.¹²⁸

On the other hand, commercial galleries submitted that commissions on sales are low in Australia compared with other countries.¹²⁹

To address the sector's concerns in this area, the Visual Arts Industry Guidelines Research Project (VAIGRP) released a voluntary industry Code of Practice in 2001 (the Code).¹³⁰ The Code is intended to set 'best practice' standards for relations between visual artists and craft practitioners and the commercial sector, including commissions.¹³¹

Adoption of the Code is voluntary. It is also too early to predict the impact that the Code will have on the contemporary visual arts and craft sector. If the sector chooses to adopt the Code, the impact may be significant.

Trust accounts

As discussed above, commercial galleries are not generally required to purchase stock, as artists often leave works of art for sale with the gallery on a consignment basis. Galleries receive payment for works sold, and in turn, make payments to artists for the original work. Thus, there is a period between the sale of the work, and the later payment of the artist, when the gallery has complete control over the payment received for the work. Evidence presented in submissions indicates that while some galleries consistently pay artists promptly, other commercial galleries use the revenue from sales of works as working capital.

127. Submission: Sandra Cook, Michael Nicholls, Mitch McAuley, and Bronwen Colmen.

128. *ibid.*

129. Submission: Utopia Art and the Watters Gallery.

130. VAIGRP was a collaborative project of the Power Institute at the University of Sydney, NAVA, the Australian Centre of Industrial Relations Research and Training (ACIRRT), the Art Gallery of New South Wales, Simpsons Solicitors and the School of Economics and Finance at Macquarie University.

131. VAIGRP, *op. cit.*

Submissions suggested that a solution to this problem would be to require commercial galleries to operate trust accounts for their artists.¹³² Payments received for the sale of a work of art should be placed in the trust account, and payments would then be made from the trust account to the artist, and the commission from the sale paid to the gallery. Some galleries have indicated a willingness to operate trust accounts.

Nevertheless, a number of commercial galleries oppose the introduction of trust accounts. In its submission, the Painters and Sculptors Association noted some galleries argue that:

... the relationship between the gallery and the artist is on the basis of trust and to bring in financial and legal restrictions, [would] destroy that relationship.¹³³

The counter argument made in submissions is that the relationship of the artist with the commercial gallery will not necessarily deteriorate as a result of more clearly articulating the relationship between the parties.¹³⁴

The Code states that payment to the artist or craft practitioner should occur within 30 days of receipt of payment by the seller. The Code also states that:

The proceeds of a sale minus the seller's commission should be lodged in an account separate from the seller's funds. Payments to the artist/craft practitioner should be disbursed from this account. The funds in the account should not be used for any other purpose.¹³⁵

The Code also protects the interests of the artist by recommending that payment in full within 30 days is to be preferred to payment by instalments.¹³⁶ Further, the Code makes suggestions in relation to consignment receipts and annual stock take.¹³⁷

FINDINGS

Whilst acknowledging that agreements between artists and galleries vary, the VAIGRP Code of Practice sets industry standards for commissions which may standardise practice for the benefit of all parties.

The Inquiry notes that some galleries operate trust accounts on behalf of the artists represented by the gallery. This practice may become more widespread as galleries may elect to operate trust accounts to attract and retain artists. This practice is also endorsed in the VAIGRP Code of Practice. The Inquiry believes there is value in operating trust accounts, and commends both the Code and the practice in this regard.

132. Submission: Painters and Sculptors Association.

133. *ibid.*

134. *ibid.*

135. VAIGRP, *op. cit.*, p. 24.

136. *ibid.*, p. 23.

137. *ibid.*, p. 21.

ARTISTS' FEES, LOAN FEES AND EXHIBITION FEES

One source of income for visual artists and craft practitioners is payment associated with the exhibition and public display of their works. There are three types of fees: artists' fees, loan fees and exhibition fees.

The first two types of fees, artists' fees and loan fees, are based upon the principle that artists have an ongoing interest in the exhibition of their works, and that artists should receive some benefit from the temporary exhibition of their works in public spaces. Artists' fees may be paid to an artist for participating in a temporary exhibition. They are usually a payment for the display of a work owned by the exhibiting institution. Loan fees are fees paid to artists for the display of their works of art or craft in an exhibition where the artist retains ownership of the works.

In addition to artists' fees and loan fees, a third type of fee may be paid to artists according to the professional services provided by the artists towards the exhibition. Exhibition fees are paid to an artist in compensation, either partial or full, for the costs incurred by the artist in relation to the exhibition. Costs include time, effort and materials used to produce the work of art, in situations where the work was created specifically for the exhibition. Other fees that may be paid include accommodation and flight costs for the artist to create, recreate, install or simply attend the exhibition.

Currently, the payment of fees in Australia is reliant upon voluntary arrangements, and consequently the level and method of payment varies for artists' fees, loan fees and exhibition fees.¹³⁸ Some visual artists receive loan fees for exhibitions of their work, in the form of an honorarium, under licensing agreements.¹³⁹ However, the Inquiry is aware there is no uniformity of practice.¹⁴⁰ There are also circumstances where the value of the artist's fee will be put into the cost of the installation process, a cost that will often be borne by the artist.

Australia Council policy

The Australia Council has supported the principle of artists' fees over the last 30 years. Over that period, a number of models were developed for the payment of artists' fees, loan fees and exhibition fees. In 1983, the Visual Arts Board decided that it should put in place a policy stipulating that organisations supported by Operational Grants (the equivalent of today's Triennial Grants) should pay exhibition participation fees to artists. An exhibitions fee schedule was established by the New South Wales Artswomen's Union, and this schedule was endorsed by the Visual Arts Board and recommended in principle to the Contemporary Arts Spaces.¹⁴¹

The schedule was published in the Visual Arts Board Programs of Assistance booklet from 1986 until 1996, and any organisations applying for funds to develop an exhibition were expected to use the Schedule to develop a budget for artists' fees and art loan fees.¹⁴² During this time it became common practice for additional funding to be allocated by the Visual Arts Board for artists' fees.

138. For more information, see S. Simpson, *The Loan of Work for Public Exhibition*, Simpsons Solicitors, Sydney, p. 2, at www.simpsons.com.au/library/documents/visarts/visarts89/5/loanofw.pdf.

139. Information provided by the Chair of the Visual Arts/Craft Board of the Australia Council, 3 December 2001.

140. VAIGRP, op. cit., part 1.2.

141. K. Brown, *Review of the Visual Arts Board's Program of Assistance for Contemporary Arts Spaces*, Australia Council, 1985.

142. Australia Council, *Visual Arts/Craft: 1994–96 Programs of Assistance*, Sydney, 1994.

In 1996 the Schedule of Fees was dropped from the new Council-wide Handbook. Since that time, artists' fees have not been a formal requirement for triennial funding arrangements. Nevertheless, artists' fees are still usually a component of budget estimates submitted to the Council as part of applications for grant assistance.

The current policy statement issued by the Australia Council regarding artists' fees is found in their *Support for the Arts Handbook – 2002*:

The Australia Council aims to ensure that artists employed as a result of a grant receive pay and conditions appropriate for their work and professional skills. Pay scales and conditions are often prescribed by industrial awards and agreements, such as those monitored by the Media, Entertainment and Arts Alliance. In other cases, artist organisations such as ... the National Association for the Visual Arts recommend appropriate pay rates. Where an award or an industry standard clearly applies, applicants must comply with those rates of pay.¹⁴³

As yet, there is no current Schedule of Fees to guide organisations in the payment of artists' fees, exhibition fees and loan fees.

Voluntary Code of Practice

The VAIGRP Code of Practice does not include schedules of artists' fees, loan fees or exhibition fees. However, the Code does include guidance for artists loaning their works to galleries for exhibition, and checklists for contracting.

The Code emphasises the importance of loan fees, artists' fees and exhibition fees as a source of income for artists, and exhorts all exhibitors to pay adequate fees to artists. Specifically, the Code states that fees payable to artists should include one or more of the following, depending upon the particular circumstances:

- artists' fees for costs associated with promoting the exhibition, openings and private views, installation and transportation of art works;¹⁴⁴
- loan fees for the loan of existing works; and
- exhibition fees for the labour costs associated with the creation of an art or craft work, including ephemeral work such as audio-visual and performance art, where the artist or craft practitioner creates, installs or presents the work on-site, and fees for associated lectures, talks, curatorial and administrative work.

As this Code was only released last year, it is difficult to predict the extent to which industry practice will be altered as a result. It is possible that the entitlements of artists to payment of exhibition fees will be standardised to some extent if schedules of artists' fees; loan fees and exhibition fees are incorporated into the Code in the future.

^{143.} Australia Council, *Support for the Arts Handbook – 2002*, Sydney, 2002, p. 12.

^{144.} VAIGRP, op. cit., part 1.2.

Compliance

The Inquiry considers it appropriate for the Council to consider reinstating the requirement for fees to be paid by recipients of Australia Council funding for exhibitions. While Contemporary Art Spaces voluntarily pay exhibition fees in most cases, standardised practice and a schedule of fees to ensure artists receive adequate remuneration is desirable.

The Inquiry is of the view that the Australia Council should assume responsibility for the formulation of a schedule of fees. Funding needs to be made available to organisations by the Council as part of their grants to facilitate compliance with the Schedule for artists' fees, loan fees and exhibition fees.

Models for payment

A number of models for artists' fees operate overseas which could be considered by the Australia Council when developing a Schedule of Fees tailored for the Australian contemporary visual arts and craft sector. The Arts Council of England prescribes minimum payments for artists' fees and loan fees.¹⁴⁵

Another model for fees is the schedule published by the Canadian Artists Representation Le Front Des Artistes Canadiens (CARFAC).¹⁴⁶ The schedule contains a range of rates, including:

- artists' fees for participation in either a temporary exhibition or a permanent collection;
- artists' fees for exhibition of a reproduction of a work; and
- exhibition fees to compensate artists for consultancy services provided to assist the exhibition.¹⁴⁷

FINDINGS

Artists' fees, loan fees and exhibition fees are an important source of income for contemporary visual artists and craft practitioners.

To the extent that the VAIGRP voluntary Code of Practice is adopted by the sector, the Code should operate to reinforce the importance of paying loan fees to artists for exhibitions.

The Australia Council should recognise the importance of artists' fees, loan fees and exhibition fees as sources of income for individual artists by formulating an appropriate schedule of fees. Funding needs to be made available to grant recipients to ensure the capacity to pay fees to artists.

145. Information provided by the Arts Council of England, 27 February 2001.

146. CARFAC is the federally certified representative organisation for professional media and visual artists in Canada.

147. CARFAC, *Minimum Copyright Fee Schedule 2002*, at www.carfac.ca, pp. 3–5.

THE INDIVIDUAL ARTIST AND NEW TECHNOLOGY

It has been widely noted that Australians, generally, and visual arts and craft practitioners, specifically, have proved to be early adopters of new technology.¹⁴⁸ Because of this early and eager adoption of new technology by artists, it has become a driver for change in the sector, both in terms of art practice, the exhibition of artworks, and their conservation. New technology is also used extensively as a design tool for non-technology or screen based artforms:

The visual arts sector is exemplary in promoting and articulating the value of questioning, critical activity, alternative ideas, innovation, research and creativity. The importance of experimentation without foreseeable outcomes is an important area of artistic practice, akin to 'pure' research in an academic context. Artistic research is self-critical: when artists do what they do, they also comment and enquire as to the nature, value and function of what they do, forming, proving and disproving hypotheses...artists, and the forms and ideas they generate, impact upon other professions — design, architecture, publishing, advertising, IT, etc. Artists are 'early adopters' as well as 'adaptors' of new technologies, new cultural discourses, new ways of seeing the world.¹⁴⁹

Kathy Cleland described the role of new technology as a driver for change in her article 'Australia's new media arts: going the distance':

...the convergence of telecommunications and audio-visual and computing technologies has initiated a new virtual arena for artistic expression and exhibition giving artists the opportunity to gain instant and ongoing feedback from a global audience...¹⁵⁰

The use of new technology by artists and audiences causes a reconsideration of the nature and meaning of art, and opens the way for new interpretations and expressions of art, just as the technological advances in art practice have in the past (for example, the development of lithography, or photography).¹⁵¹

Forms of new technology presently being adopted by Australia's contemporary visual arts and craft practitioners include communications technology; biological, chemical, natural and scientific processes; and sound engineering.¹⁵²

Exhibiting on the Internet is a readily available way for artists to gain and maintain international reputations, as the Internet is accessible by users worldwide, and removes the restrictions of distance which apply to traditional artworks. Australian artists, such as the poet Mez (Mary-Anne Breeze) and Melinda Rackham, have gained international reputations through their Internet-based works.

148. Submission: Australia Council New Media Arts Board (NMAB).

149. Submission: 200 Gertrude Street.

150. K. Cleland, 'Australia's New Media Arts: Going the Distance', 2001.

151. Submission: NMAB.

152. *ibid.*

New technology and craft

What is craft? Can craft interface with computer technology? Reflecting on the crafts we usually think of ceramics, glass, textiles, woodwork, etc., certainly not of new technologies. But every now and then we experience a paradigm shift—such as the rise of studio craft in the second half of the 20th century. Now at the close of the century we are facing the advent of a new breed of craft—virtual craft.

Craftspeople are emerging from their potters wheels, looms, lathes and workbenches and playfully engaging with that new, (for some of us) mysterious tool—the computer. The result is a hybrid art form with elements from both worlds: laser cut glass objects; World Wide Web woven textiles; ceramic 3D rendering; vessels in stereo lithography and rapid prototyping; mathematically mediated woodwork, etc.¹⁵³

The Inquiry understands that many craft organisations face financial restrictions with regard to acquiring hard and software, which restricts their ability to adopt new technology. However, this should not be taken to indicate a reluctance to use new technology in craft practice.

The term ‘virtual craft’ has been used to describe craftworks designed and displayed on the Internet. This process is similar to that used by digital artists. However, the philosophy and techniques of virtual craft have their origins in the craft sector. Virtual craft is a valuable research and development tool for craft practitioners, and is similar to new media and new technology based art in that it can be viewed as a sort of incubator or think tank for new ideas and techniques.

Craft can be constructed on the Internet which could never be constructed or used in real practice, or which would otherwise be too complex or expensive to produce, or whose finished product may not have a paying market. Such a method for producing prototypes quickly and comparatively cheaply can be invaluable as a part of craft practice and innovation, particularly for those practitioners often involved in producing commissions.

However, many craft practitioners and craft organisations are often prevented from deriving the fullest benefits from working with technology for several reasons. Investment in equipment and software is expensive, and as computer aided design packages improve, they require computers with larger, faster data processing capabilities. Networking is another option that can be advantageous for craft practice, but is again expensive and needs maintenance.

An additional difficulty expressed by submitters was the availability of reasonably priced training for craft practitioners, who may be extremely skilled at their craft, but who may need extensive training in order to benefit fully from computer aided design and similar packages. Also, while some craft practitioners may be able to access entry level training comparatively easily, the explorative and experimental nature of their work may lead them to require more specialised—and costly—training later on.

153. K. Murray, ‘Craft is dead, long live craft!’ site (www.lexicon.net/cid/slow.htm) April 2002.

High technology

...the more technically sophisticated new media art wants to become, the more it will rely on access to the equipped and funded projects of scientific research. And perhaps in the grab for cash, science may see art, specifically art that participates in an aestheticisation of science, as its necessary partner...¹⁵⁴

Perhaps more than any other field of art, by virtue of its newness, art based on new technology contains a strong scope for research and development projects. The combined effect of rapidly developing technologies and artistic innovations has led to some highly experimental projects. However, these projects are not only attracting interest because of their strong artistic aspects, but also because of their capacity for cutting edge scientific, computing and communications research.


Some projects have taken the arts directly into the field of science research and development, for instance, the Tissue Culture & Art and SymbioticA projects. These projects, which rely on the kind of high-end technology that no individual artist could ever afford to own, allow not only the artist to extend their oeuvre, but provide a valuable opportunity for technology owning companies to gain input from artists into their research. A number of companies have incorporated arts aspects into their research and development (R&D) programs.

Some examples of such R&D opportunities have included Horst Kiechle's work as artist-in-residence at the CSIRO's Division of Mathematical and Information Sciences in 1998, developing virtual environment technology as a means of displaying and interacting with data.

Oron Catts and Ionat Zurr's project, Tissue Culture & Art, is carried out in conjunction with the tissue culture laboratories of the Department of Anatomy and Human Biology at the University of Western Australia. Their work also resulted in an invitation to work at Harvard University with Professor Joseph Vacanti, a leader in the field of tissue engineering. The artists' work has major implications in the fields of bio-artificial organs (growing spare body parts) and xenotransplantation (the transplantation of animal organs into humans).

Their work, and that of others in the field, has resulted in the creation and exhibition of sculpture which incorporates living tissue grafted onto artificial supports (including the Pig Wings Project, the Semi-Living Worry Dolls installation, and the Fish and Chips bio-cybernetic R&D project by SymbioticA). This raises a number of ethical questions both in the arts and scientific communities about the treatment of living tissue¹⁵⁵. As these artworks are living, literally, ethical questions exist regarding their storage, disposal and status. Due to the R&D, or experimental nature of these works, they are able to act as a bellwether, in effect raising these issues in the community before they become common practice in the medical community.

154. A. Munster, 'Collaboration, Intersection or Hybridisation? Interfacing Art, Science and New Media', 21 (3) *Artlink*, Sep 2001, p. 19.
155. O. Catts, and I. Zurr, 'The Pig Wing Project', Tissue Culture & Art Project, at www.tca.uwa.edu.au/pig/pig.html.



Australian artists such as Josephine Starrs, Margaret Crane and Jon Winet have participated in the Xerox Palo Alto Research Centre Artist-in-Residence Program, established by Xerox in 1993, and intended to allow artists to access new technologies in order to develop their practices and to further dialogue between artists and scientists. Microsoft Research also employs artists as part of its Virtual Worlds program, which aims to develop multimedia technology and is worked on by artists, engineers and social scientists.¹⁵⁶

International corporate collaborations are also useful in other ways. Stephanie Britton, in her *State of the Art Paper*¹⁵⁷ said:

There are just not enough opportunities in Australia to see fully developed works using new and often very expensive technology and so far we do not have the backers that exist in Europe and America to fund individuals or groups on a long-term basis to develop works of sufficient complexity to convince the public and in turn other backers that this stuff is worth paying for.

One suggested solution to the difficulties regarding access to new technologies is the initiation of a brokering arrangement whereby an agency could process applications by artists or organisations to access technologies which could be leased (rather than loaned) by major providers:

Short life spans for modern technologies demand innovative solutions. For example, is it feasible for the brokering of advantageous agreements with the software and hardware manufacturers by government on behalf of the arts industry—hardware and software for primary research at heavily reduced subsidies? If it was, then this would send a signal of Australia's commitment to engage fully with the new technologies and also assist arts organisations with audience development.¹⁵⁸

Indigenous aspects

The Australian Network for Art and Technology (ANAT) inaugurated a National Indigenous Summer School in New Media Art (NISNMA) in July 1999 at the Northern Territory University in Darwin—14 Indigenous artists were selected to participate. The School aims to expand opportunities for Indigenous artists in the field of art and technology, and to provide access to training, hardware and software in order to assist in the development of digital arts practices. ANAT plans to hold a second NISNMA in 2002.

Subsequent to the School in 1999, ANAT initiated a residency program in 2000 with the aim of creating further development opportunities for those artists who participated in the School. In 2000, there was a residency at 24hr Art in Darwin (Jason Davidson), and in 2001 at the Contemporary Centre of Photography (Christian Thompson) and with the Hermannsburg Potters (Jenny Fraser).

156. J. Rimmer, *Clash of Cultures* →→→ *New Partnerships* →→→ *Innovation*, Presentation to the 3rd meeting of the Prime Minister's Science, Engineering and Innovation Council, 25 June 1999.

157. S. Britton, *State of the Art Paper*, 1997, at www.kitezh.com/bc/bcbrittn.html (cited 5 December 2001).

158. Submission: Artspace Mackay.

It has also been noted by submitters that:

...the same prohibitive cost of materials and limited access to facilities impacts upon most Indigenous students wishing to undertake tertiary arts institutions, not just those wishing to work with digital media and new technologies. Also, while artists may participate in courses such as the NISNMA, there may not be access to facilities upon completion of such courses and return to their communities. ..partnerships could be established between corporate and public industry, e.g., Apple Computers (for example), the Australia Council and ATSIC, etc...¹⁵⁹

As new technologies have implications for arts organisations as well as individuals, proposals and recommendations are discussed in the Chapters *Strengthening the infrastructure* and *Resourcing the sector*.

FINDINGS

Australian artists have embraced new media arts and have achieved international standing in this field. The growth and prosperity of new media arts contributes substantially to a culture of innovation. There is a need for greater access to technology for artists, craft practitioners and audiences.

The private sector must be encouraged to continue to collaborate and cooperate with new technology artists and craft practitioners. Research and development is an essential element of this field.

159. Submission: Brenda Croft.

FUNDING FOR ARTISTS

Individual visual artists and craft practitioners may receive direct support through the grants programs of the Australia Council and the State and Territory arts funding agencies. Grants to individuals are a well established and important part of any broadly balanced program of visual arts and craft support.

Government funding delivered to organisations also supports individual artists. Artists benefit from artist services organisations and exhibition development centres such as the craft and design and contemporary arts organisations. These organisations and the artists work in symbiotic and synergistic ways.

Nonetheless, governments have long recognised that, in order to achieve national cultural objectives, individual artists need direct government support as a supplement to, or in place of, commercial market activity. It is also recognised that this form of government support may be needed at various stages throughout their careers:

- as emerging artists, when opportunities to make money from art are few and far between;
- when further developing a career both nationally and internationally; and
- when established, to undertake projects which are artistically or professionally challenging and potentially commercially risky, or to represent Australia in international events and exhibitions.

Grant programs for individuals fall broadly into the following categories:

- *the creation of artworks* (including the purchasing of equipment to make artworks);
- *the presentation of artwork* (including the writing and publishing of catalogues and monographs); or
- *creative and professional development* (including interstate and overseas travel for exhibitions, education and other opportunities).

Funding for emerging artists

As previously discussed, after graduation an artist will often face difficulties in the transition to professional practice. There are programs that support emerging artists in most government arts funding agencies. Most States and Territories provide support for emerging artists for travel costs to take part in interstate exhibitions, to develop complex artworks for exhibition, to work in a mentor/trainee relationship with established artists, and for materials and equipment to make work.

Programs supporting emerging artists tend to offer smaller grants. For example, the Australia Council's VACB's New Work – Emerging category offers grants of \$5 000 to \$10 000 (as distinct from New Work – Established which offers grants from \$10 000 to \$20 000). In 2001, the VACB offered grants to 14 emerging artists through the New Work – Emerging category (it also supported emerging artists through the Skills and Arts Development category and through the Young and Emerging Artists Initiative). Half of the grants were for \$10 000, the rest were in the \$8 000–\$9 000 range with the exception of one for \$5 000.

The projects supported were generally for the creation of work for exhibition. Media supported included sculpture, ceramics, photography, interior design, video, jewellery and machine-generated drawing.

Notwithstanding the special programs developed to support them, emerging artists appear to continue to have difficulty in making persuasive cases for funding. A small survey of the VACB's support for emerging and established artists in the New Work category indicates this. As shown, established artists are currently more than twice as likely to make a successful application than an emerging artist.

Table 3.8 New Work Category – emerging and established application success rates, 1999–2001

New work emerging				
	Applications	Successful	Success rate %	Granted
1999	190	16	8	\$145 880
2000	212	21	10	\$184 042
2001	135	14	10	\$128 521

New work established				
	Applications	Successful	Success rate %	Granted
1999	282	37	13	\$611 955
2000	258	38	15	\$691 840
2001	196	43	22	\$812 570

Source: VACB Assessment Reports 1999, 2000 and 2001

Often emerging artists (and established artists) just need a small amount to assist in putting on an exhibition. In a special arrangement involving the Australia Council and philanthropist, Pat Corrigan, NAVA is funded to offer Pat Corrigan Grants of up to \$500 per grant (\$25 000 per year is distributed in an average year) to individuals to assist with the costs associated with exhibiting artwork.

At the other end of the financial scale is another successful private–public funding partnership, the New South Wales Government's Helen Lempriere Travelling Art Scholarship, which offers \$40 000 each year to an emerging visual artist to study art overseas for one to two years. It is part-funded by the Helen Lempriere Bequest, administered by Perpetual Trustees, which donates \$25 000 to each scholarship. The University of South Australia manages the Anne and Gordon Samstag International Visual Arts Scholarships which provide US\$28 000 plus airfares and institution fees to an average of eight emerging artists per annum to undertake international post-graduate opportunities.

Funding for established artists

The needs of established artists are different and perhaps more complex than those of emerging artists. Many highly respected artists never interact successfully with the art market. Those artists will earn money in other ways, sometimes art teaching, often earning money in areas totally unrelated to art practice. Therefore, government support to make artwork can be a great benefit to their professional practice. The ABS' *Survey of Selected Cultural Industries* found that in 1997 more than 500 000 Australians received some form of payment for art making activities. On hearing this, one anonymous but very established artist, who has exhibited across Australia and internationally for over three decades, declared: 'and I wasn't one of them'.

Established artists will often need support for travel, creation of artwork for exhibition and for materials and capital equipment. Commercially successful artists may also need support for 'time-out' assistance to redevelop and renovate their art practice without being overly concerned about commercial reaction to a sustained period of experimentation. They may also need support to develop international market opportunities.

For these reasons the amounts granted to established artists tend to be larger. Established artists can receive direct financial support from programs offered by all States and Territories and from the Australia Council through the VACB's New Work; Skills and Arts Development; and Fellowships programs. Depending on the work they make, they may also be eligible for support from the non-artform specific Boards of the Australia Council—including the Aboriginal and Torres Strait Islander Arts Board, the Community Cultural Development Board and the New Media Arts Board.

Not all artists and craftspeople need grants. In 1997, Clare Bardez and David Throsby addressed the issue of low application rates in the report *Similarity and Difference: Craftspeople and Visual Artists in Australia*. They found there were a number of reasons why craftspeople applied less frequently than visual artists, including:

The tendency of craftspeople to be more established, to receive a more secure and somewhat higher income from their creative work, and to be more focussed on a regular work pattern in producing their continuing creative output, may diminish to some extent their desire or need to seek financial assistance or time out from the normal professional routine.¹⁶⁰

However, often leading established artists will benefit from extended support to facilitate a fundamental development or even change of direction in their career paths. The Australia Council's Fellowship category supports artists simply to 'create new work and further develop their practice' with a two-year grant totalling \$80 000.

New work

The New Work category is the VACB's main grant mechanism for supporting individuals. The VACB gave 60 New Work grants in 2000–01. The Board received 470 applications for New Work grants in 2000. One in eight applications were successful.¹⁶¹

160. C. Bardez, and D. Throsby, *Similarity and Difference: Craftspeople and Visual Artists in Australia*, Australia Council, 1997.

161. Applications received and success rates are from the VACB's 2000 Assessment Reports.

The New Work category is popular and effective in making grants to artists so that they have either the time or are able to purchase the material (or both) to create the artworks they wish to make. Even a successful artist can feel ‘trapped’ by market expectations. A New Work grant can allow a successful artist the time to redevelop and reinvigorate their practice or it can just give them the necessary support to create something they would otherwise not be able to.

The highly competitive nature of the program is evident from the one in eight success rate of applications. An increase in funding for this category would be an effective way of supporting Australia’s talented visual and craft artists.

Development

The Skills and Arts Development category generally interprets ‘professional development’ to be ‘international opportunity’. Some writers and artists are supported to work on projects that will occur without travel generally for a sector professional development benefit (i.e. critical history project). Most recipients are taking advantage of international opportunities either provided by the offer of an exhibition or similar (often applied for ‘out-of-time’) or by the offer of a short-term residency in one of the VACB’s international studios. International studios in America, Europe and Asia are managed by the VACB and are generally offered to applicants on a three-month basis. These are provided with a grant to cover living and travel costs. The Board received just under 400 applications for Development grants in 2000–01. One in seven applications were successful.

In 2001, \$1 015 303 was allocated through the Development category, of which 91 per cent was for international activities.

The International Studio Program is a circuit of ten managed artist’s studios in some of the largest cities in the world, including Tokyo, New York, London, Paris and Berlin. Through the Skills and Arts Development category the VACB will, in a typical year, support dozens more artists to undertake international projects that are not associated with the International Studio Program. Many of these are projects developed over many years. The Development category also supports artists and craftspeople as well as arts writers and curators, to undertake projects that will take place in Australia, if the main focus of those projects is the professional development of the artist, writer or the curator.

The Inquiry agrees that a program supporting overseas travel and opportunities for artists is valuable in terms of delivering benefits to both individual artists and in increasing knowledge of Australian culture internationally. However, the current Overseas Studios program is very expensive to maintain and involves ever increasing lease costs. Lease costs in the 1990s increased by 188 per cent, 150 per cent above the Australian CPI.¹⁶² This increased cost has had an impact on the ability of the category to support artists. In 2001, the cost of studio leases was \$379 593—this accounted for 37 per cent of funds distributed from the category. The previous year the studios accounted for 32 per cent of the total funds distributed. The Australia Council may wish to explore options for benefaction in the leasing of overseas studios.

The Inquiry notes that from 2001 the Development category was also open to organisations and this has created an even greater pressure on the budget of this category.

162. Based on the costs of studios in 1989–91 (averaged into one year) and the costs of studios in 1999–2001 (averaged into one year)

Out-of-time/Quick response funding

Often the amount of funding to successfully achieve an objective can be quite small. It is often the case that overseas opportunities arise quickly and to take advantage of them government departments need to respond to initiatives quickly. The Australia Council has an 'out-of-time' grants facility which allows quick turn around assessments of applications for international activities. Similar State-based grants for artists can be just as effective for small amounts. For example, the Arts NT's Skills Development program and the Arts SA's Invitation at Short Notice Program support artists to travel interstate or internationally at little notice. Arts Qld advertises that all of its programs (with the exception of Cultural Infrastructure) have quick response components for small grants, meaning that applications for activities requiring funding of less than \$5 000 can be submitted at any time throughout the year.

Sometimes small amounts of money will have a large impact. An example is that through the out-of-time function in 1996, Ken Unsworth received \$4 700 to exhibit in Poland—this then led to the *Construction in Process* exhibition in Melbourne in 1999 (also funded by the VACB) which has led to many younger Australian artists undertaking further international exchanges and receiving invitations to take part in exhibitions in Europe. Small grants can thus be instrumental in furthering the careers of the successful applicants but also be important in terms of ensuring exchange between artists of different nations and knowledge of artistic development from and to Australia.

Fellowships

Fellowships grants are provided to senior or highly established artists to continue artistic and professional development opportunities for a sustained period. Recipients receive \$40 000 per year for two years to cover living, development, artistic, exhibition, documentation and promotion costs. Successful artists tend to have a series of activities planned that fundamentally need sustained funding for successful completion. In 2000–01, of 28 applications received, four were successful.

Since the category was first offered in 1996, 27 Fellowships have been awarded to the following esteemed visual arts and craftspeople: Howard Arkley, Eugenie Bell, Gordon Bennett, Les Blakebrough, Marion Borgelt, Aleksander Danko, Domenico De Clario, Nola Farman, Fiona Foley, Dale Frank, Victor Greenaway, Gwyn Hanssen Pigott, Timothy Johnson, Narelle Jubelin, Johannes Kuhnen, Janet Laurence, Ewen McDonald, Tracey Moffatt, Nicholas Mount, John Nixon, Susan Norrie, Robert Rooney, Julie Rrap, Hossein Valamanesh, Elsje van Keppel, Margaret West and Anne Zahalka. For many of these artists, the opportunity of creative experimentation without having to worry about their financial situation for the two-year fellowship period was a great boost to their careers.

Many of these artists will have also indirectly benefited from Australia Council support for projects by craft and design centres and contemporary art spaces and touring agencies, and if their dealers (commercial galleries) or Craft Australia have represented them in an international craft or visual arts fair as part of the marketing strategy of the Audience and Market Development Division. Howard Arkley, for example, was chosen to be the 1999 Australian representative artist at the Venice Biennale.

The Inquiry considers the Fellowships category to play a vital role in supporting established artists and craftspeople, acknowledging that their financial status is still fragile. It also notes that the category has not increased the dollar value of the grant since it was introduced six years ago and that CPI alone would indicate that the dollar value of the grant should be increased to \$50 000 per year over two years.

Funding trends

While the Australia Council's out-of-time facility is an extremely valuable function and has supported many great opportunities for visual artists and craftspeople, its budget is limited. Furthermore, grants from the Australia Council are not as valuable as they once were. The demand to fund as many artists as possible, combined with a relatively static budget, has meant that the grants have not been able to keep pace with increased costs associated with the creation of art. For example, Fellowships have been capped at \$40 000 per annum for over five years, and New Work grants have been capped at \$20 000 for five years.

In 1984, the Crafts Board offered \$17 500 Professional Development Grants. They were relatively easy to apply for and they were relatively easy to acquit. If the New Work grants had kept pace with CPI the upper limit for grants would be around \$35 000. If they had increased to reflect the real costs associated with contemporary arts practice they would be higher still.

Yet the average grant offered by the States, Territories and the Australia Council remains very low. In 1999–2000:

- the States, Territories and the Australia Council funded 416 artists a total of \$3 689 377, an average of \$8 869 each;
- the States and Territories granted 249 artists a total of \$1 139 415, an average of \$4 575 each; and
- the Australia Council granted 167 visual and craft artists a total of \$2 549 962, an average of \$15 269 each.

In the last five years the VACB's support for individuals has remained relatively static and has diminished in real terms (see Table 3.9 below). In 2001, only one in every six individuals applying to the VACB was successful: 104 grants were offered (c/f. 123 in 1996). The decline is due to competing budget pressures from projects and organisation applications.

In 2000, the chair of the VACB commented that the calibre of the applicants in all categories and the inevitable budget limitations made the assessment process most challenging. For members of the Board, Peer Advisers and staff the decision making process is made much harder by knowing that so many worthwhile applications are rejected each year, and that a large percentage of those rejected—but that came very close to being successful—do not reapply in the following years. This is a great opportunity lost for the development of visual arts and craft in Australia.

Table 3.9 Grants paid by the VACB to individuals in 1996–97 to 2000–01

Year	# of grants to individuals	# of grants made to organisations	# grants to individuals	Total VACB \$ granted
1996–97	141	125	\$1 956 956	\$6 508 083
1997–98	126	146	\$2 157 357	\$7 063 253
1998–99	129	112	\$1 902 850	\$5 969 903
1999–00	129	106	\$1 775 190	\$6 069 188
2000–01	123	104	\$1 917 283	\$6 379 680

Source: Australia Council records

FINDINGS

The Inquiry recognises that funding to support individual visual artists and craft practitioners is key for the development and maintenance of a vibrant culture in Australia. The States and Territories play an essential role in supporting individual artists by providing an additional source of government funding.

There are currently too few opportunities for artists to receive grants. The VACB's limited budgets for grant categories that support individual artists mean that many worthwhile artists are unable to be supported. This must over time diminish Australia's cultural strength in the visual arts and craft fields.

The Inquiry acknowledges the role played by commercial galleries in working with artists who have received invitations to participate in art fairs, biennales and curated exhibitions.

The Inquiry believes the policy objective and the interests of the future development of Australia's contemporary visual arts and craft sector would be served by ensuring that excellence is properly supported. The VACB should be appropriately funded to:

- readjust the grant limits to take account of domestic inflation and overseas cost of living increases;
- increase the knowledge of Australian culture internationally by assisting more artists to travel overseas;
- allow artists to apply for support to adequately cover the increased costs associated with contemporary installation practice and art and technology developments; and
- ensure that more projects that cannot be made without government funding are supported.

The Inquiry also believes the Commonwealth should encourage increased support for individual artists and craft practitioners from State and Territory governments. This might be facilitated by the devolution of part of the recommended additional funding from the Australia Council to State and Territory funding agencies.

RECOMMENDATION 1


To ensure that more opportunities exist for Australian visual artists and craft practitioners of outstanding ability to contribute to Australia's culture through the creation of works of artistic excellence, the Inquiry recommends:

- 1.1 The Commonwealth provide an additional \$2 million per annum to the Australia Council for programs that directly support individual visual artists and craft practitioners.
- 1.2 From these additional funds, the Australia Council devolve up to \$100 000 to each State and Territory on the condition they match this support within a new co-badged program for individual visual artists and craft practitioners.
- 1.3 The Australia Council, and the State and Territory arts funding agencies, actively encourage craft practitioners to participate in these programs.

STATUS OF THE ARTIST

The Inquiry received submissions stating that visual artists and craft practitioners face many obstacles in their interaction with the administration of law and government policy in Australia, because of the 'failure of government to formally recognise artists' professionalism and to devise the appropriate policy and legislation which flows from it'.¹⁶³

163. Submission: NAVA.



A number of submitters sought the Inquiry's support for the introduction of Status of the Artist legislation to provide the basis for a better and fairer approach by governments to matters directly affecting the lives of artists, pointing to Canadian and European legislation as possible models.

The objective of such an initiative in the Australian context would be that through such legislation, governments would formally acknowledge the cultural and economic contribution made by Australian visual artists and craft practitioners. This statutory acknowledgment and recognition would inform all government policies affecting artists, to ensure that the interests and needs of artists were taken into account. In particular, this would facilitate greater acceptance of the nature and value of artists' work and professional standing in the development and administration of policy in areas such as taxation and social security.

Other areas of government policy where artists feel they are particularly disadvantaged because of this lack of recognition include industrial relations (collective bargaining), occupational health and safety, superannuation, copyright, moral rights and freedom of creative expression, and insurance cover.¹⁶⁴

The Inquiry has examined a number of the issues affecting the circumstances of artists, their professional status and their work practices. These are discussed later in this Chapter. Copyright and moral rights issues are also discussed in detail.

Firstly, the Inquiry assessed the overseas experience of Status of the Artist legislation to consider whether it is an effective way of addressing concerns raised by the sector in the Australian context.

Status of the artist legislation

In 1980, the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) made a recommendation on the status of the artist at the Belgrade Convention. In summary, the recommendation called for member states to:

- (a) recognise that art reflects, preserves and enriches the cultural identity and spiritual heritage of the various societies, and that for these reasons the population as a whole should have access to art works;
- (b) encourage all activities highlighting the contributions of artists to cultural development, including activities carried out by the mass media and educational programs;
- (c) protect, defend and assist artists and their freedom of creation;
- (d) ensure that artists have the freedom to establish professional organisations, and that these organisations have the power to represent artists and participate in the formulation of cultural policies;
- (e) ensure all individuals have opportunities to undertake training in the fine arts;
- (f) provide economic safeguards which assist artists to improve their social status, including an alleviation of taxation obligations;

^{164.} *ibid.*

- (g) seek means of extending to artists legal protection concerning conditions of work and employment;
- (h) ensure artists are remunerated for the distribution and commercial exploitation of their work;
- (i) provide artists with access to social security benefits and adequate medical care; and
- (j) encourage international cultural cooperation.¹⁶⁵

UNESCO launched a number of information campaigns to promote this recommendation, at both regional and international levels.¹⁶⁶ Australia did not agree to support this recommendation. The Canadian government was the first jurisdiction to implement this recommendation.

Canadian legislation

In June 1992, the Canadian Federal government proclaimed the *Status of the Artist Act 1992* (the Status of the Artist Act). This legislation represents an attempt to address the economic rights of artists by establishing a labour relations regime for artists, and by officially recognising the artist as a professional for the purposes of taxation.¹⁶⁷

The purpose ... is to establish a framework to govern professional relations between artists and producers that guarantees their freedom of association, recognises the importance of their respective contributions to the cultural life of Canada and ensures the protection of their rights.¹⁶⁸

In this statute the government of Canada recognises the ‘importance of the contribution of artists to the cultural, social, economic and political enrichment of Canada’.¹⁶⁹ The legislation acknowledges the importance of conferring upon artists a status reflecting their key role in expressing the diverse nature of the Canadian way of life and the individual and collective aspirations of Canadians.¹⁷⁰ Further, the government recognises the ‘importance to artists that they be compensated for the use of their works’.¹⁷¹ This government policy is based upon acceptance of the following rights:

- (a) the right of artists and producers to freedom of association and expression;
- (b) the right of associations representing artists to be recognised at law and to promote the professional and socio-economic interests of their members; and
- (c) the right of artists to have access to official consultation forums in which they may express their views and concerns regarding their status.¹⁷²

Some of the key features of the Canadian model are:

165. UNESCO, *Recommendation Concerning the Status of the Artist*, 1980, Belgrade Convention, at www.unesco.org/human_rights/hrcb.htm.

166. UNESCO, *The Artist and Society: Paris 16–20 June 1997*, Paris, 1997, at www.unesco.org/artconf/pages/introgb.html.

167. D. Cliche, ‘Status of the Artist or of Arts Organizations?: A Brief Discussion on the Canadian Status of the Artist Act’, 21(2) *Canadian Journal of Communications*, 1996.

168. *Status of the Artist Act 1992* (Canada), section 7.

169. *Status of the Artist Act 1992* (Canada), paragraph 2(a).

170. *Status of the Artist Act 1992* (Canada), paragraphs 2(b)–(d).

171. *Status of the Artist Act 1992* (Canada), paragraphs 2(e).

172. *Status of the Artist Act 1992* (Canada), sections 3 and 8.

- The provisions of the Status of the Artist Act apply only to independent contractors or professional artists who engage in a working relationship with a producer falling within certain sectors of the Federal jurisdiction.¹⁷³ Those sectors which are covered are referred to as ‘producers’, and are limited to:
 - broadcasting undertakings under the jurisdiction of the Canadian Radio-Television and Telecommunications Commission; and
 - Federal government institutions, such as Federal departments, the National Film Board, the National Arts Centre, and national museums.¹⁷⁴
- Thus, the legislation will only apply where work is done by an artist for one of these nominated ‘producers’. Visual artists working under provincial jurisdiction, or falling within sectors of Federal jurisdiction not mentioned in the legislation, are not entitled to the rights granted under the legislation.
- It is likely given the nature of the work (work commissioned under contract for a specified term) that the number of artists covered by the scheme varies greatly from time-to-time. Further, it is likely that at any one time there are a large number of artists working in the visual arts and craft sector who are not entitled to protection under the Status of the Artist Act.
- Professional artists are differentiated from art hobbyists under the Status of the Artist Act. In order to receive professional status, an artist must be:
 - paid for the display or presentation of that artist’s work before an audience, and be recognised as an artist by other artists;
 - in the process of becoming an artist according to the practice of the artistic community; or
 - a member of an artists’ association.¹⁷⁵
- The Status of the Artist regime differs from other Federal labour laws in Canada because it creates a labour relations regime for producers who engage self-employed artists. The legislation does not apply to relationships between employers and employees.¹⁷⁶

This regime operates within the broader context of the Canadian Government’s cultural policy. Cultural agencies are granted autonomy to implement the major proportion of government policy, with the aim of preserving artistic freedom and freedom of expression.¹⁷⁷ Under the collective bargaining scheme, the interests of artists are represented by sector bodies who negotiate with producers to improve the wages and conditions of work for artists employed as independent contractors. Union certification may allow access for artists to pension plans or lower group health insurance rates.¹⁷⁸

The Federal Status of the Artist Act was scheduled for mandatory review in 2001, and as a result the scheme may be altered in the near future.¹⁷⁹ This review has commenced, and it is expected that a report will be tabled in the Canadian Parliament in mid 2002.

173. *Status of the Artist Act 1992* (Canada), paragraph 18(b).

174. *Status of the Artist Act 1992* (Canada), subsection 6(2).

175. *Status of the Artist Act 1992* (Canada), paragraph 18(b).

176. Canadian Artists and Producers Professional Relations Tribunal, ‘Federal Status of the Artist Act’ 2000 (16) *Information Bulletin*.

177. J. Jackson and R. Lemieux, *The Arts and Canada’s Cultural Policy*, Parliamentary Research Branch of the Library of Parliament, 1999, at www.parl.gc.ca/information/library/PRBpubs/933-e.htm.

178. H. Fraser, ‘The Visual Artist Today: More powerful than a locomotive?’, at <http://collection.nlc-bnc.ca/100/202/300/artbus/1996/artbus.bo1/banknine.html>.

179. Canadian Alliance of Dance Artists, ‘Self-employed or not self-employed: A cautionary tale’, at www.mcsquared.com/cada/contract.htm.

Luxembourg legislation

Legislation was passed in Luxembourg in July 1999 that grants independent professional status to artists. Artists covered by the law are:

- (a) authors in the fields of graphic and plastic arts, theatre and dance stage-craft, literature and music; and
- (b) creators and producers of art works using photographic, cinematographic, sonic or audiovisual techniques.

Standard criteria are applied to applications for independent professional status. Artists petition the Ministry of Culture for recognition as professional artists. In addition to demonstrating that the artist produces works of art of a kind which are encompassed by the legislation, the artist must be either an independent professional artist or an entertainment intermittent, and must have resided in Luxembourg for a period of at least two years, before aid will be granted under the legislation.¹⁸⁰

An artist may be granted status as an independent professional artist if:

- (a) the artist determines the conditions under which the art works are produced, and the economic and social risks of the undertaking are assumed by the artist alone; and
- (b) either:
 - (i) the artist has carried out his creative endeavours in this way for a period of at least three years; or
 - (ii) the artist carried out his creative endeavours in this way for a period of at least 12 months, and the artist can avail himself or herself of an official title after specialised studies in one of the disciplines affected by the law.

The artist must be registered as an independent worker during the relevant period, and must not have as a main activity the profession of ‘craftsman’ or ‘businessman’.¹⁸¹

Once the artist is granted status as an independent professional artist, aid will be granted. Aid is in the form of a payment, which is designed to ensure artists receive a minimum salary. The aid may constitute up to half the income of the artist, and is payable for up to two years.¹⁸²

Both professional and non-professional artists are also eligible to apply for financial assistance in the form of a government grant. These grants are specifically designed to encourage artistic creation, and are tailored to meet the needs of individual artists. Further, where a professional artist, non-professional artist or entertainment intermittent receives income from an artistic or academic prize, or a grant of unemployment benefits, this portion of the artist’s income will be exempt from taxation.¹⁸³

180. P. Sanavia, ‘The Status of the Independent Professional Artist: Aid Granted by Virtue of the Status’, Tallinan, 2000

181. *ibid.*

182. *ibid.*

183. *ibid.*

Analysis of the overseas models

An important issue in relation to both regimes relates to the coverage of the scheme. The Canadian legislation covers only the Federal sphere, and only certain limited productive sectors of the arts. The Luxembourg legislation appears to adopt a more expansive approach. However, aside from the taxation concession granted, which is not dependent upon professional status, the Luxembourg model is chiefly a social security program. The Luxembourg provisions are very similar to the Income Provisions for Artists Act (WIK) operating in Holland, the primary difference being the use of the terminology 'status of the Artist'.

Accreditation is also an issue with respect to both the Luxembourg and the Canadian models. In Canada, professional status is granted by either artists' organisations, or by the Canadian Artists and Producers Professional Tribunal. In Luxembourg, the Ministry of Culture grants professional status to petitioning artists. The grounds on which this status is conferred are standard. The Inquiry questions whether such a standardised approach to accreditation would be acceptable in the Australian context.

A further difficulty associated with the Canadian approach relates to fragmentation of the contemporary visual arts and craft sector. A significant difficulty noted with respect to the Canadian scheme is that only one association is eligible for certification per sector, and competition has occurred among members of the arts community for cultural legitimacy. This competitive dimension has been observed in Canada to further fragment an 'already fragmented sector'.¹⁸⁴

In addition, under the Canadian regime, there is the potential for artists not belonging to certified associations to be excluded from the collective bargaining process and the benefits negotiated by the association. According to Danielle Cliche:

...there appears to be a possibility that employers may hire 'non-professional' artists at cheaper labour rates than those outlined in the pay-scale agreements negotiated by associations on behalf of professional artists ... this could facilitate a greater inequitable distribution of wealth resulting in the formation of a new class of artists.¹⁸⁵

World Congress on the Status of the Artist

The World Congress on the Status of the Artist (the Congress), held at UNESCO Headquarters in Paris in 1997, concluded that member states which had not already done so should adopt constitutional, legislative and regulatory measures protecting the artist, as recommended by UNESCO in the 1980 Recommendation.¹⁸⁶

The Congress also made a series of more specific recommendations in the Final Declaration. These include:

- independent professional organisations representing artists should be encouraged;
- organisations representing artists should be involved in the design and implementation of national cultural policies and should be permitted to conduct collective negotiations;

184. D. Cliche, *op. cit.*

185. D. Cliche, *op. cit.*

186. UNESCO, *Final Declaration of the World Congress on the Status of the Artist*, Paris, 1997, at www.unesco.org/culture/laws/artist/html_eng/declaration.shtml.

- public funding must be allocated to artistic activities, and new means for securing private sponsorship should be encouraged;
- governments should finance the education and training of artists;
- states should effectively protect the legitimate rights of authors and artists by enabling them to control the different types of exploitation of their works, and to receive fair remuneration for their creative effort; and
- no artist should be discriminated against in respect of taxation, social security or freedom of association on the grounds of his or her employment status.

Having carefully considered their practical application, the Inquiry felt that the Canadian and Luxembourg models do not present readily adaptable solutions for Australia, where different systems of government operate which could limit the effectiveness of a Status of the Artist Act. Australia has also developed different approaches to social security, taxation, industrial relations policy and ways of developing and supporting the cultural sector. With regard to the latter, the Inquiry noted that many of the important aims of the UNESCO objectives listed above are already met in the Australian context, especially when the breadth and depth of government support for culture, from the investment in education and grant programs for artists and their organisations through to copyright reform, is taken into account.

At the same time, the Inquiry acknowledges that perceptions about the value and contribution of artists in Australia have implications for the administration of policy and the extent to which artists' needs and interests are taken into account. It therefore believes there is scope to examine practical ways to overcome the obstacles that some artists encounter, and to consider whether amendments to existing legislation and policy could achieve similar outcomes more effectively than separate Status of the Artist legislation.

The sections of this Chapter that follow examine the current position for artists in some key areas and consider the potential for change.

FINDINGS

Overseas models of Status of the Artist legislation are not readily adaptable to Australia and a Status of the Artist Act may have only limited effectiveness. However, there are issues that should be addressed through consideration of changes to existing legislation to improve the status of artists in Australia.

PROFESSIONAL STATUS AND TAXATION

A key issue in debates about progressing the right of artists to access government programs is the need for recognition of their professional standing. The question of ‘who is an artist?’ is a long standing one and it remains significant in the Australian context, particularly in relation to taxation concessions.

Internationally, the question of what defines a professional artist is handled in several different ways. The previous section detailed the criteria used in Canada and Luxembourg. Research undertaken by the International Federation of Arts Councils and Culture Agencies (IFACCA)¹⁸⁷ outlines five common approaches:

- *Definition through membership:* A person is defined as an artist through membership of a recognised artist association.
- *Definition by committee:* a committee of experts or artists’ peers determines artistic status. The Netherlands’ WIK scheme and Canada’s Status of the Artist Act use this approach.
- *Definition by authority:* The taxation authority determines artistic status. The tax exemption scheme in Ireland (see below) uses this approach.
- *Definition by association with artistic output:* An artist is someone who produces art. This approach is taken in many jurisdictions, but merely replaces the question of ‘What is an artist?’ with ‘What is art?’
- *Definition by nature of arts activity:* The artist is deemed professional if the arts work is undertaken in a businesslike manner. Tax authorities in many countries, including Canada, the United States and Australia use this approach.

Several submissions to the Inquiry highlighted the difficulty visual arts and craft practitioners experience in having their arts activities classified as business activities.

In Australia, in general terms, there are eight indicators, established in case law, that an individual is carrying on a given business activity. These are whether:¹⁸⁸

- the activity has significant commercial purpose or character;
- the taxpayer has more than just an intention to engage in business;
- there is a purpose and prospect of profit;
- there is repetition and regularity of activity;
- the activity is similar to other businesses in the industry;
- the activity is carried on in a business-like manner;
- the activity has size, scale and permanency; and
- the activity cannot be better described as a hobby or recreation.

187. IFACCA (International Federation of Arts Councils and Culture Agencies), *How do policymakers and researchers around the world define ‘professional artist’, particularly for tax purposes?*, 2001, at www.ifacca.org/en/files/DefinitionArtistAnalysis.pdf.

188. ATO, Taxation Ruling TR 97/11: Income tax: am I carrying on a business of primary production?, ATO, Canberra, 1997.

In its submission, the Arts Law Centre of Australia suggested three major reasons why the eight indicators listed above are difficult to apply to art activities.¹⁸⁹ Firstly, and as noted earlier, the majority of visual arts and craft practitioners do not practice their art with the intention to make a profit. Recognition as a successful arts practitioner may or may not translate into financial success.¹⁹⁰ Secondly, although an artist may strive to make profits from their practice, from an objective perspective the nature of arts activity itself is inherently unprofitable. And third, the range of arts activities is so diverse as to make the general indicators of what constitutes a business difficult to apply consistently across the sector.

The difficulties are illustrated by reference to the taxation issues discussed below. However, there are some general issues relating to taxation that need to be considered.

The tax system affects the contemporary visual arts and craft sector in Australia in many ways. It is required to pay direct and indirect forms of taxation—in this respect it is no different FROM most other sectors of the economy.

Visual and craft artists may also benefit from the ‘tax averaging’ provisions. To prevent authors of artistic works (and other classes of ‘special professionals’) from being pushed into high tax brackets when income from their professional work in a year fluctuates above their average income from such work, income tax averaging provisions allow for spreading (averaging) fluctuating levels of income over five years for tax purposes. The scheme applies where an artist has a taxable professional income for the year in excess of \$2 500, and was an Australian resident during the income year.¹⁹¹

There are several tax measures, however, that specifically affect the contemporary visual arts and craft sector, and these are generally in the form of concessions (tax expenditures). A further area of interest is the way in which the broad taxation system affects the contemporary visual arts and craft sector differently to other sectors, by virtue of the characteristics of the sector.

Exemption from non-commercial losses provisions

As a result of the 1999 review of business taxation, culminating in the publication of *A Tax System Redesigned* (the Ralph Report), several recommendations were made to improve the equity and integrity of the tax system. One of these recommendations, subsequently included in the *New Business Tax System (Integrity Measures) Bill 2000* (the Bill), was to limit the ability to offset losses from non-commercial activities against income from other sources. The changes came into effect for income year 2000–01.

In administering the previous tax law, the concept of what constituted ‘carrying on a business’ was found to be difficult and costly to administer, and a broad interpretation of which activities constituted a business resulted in significant revenue leakage from individual taxpayers claiming deductions for unprofitable activities.¹⁹² The Ralph Report described many of these activities as hobbies and/or lifestyle choices.

189. Submission: Arts Law Centre of Australia.

190. Submission: Arts Law Centre of Australia.

191. *Income Tax Assessment Act 1997* (Cth), section 405.

192. Commonwealth of Australia, *New Business Tax System (2000) Explanatory Memorandum*, Commonwealth of Australia, Canberra, 2000.

Under the non-commercial losses provision of the New Tax System, an individual may only offset a net loss in a business activity against income from other sources if the business activity passes at least one of four tests, or if the Commissioner of Taxation exercises a discretion. The business activity may:

- have an assessable income from the activity of at least \$20 000;
- have produced a profit in three out of the past five years;
- use real property or an interest in real property worth at least \$500 000, on a continuing basis; or
- use other assets worth at least \$100 000, on a continuing basis.

If a business activity does not pass any of these four tests, and if the Tax Commissioner does not exercise a discretion, then a net loss made by the activity may not be offset against income from other sources, and must be deferred until either:

- income from the same or a like activity is available; or
- at least one of the four tests is satisfied, at which time it may be offset against other income.

Amendments were made to the Bill that provided an exemption from the non-commercial losses provision. The exemption applies if the losses involved are incurred from:

- a primary production business activity; or
- a professional arts business activity.

In these cases, a net loss from that business activity may be offset against income from other sources without having to pass one of the four tests if the assessable income from sources not related to that activity is less than \$40 000. The arts-specific exemption applies to all artists, including performing artists, not only visual artists and craft practitioners.

Effect on the contemporary visual arts and craft sector

The particular characteristics of the contemporary visual arts and craft sector, generally comprising small business entities, with low incomes, and low and negative profits, makes the changes to non-commercial losses provisions particularly important to the sector. The negative effects of the changes have been limited to a certain extent by the arts-specific exemption. Artists with annual incomes below \$40 000, who would have had very little chance of passing one of the four business activity tests, have been able to continue offsetting their arts business losses against their other income.

Some visual arts and craft practitioners, however, have been negatively affected. The Painters and Sculptors Association submission stated that

The recently introduced 'integrity measures'... are having disastrous consequences for some artists, despite the amendments which have allowed them to offset losses from their art related activities against non art income of less than \$40 000.¹⁹³

193. Submission: Painters and Sculptors Association.

This issue is particularly important for individuals—generally more established artists—whose income from other sources exceeds the \$40 000 threshold, and are therefore required to quarantine their arts business losses until such time as they earn income from the business, or pass one of the four business activity tests. While there is no data available on the total number of such practitioners, many submissions made to the Inquiry have dealt with the issue.

The case of art teachers is a good example. The Bakehouse Gallery submitted that:

This [non-commercial losses threshold] is unnecessarily restrictive as many artists work solely as teachers of art to support their art work. If this employment income exceeds \$40 000 they receive no tax benefit, and this restricts creative endeavour. It may be some years before any financial recoup can be made from sales.¹⁹⁴

The new arrangements have thus radically changed the situation of these artists, since previously they were able to pool both sources of income for tax purposes, thereby allowing deductions for their art creation activity to be set against their art teaching income. Under the New Tax System however, business income as an artist may not be pooled with income as an employee (e.g. art teaching income) unless the art teaching income is less than \$40 000. Most established teachers' incomes would exceed this limit.

In general, the effects of the non-commercial losses provisions—even with the \$40 000 cap concession—is that incomes become more variable, and become even lower in years where losses associated with the arts business activity already result in low incomes.

Removal of restrictions

The intent of the non-commercial losses provisions was not to hamper legitimate—although small and often unprofitable—visual arts and craft businesses. In its discussion paper, *A Platform for Consultation*¹⁹⁵ the Ralph review stated that the reason for introducing the changes was because:

[A] large number of taxpayers claim business status, and therefore allowable deductions, for activities which are essentially private or lifestyle choices rather than genuine business activities... All options [for reform] would need to be structured in such a way as to ensure that legitimate arrangements were not unintentionally denied business deductions.

There is a case, therefore, for the removal of the restrictions on visual arts and craft practitioners offsetting losses from their legitimate arts businesses against other income, on the grounds that they are having negative, unintended effects on the sector. Further, the removal of the \$40 000 limit on other income would reduce any artificial disincentive that currently exists for artists to work in their non-arts employment, and would simplify the taxation arrangements as they apply to artists.

However, the need to maintain the integrity of the tax system remains. The Australian Tax Office needs to be able to distinguish between legitimate arts business activities and those activities that can be better described as hobbies.

194. Submission: Bakehouse Gallery.

195. Treasury, *A Platform for Consultation*, Discussion Paper 2, Review of Business Taxation, Commonwealth of Australia, Canberra, February, 1999.

The administration of the law in relation to carrying on a business is resource intensive, and must be done on a case-by-case basis. This cost can be minimised, however, with a public ruling issued by the Australian Tax Office (ATO) on what constitutes the carrying on of an arts business for taxation purposes.

The Inquiry is aware of the negotiations between the ATO and arts industry advocacy groups regarding a public ruling on what it means to be ‘carrying on an arts business’ for taxation purposes, along the lines of ruling TR 97/11: *Income Tax: am I carrying on a business of primary production?*¹⁹⁶ The Inquiry understands that the onus is on the industry to progress this issue.

Once an arts business activity meets the criteria for carrying on a business, there seems little justification in terms of tax system integrity for limiting the ability of an artist to offset losses in that activity against other income.

The cost to revenue of removing restrictions

It is difficult to estimate the cost, in terms of tax expenditure, of removing the restrictions for legitimate arts businesses. Currently, visual arts and craft practitioners who are not able to offset their arts business losses against other income have the ability to defer the losses until such time as income is earned from the arts business. As such, for arts businesses that occasionally earn a profit over a financial year, the removal of the restrictions represents a bringing forward of tax expenditure, rather than a net increase in tax expenditure, and is therefore virtually costless to revenue¹⁹⁷. For legitimate arts businesses that never earn a profit, the removal of restrictions represents a net cost to tax expenditure. This cost is mitigated by the fact that these businesses would tend to be smaller and less established.

FINDINGS

Recent changes to the non-commercial losses provisions have gone some way towards assisting artists. However, some artists have been negatively affected.

Clarifying what constitutes a ‘professional arts activity’ for tax purposes would allow artists to be exempted from these provisions without compromising the integrity of the tax system.

The Inquiry notes that the sector is in negotiation with the ATO to obtain a public ruling on this matter.

196. ATO, op. cit., 1997.

197. There is an opportunity cost in bringing forward tax expenditure. However, this would be outweighed to some extent by the fact that, on average, the arts business activity losses will be offset against income at a lower marginal tax rate. This may represent a smaller loss than would have occurred if the losses had been deferred until they could be offset against positive income from the arts business activity, which may occur in years where the taxpayer's total income (and hence marginal tax rate) is higher.

Exempting creative income from income tax

Given the strong public good nature of many aspects of contemporary visual arts and craft practice, it has been suggested that creative income—income derived from the production or sale of works of art or craft—be made exempt from income tax.

NAVA recommended that:

...the Federal Government provide income tax relief for visual artists and craftspeople, referring to arrangements in Ireland as a model.¹⁹⁸

The Irish tax system is often cited as a precedent in such arguments. The Republic of Ireland has a unique income tax exemption status for creative artists—visual art and craft practitioners, writers and composers living and working in Ireland are exempt from income tax on income derived from work of cultural merit.¹⁹⁹ The government decides whether the work is original and creative, and whether it has cultural or artistic merit.

Such a system in Australia would be costly, relative to the current level of support given to visual arts and craft (Table 3.10). Using 1996 census data on artists' population and income, and 1993 data on the proportion of artists' incomes derived from artistic endeavour,²⁰⁰ under the current marginal tax rates such a system may cost \$52 million (in terms of tax expenditures), with exemptions for visual arts and craft practitioners and photographers costing \$37 million.

Table 3.10 Cost of income tax exemption for creative artists

	Number of artists	Mean total income \$	Mean creative income (a) \$	Foregone income tax revenue (b) \$ million
Visual arts and craft practitioners	9 517	17 564	7 904	12.8
Photographers	6 263	26 656	11 995	18.2
Artists and related professionals (other)	3 603	28 148	13 230	6.0(c)
Authors and related professions	3 181	31 996	15 038	13.1
Musicians and related professions	7 607	24 893	11 451	2.0(d)

(a). 'Creative' income as a proportion of arts income from Throsby and Thompson (1994); (b). Based on 2000–01 income tax rates; (c). It is assumed that half of this professional category would be eligible for tax exemptions; (d). It is assumed that 10 per cent of this professional category are composers (Throsby and Thompson 1994).

Source: Census data (cited in Guldberg 2000); Throsby and Thompson (1994).

198. Submission: NAVA.

199. J. M. Schuster, Questions to ask of a cultural policy: 'Who should pay? Who should decide?', *Culture and Policy*, 7(1), pp. 115–139, 1996.

200. C. D. Throsby and B. Thompson, op. cit., 1994.

Such a system appears to suffer many of the disadvantages of tax-based incentives, while offering none of the advantages. Firstly, income tax based assistance can be inequitable. In this case, the tax exemption results in greater benefits to those with higher incomes. Schuster noted that the Irish tax incentive:

...has led to an international community of spy thriller authors living in Ireland. The incentive is very large for them because they are commercially successful; the artists who need the incentive least benefit most.²⁰¹

Secondly, once enacted, tax expenditures are open-ended—available to any tax payer who meets the requirements—and as a result may cost government more than it had intended to spend to encourage the particular industry or activity.²⁰²

And thirdly, such a system would be costly to administer. While the need for an artist's work to be judged to have 'cultural merit' would improve the focus of such a system, it necessitates a level of bureaucracy to administer. One of the major reasons for using the tax system to deliver incentives is that it is broad-based and relatively inexpensive to administer. This system of tax exemptions, however, would be focussed and administratively costly.

FINDING

In the Australian context, a system of tax exemptions for creative artists seems an inappropriate means of delivering assistance to the visual arts and craft sector, given the administrative cost and focussed nature of such a policy, and the strong possibility that it would be regressive.

The impact of the GST on the contemporary visual arts and craft sector

The introduction of the goods and services tax (GST) in July 2000 has had various impacts on the contemporary visual arts and craft sector, as it has on all sectors of the economy.

Prior to the introduction of the GST, a number of modelling exercises were undertaken, both by the Commonwealth Government and by arts industry representatives, examining the likely impact of the GST on the Australian arts sector in general. However, there has been no in-depth research into the actual impacts of the GST on the arts sector since its introduction. The GST impacts all sectors of the economy, but due to the particular characteristics of each sector, in different ways. There are a number of characteristics particular to the contemporary visual arts and craft sector that result in the GST affecting the sector in different ways from the rest of the economy.

201. J. M. Schuster, op. cit., 1996.

202. Treasury, *Reform of the Australian Tax System: Draft White Paper*, AGPS, Canberra, 1985.

Firstly, it is likely that the GST has caused the prices of contemporary visual arts and craft products to rise relative to other prices in the economy. Because some of the major inputs in visual arts and craft businesses, such as services and art supplies, were not taxed under the previous taxation regime, there is little scope for cost reductions to offset rises in the price of the final product as a result of the GST. Modelling undertaken in June 2000 forecast that creative arts prices would rise in the long-term by 7.1 per cent as a result of the GST, compared with a rise of approximately three per cent for all prices.²⁰³ This price rise in relative terms was forecast to result in a long-term reduction of 5.9 per cent in household consumption of creative arts products and services. It is also possible that some of the forecast price rise may have been absorbed by a reduction in artists' incomes.

Since its introduction, it has become apparent that the compliance costs associated with the GST on businesses are considerable. These costs have been felt particularly by small businesses, which lack the economies of scale of larger businesses to efficiently comply with the new tax system. Because a large proportion of visual arts and craft businesses are relatively small, it is possible that the costs of complying with the GST—for those artists that register for the GST—affect the sector more than the economy in general.

The introduction of the GST has also created the potential for distortions to occur between the primary and secondary markets for visual art and craft. GST is payable on all fees and charges associated with the sale of an artwork (such as agent commissions, and auction house premiums and commissions), but is only payable on the actual artwork if the vendor is registered for the GST. As a result, many primary sales by the artist (whether sold directly or on consignment through an agent) are subject to GST, because many professional visual arts and craft practitioners are registered for the GST. In addition, secondary sales from galleries' trading stock are subject to the GST, because galleries are GST registered entities.

However many secondary sales, particularly through auction houses, are from vendors' personal collections, and as such are not subject to the GST. This creates the potential for a situation where primary art sales, which most directly benefit visual arts and craft practitioners, are taxed at a higher rate than some secondary sales. This is exacerbated by the fact that visual arts and craft practitioners have little scope to offset the tax increase with reductions in input taxes.

Although anecdotal evidence and pre-introduction modelling suggests that the contemporary visual arts and craft sector has been negatively impacted by the GST, no empirical analysis of the issue has been undertaken.

203. Econtech, *The Expected Impact of the New Tax System on the Arts*, Report commissioned by the Commonwealth Department of the Treasury, June, 2000.

SOCIAL SECURITY

Given the relatively low levels of income for many visual arts and craft practitioners in Australia, adequate access to income support programs has emerged as an important issue. Several submissions, from individuals, as well as from NAVA and professionals in the accountancy field, indicated that the arrangements for income support for artists in Australia were inadequate.

Several submissions to the Inquiry called for reform to Australia's social welfare systems to make them more useful to visual arts and craft practitioners. Essentially, such a program would entail the provision of a minimum wage for artists—if an eligible artist's income from his or her artwork were below a specified level, they would be able to access an income from the government to continue practising.

Several submissions urged the Inquiry to recommend reform to Australia's social security arrangements along the lines of programs available in some other countries.

With changes in the last few years to the social security system, artists now find it very difficult to be recognised as eligible to receive support while trying to develop financial opportunities through pursuing their art practice, because it is rarely recognised as a mutual obligation activity. An interesting model has been pioneered in Dunedin, New Zealand.²⁰⁴

International models

The Inquiry examined a number of international examples of social security arrangements for artists as outlined below.

Europe

In Ireland, selected artists can benefit by membership to Aosdána—an affiliation of artists engaged in literature, music and visual arts established by the Irish Arts Council in 1983. Membership does not exceed 200, and new members are selected by current members on the basis of excellence in art. A maximum of five new members can be selected each year. Members of Aosdána are eligible to receive an annuity for five years from the Arts Council, and a contributory pension scheme is in place for members. Aosdána is funded by the state.

In the Netherlands, the Income Provisions for Artists Act (*Wet Inkomensvoorziening Kunstenaars*, or WIK) was established in 1999 to provide support to artists in establishing their careers, or to improve their profitability. Any artist who can demonstrate that they carry on a professional arts business and are in need of assistance can claim the benefit. Applicants are screened by an independent advisory body. WIK entitles the artist to a payment equal to 70 per cent of the standard unemployment benefit, with the ability to earn an additional net income equal to 125 per cent of the unemployment benefit. Artists entitled to a WIK benefit are not required to search for work, and may receive the benefit for a total of four years (not necessarily consecutively). The payments are terminated once an artist is carrying on their profession profitably. Support is also given for artists to undertake training.

204. Submission: NAVA.

Norway and Sweden provide a system of minimum guaranteed incomes for limited numbers of professional artists—in Norway the allocation is reviewed every five years, but can continue for the entire period an artist is professionally active.²⁰⁵

In Belgium, the social security law was amended recently, and as of 1 January 2001, more generous benefits are available to some unemployed artists. The new provisions are aimed at individuals working as creative, interpretive or performing artists. Different benefits are available depending upon whether the creative, interpretive or performing arts constitute the main occupation of the individual, a secondary occupation, or a hobby.²⁰⁶

Visual artists and craft practitioners would generally be classified as creative artists.²⁰⁷ The following benefits are available under the new provisions to creative artists.

- a) *Hobby*—The practice of creative arts as a hobby will not impact upon the eligibility of an individual to unemployment benefit.²⁰⁸
- b) *Main Occupation*—Creative artists are entitled to unemployment benefit when the creative arts is not their main occupation. When unemployed, creative artists may be able to refuse a non-artistic job and retain unemployment benefits if the artist performed a minimum of 156 working days of artistic activity in the previous 18 months, if the job offered is not physically or intellectually compatible with their artistic work, and if the job offered involves risks which could impede artistic skills.²⁰⁹
- c) *Secondary Occupation*—Where the creative activity is a secondary occupation, performed during the period of unemployment, this activity will not generally affect the unemployment benefit, provided the activity is declared to the benefit office. The unemployment benefit payable will not be affected by the secondary creative occupation, provided the artist's annual taxable income does not exceed a specified amount. If the unemployed artist earns more than this threshold, the unemployment benefit falls proportionately.²¹⁰

In Germany VG Bild-Kunst, the German copyright collection society for artists, administers an art fund (Kunstfond) which provides a range of benefits to registered German artists who are copyright owners. The fund includes income protection and an old-age pension through the artists' social fund.²¹¹

The artists' social fund (Kunstlerssozialkasse) was established in 1984, and legislated by law in 1987, as a national scheme to provide income protection for artists who are ill, disabled, or in old age care. Artists pay for 50 per cent of the insurance policy, the social fund pays 30 per cent and the Commonwealth Government pays the remaining 20 per cent.²¹²

The fund is generated from a combination of levies on blank tapes, videos and compact discs, and from copyright royalties where the copyright owner cannot be located or the copyright payment is less than the administrative cost.²¹³

205. E. Rice, and V. Hollister, 'Artists' income support: social policy in Australia and overseas', *Art Monthly*, no. 142, pp. 30–33, August, 2001.

206. EIROOnline, 'Less Rigid Regulations Introduced for Unemployed Artists', European Industrial Relations Observatory Online, 2001, at www.eiro.eurofound.ie/2001/01/feature/BE0101338F.html.

207. The distinction between the creative arts and the interpretive arts may be difficult to apply in practice in some cases. For example, a number of visual artists and craft practitioners are interdisciplinary. If classified as interpretive artists, less generous social security provisions will apply.

208. EIROOnline, op. cit., If the artist does not commercialise the work, the creative arts practice will be considered a hobby.

209. *ibid.*

210. *ibid.*

211. V. Hollister, *A Brief Look at International Models of Income Subsidy for Artists: Ideas for Australia*, Working Paper 3, Visual Arts Industry Research Guidelines Project, June, 2001.

212. *ibid.*

213. *ibid.*

New Zealand

In November 2001, the New Zealand government announced its income support arrangements for artists. Called Pathways to Arts and Cultural Employment (PACE), the program is an attempt to modify existing income and work search support arrangements to more effectively assist unemployed cultural workers. Unemployed cultural workers still have to meet the legislated work-test requirements, including being willing and able to take up paid work. However, cultural workers will only be referred to jobs that match their skills and employment goals.²¹⁴

Recognising that cultural workers will often generate their own income opportunities, the job-seeker agreements negotiated between the unemployed cultural worker and the PACE case worker will attempt to identify these opportunities, and how to progress them.²¹⁵ Backing up PACE is a resource package detailing assistance and funding sources available to help develop cultural workers' professional careers, to be used by case workers and job seekers in negotiating job-seeker agreements. To be eligible for assistance, an unemployed cultural worker must register as being unemployed with Work and Income New Zealand and be willing and able to take up paid employment. Since the program started, almost 800 people have participated in the program, however the scheme has been criticised as being too broad and open to abuse.²¹⁶

The Australian context

Australia does not currently have a system of income support specifically for cultural workers, including visual arts and craft practitioners. Assistance is available, however, within the broad framework of the Newstart and Youth Allowance, and the New Enterprise Incentive Scheme.

Newstart

The Newstart program is not conducive to supporting artists' incomes while they continue to carry out their art activities—it is not designed to be. The obligation to undertake extensive job search activities, the emphasis on finding paid employment, rather than profitable self-employment, and the requirement to take up paid employment if offered militates against an artist being able to use Newstart as an income support mechanism.

The Newstart Allowance is the Australian government's standard unemployment benefit. To be eligible for a payment of up to \$394.30 per fortnight (for a single person with children), the person must be unemployed, aged 21 or over, and be capable of undertaking, available for and actively seeking work, or temporarily incapacitated for work. For those aged under 20, the relevant allowance is the Youth Allowance.

Upon applying for a Newstart allowance, applicants are generally required to enter into a Preparing for Work Agreement, which outlines the activities considered necessary to return the person to paid employment. Activities included in the Preparing for Work Agreement include intensive job searching (up to ten job interviews per fortnight), education and training, paid work experience and Work for the Dole. If the requirements of the Preparing for Work Agreement are not met, a financial 'Activity Test Penalty' may be applied.

214. WINZ (New Zealand Department of Work and Income), *PACE—Pathways to Arts and Cultural Employment*, Media Release, 12 November 2001.

215. *Ibid.*

216. *The Age*, 'Would-be artists line up for the dole in New Zealand', 14 March 2002.

The Preparing for Work Agreement also spells out a person's Mutual Obligations. Mutual Obligations are 'about giving something back to the community which supports you'.²¹⁷ After six months of receiving the Newstart Allowance—or 12 months if the person is over 25 years old—a Newstart beneficiary is obliged to undertake additional activities. These activities include training, paid part-time work, Work for the Dole, voluntary work and relocation.

Work for the Dole

As mentioned above, Work for the Dole is one of the Mutual Obligations activities available to unemployed people after they have been receiving unemployment benefits for six months. Work for the Dole involves working on (largely) community projects in return for receiving unemployment benefits.

There are several visual arts and craft-related Work for the Dole activities. One of these is conducted at Sydney's TAP Gallery, an artist-run initiative in inner city Darlinghurst where Work for the Dole activities encompass all aspects of running the gallery: administration, publicity, designing promotional material, framing and preparing shows²¹⁸. In this way, participants can build their skills, as well as support the running of an enterprise that would otherwise find it difficult to continue.

Some other examples of valuable Work for the Dole initiatives involving the visual arts and craft include:²¹⁹

- Crafty Assistants Project, which ran from September 2000 until February 2001 in Victoria, allowed unemployed individuals to provide practical assistance to people with a disability and the elderly with various art and craft projects, including pottery, decoupage and woodwork;
- Traditional Artwork Program for Clients, held in the Northern Territory from October 2000 until April 2001, aimed to reintroduce artwork as a means of employment for the long-term unemployed; and
- Frankston Community Arts Project, which ran from May until November in 2001, involved the development and installation of a number of murals based on historic, environmental and community themes.


From July 2002, changes to Australia's social security system will take effect under the Commonwealth Government's 'Australians Working Together' initiative. One of the changes is to allow eligible unemployed people to nominate for community work—through Community Work Coordinators, the contractors who run Work for the Dole—and have this work qualify as a mutual obligation activity.

The Work for the Dole programs involving community arts projects could provide some

217. Centrelink, *Payment—Mutual Obligations Requirements*, 2001, at www.centrelink.gov.au/internet/internet.nsf/payments/newstart_mutual_obligation.htm.

218. *ibid.*

219. Information supplied by DEWR to the Inquiry.



artists with invaluable work experience and opportunities to develop networks in the contemporary visual arts and craft sector. The Inquiry considers that there is considerable scope for additional projects to be undertaken through the Work for the Dole initiative—but that greater advocacy is required to establish artist-led work for the dole initiatives. A nationally coordinated program through Work for the Dole could provide opportunities for unemployed artists to work in Australia's network of artist-run initiatives. This arrangement would be beneficial for individual artists, by providing the artist with opportunities to network and develop work skills, and for artist-run initiatives, which are often short-staffed and under-resourced.

Australian Business Number

An issue raised with the Inquiry about the Newstart program and arts practice was the apparent confusion over whether people with an Australian Business Number (ABN) are eligible for Newstart allowances. One submission indicated that:

...there is a high degree of impermanence about [part time jobs] and the artist will frequently have to fall back on Centrelink benefits to survive financially. Now because artists will have had to get an Australian Business Number (on the off chance that they might, in fact, sell a work or score a grant) they are classified as being in business and therefore disqualified from entitlement to unemployment benefits—apparently on the grounds that since they are now carrying on a business they are no longer available for job interviews. There seems to be a great deal of confusion and inconsistency in Centrelink's treatment of artists in this position and I believe that this disallowance of entitlement to benefits for artists with an ABN should be changed.²²⁰

Advice to the Inquiry from the Department of Family and Community Services indicated that while having an ABN may indicate that a person is operating a business, it does not disqualify a person from qualifying for Newstart Allowance.

New Enterprise Incentive Scheme

The New Enterprise Incentive Scheme (NEIS), which has operated since 1985, is available to eligible unemployed people with an idea for a small business. Assistance includes training in small business management, an allowance (broadly similar to the Newstart allowance) for up to one year, and business advice and mentor support during the first year of operation. The proposed business must be new and assessed as commercially viable by a NEIS Advisory Committee. In addition it must not compete with existing businesses unless there is evidence of unsatisfied demand or unless the new business will deliver the product or service in a novel way. The program is delivered through management agents operating on contract to the Commonwealth.²²¹ In 2000–01, 6 476 people were enrolled in NEIS, and three months after termination of financial support, 85 per cent of NEIS participants were employed or were in training.²²²

220. Submission: Brian Tucker.

221. Productivity Commission, *Design Principles for Small Business Programs and Regulations*, Productivity Commission Staff Research Paper, Melbourne, 1998.

222. DEWRSB (Department of Employment, Workplace Relations and Small Business), *Annual Report*, DEWRSB, Canberra, 2001.

Prior to 1997, funding for focussed NEIS programs was available for different occupational groups—in Victoria a program was developed for visual and performing arts businesses by Clarke Carthew and Associates.²²³ The program provided training in areas such as arts business philosophy, arts marketing and selling, arts finance, arts law, and planning and organising the arts enterprise while recognising that arts enterprises are driven by factors other than growth or wealth generation. The program had a 76 per cent long-term success ratio—18 months after completing the program, participants were still in business.²²⁴

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The Inquiry believes there may be scope for a range of arts activities with community benefits to satisfy the mutual obligation criteria. Visual arts and craft community projects are often eligible for support through the Work for the Dole program.

There are opportunities for more artist-led Work for the Dole initiatives. There may be scope for a nationally coordinated program, run through Work for the Dole, for unemployed artists to work in Australia's network of artist-run initiatives.

THE WORK ENVIRONMENT FOR VISUAL ARTISTS AND CRAFT PRACTITIONERS

Visual artists and craft practitioners are one of a number of occupation groups in Australia generally operating outside the formal industrial relations system that determines wages and working conditions for employees. The visual arts and craft sector is largely unregulated, and artists are generally unable to access the types of support other workers enjoy on a day-to-day basis.

The 'typical' artworker could generally be described as a low-income, self-employed person, often without any institutional affiliation, in a variety of insecure and irregularly-paid jobs.²²⁵

Visual arts and craft practitioners tend to move in and out of paid employment, and are a highly mobile class of worker with no ongoing relationship with a particular organisation extending beyond the current commission.²²⁶ A typical artist may spend part of their time working in the studio to produce works for exhibition or sale, occupy academic positions part time or full-time, work as part of a team on joint projects, and work on various other tasks in the industry.²²⁷ Artists work flexibly and in a variety of different work environments.

223. E. Rice and V. Hollister, op. cit., 2001.

224. *ibid.*

225. C. Jordan, 'A Sustainable Future for Artists: An Australian Dream or a Real Possibility?' 131 (2000) *Art Monthly Australia* 29, at p. 30.

226. R. Callus, 'Wages and Working Conditions for Non-Standard Workers: The Case of Visual Artists' 136 (2000) *Art Monthly Australia* 34, at p. 34.

227. Submission: Tony Bond.

Artists are most commonly self-employed. A survey of visual arts and craft practitioners conducted in 1994 indicated that 98 percent of respondents were self-employed artists or freelance workers engaged under contract; only two per cent were employed and paid a regular salary or wage.²²⁸ The regulatory institutions determining wages and working conditions for the labour force in Australia apply only to employees, or workers employed under a contract of service. Employees are distinguished from independent contractors working under a contract for services.²²⁹ Of those artists working as independent contractors, the majority are commissioned artists working for government or business on public art or community art projects.

The majority of artists do not enjoy the benefits accorded to permanent employees. Federal awards and registered agreements may only deal with relations between employers and employees. The State systems generally only apply to employees also, although there are some exceptions.²³⁰ As a result, these regulatory institutions do not apply to most forms of work undertaken by artists.²³¹ Artists are most often self-employed, however when employed in the workforce, visual arts and craft practitioners generally work as independent contractors, rather than employees.

Visual artists and craft practitioners are often not covered by the industrial relations system in Australia, do not tend to join unions,²³² and generally have to formulate deals with organisations, including commercial galleries, on an ad hoc basis.²³³ Where formal contracts are settled between artists and dealers, these contracts tend to serve the interests of the dealer over the interests of the artist. Visual artists and craft practitioners offer their services in a highly competitive market. The supply of artistic and creative services far exceeds the demand for those services, and as a result the artist is required to negotiate in an unforgiving market.²³⁴ When artists enter into relationships with commercial galleries, galleries tend to determine the terms of the arrangement due to the strength of their bargaining position.²³⁵

Artists are often unaware of the market value of the services they provide, and enter into agreements that do not adequately serve their interests. In addition, it can be difficult to determine how the relationship between the artist and dealer should be structured. It can be difficult to predict the future acceptance of an artist's work, and thus it can be difficult to judge the optimal amount of promotional effort required from the dealer. Similarly, as artists tend to be motivated by factors other than economic gain, it can be difficult for an artist to commit to the production of certain works within a certain time frame and of a given style or quality. As a result, written contractual agreements between artists and dealers are less common than more general oral agreements settled by handshake.²³⁶

As a result of artists falling outside the scope of the Australian industrial relations system, the rates of pay for arts workers vary greatly. Further, there are three particular workplace entitlements of concern to practising artists: collective bargaining, superannuation and occupational health and safety. These issues will be discussed in detail below.

228. R. Markey and A. Tootell, *The Professional and Industrial Representation of Visual Artists and Craftpersons*, University of Wollongong, Wollongong, 1994, p. 127.

229. B. Creighton and A. Stewart, *Labour Law: An Introduction*, The Federation Press, Sydney, 2000, p. 209. See particularly *Stevens v Brodribb Sawmilling Co Pty Ltd* (1986) 160 CLR 16.

230. *ibid.*

231. R. Callus, *op. cit.*

232. R. Markey and A. Tootell, *op. cit.*, p. 132. In 1994, approximately 88 per cent of professional arts workers were not members of any union or industrial organisation. Of those workers who were members of a union, five per cent were members of a Teachers Union. The remainder belonged to the Artworkers Union (1.3 per cent), the Media Alliance (1.3 per cent), the Operative Painters and Decorators Union (0.6 per cent), an Academic Union (1.3 per cent), or another unspecified union (1.9 per cent).

233. R. Callus, *op. cit.*, p. 34.

234. C. Jordan, *op. cit.*, p. 30.

235. *ibid.*, p. 32.

236. D. Throsby, 'The Contract Game' 134 (2000) *Art Monthly Australia* 35, at p. 35.

Collective bargaining

As the preceding discussion indicates, the Australian industrial relations system is focussed on the contract of employment. A further implication of this focus is the general absence for visual arts and craft practitioners of the right to engage in collective bargaining. Awards, Certified Agreements and Australian Workplace Agreements made pursuant to Commonwealth and State and Territory legislation only relate to employment relationships. A worker can only engage in collective bargaining, and will only have a legal right to enforce a collective agreement, where the worker is an employee with a contract of service with the employer.²³⁷

Concern was expressed in submissions regarding the absence of standards for working conditions in the contemporary visual arts and craft sector. According collective bargaining rights to visual artists and craft practitioners would be a possible mechanism to facilitate improved working conditions for arts practitioners. It should be noted, however, that there are difficulties associated with extending collective bargaining rights to independent contractors and self-employed artists. For example, if a body representing artists exerted pressure for standardised wages for independent contractors, this approach is likely to be considered to be 'price-fixing', and as a result may breach the *Trade Practices Act 1974*.²³⁸ A right to collective bargaining for self-employed artists and independent contractors would be contrary to the existing industrial relations regime in Australia and to the Commonwealth competition policy.

An alternative approach to the current distinction between independent contractors and employees would be to define the rights and entitlements of workers according to the effort expended in the production of goods or services for payment. NAVA submitted to the Inquiry that government should:

...establish a portable benefits and entitlements scheme for visual artists and craft professionals, who frequently move across employment areas or rotate in and out of paid work, similar to that operating in the building industry.²³⁹

The building industry has introduced a pooling arrangement whereby the entitlements of construction workers are accrued according to the period spent working in the industry, rather than according to the period of engagement by a particular employer. Construction workers carry their entitlements with them when they change employer, provided they remain employed in the building industry. Thus, the sick leave and long service leave entitlements of these employees continue to build throughout the period of employment in the industry, irrespective of the number of individual employers.²⁴⁰

There are a number of issues that would need more detailed considered before such an approach could be adopted. In particular, an approach of this kind would require industry-wide cooperation and an industry body capable of administering the entitlements of workers.²⁴¹

237. B. Creighton and A. Stewart, *op. cit.*, p. 3.

238. Recently the Federal Court found that the Australian Medical Association had engaged in price-fixing by negotiating fees on behalf of doctors who were independent contractors. See Australian Competition and Consumer Commission, 'Federal Court Imposes Penalties, Costs of \$285 000 on AMA (WA) Executive Officers for Price-Fixing, Primary Boycott', Media Release, 24 December 2001, at www.accc.gov.au.

239. Submission: NAVA.

240. R. Callus, *op. cit.*, p. 34.

241. *ibid.*, p. 35.

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The majority of visual artists and craft practitioners in Australia are self-employed and are not covered by the existing industrial relations framework.

The introduction of an industry-wide scheme to permit the carry-over of entitlements from one employer to another has the potential to benefit those individuals employed as artists. Nevertheless, there are a number of issues that require more detailed consideration before this proposal could be recommended.

Superannuation

Many visual artists and craft practitioners do not participate in superannuation schemes. Employers are only legally obliged to make superannuation contributions on behalf of workers if the employer is responsible for paying salary or wages to the individual worker. Specifically, workers engaged under a contract that is wholly or principally for labour are entitled to have superannuation payments made on their behalf.²⁴² For example, a commercial gallery will not be obliged to make superannuation obligations on behalf of the individual artist unless there is a contract for labour in operation.

Provided there is a contract wholly or principally for the provision of labour, the superannuation guarantee will apply irrespective of whether the salary or wage is paid to the worker under a contract of service or a contract for services, and irrespective of whether the worker is employed on a full-time, part-time or casual basis.²⁴³ In addition to physical work, labour includes artistic and mental effort.²⁴⁴

Generally, self-employed people are not obliged to contribute on their own behalf, and will only be required to make contributions on behalf of any employees.²⁴⁵ NAVA makes this point in their submission:

In relation to superannuation, because artists and craft practitioners are not often employed by others, employer contributions to their superannuation are sporadic at best, and their self-generated earnings are usually only sufficient for survival with not enough left over to be able to make voluntary superannuation contributions.²⁴⁶

Thus, for those visual artists and craft practitioners who receive payment for their works from an employer, superannuation contributions will be made on their behalf by the employer. However, as the majority of artists are self-employed, superannuation is a voluntary consideration. In practical terms, superannuation for these artists will, by necessity, be secondary to the other requirements and realities of business operations.

242. Australian Taxation Office, 'Superannuation Guarantee—Contractors', p. 1, at www.ato.gov.au/content/professionals/super/downloads/nat6402.pdf.

243. Australian Taxation Office, 'What is the Superannuation Guarantee?', p. 1, at www.ato.gov.au/content/professionals/super/downloads/24322025.rtf.

244. Australian Taxation Office, 'Superannuation Guarantee - Contractors', p. 1. The terms 'salary' and 'wages' carry their ordinary meanings, and will include payments made to workers for labour by the day, week or month; allowances (excluding expense reimbursements and fringe benefits); bonuses, commissions and ex gratia payments; penalties and overtime payments; annual leave, long service leave and sick leave; and leave loading.

245. Arts Law Centre of Australia, 'Superannuation and Contract for Services', Sydney, 1998, at www.artslaw.com.au/reference/info18.

246. Submission: NAVA.

The absence of legally-required superannuation contributions means that for many visual artists and craft practitioners, their financial security during the later years of their life is not guaranteed. The following suggestion was made in submissions:

Provisions for adequate superannuation in the form of an artists' superannuation fund should be guaranteed to all artists when they cease to be able to work for any reason.²⁴⁷

As is discussed above with respect to workplace entitlements to leave and other benefits, it was suggested in submissions that visual artists and craft practitioners with uncertain superannuation arrangements would benefit from a portable benefits and entitlements scheme. A portable benefits arrangement currently operates within the existing superannuation framework, as artists are able to carry any existing superannuation accounts with them when their employment situation changes. Further, some superannuation funds permit artists to carry their accounts with them when their employer changes, and allow the new employer to make contributions to the existing superannuation account. For example, if the visual artist or craftsperson was employed by government and an account was created with the AGEST (Australian Government Employees Superannuation Trust), the superannuation savings accumulated in that account will be carried with the artist when he or she changes employers. The artist may also seek to have the new employer make contributions into the existing account, which is permitted provided the new employer is successfully admitted as either a member or an associated member of AGEST.²⁴⁸

In addition, artists can open superannuation accounts and Retirement Saving Accounts (RSAs) on their own behalf, and RSAs in particular are ideally suited for use by mobile workers with changing work environments.²⁴⁹ Where visual artists and craft practitioners receive superannuation benefits, RSAs are useful for managing these benefits.

There is a need for visual artists and craft practitioners to be made more aware of superannuation entitlements and the mechanisms currently operating to provide flexibility for workers with changing circumstances, particularly RSAs. This is a role which could be effectively adopted by artists' service associations and membership organisations. In Chapter 4 of this report, the Inquiry recommends that these organisations receive more funding to extend their activities. The Inquiry encourages these organisations to take responsibility for the carriage of an education campaign for artists regarding superannuation.

247. Submissions: Sandra Hall; Carole Pemberton.

248. AGEST, *Summary of Benefits and Conditions*, 2002, www.igest.com.au.

249. ATO, 'Retirement Savings Account (RSA) and Your Superannuation', at www.ato.gov.au/content/professionals/super/downloads/hat2031.pdf.

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- Visual artists and craft practitioners are often not entitled to employer-sponsored superannuation due to their self-employment. These self-employed artists are generally unable to make voluntary contributions on their own behalf as a result of their limited financial resources.
- Retirement Savings Accounts (RSAs) are suitable for use by mobile workers, including visual artists and craft practitioners.
- Visual artists and craft practitioners should be made aware of their rights in relation to superannuation and these rights should be enforced. Artists' service associations and membership organisations should be responsible for mounting an education campaign on superannuation for visual artists and craftspeople.

Occupational health and safety

It's hard to imagine a field of human endeavour that encompasses a greater range of procedures, techniques and processes than those occurring in the visual arts and crafts.²⁵⁰

Visual arts and craft practice often involves substantial risk of serious illness or injury. Technology has produced a wide array of new media which have been adopted by creative people in their artistic works, and many of the new and interesting materials used in art works can be dangerous, such as polystyrene.²⁵¹ However, the potential for harmful effects is not limited to new products. Many traditional materials and processes used in the creation of artistic and craft works can also cause harm if not used with care, such as clays and glazes.

The types of hazards which may be found in the studio of a visual arts or craft practitioner include:

- chemical hazards, such as solvents;
- physical hazards, such as fire and sharp implements;
- biological hazards, such as microorganisms; and
- psychological hazards, such as stress resulting from a lack of financial security.²⁵²

Occupational Health and Safety (OH&S) law establishes strategies for the prevention of workplace injury and disease. OH&S law is comprised of legislative regulation of work processes and practices, statutory systems of workers' compensation, and common law claims for damages for injuries caused and illness contracted in the course of employment.²⁵³

250. Submission: Nick Oughton.

251. M. C. Saylor, 'Health and Safety in the Arts and Crafts', Nebraska University, 1995, at www.ianr.unl.edu/pubs/consumered/nf126.htm.

252. N. Oughton, *A Hard Hat to Follow: A Health and Safety Guide for Artworkers*, Queensland Community Arts Network, New Farm, 2000, Chapters 4, 5 and 6.

253. A. Brooks, *Occupational Health and Safety for Visual and Craft Artists*, Visual Arts Industry Guidelines Research Project, Working Paper No. 3, Sydney, 2001, p. 2.

Legislative regulation is a direct preventative strategy, as it requires conduct that eliminates particular occasions of risk and prohibits conduct creating situations of risk. Legislation imposing OH&S obligations exists at both the Federal and the State and Territory level.²⁵⁴ These statutes vary in their detail. However, the set of general duties imposed is essentially similar. The statutes impose duties on employers, principals of independent contractors, contractors, employees, owners of workplaces, and manufacturers of plant and material used in workplaces, to conduct their enterprises in a manner which will not create a risk to the health and safety of other persons present or in the vicinity of the workplace.²⁵⁵

Implications for contemporary visual arts and craft

The effect of these overlapping rights and duties is that the rights and obligations of individual workers will vary according to the type of work relationship in operation. As discussed above, visual artists and craft practitioners generally engage in work relationships which fall within one of the following three categories:

- employees, such as art teachers and conservators;
- independent contractors, such as professional artists working on a commissioned work for a limited contract; or
- no recognised legal work relationships of any kind, such as an artist working alone in their own studio.

This last category includes situations where an individual artist creates an artwork in their own studio, which is then sold, either directly or through the agency of a commercial dealer or gallery. The artist is a vendor, rather than an employee or an independent contractor.²⁵⁶

In the context of the visual arts and craft sector, the protection afforded by the legislation to visual artists and craft practitioners is determined by the existence or absence of a work relationship. OH&S for visual artists and craft practitioners could, however, be enhanced through education. The task of educating the visual arts and craft sector about OH&S has already commenced, with the establishment of websites, newsletters, journal articles and similar dispersal mechanisms.²⁵⁷ Numerous international and domestic websites have emerged which provide guidance to visual artists and craft practitioners about how to manage risk in their practice.

For example, a Nebraskan University site provides guidance on recognising risk, preventing hazards, and developing good safety hazards.²⁵⁸ Similarly, Griffith University has posted materials on its websites to improve the awareness of artists of OH&S risks and management strategies.²⁵⁹ That this approach has had some success is demonstrated by the submissions received by the Inquiry. Nevertheless, the effectiveness of these education campaigns is limited by the resources of the groups and associations progressing this issue; the process of dispersing information to a fragmented sector like the visual arts and craft sector is extremely demanding and costly.²⁶⁰ These efforts should be encouraged and support offered at a national level.

254. The following are the relevant statutes operating in the various jurisdictions: *Occupational Health and Safety (Commonwealth Employment) Act 1991* (Cth); *Occupational Health and Safety Act 2000* (NSW); *Occupational Health and Safety Act 1985* (Vic); *Workplace Health and Safety Act 1995* (Qld); *Occupational Health, Safety and Welfare Act 1986* (SA); *Occupational Safety and Health Act 1984* (WA); *Workplace Health and Safety Act 1995* (Tas); *Occupational Health and Safety Act 1989* (ACT); and *Work Health Act 1986* (NT).

255. A. Brooks, op. cit., p. 2.

256. *ibid.*, p. 8.

257. *ibid.*, p. 16.

258. M. C. Saylor, 'Health and Safety in the Arts and Crafts', Nebraska University, 1995, at www.ianr.unl.edu/pubs/consumered/nf126.htm.

259. N. Oughton, *Occupational Health and Safety for the Visual and Performing Arts*, Griffith University, at www4.gu.edu.au/shr/Safety/.

260. A. Brooks, op. cit., p. 16.

The Inquiry recommends in Chapter 4 that artists' service associations and membership organisations receive funding to extend their activities, and an OH&S education campaign should be one project undertaken by these organisations. This campaign should be conducted in consultation with WorkSafe Australia.

An education campaign, such as the one proposed, should be conducted in concert with manufacturers of equipment, plant and material used by artists in their work. Manufacturers are obliged to provide information with the product on the risks associated with use of the product, and methods that may be used to eliminate or minimise the risk. This information constitutes a valuable method of education.²⁶¹ Regulatory bodies have responsibility for monitoring the adequacy and accuracy of the information supplied with dangerous products. The effectiveness of this regulation is limited by the volume of products to monitor their diversity, and the division of responsibilities for monitoring between the various State and Territory regulatory bodies. A more effective and cost-efficient approach would be to establish a national coordination program.²⁶²

In addition to providing more information to artists, submissions suggest that research needs to be conducted into the health of artists.²⁶³ This research will better inform policy makers and artists regarding risks currently faced by artists in practice.

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The OH&S of visual artists and craft practitioners is a major concern to the sector, as the self-employed status of artists precludes the application of OH&S legislation in most circumstances.

A preferable approach is for artists' service associations and membership organisations to launch a national education campaign. This campaign would provide artists with general information about occupation health and safety risks and approaches for managing these risks, and should encourage workers to invest in workplace injury insurance.

INSURANCE

As a result of self-employment, artists are required to shoulder more of the costs associated with being in business, as there is no employer to cover these costs on the artist's behalf. In particular, the artist must often arrange insurance.²⁶⁴ Particularly in the area of public art commissions, there is an expectation that artists can operate as small businesses, and part of this expectation is that artists have the resources to arrange appropriate public liability and professional indemnity insurance.²⁶⁵ This expectation does not reflect the different economic resources and infrastructure of the artist and the commissioner.

Arts organisations are required to obtain insurance cover for their activities and for the activities of any employees.

261. Z. S. Pinney, 'Comments on *The Artist's Complete Health and Safety Guide* by Monona Rossol or Rushing into the Arms of Panic?', (1991) 13(2) *WAAC Newsletter*, p. 24, at <http://palimpsest.stanford.edu/waac/wn/wn13/wn13-2/wn13-212.html>.

262. A. Brooks, *op. cit.*, p. 16.

263. Submissions: Carole Pemberton and Margaret Roberts.

264. C. Jordan, 'A Sustainable Future for Artists: An Australian Dream or a Real Possibility?' 131 (2000) *Art Monthly Australia* 29, at p. 30.

265. M. San Roque, 'Negotiating new terrain in public art commissioning' 135 (2000) *Art Monthly Australia* 35, at p. 36.

Types of insurance

There are a number of different types of insurance cover that may need to be considered by both individual visual artists and craft practitioners and arts organisations. These range from public liability insurance to professional indemnity insurance, insurance for artworks and insurance for volunteers. A more detailed analysis of the types of insurance relevant to the contemporary visual arts and craft sector can be found at *Appendix I*.

Cost of cover

Many of the types of insurance cover outlined above, particularly income protection and life insurance, will be too expensive for the majority of practising artists to obtain.²⁶⁶ It is particularly important for artists to obtain insurance cover for their artworks, for public liability, and for personal injury to themselves. Nevertheless, many artists work uninsured.

The Inquiry notes that insurance costs are currently extremely high for all industries, including the creative industries.²⁶⁷ At the time the Inquiry was considering this issue, the contemporary visual arts and craft sector, and many other sectors, were experiencing difficulties obtaining insurance cover, and where available, paying the premiums quoted. In some cases, difficulties associated with insurance cover led to the cancellation or postponement of arts programs and events.²⁶⁸

Further, rising premiums have also had a detrimental impact upon individual visual artists and craft practitioners. Due to the limited financial resources of the majority of artists, high premiums have led many practitioners to choose to work without insurance cover. For example, with respect to insurance cover for works, almost 45 per cent of all artists surveyed as part of the VIAGRP project indicated that they have no insurance cover for their works. Of the remainder, 21 per cent indicated they did not know whether they had insurance cover, and 34 per cent indicated they had coverage for loss, destruction or damage to their works.²⁶⁹ Working without insurance cover exposes the artists to a great deal of risk.

The submissions received by the Inquiry paint a very clear picture of the difficulties faced by the contemporary visual arts and craft sector with respect to insurance. The Society for Arts and Crafts of New South Wales suggests in its submission that the prohibitive cost of public liability insurance for smaller organisations should be investigated further.²⁷⁰ The Northern Territory Department of Arts and Museums also made the following observation:

The rising cost of insurance is increasingly becoming an issue for Territory artists. More and more artists and small organisations are being required to insure events as cover from the hosting institution (where there is one) is not always appropriate. Insurance premiums have risen, in some cases as much as several hundred percent, and this is a huge impost on artists, small arts and craft organisations.²⁷¹

266. S. Simpson, *Insurance*, Simpsons Solicitors, Sydney, at www.simpsons.com.au/library/documents/visarts/visarts89/19Insura.pdf.

267. L. Morris, 'Now Artists Feel the Public Liability Squeeze', *Sydney Morning Herald*, 5 February 2002.

268. Regional Arts NSW, 'Public Liability Crisis – List of Cancelled Events', 21 February 2002, at www.regionalartsnsw.com.au/news/cancelled_events-21-2-02.html.

269. Australian Centre for Industrial Relations Research and Training (ACIRRT) – University of Sydney, *The Working Life of Visual Artists in Australia*, Working Paper 9, Visual Artists Industry Guidelines Research Project – NAVA Member Survey 2001, Strategic Partnerships with Industry for Research and Training Project, funded by the Australian Research Council and the Australia Council, 2002, Table 15, p. 19.

270. Submission: Society of Arts and Crafts of NSW.

271. Submission: Department of Arts and Museums.

NAVA make the following observations regarding the difficulties for artists in gaining appropriate and affordable insurance cover:

Because the risks in art practice are little understood by the insurance industry, it is often difficult or impossible for artists to get insurance cover at affordable premiums, and with some types of cover it is not possible at all. Increasingly, government authorities and commissioning bodies are making it mandatory for artists to prove that they have insurance cover before they can secure the contract. This is very much the case for public liability and professional indemnity cover. However, the commissioner is not necessarily prepared to cover the costs involved through increasing the level of fees paid for the commission.²⁷²

Artspace dealt with insurance for installations in their submission:

This is further complicated when artists themselves are involved in the installation of their own work and the insurance sector insists that the artists are small business/contractors and should have their own insurance—in other words the contemporary visual arts organisation's insurance will not cover artists in the process of their installation development, and in more cases than not, artists themselves do not have any or adequate self cover due to the enormous cost in relation to their earning capacity. In most instances, artists are not even aware of their need for self cover.²⁷³

In response to these difficulties, a number of suggestions are made in submissions for alleviating the problems. These include:

- limiting artists' professional indemnity liability to a specified period after the completion and installation of a public artwork;²⁷⁴
- establishing a subsidised national insurance scheme for professional visual artists and craftspeople to offer the full range of insurances required, particularly in relation to public art and for work on consignment;²⁷⁵ and
- conducting an insurance awareness campaign aimed at arts professionals.²⁷⁶

At the time of writing, the Commonwealth government and the State and Territory governments were negotiating a response to the insurance crisis. A Senate Inquiry has also been commissioned to assess the impact of the public liability and professional indemnity insurance cost increases. This Inquiry is expected to report by 27 August 2002. As strategies emerge to address the current insurance crisis, information regarding these strategies should be provided to the sector.

272. Submission: NAVA.

273. Submission: Artspace.

274. Submission: ArtsWA.

275. Submission: NAVA.

276. *ibid.*

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Currently, some artists and arts organisations are unable to find insurers willing to offer appropriate insurance coverage. Further, due to the high cost of insurance premiums, many individual artists and arts organisations are unable to afford insurance cover.

It is anticipated that some of the difficulties experienced by visual arts and craft practitioners and arts organisations will be alleviated if government strategies are developed to address the current insurance crisis. The contemporary visual arts and craft sector needs to participate in the current government reviews, and subsequently carefully consider the findings of those reviews.

Many practitioners are also unaware of the importance of insurance and their associated legal obligations. More information needs to be made available to the sector and a means to distribute this material effectively to individual visual artists and craft practitioners needs to be found.

In its consideration of the matters that can be broadly described as ‘status of the artist’ issues, the Inquiry was mindful of the fact many of the concerns of the contemporary visual arts and craft sector may be shared by other arts sectors and persons working in other parts of the economy. Legislative or policy solutions would need to have regard to these considerations. There is also the need to consider the broader policy context.

For example, as discussed, Australia’s unemployment assistance programs are aimed at returning participants to paid employment. As such, they are relatively incompatible with providing support to visual arts and craft practitioners in their arts practice. Any attempt to provide a minimum wage for visual arts and craft practitioners would likely require a new program, much as the Netherlands’ WIK policy is carried out separately from its general social security programs. Such an initiative would require consideration of the implications for social security policy generally. It would also need to take into account that in the Australian context, targeted forms of assistance to artists and arts organisations through the Australia Council and State and Territory arts agencies are considered more efficient and effective in promoting artistic excellence and innovation.

The Inquiry’s focus and emphasis has been on improving the development, promotion and support for visual arts and craft practitioners in their practice. Notwithstanding that, in its findings the Inquiry has identified a number of areas where there is scope to address some of the more pressing concerns within the existing legislative and policy frameworks, so that access by artists to government programs and other forms of assistance is the same as for other citizens, and is not compromised by the nature of their profession. The Inquiry believes the respective responsible agencies of government should examine the particular issues in consultation with the sector, and where practicable adopt a whole of government approach to achieve effective coordinated outcomes.

RECOMMENDATION 2

In order to support visual artists and craft practitioners in their practice, the Inquiry recommends:

- 2.1 The Australian Taxation Office make a public ruling on what constitutes carrying on an art business.
- 2.2 The Commonwealth remove the \$40 000 limit on secondary income of artists, and the exemption from the non-commercial losses provision be extended to all visual artists and craft practitioners carrying on a legitimate arts business activity.
- 2.3 The Commonwealth remove any inconsistencies in practice involving the eligibility of Australian Business Number holders to receive unemployment benefits, particularly visual artists and craft practitioners.
- 2.4 The Commonwealth broaden the mutual obligation criteria for Newstart to include a range of arts activities with community benefits.
- 2.5 The Commonwealth support artist service associations and membership organisations to conduct national education campaigns to improve the awareness of visual artists and craft practitioners about superannuation, occupational health and safety and insurance issues.
- 2.6 The Commonwealth Minister for the Arts initiate consultations with appropriate Commonwealth Ministers to progress these matters.

ARTISTS AND INTELLECTUAL PROPERTY—COPYRIGHT

Intellectual property issues are of considerable importance to the contemporary visual arts and craft sector. Copyright protects and promotes creative endeavour, and promotes knowledge and learning.²⁷⁷ It is also an important potential source of income for visual artists and craft practitioners.

Copyright law has recently undergone a number of changes. The Inquiry has received a number of submissions discussing the practical effect of these changes and further areas that need to be reviewed.

The Inquiry has reviewed the current arrangements for copyright in Australia, with a focus on the recent changes to the *Copyright Act 1968* (the Copyright Act). This included consideration of moral rights, digital rights and rights in relation to photography. As copyright applies broadly to all creative industries, the Inquiry limited its examination to those issues that specifically relate to the visual arts and craft sector.

277. L. P. Loren, 'The Purpose of Copyright', 2(i) *Open Spaces Quarterly*, Oct 2001, at www.open-spaces.com/article-v2n1-loren.php.

Copyright in Australia

Copyright protects the physical expression of ideas in a range of different types of material, including craft works and works of visual art, for a limited period of time.²⁷⁸ Copyright does not protect ideas, concepts, techniques, styles or methods. The Copyright Act defines an 'artistic work' to mean:

1. a painting, sculpture, drawing, engraving or photograph, whether the work is of artistic quality or not;
2. a building or a model of a building, whether the building or model is of artistic quality or not; or
3. a work of artistic craftsmanship to which neither of the last two preceding paragraphs apply...²⁷⁹

This is an inclusive list, not an exhaustive list, of works that will be protected as artistic works under the legislation.

Copyright protection is automatically accorded to a creator upon creation of a work. In Australia, it is not necessary to register a work, or mark a work with a copyright notice, in order to invoke protection. With the exception of photographs, copyright in a work of visual art or craft endures until 50 years after the death of the creator(s).²⁸⁰

Copyright is an economic right that can be assigned, either wholly or in part, to a person other than the creator.²⁸¹ Copyright also grants artists exclusive rights to licence others to use the work in a way that would otherwise contravene copyright. For example, creators may choose to licence another to copy the work.²⁸² Both licences and assignments of copyright may be limited or conditional.

There are a series of exemptions set out under the Copyright Act which permit the copying of a work without the permission of the creator. These include statutory schemes, such as the public lending right scheme, and fair dealing exemptions. Fair dealing exemptions apply in limited circumstances, specifically where the infringing act is committed for the purposes of research or study, criticism or review, or journalism, and tend to be limited in the amount of work that may be reproduced.²⁸³ There are also exemptions for infringing acts committed for the purposes of judicial proceedings or professional advice.²⁸⁴

Collecting societies

In many cases, copyright is administered on behalf of copyright owners by collecting societies. Collecting societies have four main functions:

- licence the works on behalf of members for specific uses;
- monitor use and collect revenues;
- distribute royalties to members; and
- enter into reciprocal arrangements with foreign collecting societies to collect and distribute royalties.²⁸⁵

278. I. McDonald, 'Copyright and Moral Rights for Visual and Craft Artists', Visual Arts Industry Guidelines Research Project, 2001, p. 1.

279. *Copyright Act 1968* (Cth), s10(1). A craft work is generally regarded as a work of 'artistic craftsmanship' if it is hand-made, and the maker of the work intended it to be 'artistic' rather than purely functional.

280. *Copyright Act 1968*, s33. See also IP Australia, 'What is Intellectual Property?', 2001, at www.ipaustralia.gov.au/ip/W_type1.htm.

281. I. McDonald, *op. cit.*, p. 3.

282. IP Australia, *op. cit.*

283. *Copyright Act 1968*, sections 40–42.

284. *Copyright Act 1968*, section 43.

285. R. Towse, 'Copyright and the Cultural Industries: Incentives and Earnings', Paper for Presentation to the Korea Infomedia Lawyers Association, Seoul, 30 October 2000, p. 9.

Collective administration enables individual artists to collect royalties from, and monitor, uses of their works; the costs of administering copyright is spread amongst members of the society, thereby allowing less financially secure artists to access remuneration from copyright. Collective administration also benefits users of copyright material by offering blanket licensing arrangements where by paying a single fee, users have access to the entire repertoire of the society. Revenue from blanket licences is then distributed by the collecting society to members concerned.²⁸⁶ Collecting societies are an efficient means of administering copyright due to economies of scale, as the rights of many copyright owners are managed through a single organisation.

There are two types of collecting societies—those administering licences voluntarily given to the society to deal with copyright material in a certain way, and those administering statutory licensing schemes under the Copyright Act.²⁸⁷ Statutory licences granted in specified circumstances for certain organisations to engage in conduct which would otherwise contravene copyright. These include licences granted to public institutions to engage in electronic copying and reprography. In relation to works of visual art and craft, the relevant collecting societies are VISCOPY, Screenrights and Copyright Agency Limited (CAL).

VISCOPY administers only voluntary licences as it has not been declared a collecting society to administer any of the statutory schemes under the Act. In contrast, Screenrights and CAL are collecting societies charged with the administration of statutory licensing schemes. Screenrights administers the television and radio scheme for educational institutions and government, and a scheme for the re-transmission of broadcasts. CAL administers schemes in relation to graphical and textual material, the communication and reproduction schemes for educational institutions, and the reproduction scheme for governments. CAL also offers various voluntary licences to commercial and non-profit organisations to reproduce and communicate graphic and textual material in which the members of CAL own copyright.²⁸⁸

Copyright Tribunal

The Copyright Tribunal has jurisdiction to hear cases involving disputes regarding statutory licences. The Tribunal has the power to determine various terms and conditions, including the amount of equitable remuneration payable for exercise of a licence, in relation to select statutory licences set out in the Copyright Act.²⁸⁹

International obligations

Australia is a party to a number of international intellectual property instruments, treaties and agreements. The most important with respect to copyright is the *Berne Convention for the Protection of Literary and Artistic Works* (the Berne Convention). Australia is a party to the most recent revision of the Convention, the Paris Act of 1971.²⁹⁰ The Berne Convention sets out the categories of works to be protected under copyright, the rights encompassed by copyright, exceptions to copyright and the duration of copyright protection.

286. *ibid.*, p. 10.

287. I. McDonald, *op. cit.*, p. 27.

288. *ibid.*

289. The Copyright Tribunal recently reviewed remuneration rates payable by educational institutions under statutory licences. The Tribunal has instituted differential rates of payment for different types of copyright material. For some types of material, including art and diagrams, a higher rate of payment will be required for copying than for copying other types of material. For more detail, see *Copyright Agency Limited v Queensland Department of Education* [2002] ACopyT 1 (8 February 2002).

290. DCITA, 'Australian Copyright Law and the International Environment', Fact Sheet, at www.dcita.gov.au.

Recent changes to copyright law

Moral rights

The *Copyright Amendment (Moral Rights) Act 2000* gives artists a number of moral rights, including:

- the right to be attributed as the creator of the work;
- the right not to have work falsely attributed; and
- the right to have the integrity of the artist's work respected, which includes a right to object to derogatory treatment of their work which is prejudicial to the creator's reputation or honour.²⁹¹

Unlike the economic rights comprised in copyright, moral rights cannot be transferred, and are actionable even where the creator has assigned the copyright in the work.²⁹² Moral rights thus give all artists greater control over the use of their works and consequently assists them in protecting the cultural integrity of their work. However, artists may decide whether or not to exercise these rights. The legislation permits creators to consent by contract to things done or not done that would otherwise infringe their moral rights. Issues concerning Indigenous art and moral rights are dealt with in the next section.

Moral rights are particularly important for creators who do not own copyright in their works, or who no longer own the physical items in which copyright is embodied, and who consequently do not have the opportunity to contract with users for the protection of copyright.²⁹³

Digital rights

The *Copyright Amendment (Digital Agenda) Act 2000* takes account of technological developments such as the Internet and cable television. The Digital Agenda legislation is aimed at giving artists some control in how their work is electronically transmitted to the public or made available online. It recognises that material, from computer programs to music, is increasingly being distributed by electronic means and that copyright owners' rights need to extend to electronic reproduction in the digital age. In the digital environment, owners of copyright now have the legal right to control the distribution of their works, including the uploading of an image onto a server, the reproduction of an image into an email and the transmission of the image to the public.²⁹⁴

Photography

The Commonwealth Government has also amended the Copyright Act to give photographers greater opportunities to earn revenue from their intellectual property, including new rights in relation to commissioned photographs and entitlement to remuneration for the copying of their work by the educational sector.

291. I. McDonald, *op. cit.*, p. 4.

292. V. Morrison, 'The New Moral Rights Legislation', 18(4) *Copyright Reporter*, 2000, p. 170.

293. V. Morrison, *op. cit.*, p. 178.

294. I. McDonald, *op. cit.*, p. 11.

Matters of concern to the contemporary visual arts and craft sector

Definition of artistic work

It is not clear that all installation art will fit within the definition of artistic work set out in the Copyright Act, particularly where installation art consists of found items. Even where an installation includes hand-made items or painted surfaces, copyright may only protect the component parts, and not the installation as a whole.²⁹⁵

Performance art, which includes sound art, is also not clearly encompassed by the definition of artistic work. A work of performance art may attract copyright protection if it can be characterised as a ‘dramatic work’, or if components of the work fit within other categories of copyright material, such as a video accompanying the performance.²⁹⁶

Similar problems emerge with respect to works of art involving chemical, biological or natural processes. The idea of using particular processes as the basis for artistic creation will clearly not be protected by copyright.²⁹⁷ Further, it is not clear whether an item acted upon by a natural process, such as the work by Damien Hirst which involved the decomposition of a cow’s head, would fit within one of the categories of artistic work. In particular cases, the work may be classified as a sculpture, engraving or work of artistic craftsmanship. However, it may not be possible to classify the work in such a way in all cases. Again, if the work is classified as an artistic work attracting copyright protection, it may be difficult to prove that the copyright has been infringed as it could be argued that only the idea has been used, not the expression of that idea.²⁹⁸

While there is clearly some uncertainty regarding the categories of visual arts and craft attracting copyright protection under the legislation, it is important to remember that the list is inclusive, not exclusive. Amending the definition of artistic work may lead to difficulties, as the more specific the definition adopted, the more likely some media will be excluded from the definition. It would seem appropriate for government to monitor case law in this area, and consider a legislative response if this need is demonstrated in practice.

Human authorship

For copyright protection to exist in a work, a human creator must have created the work. This raises the question whether computer-generated art attracts copyright protection. Further, a similar question arises where an artist merely presents or points to a natural item or process.

This issue has not been fully resolved at law. With respect to computer generated art, there is some case law on this issue. Currently, the view is that where a computer program is used to create material, and the parameters within which the program operates have been set by a human creator, copyright protection is accorded to the material produced, as the computer program can be viewed as a tool of the human creator.²⁹⁹ Similarly, where a work

295. *ibid.*, p. 8.

296. *ibid.*, p. 9.

297. *ibid.*, p. 10.

298. *ibid.*, p. 11.

299. *ibid.*, p. 6. See for example, *Coogi Australia Pty Ltd v Hysport International Pty Ltd* (1998) 41 IPR 593.

of art involves a particular item being effected in some way by a chemical, biological or natural process, difficulties may arise in satisfying the court that the artwork has a human creator. Again, it is likely the court would need to be satisfied that a human creator had set the parameters within which the process took place, and that the relevant processes were a tool of the creator to create the work.³⁰⁰ Nevertheless, greater clarity in this area is desirable.

Again, it would be appropriate for government to monitor case law developments, and consider legislative action if it is demonstrated that computer-generated art and art involving chemical, biological and natural processes is not given adequate protection under current copyright provisions.

FINDINGS

The current definition of an 'artistic work' may not encompass all installation art, performance art, art involving biological, chemical and natural processes, and computer-generated art.

The Inquiry notes, however, the current provisions are quite broad and are considered an inclusive, not exclusive, list of protected works.

Case law developments in this area should be monitored, and if a need is demonstrated, legislative changes should be considered.

Government copyright

It is presumed under the Copyright Act that the creator of an artistic work will be the first owner of copyright in the work. There are, however, a number of exceptions to this rule.³⁰¹ Where an artistic work is created or first published under the direction or control of the Commonwealth or a State or Territory government, the relevant government will own copyright in the material produced. This position applies unless the creator can gain the agreement of the government for whom the work is created that the creator will retain copyright. Hence, as the initiative is placed upon creators to assert their rights, this provision can operate to the detriment of visual artists and craft practitioners who are not aware of the exception.³⁰² The issue is thus whether the Crown should continue to benefit from this preferential treatment.

In the *Review of Intellectual Property Legislation under the Competition Principles Agreement*, the Intellectual Property and Competition Review Committee (IPCR) ³⁰³ argued that the Crown should not benefit from 'preferential treatment' accorded to it under the Copyright Act. The Committee recommended that the Copyright Act be amended to leave the Crown in 'the same position as any other contracting party'.³⁰⁴

300. *ibid.*, p. 11.

301. Australian Copyright Council, *'Artworks and Copyright'*, 1999.

302. I. McDonald, *op. cit.*, p. 26.

303. The Intellectual Property and Competition Review Committee was an independent Committee established by the Commonwealth to review the impact of the intellectual property laws on competition. The review was established as a result of the Competition Principles Agreement between the State and Commonwealth Governments. The Committee inquired into the effects of intellectual property legislation, including Patents, Trademarks, Designs, Copyright and Circuit Layouts, to determine whether the intellectual property system is meeting the needs of Australian business and consumers while maximising the benefits of domestic and global competition. The final report of the Committee was presented to the Attorney-General and the then Minister for Industry, Science and Resources in September 2000.

304. Intellectual Property and Competition Review Committee, *Review of Intellectual Property Legislation under the Competition Principles Agreement*, 2000, at <http://law.gov.au/ipcr/finalreport1dec/welcome.html>, p. 114.

The Arts Law Centre of Australia submitted to the Inquiry that the privileged position of the Commonwealth with respect to copyright ownership should be reviewed and that consultations should occur between government, visual artists and representative organisations in order to develop a more appropriate policy.³⁰⁵ NAVA also submitted that the government should remove the legislative preference in favour of government ownership of copyright.³⁰⁶

The Inquiry notes the Commonwealth Government response to the recommendations of the IPCRC indicates partial acceptance of the recommendation to amend the Copyright Act to remove the current preferential treatment accorded to the crown. Specifically, the Government accepts the finding that the Crown should not benefit from preferential treatment that is unjustified, but rather than amending the legislation, the Government will consider the best means to eliminate unjustified preferential treatment for the Crown.

The Government accepts it should not benefit from preferential treatment that is unjustified, and will first look at development of best practice policy guidelines for crown ownership of copyright in Commonwealth agencies that could be more immediately effective and serve as a model for other jurisdictions.³⁰⁷

The Inquiry considers this an appropriate way to proceed on this issue.

Digital licensing

As discussed above, creators of artistic works are now able to control the use and reproduction of their works in the online environment. As in the off-line environment, a creator may wish to licence a party to reproduce, publish or communicate a work of art to the public. A number of issues emerge in relation to the licensing of copyright material online, including what terms should apply for licences, how payment should be determined, and what steps should be taken to protect the moral rights of the author.³⁰⁸

On the basis of submissions, the Inquiry believes a consistent, industry-wide approach to licensing would aid in protecting creators and ensuring visual arts and craft practitioners are adequately remunerated for the use of their works online by others.³⁰⁹ A draft code of conduct for collecting societies has been developed. The draft code covers a number of issues, including digital licensing.³¹⁰

The Inquiry also notes the Copyright Law Review Committee (CLRC) is currently investigating the relationship between copyright and contract. The findings of the Committee may have some bearing on licensing under the Digital Agenda, particularly click-on licences posted on websites.³¹¹ The Digital Agenda is scheduled for review by 4 April 2004.

305. Submission: Arts Law Centre of Australia.

306. Submission: NAVA.

307. Department of Communications, Information Technology and the Arts, 'Government Response to Intellectual Property and Competition Review Recommendations', Information Package, at www.dcita.gov.au.

308. I. McDonald, *op. cit.*, p. 13.

309. *ibid.*

310. *Code of Conduct for Copyright Collecting Societies*, p. 2, at www.copyright.com.au/whats_new.htm. VISCOPY is party to the code.

311. The CLRC is due to report to the Attorney-General by 30 April 2002.

FINDINGS

The Commonwealth Government should commence consultations with key stakeholders in preparation for a review of the Digital Agenda, including consideration of the effectiveness of the voluntary code of conduct for collecting societies in standardising digital licensing practices.

Moral rights

Artists in Australia have legislated moral rights, including the:

- right to be attributed as the creator of the work;
- right not to have work falsely attributed; and
- right to have the integrity of the artist's work respected, which includes a right to object to derogatory treatment of their work which is prejudicial to the creator's reputation or honour.³¹²

There is currently a great deal of uncertainty in the contemporary visual arts and craft sector regarding the extent to which artists are permitted to forgo their moral rights by way of a contractual clause. While the Act requires that consent to contraventions of moral rights be given in a specified form, it is unclear whether the artist can waive their moral rights, either explicitly or implicitly.³¹³ There is also uncertainty regarding the ambit of the 'reasonableness' defence, and the way in which this will apply in practice.³¹⁴ There is no judicial guidance regarding either issue as moral rights have not yet been raised in the Australian courts. It is the conclusion of the Inquiry that there appears to be grounds for government to monitor the impact of the consent provisions and reasonableness defence in practice. Again, the findings of the CLRC in relation to the current review of contracts and copyright may have an impact on contracts involving moral rights.

There is also uncertainty in the sector regarding the assertion of moral rights.³¹⁵ It is not a legal requirement that moral rights be asserted by way of contract, as these are enshrined in legislation in Australia. Nevertheless, it is becoming industry practice to include clauses in contracts asserting moral rights, both in contracts within Australia and with overseas jurisdictions where assertion is a legal requirement, such as the United Kingdom and New Zealand. The effect of this growing practice is that the other contracting party is reticent to sign the contract, and there is more likelihood of the other party insisting upon a provision whereby the artist contracts out of their moral rights. Thus, while not legally necessary, it may be practically necessary to include a provision in the legislation deeming artists to have asserted their moral rights. This would eliminate the need for moral rights to be asserted by the artist when contracting with overseas companies, and would emphasise that moral rights do not need to be asserted in contracts to be enforceable.³¹⁶

312. I. McDonald, *op. cit.*, p. 4.

313. W. Rothnie, 'Consents and Waivers', Paper Delivered at the *Copyright Law and Practice Symposium*, Sydney, November 23 2001.

314. *Copyright Act 1968*, sections 195AR and 195AS. Moral rights are not infringed if the person allegedly infringing the author's moral rights acted reasonably in all the circumstances. The legislation lists matters to be taken into account in determining whether an act or omission was reasonable in the particular circumstances. The factors to be taken into account include: the nature of the work, the purpose for which the work is used, the manner in which the work is used, the context in which the work is used, and industry practice relevant to the work of the use of the work, and whether the work was made in the course of the creator's employment. This defence does not apply to the moral right of false attribution. For more discussion, see V. Morrison, 'The New Moral Rights Legislation', 18(4) *Copyright Reporter*, 2000, p. 170.

315. S. Simpson, 'Moral Rights in Practice: Visual Arts', Paper Delivered at the *Copyright Law and Practice Symposium*, Sydney, November 23 2001.

316. *ibid.*

It is also important for businesses contracting with contemporary visual artists and craft practitioners to consider the impact of including consent clauses on business relations. Including an unnecessarily wide consent clause is likely to have a detrimental impact on relations between the parties. If it is unlikely that a breach of moral rights will be necessary for the contract to be performed, more harm may be caused by the inclusion of the consent clause than by its omission.³¹⁷ Arts organisations and legal advisers to the arts, including The Arts Law Centre of Australia, may be well advised to emphasise to the sector that there needs to be a focus on the individual needs of the parties to the contract, rather than on industry practice.

FINDINGS

Government should monitor the impact of the Moral Rights consent provisions and the defence of 'reasonableness' on the contemporary visual arts and craft sector.

Government should consider including a legislative provision deeming artists to have asserted their moral rights, in order to curb the growing but legally unnecessary practice of moral rights being addressed in contracts.

Term of copyright

In a number of overseas jurisdictions, the term of copyright is longer than the term currently operating in Australia. Copyright in artistic works in all European Union countries and the United States endures for the life of the creator plus 70 years.³¹⁸ A number of submitters, including NAVA and the Australian Institute of Professional Photography, encouraged the extension of the copyright term in Australia to 70 years after the death of the creator.³¹⁹

The IPCRC was not convinced there was merit in proposals to extend the term of copyright, and recommended the current term be retained. Some stakeholders argue that the term of copyright in Australia should be extended to achieve parity with certain overseas trading partners.³²⁰ However, some submissions to the IPCRC argued against extending the current term of copyright. Objections cited included:

- concerns regarding possible anti-competitive effects;
- the public interest in copyright works entering the public domain;
- the creation of significant barriers to access and innovation;
- there is no evidence an extended term would provide an additional incentive for creators; and
- commensurate additional and unnecessary transactional costs for business, and in turn, consumers.³²¹

Further to this conclusion, the IPCRC recommended that no extension of the copyright term should be introduced without a prior thorough and independent review of the resulting costs and benefits.³²² The government accepted the recommendation of the IPCRC.³²³

317. *ibid.*

318. I. McDonald, *op. cit.*, p. 25.

319. Submissions: NAVA and Australian Institute for Professional Photography.

320. Intellectual Property and Competition Review Committee, *op. cit.*, p. 80.

321. *ibid.*, p. 82.

322. *ibid.*, p. 84.

323. DCITA, 'Government Response to Intellectual Property and Competition Review Recommendations'.

The Inquiry notes the finding of the IPCRC. The Inquiry also recognises the numerous submissions it received in favour of extending the copyright terms to 70 years after the death of the creator.

FINDING

There is pressure from the contemporary visual arts and craft sector to increase the term of copyright to the life of the artist plus 70 years.

An independent review should be conducted to assess the impact of increasing the terms of copyright to life plus 70 years.

Duration of copyright in photographs

Currently, the duration of copyright protection for a photograph is determined by different rules than those applying to other types of artistic material. Generally, copyright in an artistic work will last for the lifetime of the creator plus 50 years. For photographs taken before 1 May 1969, copyright lasts for 50 years from the end of the year in which the photograph was taken. Copyright in photographs taken on, or after, that date will continue until 50 years after they are first published.³²⁴

As a result, all photographs taken before 1 January 1952 are now in the public domain. For example, many of the well-known images created by David Moore, Max Dupain and Olive Cotton may now be used freely. For modern artists, the practical effect of this provision is that where a photographer publishes work from their younger years and has retained copyright in the work, the photographer will find that copyright will begin to expire as the artist reaches retirement age.³²⁵

The IPCRC recommended in favour of extending the term of copyright for photographs. Numerous submissions to the Inquiry advocated amendments to the Copyright Act to extend the term of copyright protection for photographs to the life of the creator plus 50 years. The Arts Law Centre of Australia states in the submission:

There is no apparent justification for a distinction between the protection that should be given to a painting, sculpture or drawing, and a photograph.³²⁶

VISCOPY and NAVA also support the extension of the term of copyright for photographers in order to achieve parity with other media.³²⁷

The Coalition stated in its *Arts for All* policy document released for the federal Election 2001:

In order to bring the protection of photographers into line with that enjoyed by other creators, the Coalition will extend the duration of copyright in photographs.³²⁸

The Inquiry noted the government's intentions in this regard.

FINDING

There appears to be no philosophical or practical basis for the current differentiation between the duration of copyright in photographs and the duration of copyright in other artistic works.

324. I. McDonald, op. cit., p. 24.

325. *ibid.*, p. 24.

326. Submission: Arts Law Centre of Australia.

327. Submissions: NAVA and VISCOPY.

328. Coalition, *Arts For All*, Election 2001, p. 21.

Use by artists of copyright materials: fair dealing

In its submission, the Arts Law Centre of Australia indicated that many contemporary visual artists wish to utilise existing copyright materials for the purposes of parody or social comment. There is also a common practice, known as appropriation, involving the use of substantial portions of copyright materials by artists for the purposes of artistic expression—for example, images used to emphasise or to further develop themes or ideas. Under existing law, the substantial use of a copyright work requires the licence of the copyright owner, or constitutes a copyright infringement. There are no exceptions for parody, social comment or artistic appropriation under current law, as this use does not fall within one of the limited exceptions with respect to fair dealing. A similar problem exists for artists seeking to incorporate registered trademarks, such as brand names, in their works.

A number of possible recommendations are suggested:

- a defence of artistic expression for claims of trademark infringement or defamation of corporate entity;
- an additional exemption to cover the situation of copyright materials reproduced for the purposes of parody or social comment; or
- broadening the existing defence of fair use to cover these situations.³²⁹

In Part 1 of its report on *Simplification of the Copyright Act 1968*, the CLRC recommended the existing fair dealing provisions be reviewed and relaxed.³³⁰ The fair dealing provisions were also reviewed by the IPCRC. The IPCRC concluded that the benefits to the community as a whole would not necessarily outweigh the potential costs due to the uncertainty of the proposed scheme.³³¹ The government has accepted this finding.³³²

The Inquiry notes that the amendments made under the Digital Agenda have achieved one of the goals the CLRC sought through the proposed amendment, the extension of fair dealing to digital uses. The Inquiry also recognises that broadening the exemptions to copyright would not be without difficulties, as the line between parody, social comment and artistic expression, and defamation, may be difficult to draw. There would be a high degree of uncertainty associated with broad fair dealing exemptions for both copyright users and owners. Extending the fair dealing provisions, while offering benefits to artists appropriating copyright materials for the purpose of artistic expression, would also have an attendant cost for the owners of that copyright material. The Inquiry noted the findings of the IPCRC in this regard, and finds that this issue should be monitored closely by government.

329. Submission: Arts Law Centre of Australia. The third possible recommendation was suggested in consultations between the Inquiry and Arts Law, January 2002.

330. Copyright Law Review Committee, *Simplification of the Copyright Act 1968*, Part 1, Exceptions to the Exclusive Rights of Copyright Owners, 1998, Para 6.10.

331. Intellectual Property and Competition Review Committee, *op. cit.*, p. 15.

332. DCITA, 'Government Response to Intellectual Property and Competition Review Recommendations'.

FINDINGS

Currently, the use of copyright materials for the purposes of social comment, parody or artistic appropriation is not exempted under the fair dealing provisions.

Broadening the fair dealing provisions, while offering benefits to artists seeking to use copyright materials, would also have an attendant cost for the owners of that copyright material.

This is a matter requiring close monitoring by government.

Sculptures and craft works on public display

The Copyright Act provides that a sculpture or work of artistic craftsmanship which is on permanent public display may be photographed, depicted in a drawing or painting, filmed or included in a television broadcast without the permission of the creator. Subsection 65(2) provides that:

The copyright in a [sculpture or work of artistic craftsmanship] that is situated, otherwise than temporarily, in a public place, or in premises open to the public, is not infringed by the making of a painting, drawing, engraving or photograph of the work or by the inclusion of the work in a cinematograph film or in a television broadcast.

Further, section 68 provides that the resulting image may be commercialised without the permission of the creator.³³³

The copyright in an artistic work is not infringed by the publication of a painting, drawing, engraving, photograph or cinematograph film if, by virtue of section 65, section 66 or section 67, the making of that painting, drawing, engraving, photograph or film did not constitute an infringement of the copyright.

This is not the case for other types of visual art, such as murals. The copyright owners in an artistic work, other than a work of artistic craftsmanship or a sculpture, retain rights over both the initial reproductions, including filming and photography, and the subsequent commercialisation of those images, including postcards and films.³³⁴

This inconsistency between the rights of copyright owners in different media has led to calls from VISCOPY and NAVA for the repeal of these provisions.³³⁵ Artists have also indicated concern regarding copyright in installations and performance art.³³⁶

The Arts Law Centre of Australia submitted that a review of these provisions is warranted. Arts Law is cautious about removing these provisions due to the fact that many works of public art are commissioned, and the benefit would be enjoyed by local councils, businesses and other commissioning bodies, rather than the artist.³³⁷ Arts Law submitted that if the provisions are repealed, acts undertaken for non-commercial purposes—for example, photographs taken by tourists or art students for study purposes—should be deemed to be non-infringing acts not requiring a licence.³³⁸

333. It should be noted that there has been little judicial guidance on the scope of section 65. The courts may adopt a narrow interpretation of the section 65 exception, holding that the exception does not apply where the reproduction of a sculpture or work of artistic craftsmanship, a three-dimensional work, is substantially similar to underlying two-dimensional works, such as drawings, plans or sketches. For further explanation of this concept, see I. McDonald, 'When is an Exception not an Exception? Two-dimensional Reproductions of Public Art', 20 (1) *Copyright Reporter* 24, February 2002.

334. I. McDonald, *op. cit.*, p. 31.

335. Submissions: NAVA and VISCOPY.

336. Submission: Margaret Roberts.

337. Submission: Arts Law Centre of Australia.

338. *ibid.*

The Inquiry is of the view that copyright in public art works is a significant issue for the sector, and despite the fact that the commissioner of a work of art may benefit from a repeal of the provisions rather than the creator, the Inquiry finds this is more equitable than the current position. If the provisions were repealed, the party responsible for the creation of the work, either the artist or the commissioning body, would be able to enjoy the benefits of reproduction of the work.

The Inquiry notes one argument against this proposal is that to remove the provisions may be unworkable, as enforcement would be difficult. However, the same problem would conceivably occur with respect to a mural or painting permanently displayed to the public, and yet copyrights exist in these works. The difficulties associated with the enforcement of copyright in public art is not a persuasive rationale for distinguishing between works of visual art on public display and craft works displayed publicly. The Inquiry is not convinced there are compelling policy arguments in favour of retaining these provisions. Further, the Inquiry recognises that currently, it is often difficult for craft artists to obtain copyright remuneration from their craft works as a result of these provisions. The Inquiry considers this is an issue for further consideration by government.

FINDINGS

Currently, copyright law differentiates between sculptures and craft works on public display, and other types of visual art on public display. At present, sculptures and craft works on public display can be photographed, drawn, painted, filmed or broadcast without any remuneration passing to the creator.

Government should consider the viability and implications of repealing the provisions dealing with copyright in sculptures and craft works on public display.

Artistic works featured in film or television broadcasts

The Copyright Act provides that any artwork, whether publicly displayed or not, may be reproduced in a film or television broadcast without the permission of the creator if the inclusion of the artwork is incidental to the principal matters in the broadcast.

Section 67 provides that:

...copyright in an artistic work is not infringed by the inclusion of the work in a cinematograph film or in a television broadcast if its inclusion in the film or broadcast is only incidental to the principal matters represented in the film or broadcast.

Section 68 provides that the commercialisation of the broadcast or film containing the work will not infringe copyright. The use of other types of copyright material, such as music or literature, for similar purposes, is not exempted under the legislation.

The Inquiry considers this is an issue which should be monitored by government.

FINDING

Government should monitor the practical effect of the provisions permitting any work of visual art or craft, whether publicly displayed or not, to be reproduced in a film or television broadcast without the permission of the creator.

Enforcement of copyright

In some cases, advocacy groups, such as the National Indigenous Arts Advocacy Association, or collecting societies may be prepared to act on behalf of an individual copyright owner whose rights have been infringed. However, in the majority of cases, the individual will need to seek legal proceedings on their own behalf in order to enforce copyright. Legal proceedings can be difficult for many artists to contemplate, as proceedings are both complex and expensive.³³⁹ Alternative dispute resolution services are offered by some organisations. For example, Arts Law provides artists and arts organisations with access to a mediation service.³⁴⁰ However, if a dispute is not resolved at mediation, the artist may be left without an accessible form of redress for copyright infringements.

The Inquiry noted the House of Representatives Standing Committee on Legal and Constitutional Affairs published a report on the enforcement of copyright in Australia in 2000, and several recommendations were made in this report.³⁴¹ The Arts Law Centre of Australia submitted to the Inquiry that the government should issue a response to the report.³⁴² The Inquiry considers this is an issue for further consideration by government, and that in any response to the report of the Standing Committee, the government should consider the needs of the contemporary visual arts and craft sector. Further, submissions have indicated the creation of a legal fund or indemnity for artists may provide improved access for artists to legal recourse for copyright infringements.³⁴³ The viability of this suggestion should be canvassed by government in any response to the report on copyright enforcement.

FINDINGS

Difficulties are experienced by visual artists and craft practitioners seeking to enforce their copyright. However, the problems associated with copyright enforcement extend to all copyright industries, not only the contemporary visual arts and craft sector.

In any response formulated by government to the report of the House of Representatives Standing Committee on Legal and Constitutional Affairs on copyright enforcement, the needs of the contemporary visual arts and craft sector should be considered.

339. I. McDonald, op. cit., p. 33.

340. *ibid.*, p. 34.

341. House of Representatives Standing Committee on Legal and Constitutional Affairs, *Cracking Down on Copycats*, 2000, at www.aph.gov.au/house/committee/laca/copyrightenforcement/contents.htm.

342. Submission: Arts Law Centre of Australia.

343. Submission: Art Gallery of NSW.

Copyright Tribunal

In their submission, the Arts Law Centre of Australia argued that the jurisdiction of the Copyright Tribunal should be extended. Arts Law asserted that the Copyright Tribunal should have jurisdiction over all collectively administered licence schemes, both voluntary and statutory licence schemes, and regardless of the nature of the copyright material. Arts Law also indicated the jurisdiction of the Tribunal should be extended to cover:

- new and emerging uses of copyright material;
- grievances about the equity of all processes used in the identification of rights owners, the quantification of royalties and distribution processes; and
- requiring parties to engage in good-faith mediation prior to hearing.³⁴⁴

The Arts Law Centre of Australia also recommended that the government issue a response to the CLRC report on the Copyright Tribunal.³⁴⁵

The CLRC reviewed the procedures and jurisdiction of the Copyright Tribunal, and published a report in 2000.³⁴⁶ The CLRC recommended the jurisdiction of the Tribunal be extended to apply to all collectively administered licences, whether statutory or voluntary, to all types of copyright material and to all types of copyright uses.³⁴⁷ This amendment would bring all the licensing activities of the collecting societies, including VISCOPY, within the jurisdiction of the Tribunal.

As with respect to copyright enforcement, the Inquiry is concerned that the jurisdiction of the Copyright Tribunal extends beyond the terms of reference of the Inquiry, given the impact of any changes on other copyright industries. The Inquiry considers this is an issue for further consideration by government, and that in any response developed to the CLRC report on the jurisdiction of the Copyright Tribunal, the needs of the contemporary visual arts and craft sector be considered in the policy process.

FINDING

In any response issued by government to the Copyright Law Review Committee's report on the jurisdiction of the Copyright Tribunal, the needs of the contemporary visual arts and craft sector should be considered.

Statutory licences and equitable remuneration

Submissions indicated that copyright users are increasingly demanding an assignment of creators' statutory licence income (collected and distributed from governments and educational institutions by the Copyright Agency Limited and Screenrights). For example, conditions of entry in competitions often involve the assignment of rights to income from statutory licences.

344. Submission: Arts Law Centre of Australia.

345. *ibid.*

346. Copyright Law Reform Committee, *The Jurisdiction and Procedures of the Copyright Tribunal*, 2000, at http://law.gov.au/clrc/gen_info/clrc/finalreport/finalreport.pdf.

347. *ibid.*, para 11.12.

The Arts Law Centre of Australia presented a number of possible amendments, including:

- the right to receive equitable remuneration by a creator cannot be assigned to a producer or waived;
- the right to receive equitable remuneration by a creator may only be assigned to a collecting society;
- the distribution rules of the relevant collecting society must provide that the creator is paid either 50 per cent of the licence income, or a fair share of income distributed between all eligible creators of the income; and
- the distribution rules of the relevant collecting society cannot be altered by contract between a creator and producer.³⁴⁸

VISCOPY submitted that creators be guaranteed a distribution of 50 per cent of the remuneration obtained from statutory licences. This is the approach adopted by the Australasian Performing Rights Association, the collecting society for the performing arts, and there are a number of international precedents. The rationale for this proposal is that under current arrangements, artists are often forced to sacrifice their rights due to undue influence and unequal bargaining power exerted during the contractual stage. A minimum guaranteed distribution ensures the creator receives some remuneration for creative effort. VISCOPY noted the benefits to creators and the loss to producers arising from this proposal, and concludes that the substantial benefit flowing to creators from this proposal outweighs minimal detriment suffered by producers, who tend to have higher levels of income.³⁴⁹

The Inquiry accepts that a guaranteed distribution of remuneration from statutory licences would benefit visual artists and craft practitioners. However, a 50 per cent division of income is arbitrary, and attracts similar criticisms as discussed with respect to remuneration for copyright in artistic works accompanying text. The Inquiry recommends that a detailed examination occur of the costs and benefits of this measure for producers and creators. If this measure is to be introduced, government should consider whether this is best arranged through legislative mechanisms, or through negotiation with the relevant collecting societies.

FINDING

A guaranteed distribution of remuneration from statutory licences has the potential to benefit visual artists and craft practitioners.

A detailed examination should occur of the costs and benefits of this measure for producers and creators.

Cost of compliance

The cost of complying with copyright obligations has been raised as an issue by arts organisations. *Artlink* indicated in its submission that magazines require additional funding in order to meet their copyright obligations adequately and make payments to VISCOPY.³⁵⁰

³⁴⁸. Submission: Arts Law Centre of Australia.

³⁴⁹. Submission: VISCOPY.

³⁵⁰. Submission: Artlink.

Submissions from major art galleries and museums also indicated that the cost of compliance is increasingly affecting galleries' and museum's capacity to reproduce images for educational purposes and on websites. Special provisions in the Copyright Act permit museums, galleries, archives and libraries to use copyright for limited purposes without the permission of the copyright owner. In particular circumstances, museums, galleries, archives and libraries are entitled to make:

- digital or reprographic copies of works for preservation and administration purposes;
- digital or reprographic copies of works held in the collection for clients seeking access to a copy of the work for research or study purposes; and
- digital or reprographic copies of works for other institutions.³⁵¹

Any other use of copyright material which does not fall within one of these limited exceptions will require the permission of the copyright owner. Uses which will require the permission of the copyright owner include:

- digital copies of works available on websites;
- copying works to include in promotional materials, exhibitions catalogues and invitations;
- copying works to include in educational materials; and
- copies of works for merchandising.³⁵²

The issue of compliance costs for galleries and museums was raised by the Council of Australian Art Museum Directors in relation to copyright fees collected from public institutions:

At issue is whether or not artists rights collecting agencies, such as VISCOPY, should charge a fee to public institutions for the right to use images in educational or promotional purposes which have no commercial benefit to the public galleries...

The Galleries believe that the charge should only be required if the use made of a disseminated image leads to commercial benefit, at which point a percentage of that benefit would revert to the artist.³⁵³

The galleries, including the National Gallery of Australia, want to make collections available on the Internet to the public without paying copyright fees or seeking the permission of artists, provided the size of the images are no more than ten per cent of the screen size or resolution (known as 'thumb-nail' reproductions). The National Gallery of Australia submitted that reimbursement should be provided by government to institutions to cover the expenses associated with digital images.³⁵⁴

Similar concerns were raised by the Museums Australia—Visual Arts, Crafts and Design Special Interest Group (VACSIG).³⁵⁵ According to both VACSIG and the Council of Australian Art Museum Directors, the current situation makes it difficult for galleries to reproduce artworks on their websites even for educational purposes.

351. Australian Copyright Council, 'Galleries and Museums: An Introduction to Copyright' Information Sheet G68v1, 2001, p. 4, at www.copyright.org.au.

352. *ibid.*

353. Submission: Council of Australian Art Museum Directors.

354. Submission: Brian Kennedy.

355. Submission: Museums Australia—Visual Arts, Crafts and Design Special Interest Group.

The Inquiry believes providing funding to public institutions to reimburse the cost of compliance may be a more desirable option than exempting public institutions from payment but that more work needs to be done on costing such a proposal.

The collection of copyright fees with respect to works reproduced in auction catalogues is controversial. VISCOPY has now signed a legally-binding contract with the major auction houses which provides the auction houses with a non-exclusive licence to reproduce, publish and communicate images in catalogues, advertisements and on the Internet. The rates range from \$50 for one-eighth of a page for works estimated to fetch up to \$2000, to \$187.50 for a full-page illustration of a higher priced work.³⁵⁶

Nevertheless, the auction houses, including Christie's, assert that copyright should not apply to resale—as in Britain and United States, where fair usage of the image for the purposes of resale by the owner is permitted.³⁵⁷ Christie's also argue that the waiver of copyright fees for works reproduced in catalogues can be in the interests of individual artists:

Auction-houses and art dealers have found that most artists when faced with the prospect of not having their works illustrated in a sale catalogue because of the imposition of copyright fees, waive this charge. This is particularly prevalent among the younger, less established artists who see the exposure that a firm like Christie's can give as a way of promoting themselves and furthering their careers.³⁵⁸

While recognising there is international precedent for excluding the reproduction of images for resale purposes from copyright law, the Inquiry is not convinced this is a positive direction for Australian copyright law. Works of art are reproduced in auction house catalogues for the commercial benefit of the auction house and the vendor, and it is precisely this situation in which copyright law is intended to protect the interests of artists.

There is anecdotal evidence that where a picture is illustrated in a catalogue for one sale, but not another, the price varies dramatically. For example, a painting by Ethel Carrick Fox sold unillustrated at Sotheby's in 1997 for \$3 910, but when it was resold 18 months later at Christie's after the image was reproduced in the Christie's catalogue, the work fetched \$9 200.³⁵⁹ Thus, while there may be promotional benefits for the artist associated with reproduction of the work in a catalogue, there may also be substantial benefits for both the vendor and the auction house. These benefits for the vendor and auction house of publishing the work may outweigh the cost of copyright fees for reproducing the works, as illustrated in the above example.

In the event that a vendor does not consider the increased sale price likely to be achieved as a result of the promotion of the work through reproduction in a catalogue will adequately compensate for the costs associated with copyright liabilities, the artist may choose to waive their rights and enjoy the benefits of promotion of the work without receiving copyright fees. As a result, there does not appear to be a compelling argument in favour of excluding resales of artworks from copyright fees. The current balance between the interests of artists, collectors and commercial dealers appears to be appropriate.

356. G. Maslen, 'Agreement Reached on Copyright Cost', *The Age*, 7 March 2002, at www.theage.com.au/articles/2002/03/07/1015365722068.html.

357. Submission: Christie's Australia.

358. *ibid.*

359. G. Maslen, 'Copyrights and Wrongs', *The Age*, 24 April 2001.

FINDINGS

Public galleries and museums are unable to absorb the costs associated with providing their collections in electronic form to the public. Government should examine the effect of the Digital Agenda on these institutions, and whether funding should be provided to these institutions to allow copyright fees to be paid.

There does not appear to be a compelling argument in favour of excluding resales of artworks from copyright fees. The current balance between the interests of artists, collectors and commercial dealers appears to be appropriate.

Education and public awareness

A number of submissions recommend the government launch a public education campaign to ensure that both visual artists and craft practitioners and copyright users are aware of their rights and obligations under intellectual property law.³⁶⁰ Many artists who could potentially earn income from copyright do not, often because they are unaware of their economic rights. The Inquiry considers this proposal has merit, and that consultations should occur between government, key organisations and representatives from the sector in order to find the most effective way to communicate to the target audience.³⁶¹ Public funding provided to artist service organisations should be used to educate the sector.

FINDINGS

A public education campaign should be launched to promote the benefits and obligations associated with copyright to creators and users.

Consultations should occur between government, key organisations and representatives from the sector in order to find the most effective way to communicate to the target audience.

^{360.} Submissions: NAVA and Copyright Agency Limited.

^{361.} Submission: Art Gallery of NSW.

RECOMMENDATION 3

To protect the rights of visual artists and craft practitioners, the Inquiry recommends that the relevant Commonwealth government departments take action in relation to the copyright issues identified by the Inquiry in its findings, including:

- 3.1 commencing consultations in preparation for the review of the Digital Agenda;
- 3.2 considering amendments to deem artists to have asserted their moral rights;
- 3.3 conducting an independent review of the impact of extending the term of copyright;
- 3.4 extending the duration of copyright in photographs to match other copyright media;
- 3.5 considering the viability and implications of repealing provisions dealing with copyright in sculptures and craft works on public display;
- 3.6 examining the costs and benefits of providing a guaranteed distribution of income from statutory licences to artists;
- 3.7 commencing consultations regarding a national education campaign to raise the awareness of copyright creators and users; and
- 3.8 monitoring the practical application and case law developments with respect to the following copyright provisions:
 - definition of artistic work;
 - moral rights;
 - fair dealing exemptions; and
 - exemption permitting artistic works to be incidentally reproduced in film and television broadcasts.

INDIGENOUS CULTURAL AND INTELLECTUAL PROPERTY

The issues discussed in the section on copyright are of concern to both Indigenous and non-Indigenous visual artists and craft practitioners. This section of the report will deal with the specific difficulties faced by Indigenous visual arts and craft practitioners seeking to protect their cultural and intellectual property.

Definitions

According to Terri Janke in *Our Culture: Our Future*, 'Indigenous Cultural and Intellectual Property' refers to the rights of Indigenous Australians to their heritage.

Heritage consists of the intangible and tangible aspects of the whole body of cultural practices, resources and knowledge systems developed, nurtured and refined by Indigenous people and passed on by them as part of expressing their cultural identity.³⁶²

This definition is consistent with the working definition adopted by ATSIC. The broad definition of heritage includes:

- literary, performing and artistic works;
- languages;
- spiritual knowledge;
- moveable cultural heritage;
- immovable cultural property;
- ancestral remains; and
- documentation of Indigenous people's heritage in archives, film, photographs, audiotape, videotape and any other form of media.³⁶³

Despite the breadth of this definition, Terri Janke makes the point that any definition of Indigenous intellectual and cultural property should not be static.

Any definition of Indigenous Cultural and Intellectual Property should be flexible to reflect the notions of the particular Indigenous group and the fact that this may differ from group to group and may change over time.³⁶⁴

Further, it should be recognised that for Indigenous cultures, intellectual property rights are an integral component of their cultural heritage:

Indigenous communities possess some unique features of their knowledge, creative expressions and innovations, which emphasise communal rights, in which many creative works are of an indefinable antiquity, and in which cultural products, expressions and manifestations are tightly integrated into all other aspects of society. These features are at odds with conventional western notions of intellectual property.³⁶⁵

362. T. Janke, *Our Culture: Our Future. Report on Australian Indigenous Cultural and Intellectual Property Rights*. Prepared for ATSIC by Michael Frankel & Co, Canberra, 1998, at <http://www.icip.lawnet.com.au/index.html>, p. xvii.

363. Aboriginal and Torres Strait Islander Commission, 'Intellectual Property', at www.atsic.gov.au/indigenous_Rights/intellectual_property/Default.asp.

364. T. Janke, *op. cit.*, 1999, p. xviii.

365. M. Davis, 'Indigenous Peoples and Intellectual Property Rights', Australian Parliamentary Library Research Paper 20 1996–1997, at www.aph.gov.au/Library/.

Copyright in Indigenous works

Copyright protects the creative works of Indigenous visual artists and craft practitioners to the same extent that it protects material created by non-Indigenous artists. However, there are gaps between the protection given to cultural material under the Australian legal system, and the rights and obligations in relation to cultural material under customary Indigenous legal systems. Particularly, copyright protection is limited in its duration to a certain period of time and it does not protect styles, methods or ideas. By way of contrast, Indigenous communities generally recognise ongoing rights in relation to particular images and styles.³⁶⁶

The gaps between the rights accorded to artists under Indigenous customary law, and the rights available to artists under the common law and statute, have significance for Indigenous artists and communities. It is estimated that the Indigenous visual arts and craft industry has a turnover of approximately \$200 million per annum. However, Indigenous people only receive approximately \$50 million in returns.³⁶⁷ Visual arts and craft are an important source of income for Indigenous artists and communities and the level of protection offered to Indigenous artists is of the utmost importance to Indigenous communities. Indigenous visual artists and craft practitioners seek access to a greater percentage of the returns from the Indigenous visual arts and craft industry, and improving the effectiveness of intellectual property arrangements is one way of pursuing this goal.

Particular concerns raised by the Indigenous visual arts and craft sector include:

- appropriation of Indigenous arts and cultural expression;
- appropriation of Indigenous spirituality and languages;
- unauthorised use of sacred and secret cultural material;
- appropriation of cultural objects; and
- unfair contracts.³⁶⁸

Considerations

Moral rights

A number of submissions argued that the moral rights legislation does not provide adequate protection for Indigenous cultural and intellectual property. NAVA stated:

The federal government should amend moral rights legislation to include protection for collective rights of Indigenous communities over their traditional intellectual property.³⁶⁹

³⁶⁶. I. McDonald, *op. cit.*, 2001, p. 13.

³⁶⁷. T. Janke, *op. cit.*, 1999, p. 26.

³⁶⁸. *ibid.*, p. xx.

³⁶⁹. Submission: NAVA.

The rights of Indigenous communities to assert moral rights are important due to the way in which cultural property is viewed in Indigenous communities. The Indigenous ‘world-view’ gives priority to the interests of the community over the interests of individuals. Under customary law, ownership of cultural property, imagery and folklore is a collective, rather than individual, phenomenon. The value accorded to cultural property is based upon both the aesthetic qualities of the work and the degree to which the work reflects the livelihood and culture of the community. The artist is a custodian of the cultural property, and any use, alteration or reproduction of the work will need to be approved by community elders.³⁷⁰

These fundamental tenets of Aboriginal customary law are not reflected in the moral rights regime enacted by the Commonwealth government. There are provisions in the moral rights legislation permitting creators to specify the nature of the attribution to be made. This provision may allow Indigenous artists to acknowledge clan affiliations and communal rights of the clan to the artistic work. However, this provision would not allow Indigenous clans themselves to require attribution in works containing Indigenous imagery and ritual knowledge.³⁷¹

The Arts Law Centre of Australia proposed two amendments to the moral rights regime:

- i) the right of attribution be extended to include attribution of a clan if an artistic work embodies traditional ritual knowledge associated with an identifiable clan; and
- ii) with respect to the right to integrity, derogatory treatment of an artistic work embodying traditional ritual knowledge should be extended to include a treatment that causes cultural harm to the clan.³⁷²

The Arts Law Centre of Australia also highlighted that moral rights are extinguished by the death of the creator, despite the continuing cultural harm that may be caused to the clan, and that this is an issue for Indigenous communities.³⁷³

In *Our Culture: Our Future*, Terri Janke also recommended moral rights be extended to Indigenous custodians representing the community from which traditions are drawn upon in the creation of the work. Further, Janke recommended the introduction of a new type of work be considered—an Indigenous cultural work, defined as a work of cultural significance to Indigenous people. Where ownership of an Indigenous cultural work is communal, rather than individual, the Indigenous owners should have moral rights in the work.³⁷⁴

FINDINGS

The moral rights regime does not currently provide adequate protection for Indigenous visual arts and craft practitioners given the social, economic and community responsibilities of artists under Indigenous customary law.

370. J. W. Githaiga, ‘Intellectual Property Law and the Protection of Indigenous Folklore and Knowledge’, 5 (2) *E Law – Murdoch University Electronic Journal of Law*, June 1998, para 12, at www.murdoch.edu.au/elaw/issues/v5n2/githaiga52nf.html.

371. T. Janke, ‘A Moral Issue: Moral Rights and Indigenous People’s Cultural Rights’, *NIAAA Newsletter*, Sydney, Autumn 2001, at www.niaaa.com.au/label.html.

372. Submission: Arts Law Centre of Australia.

373. *ibid.*

374. T. Janke, *op. cit.*, 1999, p. xxix.

Term of copyright

Concern has been expressed regarding the time limit on copyright. One submission indicated that for Indigenous artists and craft practitioners, an imposed time limit on copyright protection neglects the reality of communal ownership of traditional cultural and intellectual property:

This gap in the legislation fails to protect the most precious resource of Indigenous communities. The ability to claim communal rights to cultural products would allow Indigenous people to protect their culture should an artist pass away.³⁷⁵

Many Indigenous artists consider the time limit on protection is inappropriate as ‘rights to culture last forever’.³⁷⁶ This is particularly a problem for cultural material which has been passed down over the generations, as this material will be in the public domain and hence will not attract copyright protection. However, Indigenous peoples assert cultural rights to artistic material in perpetuity.³⁷⁷

Many works of Indigenous arts and cultural expressions have been in existence since time immemorial and those that are newly created today will remain significant beyond this period.³⁷⁸

The Inquiry recognises the difficulties limited copyright protection present for Indigenous artists and communities. However, as with moral rights, these issues have resonance in all kinds of artistic media employed by Indigenous people, and further, have the potential to impact on all copyright industries, both Indigenous and non-Indigenous. The Inquiry considers this is an issue for further consideration by government, and that in any future review of the term of copyright, the particular needs and experiences of Indigenous visual artists and craft practitioners be given detailed consideration.

FINDINGS

The current time limitation imposed on copyright protection is inconsistent with Indigenous concepts of cultural heritage and traditional knowledge.

In any future review of the term of copyright, the particular needs and experiences of Indigenous visual artists and craft practitioners should be given detailed consideration.

Appropriation of Indigenous imagery and designs

A particular area of concern to Indigenous artists and craft practitioners is the wrongful appropriation of Indigenous images and designs for use in mass-merchandise. The award-winning Aboriginal artists Banduk Marika recently condemned the use of sacred Aboriginal images for coffee mugs, tea towels and other tourist merchandise:

It’s embarrassing and shameful when you see your totem being used to financially benefit other individuals...³⁷⁹

375. Submission: Hetti Perkins.

376. T. Janke, *op. cit.*, 2001.

377. A. Heiss, ‘Australian Copyright vs Indigenous Intellectual and Property Rights: A Discussion Paper’, Australian Society of Authors, at www.asauthors.org/Indigenous_papers/ficpr.html.

378. T. Janke, ‘Protecting Australian Indigenous Arts and Cultural Expression: A Matter of Legislative Reform or Cultural Policy?’, 17 (3) *Culture and Policy*, 1996, p. 18.

379. A. Moses, ‘Winning Artist Despairs Tea Towel Images’, *Sydney Morning Herald*, 12 December 2001, p. 5.

The National Indigenous Arts Advocacy Association (NIAAA) expressed the problem in the following way in its submission:

In the realm of 'Fine Art', the breadth and quality of Indigenous Art is acknowledged world-wide, is respected and valued as a unique Australian artform and become prized additions to international art collections. Unfortunately, in the secondary mass-produced tourist market, the local Indigenous industry is being devastated by the importation with impunity of cultural artefacts and artwork with the intent of being passed off as Aboriginal.³⁸⁰

It can be difficult to access legal remedies for cultural defamation, particularly where the harm is felt by the community rather than a specific individual. A number of websites have been established, using methods such as shaming, in an attempt to raise awareness of hurtful representations.³⁸¹ Researchers from Macquarie University observing the prevalence of piracy have now created the *House of Aboriginality*, a website documenting numerous examples of misappropriation of Indigenous designs and imagery. This website is intended to raise public awareness of intellectual property issues and encourage individuals to report incidents of copyright infringement.³⁸² The exploitation of Indigenous culture not only compromises the values and respect attached to Indigenous culture, but it also compromises Australia's international reputation, identity and integrity in the tourism market.³⁸³ Two recent sectoral initiatives are directed towards the elimination of piracy and cultural misappropriation:

- a) the development of protocols for dealing with Indigenous cultural property; and
- b) the label of authenticity.

Protocols

DCITA, ATSIAC and the Australia Council recently funded NAVA to develop an industry protocols report. Titled *Valuing Art, Respecting Culture: Protocols for Working with the Australian Indigenous Visual Arts and Crafts Sector* the report has raised public awareness and encouraged discussion of Indigenous cultural and intellectual property issues.³⁸⁴ The report details protocols for dealing with material created by Indigenous people and with material containing imagery, motifs or styles which are identifiably Indigenous. These codes are not legally enforceable, but they do establish industry standards that may, over time, be pointed to as a standard of conduct setting the course for legal rights.³⁸⁵

FINDINGS

While it has been argued that protocols tend to have little direct influence over less reputable dealers, protocols have an important role in raising public awareness and in encouraging discourse regarding the protection of Indigenous cultural and intellectual property.

380. Submission: NIAAA.

381. T. Janke, Transcript of Proceedings, *Talking – Protecting – Keeping: Our Aboriginal Arts Rights*, Intellectual Property Forum, Perth, November 2000.

382. House of Aboriginality Project, *House of Aboriginality: Copyright and Cultural Integrity Issues in the Merchandising of Aboriginal Imagery*, Macquarie University, Sydney, 1999, at www.mq.edu.au/house_of_aboriginality.

383. National Indigenous Arts Advocacy Association, 'NIAAA and the Label of Authenticity', Sydney, 2000, at www.niaaa.com.au/label.html.

384. D. Mellor and T. Janke, *Valuing Art, Respecting Culture: Protocols for Working with the Australian Indigenous Visual Arts and Crafts Sector*, National Association for the Visual Arts (NAVA), Sydney, 2001.

385. T. Janke, op. cit., 2000.

Label of authenticity

Any Aboriginal or Torres Strait Islander person may apply to the NIAAA for certification, entitling that person to use the Label of Authenticity in relation to their works.³⁸⁶ There is also a label which official licensees, either Indigenous or non-Indigenous, can attach to their works—the Collaboration Mark. The Collaboration Mark denotes that a genuine Indigenous work has been reproduced under a legal and equitable licensing agreement. Retail Licences are also available to retail outlets that agree to only sell genuine products or products carrying the Label of Authenticity.³⁸⁷

To date, approximately 200 artists have registered to use the Authenticity Label.³⁸⁸ Since inception, more than 245 000 Collaboration Mark labels have been purchased for placement on merchandise.³⁸⁹ There has been some criticism of the project as a result of the arguably slow take-up rate.

One perceived problem with the label is that the authenticity label does not distinguish between fine art and manufactured tourist art.³⁹⁰ However, it is unclear from submissions whether or not this has impeded the adoption of the label.

The Inquiry notes the Australia Council is currently reviewing the NIAAA, the body which manages the Label of Authenticity project. The Inquiry is also aware that ANKAA and Desart are developing their own systems of regional authenticity labelling.

Importation issues

A related issue which impacts on the misappropriation of Indigenous cultural and intellectual property is the alleged ease with which non-Indigenous people are able to import objects and merchandise which purport to be authentic Indigenous work.

Greg Singh, director of the Australian Indigenous Art Traders Association, alleges that an increasing amount of ‘fake’ art is being imported into Australia from Thailand and Indonesia.³⁹¹ Calls are thus being made for stronger customs laws. The NIAAA made this point very clearly in its submission:

Mass produced articles, replicating product of Australian Aboriginal culture, are imported into this country from overseas to the detriment of the local Indigenous arts and craft people. The Customs Act must be reviewed and changed to reflect that artefacts traditionally made by Aboriginal and Torres Strait Islander people as symbols of and integral to their traditional knowledge and cultural practice must be protected from foreign ‘copy-cats’. Cultural integrity is being watered down and all respect lost for Australia’s first citizens who are undeniably woven into the tapestry of this country’s society and are increasingly used as Australia’s unique face to the world...³⁹²

386. National Indigenous Arts Advocacy Association, op. cit., 2000.

387. National Indigenous Arts Advocacy Association, ‘Label of Authenticity Project’, *NIAAA Newsletter*, Sydney, Autumn 2001, at www.niaaa.com.au/label.html.

388. Submission: ATSI.

389. National Indigenous Arts Advocacy Association, ‘Label of Authenticity Project’, 2001.

390. J. Altman, ‘The Indigenous Visual Arts Industry: Issues and Prospects for the Next Decade’ 20(1) *Artlink – Australian Contemporary Art Quarterly*, 2000, p. 92.

391. G. Singh, quoted in A. Balmain, ‘Artists’ Olympian Struggle to get Justice for Brushstrokes’, *The Age*, 19 June 2001.

392. Submission: NIAAA.

There is no broad legislative instrument prohibiting or regulating the export or import of articles which reproduce Indigenous designs or imagery on commercial objects without authorisation.³⁹³ Terri Janke argues that Customs legislation should be amended to include provisions filtering and restricting the export and import of objects contravening Indigenous people's rights.³⁹⁴ While Customs legislation has a broad policy environment which extends well beyond the scope of the Terms of Reference, the Inquiry recognises this is an issue for the sustainability of the Indigenous visual arts and craft subsector. The Inquiry considers this is a matter which should be reviewed by government, and that these issues should be discussed in the context of any future review of Customs legislation in Australia.

FINDING

The Inquiry recognises that customs laws do not appear to provide adequate protection for Indigenous Australians from the importation of merchandise which infringes copyright. The Inquiry finds that the effectiveness of Customs legislation in preventing the importation of objects infringing the intellectual property rights of Indigenous peoples should be discussed in the context of any future review of Customs legislation.

Cultural heritage legislation

The submission made by Sotheby's raised an issue which had not been recognised by the Inquiry in the Issues Paper released in September 2001. This issue relates to the Commonwealth legislation titled the *Protection of Moveable Cultural Heritage Act 1986* (PMCH Act).

The exportation of objects that are important to Australia for artistic, historical, ethnological, archaeological, literary, scientific or technological reasons is regulated under the PMCH Act. The legislation is designed to protect the national interest by keeping important heritage objects in Australia, while at the same time not unnecessarily restricting Australia's export trade.³⁹⁵

The National Cultural Heritage Control List sets out categories of objects controlled by the legislation. The list includes objects of Australian Aboriginal and Torres Strait Islander Heritage (Part 1); archaeological objects (Part 2); and objects of Aboriginal and Torres Strait Islander fine or decorative art (Part 5).³⁹⁶ For works of Indigenous fine or decorative art, a permit or exemption certificate will be required under Part 5 if the work is more than 20 years old and was purchased for more than \$10 000. The National Cultural Heritage Committee considers applications for export permits. If export is denied and a public collecting institution wishes to purchase the work, funds can be made available to the institution from the National Cultural Heritage Account to cover a proportion of the purchase price.³⁹⁷ Where a person exports an Australian protected object otherwise than in accordance with a permit or exemption certificate, the object is forfeited.³⁹⁸

393. T. Janke, *op. cit.*, 1999, p. xxvi.

394. T. Janke, *op. cit.*, 1999, p. xxxv.

395. D. Mellor and T. Janke, *op. cit.*, p. 85.

396. The objects included in each part are designated as either Class A or Class B objects. For further information, see the Schedule, *Protection of Moveable Cultural Heritage Regulations 1997*. See also D. Mellor and T. Janke, *op. cit.*, pp. 85–86.

397. The National Cultural Heritage Account was established under Section 5 of the *Protection of Movable Cultural Heritage Amendment Act 1999* and in accordance with the regulatory requirements of the *Financial Management and Accountability Act 1997*. A total of \$500 000 was allocated during the 1999–2000 financial year to establish the Account and it is expected to be maintained at this level over time.

398. The exporter may also be fined or imprisoned in certain circumstances.

The submission made by Sotheby's focuses on works requiring permit by virtue of Part 5 of the schedule.³⁹⁹ Sotheby's asserts in its submission that the PMCH Act has detrimental effects on the international and local market in Aboriginal art. Sotheby's agrees that the very best works of Aboriginal art should remain in Australia. However, Sotheby's argues that currently the provisions are too broad, and works are encompassed which are not necessarily of great cultural significance.

In *Our Culture: Our Future*, Terri Janke also raised concerns regarding the application of cultural heritage laws to Indigenous cultural and intellectual property. The inadequacies of both State-based laws, and Commonwealth laws including the PMCH Act and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*, include:

- Indigenous participation in decision-making is minimal as control over processes to protect Indigenous cultural material vests in the relevant government Minister;
- cultural heritage laws focus on tangible cultural heritage (sites or objects), and do not protect intangible aspects of a site or object (such as stories, songs and folklore);
- cultural heritage protection is only offered for past heritage, not living heritage; and
- the emphasis for protection relates to the scientific and historical value of the object or site, rather than cultural and spiritual values of the community.⁴⁰⁰

Janke argues that cultural heritage legislation, both State-based laws and Commonwealth statutes, should empower Indigenous people by allowing local communities and representatives of that community, to manage and control Indigenous cultural heritage. Indigenous groups should determine the cultural significance of particular sites and objects of cultural heritage, and the intangible aspects of objects and sites should be considered in the assessment of their significance.⁴⁰¹

The Inquiry finds the argument in favour of greater levels of Indigenous involvement in decision-making processes with respect to cultural heritage protection compelling. As with the regulation of importation of artworks, heritage legislation has a broader social and political context than the scope of this Inquiry, and on that basis the Inquiry declines to make specific recommendations which may have wider implications. However, the Inquiry considers that in any future review of the cultural heritage scheme, the needs of Indigenous visual arts and craft practitioners specifically, and the needs of Indigenous communities more generally, be considered in detail, and that decision-making processes be designed to operate in a consultative and culturally-sensitive manner.

FINDING

There is a desire in the Indigenous visual arts and craft sector for greater levels of Indigenous involvement in decision-making regarding cultural heritage matters. In any future review of Commonwealth and State cultural heritage legislation, the needs of Indigenous peoples should be considered in detail, and decision-making processes need to be designed to operate in a consultative and culturally-sensitive manner.

399. Submission: Sotheby's Australia.

400. T. Janke, *op. cit.*, p. xxiv.

401. *ibid.*

RECOMMENDATION 4

To protect the rights of Indigenous people, the Inquiry recommends the relevant Commonwealth government departments take action in relation to the Indigenous copyright and Indigenous intellectual property issues identified by the Inquiry in its findings, including:

- the extension of moral rights to Indigenous groups;
- misappropriation of Indigenous cultural imagery and iconography;
- importation of works purporting to be of Indigenous origin; and
- exportation of Indigenous art under cultural heritage provisions.

RESALE ROYALTY

This section considers whether it is desirable, and viable, to introduce a resale royalty into Australia.

A resale royalty, also called a *droit de suite*, entitles the artist to royalties when a work of art is resold on the contemporary art market. This issue has been highlighted by advocates as an important issue for contemporary visual arts and craft practitioners. The Inquiry has attempted to assess the potential benefits for visual artists of introducing a resale royalty, and the likely impact the measure would have upon the market for contemporary art and craft in Australia.

The importance of resale royalties can be judged by the fact that such a complex issue was addressed by a large number of submissions received and these were predominantly in favour of the introduction of a resale royalty scheme. These submissions were considered when weighing the conflicting views presented in the literature on this issue.

Resale royalties have been adopted in a number of overseas jurisdictions. Generally, these schemes vary a great deal between jurisdictions. The European Union recently made a determination harmonising a *droit de suite* in Europe. Member countries are required to apply a *droit de suite* to the work of living artists from 2006, and to all artistic works, including works of deceased artists, from 2012. This determination will create consistency across the continent, and introduce a *droit de suite* in jurisdictions that have not yet adopted the scheme, such as the United Kingdom. The experience overseas has been reviewed to determine how a resale royalty could apply in Australia.

The possibility of introducing resale royalties in Australia has been discussed periodically over the past 20 years. In particular, the disadvantaged position of Indigenous visual arts and craft practitioners in the market, and the extensive financial and social obligations of Indigenous artists to the community arising from communal ownership of cultural property and traditional imagery, has strengthened the call for the introduction of resale royalties

in Australia as a tool for increasing the income of Indigenous artists.⁴⁰² The resale of *Water Dreaming at Kalipinyapa* by Indigenous artist Johnny Warangkula Tjupurrula for \$486 500 in July 2000—after its original purchase in the 1970s for \$150—has stimulated further debate.

International developments: the Berne Convention

Article 14^{ter}, ‘*Droit de suite* in works of art and manuscripts’ of the *Berne Convention for the Protection of Literary and Artistic Works* (the Berne Convention) establishes the international framework for resale royalties and provides its members, which include Australia, with model provisions.⁴⁰³

Resale royalties are optional under the Berne Convention, and are based upon the principle of reciprocity.⁴⁰⁴ In this context, reciprocity means that in each of the nations enacting resale royalties provisions, foreign nationals will be entitled to royalties under the scheme where the foreign artist’s country of origin has enacted similar resale royalty provisions. Foreign nationals will not be entitled to royalties under a domestic scheme where their country of origin has not enacted resale royalty provisions.

Resale royalty schemes already operate in the following jurisdictions: Algeria, Belgium, Brazil, Chile, Czech Republic, Denmark, Equador, France, Germany, Greece, Guinea, Hungary, Iceland, Ireland, Italy, Ivory Coast, Luxembourg, Mali, Morocco, Peru, Phillipines, Portugal, Senegal, Spain, Tunisia, Turkey, the United States (California only), Uruguay and Yugoslavia. Each of these jurisdictions grant benefits to their artists that accrue each time their work is resold within one of the countries adopting resale royalties. Australia, a signatory of the Berne Convention, has not introduced resale royalties.

There is no single scheme which is envisaged by the term ‘resale royalty’: rather, the term includes all manner of schemes involving the collection of royalties on the resale of a work of art. Each of the nations enacting resale royalty provisions has given a different interpretation of the coverage of resale royalties. For example, the types of visual art covered, the remuneration and royalties available, the collection and distribution procedures, and the duration of the right, vary greatly between nations.⁴⁰⁵

Harmonisation in Europe

The largest art market subject to resale royalties is Europe. The European Parliament and the Council of the European Union (EU) adopted a harmonisation directive regarding a *droit de suite* in July 2001. In summary, the directive aims to harmonise the resale rights of artists in member countries as follows:

- The resale right is an unassignable and inalienable right, enjoyed by the author of an original work of graphic or plastic art, to an economic interest in successive sales of the work.⁴⁰⁶

402. T. Janke, *Our Culture: Our Future. Report on Australian Indigenous Cultural and Intellectual Property Rights*. Prepared for ATSIC by Michael Frankel & Co, Canberra, 1998, at www.icjp.lawnet.com.au/index.html.

403. Article 14^{ter}, ‘*Droit de suite* in works of art and manuscripts’, *Berne Convention for the Protection of Literary and Artistic Works*, Paris Act of 24 July 1971, as amended on 28 September 1979.

404. D. Cliche, ‘International Copyright Legislation – The Berne Convention and *Droit de Suite*’, International Comparative Research Group, Quebec, 1994, p. 2.

405. D. Cliche, *op. cit.*, 1994, pp. 4-5. See also G. Metaxas-Maranghidis (ed.), *Intellectual Property Laws of Europe*, J. Wiley, New York, 1995.

406. European Parliament and the Council of the European Union, *Directive 2000/EC of the European Parliament and of the Council of the European Union on the resale right for the benefit of the author of an original work of art (1996/0085)*, Brussels, 19 July 2001, Article 1 and Recitals 1–4.

- The term of the resale right extends until 70 years after the death of the author.⁴⁰⁷ The royalty payable under the resale right is payable to the author of the work and those entitled under the estate after the death of the author.⁴⁰⁸
- The scope of the resale right under the directive extends to all acts of resale, with the exception of sales involving consideration of less than EUR\$3 000 and those sales effected directly between persons acting in a private capacity without the participation of an art market professional.⁴⁰⁹
- Royalty rates are to be tapered on a scale for several price bands, ranging from 4–0.25 per cent.⁴¹⁰
- Arrangements for collection and distribution of royalties are to be determined by member states, without prejudice.⁴¹¹
- Member states shall provide that authors who are nationals of third countries, and their successors in title, shall enjoy resale rights in accordance with the legislation of the member state only if the legislation of the foreign country includes resale right protection for authors from the member states and their successors in title.⁴¹²

The harmonisation of *droit de suite* is expected to ensure creators a uniform level of protection, and to eliminate distortions of competition in the European contemporary art market.⁴¹³ Member countries are required to apply a *droit de suite* to the work of living artists from 2006, and to all artistic works, including works of deceased artists, from 2012.⁴¹⁴ The European Commission plans to actively campaign for a *droit de suite* to be adopted internationally by making Article 14^{ter} of the Berne Convention compulsory.⁴¹⁵

Impact of resale royalties

In examining the likely effect of resale royalties on the contemporary visual arts and craft sector in Australia, the Inquiry looked at a number of separate issues:

- the object to be served by resale royalties;
- the magnitude of royalties likely to be collected;
- the efficiency of resale royalties;
- the distribution effects arising from resale royalties; and
- the impact on the Australian art market.

Resale royalties allow creators to benefit economically from the appreciation of their works of art, an appreciation which without resale royalties only directly benefits collectors.⁴¹⁶

407. *ibid.*, Recital 17. The life of the creator plus 70 years is the term of copyright adopted by countries in the European Union and the United States. Under Article 7 of the Berne Convention and under Australian copyright law, the current term of copyright is the life of the creator plus 50 years.

408. *ibid.*, Article 6.

409. *ibid.*, Articles 1 and 3.

410. *ibid.*, Article 4.

411. *ibid.*, Recital 28.

412. *ibid.*, Article 7. See also T. R. Shek, 'Artists' Resale Right (Droit De Suite)', Institute of Art and Law, 2001, at www.ial.uk.com/artlaw/topics.htm#resale.

413. Scadplus, 'Propriété Intellectuelle. Droit d'auteur et droits voisins: droit de suite de l'auteur d'une œuvre d'art originale' ('Intellectual Property. Royalty and rights close: right of continuation of the author of an original work of art') at europa.eu.int/scadplus/leg.

414. European Parliament and the Council of the European Union, *op. cit.*, Articles 8 and 12, and Recital 17.

415. R. Burrell, *Recent Developments in European Copyright Law*, 2002, p. 6.

416. S. Simpsons, *Droit de Suite: The Artist's Royalty*, Simpsons Solicitors, Sydney, p. 6, at www.simpsons.com.au/library/documents/visarts/visarts89/gArtists.pdf.

Resale royalties may benefit artists in the following ways:

- providing artists with a contingent income stream to artists which is not currently available;
- empowering artists by allowing them to enjoy a direct economic benefit from the success of the work, as improving the financial status of the artist will assist the artist to assert their interests more effectively in the market place and minimise exploitation of their disadvantaged position; and
- recognising the ongoing relationship between the artist and their work, and the extent to which an artist's reputation is linked to the physical product of their creative labour.

In addition, given the recent adoption of a *droit de suite* by the European Union, artists will benefit from reciprocal arrangements if resale royalties are introduced in Australia.

Magnitude of royalties

Before it can be determined how much resale royalty would be returned to Australian artists, assumptions must be made about the coverage and rate. For the purpose of this section, the estimates of collections made under a resale royalty scheme are based on a rate of five per cent, with a term of 50 years after the artist's death (consistent with Australian copyright arrangements), and no minimum resale price threshold.

There are no readily available data on the proportion of artworks sold in Australia that would be eligible for resale royalties. To estimate the value of resale royalty eligible works, a simple random sample of artists whose works were sold at auction between 1990 and 1999 was drawn from the Australian Art Sales Digest.⁴¹⁷ This indicated that approximately 85 per cent of Australian artists whose artworks were sold through Australian auctions in this time period would be eligible for resale royalties (that is, had died after 1945 or were still living). The sample also indicated that the average value of resale royalty eligible art sales sold in this period was \$11 000, while that for non-resale royalty eligible sales was \$18 000. Extrapolating from the above results, the sample indicates that resale royalty eligible artworks make up approximately 75 per cent of the total value of art sales in Australia.

Assuming 75 per cent is an appropriate proportion for secondary sales through commercial art galleries, then in 1999–2000 the value of resale royalty-eligible sales by galleries was \$83.4 million. The above assumptions indicate that, if resale royalties were collected from all eligible sales by Australian commercial galleries and auction houses, approximately \$6.75 million would have been returned to artists in 1999–2000. This is a very significant amount, as this figure exceeds the current total funding of the Australia Council's VACB to the visual arts and craft sector.

These results must be interpreted with care—the nature of the assumptions made in determining resale royalties collected means they are best viewed as an estimate of the likely magnitude of resale royalties in Australia.⁴¹⁸ Further, it is possible the amount of royalties may exceed these estimates as the figures do not incorporate resales by other sectors.

417. J. Furphy, *The Australian Art Sales Digest*, Acorn Media, Victoria, 2000.

418. The numbers are based on calendar year 1999 data for auction houses, and financial year 1999–2000 data for commercial galleries.

Additional royalties would also be derived from sales of works of Australian artists in overseas jurisdictions where resale royalties are in place. As is discussed above, under the principle of reciprocity set out in the Berne Convention, a resident of a signatory country that has enacted resale royalty provisions will receive royalties when a work of art created by that artist is resold in another signatory jurisdiction, provided that jurisdiction has also enacted resale royalty provisions in compliance with the Convention. Thus, if Australia were to introduce resale royalties, Australian artists would not only benefit from the resale of their works in this country, but also in the other countries which have enacted resale royalties in accordance with the Berne Convention.⁴¹⁹ The magnitude of the royalties which could be derived from overseas sales is difficult to predict, but would clearly supplement royalties from Australian sales.

FINDINGS

If resale royalties were introduced, a substantial amount of benefit would be enjoyed by artists, as estimates indicate that resale royalties calculated on 1999–2000 sales would amount to approximately \$6.75 million. This would be supplemented by resale royalties payable under reciprocal arrangements with other jurisdictions, including countries in the European Union.

Efficiency of resale royalties

There is a sizeable literature dealing with the economic effects of the introduction of resale royalties. Some authors argue that giving an artist an interest in the resale price of early works provides a credible incentive for artists to maintain the value of their early works by continuing to produce works of art.⁴²⁰ Other authors argue that the ability of resale royalties as an incentive to boost production is marginal given the delay between production and realisation of royalties.⁴²¹ On balance, it can probably be concluded that, 'given the state of the empirical evidence in hand, intelligent, well meaning persons, equally well informed about economic theory, may well disagree about the efficiency of artists' resale rights'.⁴²²

Evidence from successful collecting societies in Europe suggests the costs of administering resale royalty systems range from 9–20 per cent of revenue raised. Statistics provided by VISCOPY indicate that Société des Auteurs Dans les Arts Graphiques et Plastiques (ADAGP), the collecting society responsible for the distribution of *droit de suite* royalties in France, deducts an administration fee of 18.6 per cent.⁴²³ The Bild-Kunst, the equivalent collecting agency in Germany, imposes an administration fee of 9.69 per cent for the collection of *droit de suite* royalties.⁴²⁴ VISCOPY indicates it could administer a resale royalty scheme for a comparable administration cost, if not lower.⁴²⁵ It must be noted there will also be transaction costs involved for the galleries, auction houses and other art market professionals from whom the resale royalty is collected.

419. Australian Copyright Council, *Droit de Suite: The Art Resale Royalty and its Implications for Australia*, A report commissioned by the Australia Council and the Department of the Arts, Sport, the Environment, Tourism and Territories, Canberra, 1989, p. 27.

420. For a detailed economic analysis of production incentives see J. L. Solow, *An Economic Analysis of the Droit de Suite*, University of Iowa, at www.biz.uiowa.edu/econ/papers/uia/ARTLAW3.pdf. See also R. Kirstein and D. Schmidtchen, 'Do Artists Benefit from Resale Royalties? An Economic Analysis of a New EU Direction', Centre for Law and Economics, p. 11, at www.uni-saarland.de/fak1/fr12/csle/publications/2000-07_dds4.pdf.

421. J. C. Wu, 'Art Resale Rights and the Art Resale Market: A Follow-Up Study' (1999) 46 *Journal of the Copyright Society of the U.S.A.* 531, at p. 538.

422. R. McCain, 'Artists' Resale Dividends: Some Economic-Theoretic Considerations', *Journal of Cultural Economics*, vol. 13(1), 1989, pp. 35–52.

423. Submission: VISCOPY.

424. *Ibid.*

425. *Ibid.*

Distribution effects

Theoretically, the introduction of resale royalties would result in a loss of value in artworks for all of the current owners of those artworks. Those owners, having paid for the full transfers of property rights, would suffer a loss equal to the rate of the resale royalty on their eligible artworks. This wealth is transferred to those artists whose work appreciates in value.

Further, there would be a wealth distribution from earlier in an artist's career to later. To the extent that the appreciation in the price of an artwork is anticipated—and first-sale prices are reduced due to the resale royalty—the resale royalty merely shifts the artist's income away from the current period to a future period (when the artwork is resold). Young artists would rarely benefit from resale royalties; the benefit would be manifested later in the careers of artists, once the works have appreciated in value over time and are resold. Christie's indicated its concern about this issue in its submission:

This response to the Inquiry wishes to strongly object in advance to any consideration of the imposition of *Droit de Suite*. Such an imposition will be disadvantageous to the younger, less established artist.⁴²⁶

Of course, this argument depends on a fall in first sale prices, about which little empirical analysis has been undertaken. The Inquiry is of the opinion that resale royalties would have negligible effect on the first point of sale market for younger artists. It may also be in the interests of an artist to have a wealth distribution from their early-to-later career, given that most artists do not have access to superannuation payments when retiring.

Where the art works of a particular artist appreciate, the resale royalty does represent an increase in income. This is a wealth transfer from the buyer of the artwork to the artist, to the extent that the price increase is unanticipated.

A large proportion of the resale royalty collected would go to those artists whose artworks display the greatest price appreciation, and who, it may be argued, are selling their current works for higher prices as well. A study conducted for the French Government calculated that in 1995, of the 2 500 beneficiaries of *droit de suite*, 288 (or just over 10 per cent) received 60 per cent of the royalties, while the remaining 90 per cent received just 40 per cent of the royalties.⁴²⁷ Notwithstanding, a large number of other artists may also gain from resale royalties.

A proportion of resale proceeds will be paid to beneficiaries of deceased artists in Australia if a resale royalty is introduced. While there is no data readily available on the proportion of artworks by deceased artists sold in Australia, it is likely to be significant. For example, in 1999 sales of the works of three deceased artists alone (Arthur Boyd, Sidney Nolan and Brett Whiteley) made up \$12.1 million, or 18 per cent, of total auction sales.⁴²⁸

Nevertheless, the fact that the majority of resale royalties would be distributed to more successful artists, or their heirs, does not undermine the stated object of resale royalties in the Australian context: to allow creators to benefit economically from the appreciation of their works of art. Art often appreciates most significantly after the death of the creator, and as such it is appropriate for the heirs of the artist to benefit from resale royalties.

426. Submission: Christie's Australia.

427. MTIC Limited, *Droit de Suite in the UK*, report for the British Patent Office, United Kingdom, 1999.

428. J. Furphy, op. cit.

FINDINGS

The creation of a resale royalty scheme would have a theoretical impact on current owners of works as a small percentage of potentially achievable sales prices would revert to the original makers. While theoretically there would also be a transfer in wealth from the early career of the artist to the later life of the artist, the Inquiry does not believe there would be an appreciable impact on markets in practice.

Impact upon the art market

The effect that resale royalties would have on the Australian art market is unclear. Depending upon art market particulars, resale royalties may lead to an increase in resale prices for art purchasers, a reduction in returns for commercial art dealers, a combination of the two, or may have little discernible effect on the market.

In the United Kingdom, representatives of commercial galleries and auction houses, including the British Art Market Federation and the Society of London Art Dealers, have consistently opposed the introduction of resale royalties.⁴²⁹ The British Art Market Federation has argued the introduction of resale royalties in Britain will damage the London art market as vendors will choose to sell expensive art works in jurisdictions where resale royalties are not levied, such as New York. The majority of transactions would attract only small royalty payments and there would not be a great incentive to relocate these transactions. Theoretically, in cases where the resale value of a work of art is high, a market place where resale royalties is not imposed becomes more attractive for vendors.⁴³⁰

The argument that Australian art sales will move overseas as a result of the introduction of resale royalties depends on the costs and benefits of selling overseas. One uncertainty is the level of foreign demand for Australian art and whether prices for Australian art in Australia can be matched overseas. Australian art and craft receive higher prices in Australia than overseas, despite growing foreign interest in Australian art. Further, while it is relatively inexpensive to ship works from Europe to the United States for foreign resale, it is generally more expensive to ship works from Australia to New York or Geneva due to the distances involved. As a result, it is unlikely that a great number of works will be transferred overseas for sale.

A further possible effect on the secondary art market is a reduction in demand as a result of higher prices charged. Although the resale royalty is commonly levied on the vendor, the nature of demand in the art market makes it likely that the imposition of resale royalties will be reflected in sales prices. Any increase in sales prices could be expected to have a negative impact on the demand for art in the secondary market. It is unlikely, however, that the imposition of resale royalties in the order of magnitude commonly discussed will have a great impact on demand. The fact that the major art auction houses in Australia were able to impose a buyer's premium on sales in 1993 on top of the established seller's premium suggests that the demand for art in the secondary market is highly volatile and would not be affected by the introduction. Further, this could have a positive impact on the primary market.

429. A. Labi, 'The Art of the Deal', 155(13) *Time Europe*, April 3 2000, at www.time.com/time/europe/magazine/2000/0403/auction.html.
430. J. Van Haefen, 'Briefing Document: Droit De Suite', British Art Market Federation, London, 2000, p. 2. See also Lords Hansard, 'Art Market: VAT and Droit de Suite', 18 May 1998, at www.parliament.the-stationery-office.co.uk/pa/ld199798/ldhansrd/v0980518/text/80518-01.htm, and C. Murphy, 'How the French killed their art market' 140(12) *Fortune*, New York, Dec 1999, p. 63.

The Inquiry concludes that the impact of resale royalties on the Australian art market is difficult to predict due to the lack of empirical evidence available. Further, the Inquiry finds that the measure will not necessarily have a detrimental effect upon the Australian market for contemporary visual art and craft.

FINDING

As demand in the art market is highly volatile, it is unlikely that resale royalties would have an impact on the art market over time.

Indigenous issues

Advocates for resale royalties often cite the case of the Indigenous visual artist and craft practitioner when discussing the need for a resale royalty scheme. Sales of Indigenous art and craft are estimated to be worth almost \$200 million each year.⁴³¹ While at one time Indigenous art only tended to succeed in the primary art market, a strong secondary market now exists in Indigenous art. Major auction houses, such as Sotheby's, now conduct Aboriginal art auctions. In 1990, sales of Indigenous art at auction totalled \$169 000. By 1996, this figure had risen to \$1.36 million, and by 1998, sales exceeded \$5 million.⁴³² The total value of Indigenous works sold for over \$3 000 at Sotheby's in 2001 was approximately \$4.95 million. If resale royalty payments were calculated at the rate of five per cent, payments arising for 2001 sales at Sotheby's alone would total approximately \$250 000. The resale royalties would be much higher if sales at the other auction houses and commercial galleries were incorporated.⁴³³ Thus, the amount of benefit redistributed to the Indigenous community as a result of resale royalties is likely to be significant.

A study conducted for the Australia Council indicates the Indigenous arts sector supports the introduction of a resale royalty scheme. According to the survey, a number of benefits would flow from resale royalties to Indigenous artists, including:


- providing economic benefits to artists;
- empowering and nurturing artists;
- recognising the ongoing relationship between the artist and the artist's community with the work and the owner;
- inspiring new works;
- providing means for artists to meet community obligations;
- reducing profiteering and promoting transparency in the sector;
- minimising exploitation; and
- limiting problems relating to authenticity and provenance.⁴³⁴

431. T. Janke and R. Quiggin, *Getting from Principle to Practice: An Australian Dialogue on Resale Royalty Rights*, Consultations with the Indigenous Arts Sector, Completed by Terri Janke and Company for the Aboriginal and Torres Strait Islander Board of the Australia Council, Sydney, 2001, p. 4.

432. *ibid.*

433. *ibid.*, p. 1.

434. *ibid.*, p. iii. These issues will also be discussed in the context of Indigenous cultural and intellectual property.



There were some concerns expressed regarding perceived risks to the Indigenous art market, collectors and artists. In particular, concerns were expressed regarding the:

- potential negative impact on the Indigenous market;
- perceived fragility of the contemporary art market;
- possibility of sales in Indigenous art moving off-shore;
- possibility that a resale royalty would constitute a disincentive to collectors;
- risk of sales becoming more private to avoid payment of the royalty;
- possible impact of the measure on galleries and collectors;
- potential disadvantages to emerging artists;
- possibility that only successful artists will benefit; and
- possible creation of an elite market.

Nevertheless, the majority of respondents indicated support for resale royalties, and considered that the benefits of the scheme would outweigh the potential difficulties. The form a resale royalty scheme should take, if adopted, attracted some discussion. Some respondents asserted that resale royalties should be a voluntary measure, and pointed to several instances where resale royalties are currently being implemented either voluntarily or through contractual measures. However, the majority of supporters of the resale royalty suggested it be introduced through national legislation.⁴³⁵

While recognising there may be some drawbacks in relation to a legislated resale royalty scheme, the submissions received by the Inquiry also generally favoured the introduction of resale royalties. One submission highlighted that:

The principle of resale royalty is in line with Indigenous understandings of the ongoing ownership of cultural property and communal rights to it. It is important to remember, of course, that this ownership also carries extensive responsibilities to ensure its continuance and the potential of ongoing financial recompense would assist in the maintenance of these responsibilities.⁴³⁶

ATSIC submitted that the introduction of resale royalties would be positive, and highlighted the need to structure the scheme with conscious regard for Indigenous social and health issues, and the extended nature of family units.⁴³⁷ These issues are of the utmost importance as they have a direct bearing on the need for resale royalties. Indigenous visual artists and craft practitioners often assume positions of great responsibility in terms of providing financial support to their extended family and the local community. Further, in many cases the images and iconography utilised by the artist are communally owned, and the community will expect that any proceeds of the work will be shared. As a result of these pressures, and the disadvantage often suffered by Indigenous artists in the market place, the need for a resale royalty is particularly evident.

The Arnhem and North Kimberley Aboriginal Artists Association (ANKAA) emphasised that informal indicators from commercial galleries, auction houses and art centres indicate that the market for Indigenous art is growing. Those artists who do stand to benefit currently

435. *ibid.*, p. 11.

436. Submission: Hetti Perkins.

437. Submission: ATSIC.

from the introduction of resale royalties may receive a very substantial benefit due to the dramatic increase in the price of numerous works. For example, amongst the Papunya artists of the 1970s it has not been unusual for the prices for these works to increase a thousand fold or more.⁴³⁸ This point was also made by VISCOPY:

...income derived from a *droit de suite* scheme would continue to bring income for an artist or their heirs in a remote community for the life of copyright ... If international interest in Indigenous art continues to grow, it is clear that Indigenous art communities would stand to gain increasing sums from *droit de suite*—particularly through the effects of reciprocal benefits derived from overseas countries' markets with *droit de suite* schemes in place.⁴³⁹

The Inquiry has concluded that the case for introducing resale royalties is particularly strong given the needs of the Indigenous visual arts and craft sector.

FINDING

The case for a resale royalties scheme is particularly strong for Indigenous artists.

Models

There are a number of different models which could be adopted if resale royalties were to be introduced in Australia. To summarise, the issues which need to be considered include:

- which artworks are to be covered by the scheme;
- which transactions are to be encompassed by the scheme;
- the rate for calculating the royalty;
- whether a minimum sale amount should apply;
- whether a maximum payment limit should apply;
- the means for collecting and distributing the royalties;
- whether the right to royalties could be assigned or waived;
- the duration of the right to royalties;
- whether resale royalties will be payable to heirs after the death of the artist;
- whether resale royalties will be payable to artists overseas;
- whether artists will have a right to information regarding sales of their works;
- the availability of remedies for failure to pay royalties; and
- processes for dealing with conflicts of law.

The analysis conducted by the Inquiry of the various issues is included at *Appendix J*.

438. Submission: ANKAA.

439. Submission: VISCOPY.

Alternatives

Two options have also been canvassed by artists and commercial art dealers as possible alternatives to a legislated resale royalty scheme.

Contract

An alternative to resale royalties that has been trialed both domestically and internationally is the inclusion of specific provisions in contracts granting the artist a resale royalty-like payment on subsequent resales. This method was trialed in New York during the 1970s, and evidence suggests that few purchasers signed the agreement.⁴⁴⁰ As indicated above, in the context of first sales of art work, buyers (particularly commercial art galleries and commercial auction houses) tend to have a great deal more bargaining power than sellers (artists). As a result of this inequality of position, art dealers generally dictate contractual terms.⁴⁴¹

Only in rare cases would an artist possess the requisite bargaining power to ensure a resale royalty-like clause was included in a contract of sale. Clauses have been included in some contracts of sale in Australia. The Watters Gallery and Legge Gallery in Sydney voluntarily collect resale royalties of ten per cent for their artists.⁴⁴² Contracts of sale made through Adelaide's Greenaway Art Gallery include resale royalty provisions.⁴⁴³ Some individual artists include rights to payments on subsequent resale of their works in contracts of sale.

Indigenous arts centres have explored the possibility of introducing a resale royalty as part of their contract of sale.⁴⁴⁴ A recent development in the Indigenous art market is the launch of the Art Trade Collectors Pledge by VISCOPY and the Australian Indigenous Art Trade Association (Art.Trade). The Pledge places the owner of a work under a moral obligation to remit to the artist a minimum of one per cent of the sale price every time the artwork is sold.⁴⁴⁵

It is important to remember that resale royalty contractual clauses are included voluntarily by the galleries; if the galleries decided not to include these clauses, the artist would have great difficulty asserting their interests.⁴⁴⁶ Similarly, it is a moral obligation for collectors to comply with the Art Trade Collectors Pledge, not a legal obligation. A compulsory resale royalty scheme would ensure artists do not have to rely on the goodwill of auction houses, commercial galleries and collectors in order to receive a return from sales of their work.⁴⁴⁷

Further, in the event that such a contractual clause was included, it is questionable whether the clause would be enforceable against subsequent purchasers. The artist could enforce the provision against the initial purchaser. However, subsequent purchasers are not parties to the contract, and as such are not bound by the terms of the contract.⁴⁴⁸ In New York, the lawyers representing the artist attempted to resolve this problem by including a provision in the original contract of sale requiring the purchaser to make any transferee enter into a direct contract with the artist. The problem with this approach is that even if the initial purchaser manages to include this term in a subsequent sales contract, the artist is not a party to this sales contract and if the subsequent purchaser failed to contract

440. Australian Copyright Council, *op. cit.*, 1989, p. 31.

441. G. Pfennig, 'Practical aspects of the exercise of the droit de suite, including in the digital environment, and its effects on developments in the international art market and on the improvement of the protection of visual artists', Intergovernmental Copyright Committee, Paris, 2001, at, p. 3.

442. A. Davis, 'Artist Resale Royalties', Arts Law Centre of Australia, 2000, at www.artslaw.com.au/reference/003artist_resale_royalties.

443. M. Backhouse, 'Not all say droit de 'sweet'', *The Age*, 28 November 2000.

444. T. Janke, *op. cit.*, 1998.

445. VISCOPY, 'Aboriginal and Torres Strait Islander artists to benefit from Voluntary Resale Royalty Scheme', Press Release, May 2002.

446. S. Simpson, *Droit de Suite: The Artist's Royalty*, Simpsons Solicitors, Sydney, p. 2, at www.simpsons.com.au/library/documents/visarts/visarts89/9Artists.pdf.

447. A. Davis, *op. cit.*

448. Australian Copyright Council, *op. cit.*, 1989, p. 32.

directly with the artist, the artist has no right of redress.⁴⁴⁹ These factors militate against the use of contract as an alternative to a statutory resale royalty scheme. On the basis of this preliminary evidence, contract does not appear to offer a practicable alternative to a legislated resale royalty.

FINDING

Leaving resale royalties to contract law is ineffective in providing benefits to artists. An artist cannot enforce resale royalty terms in an initial contract of sale on subsequent purchasers.

Fund for artists

An alternative adopted in some jurisdictions to remitting funds obtained from resale royalties directly to the artists is to direct these funds into a joint fund. There are a number of different examples of centralised funds for artists operating overseas. For example, a communal fund exists in Norway, where a tax is imposed on the sale of works of art. The revenue accrued from this tax is deposited into a central fund for the benefit of professional artists in need, and their families. No individual royalties are granted.⁴⁵⁰ In Germany, auctioneers and art dealers pay five per cent of their sales of 20th century art to the German collecting society for the visual arts, Bild-Kunst. Bild-Kunst deduct a commission for administration, then distribute a portion of this sum to individual artists, particularly young and emerging artists.⁴⁵¹ The German resale royalty scheme also requires between five and seven per cent of the value of first sales made by dealers, commercial galleries and auction houses to be contributed to the social security administration.

The advantage of a communal fund for artists is that the benefits of the scheme will flow to all visual artists, particularly to struggling artists, not just to established artists, as in resale royalty schemes. The primary focus is welfare, rather than parity with the intellectual property rights of other types of artists.

However, such a scheme breaks the nexus between permission granted by the resale right holder to possess the artwork, and payment of a royalty to that right holder. Thus, in the Australian context, such a royalty may actually be better described as a type of taxation. As a result, such a scheme may have to be enacted as a separate tax act, rather than as an amendment to the Copyright Act or as part of resale royalty legislation.⁴⁵² Such a hypothecated tax would firstly limit the Government's budgetary discretion, and secondly would rightly be seen as a tax on secondary art sales, rather than as a legitimate royalty for artists.

FINDING

The proceeds of resale royalties should be paid directly to the individual artists, rather than to a communal fund, as this scheme is a type of taxation on secondary art sales, rather than a legitimate royalty for artists.

449. *ibid.*

450. Australian Copyright Council, *op. cit.*, 1989, p. 32.

451. J. H. Merryman and A. E. Elsen, *Law, Ethics and the Visual Arts*, Kluwer Law International, London, 1998, p. 376.

452. *Australian Tape Manufacturers Association Ltd And Others v. The Commonwealth Of Australia* (1993) 176 CLR 480 FC 93/004.

Mechanisms

It is appropriate that the Commonwealth introduce resale royalties (rather than the various States and Territories), as the current regime for intellectual property protection was enacted at the federal level.⁴⁵³ A consistent, national approach would be preferable to different schemes operating in the various States and Territories. Consistency would provide more predictability in the market, would avoid conflicts of law between the various States and Territories and would eliminate the temptation for sales in contemporary art and craft works to migrate to the least intrusive jurisdiction.

An appropriate way of proceeding would be to form a working group comprising representatives from government and the visual arts and craft sector.⁴⁵⁴ The working group should analyse the options for introducing resale royalties, and determine the process for introducing the measure. The Inquiry considered models for introducing resale royalties and further detail can be found in *Appendix J*.

Review

It is appropriate for the proposed resale royalty scheme to be subject to extensive scrutiny and periodic review. The working group could determine the timing and frequency of this review.

RECOMMENDATION 5

To further protect the rights of visual artists and craft practitioners, the Inquiry recommends the Commonwealth Government:

- 5.1 Introduce a resale royalty arrangement;
- 5.2 Establish a working group, comprising representatives from government and the visual arts and craft sector, to analyse the options for introducing a resale royalty arrangement;
- 5.3 Conduct a tender to determine an appropriate body to administer the resale royalty arrangement; and
- 5.4 Allocate \$250 000 for the development of an implementation strategy.

453. Australian Copyright Council, *op. cit.*, 1989, p. 64.

454. In its submission, Arts Law recommend that this issue be progressed through a review committee.

ESTATE PLANNING

Estate planning, and in particular, the preparation of a legally valid will, is an important task which should be undertaken by visual artists and craft practitioners.⁴⁵⁵

Planning for the future may include one, or a combination, of the following approaches:

- drawing up a will;
- disposing of property during the life of the artist by gifts or sale of assets;
- acquiring assets as a joint tenant; and
- establishing a trust.

All real and personal property in which the artist has an interest should be considered in the estate planning process. Property forming part of an artist's estate can include artworks produced for sale, artworks held in the artist's personal collection, and any copyright and intellectual property rights (including design, patents and trademarks) in those works of art, and in the works of other artists. Consulting a professional appraiser may be advisable where the artist has questions regarding the value of art forming part of the estate.⁴⁵⁶

There are some kinds of property that will not be treated as part of the estate. These include moral rights, proceeds of a life insurance policy and superannuation.

Matters to consider

When planning the estate, an artist should consider a number of different matters pertaining to their property interests. These include:


- property owned overseas, as well as within Australia;
- property to be treated separately from the estate;
- prospective beneficiaries and the future financial requirements of beneficiaries;
- individuals with claims against the estate;
- assets available to discharge debts and liabilities; and
- taxation implications associated with distribution of the estate.

Each artist's estate will be different, and the distribution of the estate should be tailored for the specific circumstances. Taxation arrangements may impact upon the approach adopted for the distribution of assets.

Drawing up a will is a key component to estate planning. A will is a written legal document signed by the artist setting out the intentions of the artist for the disposal of his or her property after death. Wills are flexible, provide a high degree of certainty, and allow artists to determine the beneficiaries of the estate and the manner in which the benefit is to be conferred. For example, there are a number of different ways property can be disposed of under a will, including an outright gift, a conditional gift, an annuity (an annual sum of money) and a trust arrangement. The will becomes operable upon the death of the artist, but can be altered or revoked any number of times up until that point.

455. The Inquiry was kindly informed of issues relating to estate planning for artists by confidential documents provided by the Australia Council, the National Association for the Visual Arts, and ArtsLaw.

456. A. Bamberger, 'Plan Your Estate Before it's Too Late', 2000, at www.artbusiness.com/



An executor needs to be appointed to carry out the instructions set out in the will, including the distribution of assets to designated beneficiaries. Some artists appoint one executor to deal with all matters pertaining to their artworks and artistic practice, and another executor to deal with the remaining aspects of the estate. Appointing an executor charged solely with the responsibility for artworks can be beneficial as the artist is able to appoint someone with expertise in that regard, and the responsibilities for managing the estate are shared, thereby making the task less onerous. The executor can also be authorised to manage the moral rights of the artist and take action if these rights are infringed.

The beneficiaries of the estate may be chosen by the artist, provided the beneficiaries are clearly nominated in the will and that no successful challenge is brought against the estate.⁴⁵⁷ Artists may provide for collecting and educational institutions to be recipients under a will. Most national, state, and regional art galleries, museums, and libraries have policies in effect for accepting bequests of artwork, and in some cases, other assets. Institutions use selection criteria to assess whether or not the institution should accept a bequest. These criteria vary, but often include a consideration of the following factors:

- relevance of the artwork to the collection;
- significance of the artist and the particular work;
- condition and quality of the work;
- whether or not the artist is represented in the collection; and
- capacity of the institution to store, care for, and display the work.

Institutions are generally more likely to accept a bequest where the artist has a prior relationship with the organisation, and the works are suitable for the collection. Where an artist is considering a bequest to a public institution, it is generally advisable for the artist to contact the institution prior to settling the will, to ensure the bequest meets the selection criteria for acceptance by the institution and that the institution will deal with the work in a manner acceptable to the artist.

The creation of an inventory assists the executor of the estate to distribute works of art to the desired beneficiary. Artists should note in the inventory all artworks:

- sold or gifted, and if possible, details regarding the current owners of the works;
- owned by the artist and in the artist's possession;
- owned by the artist and on loan to others, including the names and contact details for the borrowers and the terms of the loans; and
- held on consignment for sale by commercial dealers, galleries and retail outlets, and the terms of the consignments.

Each entry in the inventory should include sufficient detail to allow the particular artwork to be identified. It may be desirable for a slide or photograph of each piece to be included.⁴⁵⁸ The inventory can be used to ensure all aspects of the artist's estate are accounted for in the distribution arrangements.⁴⁵⁹ An inventory also serves as an accurate record of the authentic works of the artist.

457. Under State and Territory family provision legislation, certain relatives and dependents may challenge the terms of a will if there is inadequate provision made for the support and proper maintenance of family members. Potential claimants generally include spouses, former spouses, children and other dependents. While artists retain the right to choose the beneficiaries of their estate, if the artist's family is not to be provided for in the will the artist should seek legal advice on the most appropriate drafting of the will to reflect this intention.

458. P. Moore, C. Trasobares, J. Silberman, and J. Racanelli, *Future Safe: Visual Arts*, The Estate Project for Artists with AIDS, 1997,

459. *ibid.*

If a trust is created under the will, the artist will also need to appoint a trustee responsible for any ongoing duties to be performed on behalf of the trust. The powers of the trustee will vary according to the type of trust created and the assets to be managed. Some of the discretions that may be granted by an artist to the trustee include the authority to:

- obtain valuations for artwork;
- enter into agreements with dealers and commercial galleries for the sale of artworks;
- sell outright to dealers and galleries; and
- enter into consignment arrangements for the sale of works subject to commission.

While life insurance policies and superannuation funds do not legally form part of the artist's estate, these assets can be distributed to nominated beneficiaries. Where an artist owns these types of assets, it is important for the artist to specifically nominate beneficiaries, as these assets will not be covered by a will. For those artists who have superannuation entitlements, it should be noted that legislation requires trustees of superannuation funds to allocate assets to surviving financial dependents, and that a nominated beneficiary may not receive the benefits of a superannuation account if they are not a financial dependent of the artist.

Once arrangements have been made for the disposal of the estate and other assets owned by the artist, these arrangements should be reviewed periodically by the artist to ensure they are still appropriate.

FINDINGS

When appointing an executor for a will, the artist may consider appointing an executor to manage the artistic works included in the estate, and another executor to manage the remainder of the estate.

Beneficiaries under the will are determined by the artist, and may include collecting institutions. If the artist is considering making a bequest of works to a gallery or museum, the institution should be approached to ensure it is able to accept the bequest.

Artists should formulate a comprehensive inventory of their works to assist the planning of the estate.

CHAPTER 4

STRENGTHENING THE INFRASTRUCTURE

The Inquiry's terms of reference require it to examine the organisations and other entities comprising the contemporary visual arts and craft sector; 'identify key issues impacting on the future sustainability, development and promotion of the sector'; and 'assess possible options and make recommendations on actions that might be taken by governments and the sector to enhance its future.'

In its *Issues Paper* the Inquiry used the term 'infrastructure' to group all the organisations and other entities across Australia in metropolitan, regional and rural areas that support contemporary visual arts and craft practice, promote contemporary art, educate and inform audiences, and preserve and foster a national culture.

While the Inquiry acknowledges there are many areas of interconnection and overlap that defy any simple demarcation, it was necessary for the purposes of the discussion in this Chapter to place some boundaries around the term infrastructure. The Chapter includes issues relating to:

- contemporary arts organisations and craft and design organisations;
- major art museums, university and regional galleries;
- art and craft centres;
- artist-run initiatives; and
- membership service or national/regional representative organisations.

These organisations fundamentally split into organisations that share the following key objectives:

- creation, presentation and interpretation;
- exhibition delivery;
- audience development;
- sector professional (business) development;
- sector artistic development; and
- artist advocacy and assistance.

Due to their primary relevance to audience and market development, the commercial sector, contemporary art and craft journals, the major national and international art events, the touring agencies and some aspects of the major art museums are dealt with in Chapter 5 *Expanding the market*.

CONTEMPORARY ARTS ORGANISATIONS

Contemporary arts organisations are non-collecting, not-for profit organisations that facilitate the development, creation, exhibition and interpretation of art work by living artists. Contemporary arts organisations include:

- Artspace (NSW);
- Australian Centre for Photography (NSW);
- Australian Centre for Contemporary Art (VIC);
- Centre for Contemporary Photography (VIC);
- 200 Gertrude Street (VIC);
- Institute of Modern Art (QLD);
- Perth Institute of Contemporary Art;
- Contemporary Art Centre of South Australia;
- Experimental Art Foundation (SA);
- Contemporary Arts Services Tasmania;
- Canberra Contemporary Art Space; and
- 24HR Art—Northern Territory Centre for Contemporary Art Centre

Contemporary arts organisations work closely with artists, performers, writers and curators in the creation of exhibitions and events, engaging with artists to generate new artworks and new ways to exhibit and promote that artwork. They also work in partnership to create a national network in support of experimental and innovative art practice. Contemporary arts organisations are all co-funded by the Australia Council's VACB and their respective State and Territory funding agencies.

The organisations listed above are all members of CAOS: Contemporary Arts Organisations of Australia, an umbrella organisation created to 'enhance communication between Australian arts organisations in order to extend the resources of existing infrastructure thereby delivering greater support to artists' and to facilitate 'inter-network cooperation and collaboration'.⁴⁶⁰ The Performance Space and Boomalli Aboriginal Arts Cooperative (both in NSW) and the Australian Network for Art and Technology are also members of CAOS but they are not funded through the VACB.⁴⁶¹

There are other organisations in Australia that perform similar roles to the contemporary arts organisations listed above but which are not members of CAOS. These include Umbrella Studios in Townsville, Kick Arts in Cairns, Metro Arts in Brisbane, Linden in Melbourne and the Casula Powerhouse Arts Centre and Gallery 4A in Sydney. The Museum of Contemporary Art in Sydney and the Ian Potter Gallery in Melbourne are collecting institutions that also have as one of their primary roles the presentation of exhibitions of contemporary visual art.

460. Submission: CAOS.

461. They also have divergent roles from the others. Boomalli is an urban art and craft centre with a foregrounded community role; ANAT is an art and technology advocacy and membership service organisation and the Performance Space while promoting and supporting visual art practice such as installation, performance art and digital artforms, is primarily focussed on contemporary performance presentation, support and advocacy.

Contribution to the sector

The art that contemporary arts organisations present is typically experimental, non-commercial, ephemeral or transient, and site-specific – meaning that each exhibition will be in many ways unique and unrepeatable. Exhibitions are often created through the interchange of ideas and expertise between artists and staff. Some works would be unlikely to be created if the contemporary arts organisations were not there to facilitate its creation. At this level, contemporary arts organisations are not service providers for artists but are better seen as part of a symbiotic creative process with contemporary visual artists.

The non-exhibition based activities undertaken by contemporary arts organisations include publishing, off-site and Internet-based projects, educational programs, residency and studio management, interstate and international artist and art exchanges, as well as specific projects for target groups such as emerging artists, culturally diverse artists and Indigenous artists. These are as essential to the overall program as the exhibition program.⁴⁶²

By concurrently exhibiting the work of artists from many different areas and backgrounds the contemporary arts organisations create opportunities for dialogue and discussion and have a developmental impact on the art and careers of artists.

The production of art facilitated by this sector is vital to the health of the contemporary visual arts as a whole. As catalysts, curators, commissioners and presenters of visual culture, much innovative practice would not be possible without these organisations. The contemporary arts organisation sector is one of the primary routes by which new work, new forms and new practices are developed and disseminated to the public. This responsibility for this ‘transaction of ideas’ operates beyond simple support for making and presenting art and encompasses an exploratory and discursive role. Contemporary arts organisations are involved with the production of objects and events, and the facilitation of the intellectual debates that surround them. The encouragement and facilitation of such dialogues is vital to the healthy development of a culture.⁴⁶³

Similarly, by working with artists from overseas through studio residencies, exhibition touring and other forms of cultural exchange, the contemporary arts organisations often create relationships which develop international opportunities and spin-offs for artists.⁴⁶⁴

The contemporary arts organisation sector has had a significant role in pioneering new international relationships that are deployed in events such as the biennales, the Asia-Pacific Triennial, Artists Regional Exchange (ARX) and the Melbourne Art Fair in Australia, and a range of exhibitions, art fairs and events overseas. These developments have been brought about by individual organisations, contemporary arts organisations collaborating with other contemporary arts organisations and latterly through CAOS itself seeking opportunities and developing them, (such as coordinating representation at ARCO 2002 on behalf of the sector).⁴⁶⁵

This kind of work has often played an important role in promoting Australia internationally. Our broadly inclusive policies have often anticipated Government priorities including engagement with the art and culture of the Asia-Pacific region (and in Western Australia, increasingly the Indian Ocean region).⁴⁶⁶

462. Submissions: EAF and IMA.

463. Submission: CAOS.

464. Submission: 200 Gertrude Street.

465. Submission: CAOS.

466. Submission: PICA.

Artists are actively encouraged to experiment and to focus on ideas without concern for market acceptance. This work will often have implications ‘beyond their immediate environment in the form of both methodology (e.g. the development of museum curatorial practices in the exhibition and collection of contemporary art), and outcome (e.g. the development of commercial markets for new artforms such as video and digital media)’.⁴⁶⁷

While this work will be made without reference to market demands, nonetheless, the artistic developments achieved in contemporary arts organisations impact on artists’ commercial practice. Contemporary arts organisations also affect the commercial market by introducing and supporting the development of many artists whose work acquires significant status and commercial value over time within the art market.⁴⁶⁸ They also often support established artists by allowing them to revitalise their practice and create developmental work in a non-commercial environment. While contemporary arts organisations interact with the art market in this way they do not compete with the commercial galleries through actively promoting or selling artwork.

In 2000, contemporary arts organisations exhibited the work of more than 1500 artists in more than 350 exhibitions.⁴⁶⁹ In the same year, contemporary arts organisations and their projects had a combined audience of more than 400 000.⁴⁷⁰

Contemporary arts organisations consider their role in mentoring emerging arts professionals a key contribution of their organisations to the sector.⁴⁷¹ In 2000 they had more than 50 full and part-time paid staff and 180 volunteers. Volunteers are often either members willing to demonstrate their commitment to their organisations with their own time, or work placements from one of the many graduate arts management courses that are training tomorrow’s arts professionals. Arts management students receive invaluable experience in multi-skilling, creative budget-driven problem solving as well as first hand experience working with visual artists while they develop and install and maintain artworks. In this way the contemporary arts organisations contribute to the development of the next generation of arts professionals.

FINDINGS

Contemporary arts organisations play a major role in the development of contemporary art practice in Australia. Through their exhibition, educational and promotional activities they nurture the careers of artists and arts professionals. They provide opportunities for the revitalisation of the work of established artists and they also provide initial professional experience for emerging artists and emerging curators. Through their network they help build audiences, create demand for contemporary art and pioneer new international relationships.

467. Submission: CAOS.

468. *ibid.*

469. Submission: CAOS, and Power Institute of Fine Art and the National Association of Visual Arts, *A Planning Matrix for the Visual Arts*, 2002.

470. *ibid.*

In submissions and in the Inquiry's consultations with contemporary arts organisations there were recurring concerns about missed and/or unrealised opportunities and their capacity to meet increasing expectations placed on them by artists, funding bodies, general audiences and their own employees. Increased expectations have meant that these organisations face cutting back services or struggling to make up the shortfall at the expense of the professionalism they are expected to show in carrying out core business.⁴⁷²

200 Gertrude Street pointed to some of the issues facing the organisation, which the Inquiry observed are applicable to all:

(In the last five years) there have been improvements in the productivity, effectiveness and quality of product produced by contemporary art organisations, including 200 Gertrude Street, as well as increasing professional demands upon the sector, related to such things as: legal compliance and corporate governance; financial accountability and audience and market development responsibilities.⁴⁷³

Almost all submissions from contemporary arts organisations pointed out the difficulty of working with new technologies. As the Centre for Contemporary Photography stated, 'experimentation in these burgeoning areas is vital to the dynamism and innovation of the sector'.⁴⁷⁴

However, it was also pointed out that:

Contemporary art organisations work at the forefront of new ideas and forms—and with artists who are among the earliest adopters and adaptors of new technologies—there has been a significant increase in the demands to acquire new hardware and software to assist artists in the production and presentation of their work.⁴⁷⁵

200 Gertrude Street was one of several that identified the expectation that contemporary arts organisations will have the appropriate technological infrastructure as they are one of the few arenas for digital art in Australia. As the submission from the Australian Centre for Photography points out:

Visual art in general and photo-based art in particular is becoming increasingly reliant upon sophisticated and costly technology for its presentation. Yet we are funded at a scale set when artists brought their work into the gallery and you simply had to place it and light it.⁴⁷⁶

Contemporary arts organisations are not able to create sufficient reserves for sustained promotion or development, to build audiences or to create staffing levels that allow senior staff the time to create cultural and financial allegiances with non-arts organisations. For example, the Institute of Modern Art submitted that:

In order to move to the next level of sponsorship development, arts organisations need an effective marketing budget. This will enable us to host corporate functions and attract potential sponsors. For example, established media partnerships and higher level sponsors ... will not consider a proposal unless you bring national advertising to the table. Advertising budgets should be 8–25% of the total budget, depending on the nature of the business. Currently ours is 0.05%. Arts organisations can simply not compete and funding bodies have been extremely naive in their expectations of what arts organisations can achieve in this area.⁴⁷⁷

471. Submission: CAOS.

472. Submission: CAOS.

473. Submission: 200 Gertrude Street.

474. Submission: CCP.

475. Submission: 200 Gertrude Street.

476. Submission: ACP.

477. Submission: IMA.

The submission from ACCA reiterates the position:

There is clear evidence to suggest that when substantial resources are made available for strategic marketing and publicity services to be applied to a contemporary visual arts event, there are clearly quantifiable outcomes in terms of increased media attention and significantly increased audience attendance figures. Such is the case with the benefits of having access to the extensive marketing services of a state funded international festival of arts for an individual participating organisation.⁴⁷⁸

The capacity to attract and keep appropriately skilled staff is also a widespread concern. Salaries, benefits and work conditions are not competitive with the conditions and entitlements available in other sectors.⁴⁷⁹

One submission stated that while a contemporary arts organisation's Board of Directors will understand it has a duty-of-care for its staff, it may have no financial capacity to ensure appropriate administrative support let alone 'professional development opportunities, appropriate levels of remuneration and healthy, safe working conditions'.⁴⁸⁰

The Inquiry also noted the commitment the organisations put into exhibitions (through staff time, exhibition costs and artists' fees) is not sufficiently matched by promotion, audience development, educational initiatives and publications and documentation. For this reason, there is a danger that the exhibitions themselves—because of the inherent ephemeral nature of such work—disappear from the public and artistic record, devaluing the work and limiting its influence on future artistic developments.

FINDINGS

Contemporary arts organisations are finding that, due to inadequate levels of funding, it is increasingly difficult to meet rising expectations of artists, staff, the public and funding bodies, and to exploit potential business and market development opportunities. There is also a lack of capacity to document and promote the artwork being created in their exhibition spaces which limits the long-term creative development of the visual arts in Australia. There is also a limited capacity for creative experimentation due to the cost of new technology.

478. Submission: ACCA.

479. Submission: 24HR Art.

480. Submission: PICA.

Financial analysis

Income

In 2000, the contemporary arts organisations' total income from all sources (including grants) was \$4.9 million.

Table 4.1 Comparison of selected account items in 1991 and 2000 of 12 contemporary arts organisations (actual dollars)

Income	Australia Council	State	Project funding	Other revenue	Total income
1991	\$643 302	\$1 140 933	\$206 071	\$698 358	\$2 688 664
2000	\$898 889	\$1 790 136	\$499 312	\$1 709 714	\$4 898 051
% increase	40	57	142	145	82

Source: Annual Reports of individual organisations

The Commonwealth Government has been funding contemporary arts organisations since the creation of the Visual Arts Board in 1973. The State Governments and the Commonwealth Government through the Australia Council have funded contemporary arts organisations in partnership with the Commonwealth contributing, on average, one-third of recurrent government support and the State or Territory contributing two-thirds.

As a matter of Visual Arts Board policy, the network was developed in the 1980s on a one-per-state basis at a generally equivalent level of funding (regardless of roles, functions and standards) across the States and Territories.⁴⁸¹

In 2000, the 12 organisations received total funding (Commonwealth and State) of \$3 188 337 of which:

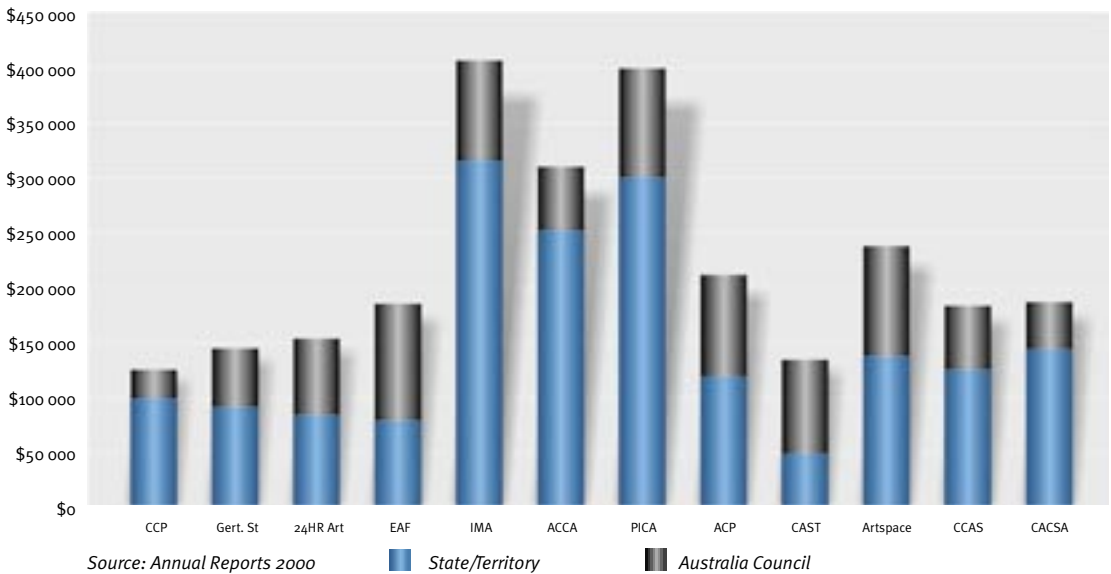
- \$2 063 881 came from State and Territory Governments (\$1 790 136 for annual administration support and \$273 745 for project support); and
- \$1 124 456 came from the Australia Council (\$898 889 through the Triennial Grants and \$225 567 for projects).⁴⁸²

481. Australia Council, *Visual Arts/Craft Board: National Infrastructure Review—Summary and Recommendations*, Australia Council, Sydney, July 1993, p. 3, and Australia Council, *VAB Assistance for Contemporary Art Spaces Policy Guideline*, Australia Council, Sydney, March 1987, p. 3.

482. Annual Reports and Inquiry questionnaire.

Figure 4.1

Core funding for 12 Contemporary Arts Organisations from States/Territories and Commonwealth Government



The Australia Council funds contemporary arts organisations through its Key Organisations category, the purpose of which is to ‘develop a viable strategic infrastructure to advance the arts in Australia... through the provision of operating funding to a limited number of ...organisations.’⁴⁸³

Roughly two-thirds of government support is for general program and administration expenditure—artists’ fees, salaries, exhibition costs, electricity, rent, insurance etc. One-third is gained from project funding—money to be spent very similarly to the general running costs support but for specific projects.

The majority of non-government income for contemporary arts organisations came from the income generating programs of the organisations. In 2000, income typically came from workshop fees, membership fees, publications and advertising sales, studio rental and sponsorship. As can be seen from table 4.1, revenue (other than core funding) is increasing at a far more rapid rate than core administration support.

Despite extremely limited marketing and fundraising resources, in 2000 the contemporary arts organisations raised more than \$308 800 in sponsorship.⁴⁸⁴ A large proportion of this was in-kind support but the breadth of donors/sponsors and the breadth of activities they supported indicate that there are many possibilities for greater partnerships between the corporate sector and the contemporary arts organisations.

In 2000, sponsors included Agfa, Sanyo, Ilford, Lake Technology, Woolmark, Ian Potter Foundation, Photo Technica, Nikon, Carlton United Brewery, Adobe, and Bang and Olufsen. Benefactors included Mondrian Foundation, Australia-Korea Foundation, Monash University, the British Council and the University of Dundee, Scotland.⁴⁸⁵

483. Australia Council, *Support for the Arts Handbook*, 2001, p. 124.

484. The figure of \$308 800 includes \$180 000 sponsorship of ACCA by Monash University—this is a sunset sponsorship agreed to at the point where ACCA was legally reconstituted into a separate entity from Monash University.

485. Contemporary Arts Organisations—various Annual Reports for 2000.

Another form of benefaction takes the form of support for the organisations from the staff and artists. As the submission from Canberra Contemporary Art Space states:

Staff subsidise the organisation by working for much less than award rates in less than ideal conditions. The artists also subsidise this organisation by funding their own materials and installation time.⁴⁸⁶

Another form of income/support comes from the community. All the contemporary arts organisations are assisted by the generous support of volunteers. The situation of the Contemporary Art Centre of South Australia can be considered typical:

During 2000, five to six volunteers were required weekly [i.e. 35–40 hours] On an annual basis the aggregate of this free volunteer assistance is equivalent to one fulltime position of 1 920 hours, with an estimated salary of \$30–35 000. Without this volunteer support... the CACSA would be unable to fully execute its programs.⁴⁸⁷

However, this form of income is not without pitfalls. As The Performance Space's submission noted, 'there is a breaking point for individuals as to how much personal time and resources they can invest'.⁴⁸⁸

Another potential avenue of income could come from the sale of artworks being exhibited. Australia Council policy precluded contemporary arts organisations from overtly selling artwork in the past but this is no longer the case. Another factor inhibiting charging commissions on artwork sold is that the sale of art has been considered inimical to the contemporary arts organisations' research and development ethos.

Expenditure

In 2000, the contemporary arts organisations' total expenditure was \$4.7 million.

Table 4.2
Comparison of selected account items in 1991 and 2000 of 12 contemporary arts organisations (actual dollars)

Expenditure	Artists' fees	Exhibition expenses	Insurance	Salaries	Other	Total expenses
1991	\$139 471	\$410 552	\$32 550	\$961 570	\$1 207 947	\$2 752 090
2000	\$246 472	\$847 853	\$128 156	\$1 825 539	\$1 624 510	\$4 672 530
% increase	77	107	294	90	34	70

Source: Annual Reports/Advice to Inquiry from contemporary arts organisations

Table 4.2 shows increases for some items of expenditure have risen above 100 per cent from 1991 to 2000.

In 2000, the 12 contemporary arts organisations paid \$246 472 to artists by direct artists' fee payments. They spent \$847 853 on exhibition costs (the costs directly associated with the creation and exhibition of works of art, almost all of which would have been created for the exhibition space or created in the preceding twelve months).

486. Submission: CCAS.

487. Submission: CACSA.

488. Submission: The Performance Space.

The significance of this expenditure is highlighted when compared with the direct grants from the VACB that in 2000 paid 60 artists a total of \$895 282 in New Work grants.⁴⁸⁹

While the aggregated artists' fees figure seems reasonable, and has grown significantly over the last ten years, in 2000 the contemporary arts organisations exhibited more than 1 500 artists in 350 exhibitions. This averages out to a payment of \$164 per artist in artists' fees and just \$700 per exhibition.

Program expenses such as artists', writers' and curators' fees, installation costs, printing and costs of hiring or buying new technology as well as administration expenses such as salaries, rent, insurance etc are increasing at far faster rates than current government support. The shortfall between increasing expenses and income is a danger to the continued viability of contemporary arts organisations. As the submission from CAOS states:

CAOS organisations whilst having to adjust their programs to accommodate increases in operational costs ...have had no choice but to reduce programs in order to maintain professional standards.⁴⁹⁰

FINDINGS

Contemporary arts organisations have been able to obtain some sponsorship mainly of an in-kind nature. They have increased self-generated income substantially in the last ten years. They have limited their cost increases where practicable and have proven themselves fiscally responsible. However, rising costs and funding shortfalls have had a significant impact on their programs and are threats to their continuing viability.

The Inquiry concludes that contemporary arts organisations play a significant role in the contemporary visual arts and craft sector through their developmental, educational, exhibition and promotional functions. They are ideally placed not only to maintain vibrancy in the visual arts but also to build audiences and demand for contemporary visual arts. The general limitations and the inability to deliver to their full potential that contemporary arts organisations experience due to their financial situation were apparent to the Inquiry on its visits to the organisations, and are borne out by their relatively modest incomes and small surpluses in a time of rising expectations and costs.

Contemporary arts organisations' continued operation at current levels will further reduce their ability to nurture emerging and innovative artists, writers and curators as well as risking lost opportunities to grow the sector and audiences for Australian contemporary visual arts at home and abroad. The shortfall between rapidly increasing expenses and relatively static income threatens the continued viability of the sector.

The Inquiry has set out its Guiding Principles for the sector earlier in this report. In the opinion of the Inquiry contemporary arts organisations should be the vibrant, strategic, adaptable and sustainable organisations that can nurture and support Australian contemporary visual arts in developing their creativity, skills and professionalism, and

489. Australia Council, *Annual Report 2000–2001*, Sydney, 2001, and VACB 2000 Assessment Report (increased to \$941 091 in 2001).
490. Submission: CAOS.

to exhibit, promote and to some degree market their work. They should energise audiences, inspire visitors young and old, and attract media and sponsor and benefactor interest. They should be the organisations that will ensure that Australian artists maintain pace with changing international standards in arts practice and exhibition, including advances in technology. Currently they are unable to adequately perform those functions.

In the opinion of the Inquiry these are convincing arguments for increased government support for the contemporary arts organisation sector. As detailed above, governments and particularly State governments, are the contemporary arts organisations' major financial stakeholders. The Commonwealth, through the Australia Council, has a long-standing commitment to the contemporary arts organisations because of their contribution to the national culture. Elsewhere in this Report the Inquiry has detailed a range of measures where the Commonwealth can take the initiative through tax concessions to assist the sector including contemporary arts organisations. Notwithstanding that, the Inquiry believes the Commonwealth should make additional funding available to contemporary arts organisations through the Australia Council, as a contribution to ensuring that the vitality of this part of the sector does not fade and that its potential to enhance the national culture is not lost.

The specific outcomes of even moderate additional funding would include the ability of contemporary arts organisations to cope with rapidly increasing expenses such as artists', writers, and curators' fees, installation costs, printing and costs of hiring or buying new technology as well as administration expenses such as salaries, rent, insurance etc. More than that, it would give the organisations the ability to properly document and promote the artwork being created and potentially increase their ability to exploit business and market development opportunities towards the long-term creative development of the visual arts in Australia.



Leadership organisations

While the Inquiry believes there is undoubtedly a need for an across the board increase in support for all contemporary arts organisations, it also believes there is a need for some organisations to take on a leadership role nationally and a developmental international role, particularly with regard to:

- national and regional responsibilities;
- public access and audience development;
- development of ideas/intellectual discourse through forums and conferences;
- mentoring and development of opportunities for artist-run initiatives;
- international opportunities;
- contemporary visual arts publishing; and
- developments in art and technology including sound, performance, and other hybrid forms of visual arts practice.

These are key developmental areas for the sector that are currently under-supported. Submissions received by the Inquiry have indicated the great need for policy driven and properly funded continuing programs within these areas to create long lasting and sustainable benefit.

If opportunities continue to be missed or neglected, there is the danger of dissipation of support, inability to properly target energies and funding toward generally agreed sectoral benefit and the inability to create lasting relationships based on corporate memories outside the sector and internationally.

The Inquiry believes that some contemporary arts organisations have reached the necessary program and structural strength and have shown proven ability and could, with properly increased financial support, move to a level where they become leading contemporary arts organisations with responsibility to create opportunities for the sector as a whole.

While this chapter has focussed its analysis on 12 specific organisations there are a number of other organisations (mentioned in the introduction of this section) that are not part of the contemporary arts organisation network but would nevertheless be suitable organisations to undertake leadership functions within the sector. Therefore, the Inquiry does not wish to limit the eligible organisations which may become part of the pool from which the leadership organisations would emerge.

Key criteria for the organisation to be given leadership status would be its proven financial and program potential and proven ability to quickly and substantially develop new programs and responsibilities without organisational destabilisation. The creation and maintenance of the leadership organisations would require patient, mature and careful management by all parties.

RECOMMENDATION 6

To strengthen the key role played by contemporary arts organisations in the development and promotion of contemporary visual arts, the Inquiry recommends:

- 6.1 The Commonwealth (through the Australia Council) and the States and Territories increase funding for contemporary arts organisations by \$2 million per annum to provide recurrent increased support additional to their current agreements.
- 6.2 In implementing this recommendation, the Commonwealth commits an initial amount of \$1 million per annum and the Commonwealth and the States and Territories agree that the Commonwealth will commit a supplementary amount of \$0.25 million per annum if the States and Territories commit \$0.75 million per annum.
 - 6.1.1 The Commonwealth and State and Territory funding agencies should agree that grants to applicants should be on the basis of negotiated tripartite agreements.
- 6.3 That the Commonwealth, State and Territory funding agencies also agree to allocate some of this funding for a limited number of contemporary arts organisations for:
 - a. the development of sustainable business practices;
 - b. the development of major sponsorship opportunities; and
 - c. leadership roles nationally and developmental international roles, particularly with regard to:
 - national and regional responsibilities;
 - public access and audience development;
 - development of ideas/intellectual discourse through forums and conferences;
 - mentoring and development of opportunities for artist-run initiatives;
 - international opportunities;
 - contemporary visual arts publishing; and
 - developments in art and technology including sound, performance, and other 'hybrid' forms of visual arts practice.
- 6.3.1 That the selection of organisations be by application and based on criteria relating to:
 - current financial, business, program and infrastructural strength;
 - historically proven special abilities; and
 - potential for the organisation to substantially develop its programs without destabilisation.

CRAFT AND DESIGN ORGANISATIONS

Australia has seven State or Territory based craft and design organisations run on a professional basis, and a national organisation, Craft Australia—all of which were established in the 1960s and early 1970s. They began as membership entities with the mission of providing professional assistance, advice, training and workshop facilities and to advocate the cultural importance of craft to general audiences and government.

The craft and design organisations have been instrumental in developing and professionalising craft practice in Australia over the last three decades. More recently, they have taken on additional roles including exhibition development and touring, studio management, commissioning, links with industry, internal networking and publication production. Most craft and design organisations also have a retail function. Their work supplements a large number of media specific craft guilds and associations (often run on a volunteer basis).

The State and Territory based craft and design organisations are:

- Craftwest (WA);
- Craftsouth: Centre for Contemporary Craft and Design (SA);
- Object: Australian Centre for Craft and Design (NSW);
- Craft Queensland;
- Territory Craft (NT);
- Craft ACT;
- Craft Victoria; and
- Craft+Design Tasmania.⁴⁹¹

Only Canada has an equivalent infrastructure which, like Australia, is funded by a partnership of national and provincial arts agencies.⁴⁹² Other countries' support of craft practice is either more centralised, as in the case of the United Kingdom or more orientated to specific craft practices, such as occurs in the United States.

National organisations

Craft Australia, the national body, was established in 1971 to create international craft opportunities and to act as a central body for the craft and design organisations to further develop their national role. Its early advocacy initiatives played a crucial role in the development of the Australia Council's Craft Board (1973) and for the first decade of the Craft Board, the Board and Craft Australia acted in many ways in partnership, with the Board using Craft Australia to deliver a myriad of small functions. Until the late 1980s, Craft Australia was constitutionally owned by the State Craft Councils. In the 1990s it opened up its membership base to other craft organisations and recently has opened up membership (on an associate basis) to individuals.⁴⁹³ The future role and functions of a national craft organisation are currently being reviewed and the Australia Council has released a document outlining the potential roles and responsibilities of Craft Australia over the next five years.

491. Craft+Design Tasmania is run on a voluntary basis and is therefore not considered to be 'professional' at this point in time.

492. Craft practice in Canada is supported and promoted by the Canadian Craft Federation as well as by the following organisations, the Crafts Association of British Columbia, Alberta Craft Council, Saskatchewan Craft Council, Manitoba Crafts Council, Conseil des Metiers d'art du Quebec, Nova Scotia Designer Crafts Council, and the Craft Council of Newfoundland and Labrador.

493. Submission: Craft Australia, and J. Freeland, *Report on a National Craft Organisation*, Australia Council, Sydney, 2000.

The craft and design organisations, Craft Australia, the Jam Factory and Tandanya are members of Craft Organisations Australia (COA), which has a primary role of organising twice-yearly meetings to develop national policy, advocacy objectives and productive inter-organisational relationships for craft and design. Members of COA are also involved in the National Exhibitions Program, managed by Object Centre for Craft and Design, which both provides a venue of national significance and also ensures that nationally representative exhibitions are developed and presented across Australia.

Other craft infrastructure

There are also a number of organisations that provide other valuable support to craft practitioners. These include organisations such as the Jam Factory Centre for Contemporary Art and Design and Tandanya, the National Aboriginal Cultural Institute.

The Jam Factory has been one of Australia's leading craft organisations since the mid-1970s. It runs a retail shop, an exhibitions venue, and metal, glass and ceramics workshops. It receives \$1 million per annum from Arts SA and receives regular project support from the Australia Council (with an average of \$30 000 per annum).

Tandanya, the National Aboriginal Cultural Institute, is a national organisation with a focus on the development and exhibition of contemporary Aboriginal art. It was established in 1989. It is a major client of Arts SA and received \$550 000 in administration support in 1999–2000. It also receives project support from the Australia Council and ATSIC. Tandanya is Australia's major venue for contemporary Indigenous culture and as such is a key exhibitor of art and craft.

As stated above, the craft and design organisations supplement the valuable work of innumerable volunteer driven media specific guilds. There are also a number of professional guilds such as the Queensland Potters Association, the Jewellers and Metalsmiths Guild and Ausglass, and other organisations such as the Victorian Tapestry Workshop, which while media specific are active advocates for craft. Over many years these organisations have played a crucial role in the development of craft in Australia.

Contribution to the sector

In the last ten years, the craft and design organisations have revitalised their businesses, exhibition programs and the support programs they offer to members and the general public. Submissions have noted increased memberships, increased interest in their activities from the public, increased interest in Australian contemporary craft internationally, and exciting developments in craft practice in relation to other areas such as contemporary visual arts, design and digital and new technology art practices. Submissions received by the Inquiry stressed the potential of the sector to grow nationally and internationally, utilising the developments of the previous three decades as a take-off area for many diverse trajectories. As stated in the submission from Object:

The potential for growth in this sector is equally exciting from the practitioner point of view and an organisational one. The increase of audience interest, increased media, increased professionalism and sophistication of the sector all contribute to a healthy optimism about the future of Australian craft and design. With adequate resourcing and support, this growth will include international growth and a significant Australian presence, real involvement in and contribution to international events.⁴⁹⁴

The craft and design organisations have similar objectives of advocacy, membership assistance, professional development and market and audience development. However, while they all started under a basically standard model they have evolved into very different organisations. In the last ten years in particular many of the organisations have rethought their professional development objectives and redesigned business and exhibition strategies along divergent paths.

All the craft and design organisations have an exhibition function. They present continuing exhibition programs in dedicated galleries. They curate and tour exhibitions. They pay artists' fees when they take part in curated exhibitions. They also financially support artists through paying for exhibition development and installation. They directly support artists through selling work on consignment through their retail outlets. In 2000, the seven State-based organisations spent \$270 710 on artist payments and \$759 685 on exhibition expenses.

Commercial galleries have indicated their concern over increasing competition from the retail activities of craft and design organisations, particularly given a limited market. Nonetheless, retail activities provide significant income for craft and design organisations and also provide craft practitioners with income from sales.

All the craft and design organisations provide extensive membership support, ranging from simple advice regarding where to find materials or information to professional development seminars and workshops often held in both metropolitan and regional locations. They regularly publish newsletters and provide information through websites, relating to aspects of professional practice and artform development. Through these measures the individual crafts practitioner is assisted and nurtured by the organisations, and the organisations grow because they are supported by members who have an interest in seeing their organisations develop.

FINDING

Through their exhibitions, membership programs, retail activities and educational and promotional activities, the craft and design organisations play a major role in the development of craft practice in Australia.

494. Submission: Object.

Creating demand

While servicing membership is still the primary role of the craft and design organisations, there is also a recognition that for the long-term development of the craft sector the outlook of the craft and design organisations has to move from one of supporting supply to one of creating demand.

Craftsouth is moving into craft and design business development assistance, in particular developing partnerships between nascent craft and design and the design industry. Craftsouth's brokerage service, Applied Ideas, has been established to facilitate increased commercial collaboration between designer/makers and design-based manufacturing industries.⁴⁹⁵ It views this service as critical to assist practitioners to participate in an increasingly competitive marketplace.

Craftwest is shifting its major focus into one specific media, that of the fine woodwork in a three year project called Designing Futures. By concentrating limited resources it expects to focus on various media in three year cycles developing media specific business and sponsorship models and international partnerships. Craftwest considers Designing Futures an integrated craft/design/small business/big business package with the prospect of fundamentally repositioning the economic situation of one key area of craft in Western Australia.

Contemporary design is now understood as a creative philosophy that shifts between design, art, architecture, history, politics and industry to shape, rather than reflect, public consciousness. Instead of merely supporting existing industry trends, Designing Futures will effectively re-define the identity and future of the West Australian timber industry.

Grouping together previously autonomous sectors including commercial furniture production, studio furniture design and fine wood art, Designing Futures will facilitate the development of an integrated West Australian timber industry embracing a new awareness of the critical role of design in international business competitiveness. It will contextualise local fine wood and furniture producers as part of a national and global network of design-led industry.⁴⁹⁶

Craft Australia has also developed many entrepreneurial activities and has, over the last decade, been at the forefront of market development for craft in Australia and internationally, bringing Australian craft to international craft and gift fairs and through projects such as CraftMark and the Australian Craft and Design Development Company. To take just one example of its impact, through the Australia Council's craft export strategy, Craft Australia has enabled over 450 craft practitioners to be exhibited at the prestigious Sculptural Objects and Functional Art (SOFA) fair in Chicago over the past ten years.

Many of the craft and design organisations regard themselves as State or Territory-based organisations with national and international objectives. For example, Object has a specific role to support craft and craft practitioners in New south Wales but also publishes a national magazine. Object Magazine has repositioned itself from being a craft magazine into what it describes as an 'objects, ideas, design' magazine with a target audience that is far broader than previously aimed for. Object also manages two retail outlets in the centre of Sydney's tourist area which aim for a similar target demographic to the magazine.

495. Submission: Craftsouth.

496. Correspondence with Craftwest.

The recent Australia Council review of the national craft organisation's roles and functions found that 'virtually all of the generic organisations can legitimately claim to be providing services which have national aspects or dimensions, along with their State and Territory, regional and local activities.'⁴⁹⁷

However, while the craft and design organisations lay claim to many roles there are still gaps in the infrastructure. Craft Australia has moved its predominant resources into fostering the development of Australian craft by ensuring its continued presence at the international craft and gift fairs and has in many ways resiled from the advocacy and lobbying role it had in the early 1990s.

There is a clear need for national leadership in a number of key areas to properly develop the sector. The areas that particularly need further development include:

- national, regional and international audience and market development;
- the development of public art markets for craft and design practitioners;
- appropriate development and marketing of Australian Indigenous craft and design;
- contemporary craft and design publishing;
- development of ideas/intellectual discourse through forums and conferences;
- further development of partnerships between craft/design and industrial design;
- advocacy of craft and design courses in the education sectors; and
- development of mentorships, cooperative workshops and other post-tertiary education professional development opportunities.

FINDINGS

Over the last decade, in addition to expanding their memberships, the craft and design organisations have expanded their programs to become more curatorially and commercially focussed through their retail and exhibition activities. These changes have already shown benefits to the sector.

However, there are still a number of significant national leadership activities that need to be undertaken to ensure the future development, promotion and sustainability of the craft and design sector.

497. J. Freeland, *A National Service Organisation for the Crafts and Design Sector*, Australia Council, Sydney, 2001.

Financial analysis

Income

The craft and design organisations obtain income from their memberships and business activities. This provides almost half of their total income (47 per cent of income in 2000). They receive 39 per cent of their income from State Governments and 14 per cent from the Commonwealth Government through the Australia Council.

Table 4.3: Income of seven craft and design organisations in 1990 and 2000 (actual dollars)

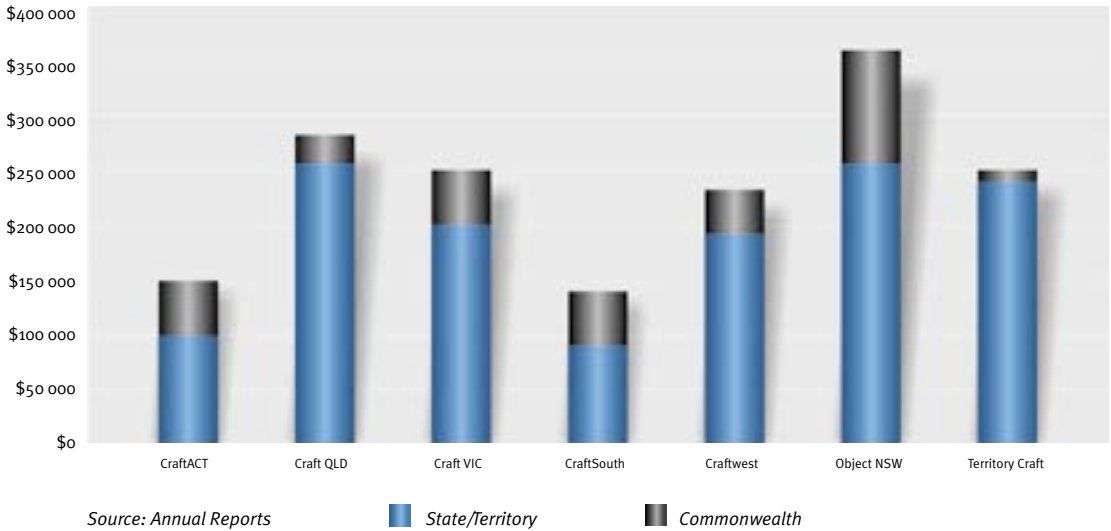
	State	Federal	Project funding	Other revenue	Total income
total for 1990–91	\$1 077 340	\$193 689	\$55 361	\$666 543	\$1 992 933
total for 2000–01	\$1 349 350	\$322 960	\$743 441	\$2 115 599	\$4 531 350
% increase over 10 years	25	67	1243	217	127

Source: Inquiry survey / Annual Reports / Australia Council files

As table 4.3 shows, even though there were significant increases from the Commonwealth in the period, there is still a substantial difference between the support provided by the State and Commonwealth Governments. The level of State and Federal support for the craft and design organisations is not set by policy. It is the result of a number of factors including local demand for services, the types of services provided by specific organisations, historical funding levels, and the impact of project and special initiative support at both a State and Commonwealth level.

The most significant change in ten years has been the development of other revenue streams. Other revenue has increased from one-third in 1990 to almost a half of all income in 2000. Another trend is the craft and design organisations' access to and use of Commonwealth and State project funding. This area of income has increased from three per cent of all income to 16 per cent of all income and reflects particularly the Australia Council's support of the National Exhibitions Program as well as support from both the States and the Australia Council for a number of successful one-off projects that were developed in 2000.

Figure 4.2
Core Funding for seven craft and design organisations from State and Territory and Commonwealth Government in 2000



While the Commonwealth has strongly supported the national craft organisation (with more than \$8 million in grants since 1985), it has directed less support to craft and design organisations. However, over the last five years the craft and design organisations have increased their national impact, particularly in relation to the national body. The VACB’s funding has reflected this change by increasing its administration support of the craft and design organisations by 37 per cent since 1996 and reducing the national organisation’s funding by 35 per cent in the same period. Nonetheless, as the table 4.3 shows, this percentage increase does not translate into a significant dollar increase, as the initial level of funding was low.

Table 4.4 Expenditure of seven craft and design organisations in 1990 and 2000

	Payments to artists	Exhibition expenses	Salaries	Other	Total expenses	Surplus (deficit)
Total for 1990–1991	\$25 278	\$234 143	\$886 175	\$755 383	\$1 900 979	\$91 954
2000	\$270 710	\$759 685	\$1 481 616	\$2 142 836	\$4 635 459	-\$104 109
% increase	971	224	67	184	144	

Source: Annual Reports / Australia Council files / Inquiry survey

In ten years total expenses have risen over 100 per cent. As a percentage of total expenses, payments to artists have risen from 1.3 to 5.8 per cent and exhibition expenses have risen from 12 to 16 per cent. Conversely salaries have dropped from 46 to 32 per cent of total expenses. Other expenses have risen from 40 to 46 per cent of total expenses.

These figures support submissions received by the Inquiry noting increased costs outside of the control of the organisations (such as utilities, insurance and rent) and substantial cost cutting by the organisations where the cost factor was controllable (such as staff costs, office expenses). As the cost cutting is often at the expense of staff the long-term effect is detrimental to the efficiency and efficacy of the craft and design organisations.

As a group, in 2000, the craft and design organisations ran an end of year deficit of over \$100,000, equal to two per cent of their total turnovers. In 2000, four of the seven State-based craft and design organisations ran deficits. Preliminary evidence indicates the situation will be worse for 2001 with at least two of the organisations trading with negative equity. As with the contemporary arts spaces, a number of submissions from craft and design organisations indicated the need for substantial funding increases just to keep up with current programming cost increases.


FINDINGS

The craft and design organisations are dependent on governments, particularly State governments, for approximately 50 per cent of their income. However, despite increases in Commonwealth funding over the last decade, a number of the organisations are running deficits and they face structural difficulties created by income levels which have not kept pace with changes in business and program practices and changed expectations by craft and design practitioners. This is hampering commercial and artistic program development and growth.

The Inquiry concludes that craft and design organisations play a fundamental role for craft practice in Australia and a particularly significant role in the contemporary craft sector through their support of individual craft practitioners. Through advocacy on craft education, to issues associated with occupational health and superannuation, to their concern to ensure craft is properly placed within the Australian major art museum sector, the craft and design organisations reflect the issues faced by craft practitioners throughout their professional lives

. Their professional development, education, exhibition and promotional functions ensure that those issues are dealt with despite a very difficult economic environment.

The craft and design organisations have moved away from the generic member support roles that they had in the 1970s and 1980s to developing specialist skills which are already, or have the potential to be, beneficial to craftspeople nationally. In this they are moving into difficult territory where stakeholder interests are not static. Craft and design organisations are membership driven entities with local and regional networks which ensure the needs and desires of local craftspeople are heard. While they have taken on many initiatives with national and international significance over the last five years (including long-term craft and design development, audience development and business sponsorship initiatives) they are still fundamentally grass-roots organisations underpinned by a focus on the professional development of Australian craftspeople.



Craft and design organisations are ideally placed not only to support craft practitioners but also to build audiences and markets—national and international—for contemporary Australian craft. Like the contemporary arts organisations, the limitations that they experience due to subsistence level operations were apparent to the Inquiry on its visits to the organisations, and appear to be borne out by their relatively modest incomes and small surpluses in a time of rising expectations and costs. Their continued operation at current levels will further reduce their ability to nurture emerging and innovative craft practice, as well as risking lost opportunities to grow the sector and audiences for Australian contemporary craft at home and abroad.

The Inquiry believes that there is a need for additional investment in this part of the sector to ensure the organisations' continued viability. However, while the deficit results of many of the organisations in recent years are a real concern, there is also a need to fund the organisations to take advantage of opportunities presenting themselves in the 21st century.

The Inquiry believes that many of the craft and design organisations have achieved program and structural strength. They could, given appropriate increases in financial support, take on leadership roles nationally as well as more developmental international roles. Much work has been and will continue to be the responsibility of the national craft organisation, Craft Australia, however recent developments have meant that more and more opportunities are being picked up by the State and Territory-based craft and design organisations.

As with the contemporary arts organisations, apart from proven financial and program potential a further key criterion for the organisation to be given leadership status would be its proven ability to quickly and substantially develop new programs and responsibilities without organisational destabilisation. The creation and maintenance of the leadership organisations would require patient, mature and careful management by all parties.

RECOMMENDATION 7

To strengthen the key role played by craft and design organisations, the Inquiry recommends:

- 7.1 The Commonwealth (through the Australia Council) and the States and Territories increase funding for craft and design organisations by \$2 million per annum to provide recurrent increased support additional to their current agreements.
- 7.2 In implementing this recommendation, the Commonwealth commit an initial amount of \$1 million per annum; and the Commonwealth and the States and Territories agree that the Commonwealth will commit a supplementary amount of \$0.25 million per annum if the States and Territories commit \$0.75 million per annum.
 - 7.2.1 The Commonwealth and State and Territory funding agencies should agree that grants to applicants should be on the basis of negotiated tripartite agreements.
- 7.3 That the Commonwealth, State and Territory funding agencies should also agree to allocate this funding in order for these organisations to:
 - a. develop sustainable business practices;
 - b. develop major sponsorship opportunities; and
 - c. take on leadership roles nationally and developmental international roles, particularly with regard to:
 - national, regional and international audience and market development;
 - the development of public art opportunities for craft and design practitioners;
 - appropriate development and marketing of Australian Indigenous craft and design;
 - contemporary craft and design publishing;
 - development of ideas/intellectual discourse through forums and conferences;
 - further development of partnerships between craft/design and industrial design;
 - advocacy of craft and design courses in the education sectors; and
 - development of mentorships, cooperative workshops and other post-tertiary education professional development opportunities.
 - 7.3.1 The selection of leadership organisations be by application and based on criteria including:
 - current financial, business, program and infrastructural strength;
 - historically proven special abilities; and
 - potential for the organisation to substantially develop its programs without destabilisation.

ART AND CRAFT CENTRES

Art and craft centres are community-based and owned enterprises that facilitate the production and marketing of Indigenous art and craft. While some act almost solely as retail outlets, others have myriad functions important to their communities. The centres provide artists with materials, accommodation and facilities as well as documentation of works, management, promotion and marketing services. The centres have been variously described as absolutely vital to the Indigenous arts infrastructure and industry and a positive focal point for the community.

While the centres are fundamentally important for the creation of art in remote communities, there are organisations in urban areas that have also proved crucial to the development of contemporary Indigenous art. These include Tandanya in Adelaide, Boomalli Aboriginal Artists Cooperative in Sydney and the Fireworks Gallery and Campfire Group in Brisbane.

Art and craft centres have operated in remote Indigenous communities since the 1940s. Generally their development was a by-product of the missions, which, after the Second World War ‘played a major role in encouraging the commercial production of cultural objects’.⁴⁹⁸

Papunya Tula Artists Pty Ltd, the first centre to be established by Indigenous artists, was incorporated in 1972.⁴⁹⁹ The success of Papunya Tula, and the funding policies of the Aboriginal Arts Board (established in 1973) were the preliminary to the establishment of many other art and craft centres in the Northern Territory during the 1970s and 1980s.

As at 2000, there were 106 art and craft centres in Australia spread over the States and the Northern Territory. As a group the art and craft centres represent more than 5 000 Indigenous artists.

Table 4.5: Distribution of art and craft centres in 2000

State/ Territory	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Number of Centres	0	21	54	13	2	3	3	10	106

Source: ATSIIC 2000 Annual Report

498. Submission: Norman Wilson.

499. G. Cochrane, *The Crafts Movement in Australia: A History*, New South Wales University Press, Sydney, 1992.

Government funding of art and craft centres

From the 1950s to the 1970s, the Welfare Branch of the Northern Territory Administration provided funding for missions to provide art and craft centre style functions. From 1973, art and craft centres received funding from the Aboriginal Arts Board of the Australia Council and the Department of Aboriginal Affairs.⁵⁰⁰

In 1992, following recommendations of a report commissioned by the Aboriginal and Torres Strait Islander Commission (ATSIC), the responsibility for administration funding of art and craft centres was given to ATSIC. ATSIC developed a funding program called the National Art and Craft Industry Support Strategy (NACISS) to support the centres.⁵⁰¹

Currently ATSIC supports Indigenous art and craft through the NACISS program and through its Regional Art and Culture (RACS) program. In 2000, \$12 million was distributed through these two mechanisms of which ATSIC estimates \$7 million was expended in support of the visual arts and craft.⁵⁰²

In 2000, the NACISS program gave 50 art and craft centres (including three representative organisations, Desert, the Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA) and the National Indigenous Arts Advocacy Association (NIAAA) a total of \$4.2 million. This program provides funds for conferences, publications, promotions and exhibitions on Indigenous visual arts and craft.⁵⁰³

A further \$2.8 million was distributed to visual arts and craft related activities through the RACS program, primarily for projects based on the 'preservation, development and promotion of arts and culture within remote communities'.⁵⁰⁴

The art and craft centres also receive project support from the Aboriginal and Torres Strait Islander Arts Board (ATSIAB) of the Australia Council. In 2000–01, \$202 861 was allocated to art and craft centres through the ATSIAB. A further \$323 000 was allocated to the National Indigenous Arts Advocacy Association (NIAAA).⁵⁰⁵

A review of the art and craft centres in 1997 found that for every dollar spent by ATSIC on funding to the centres through the NACISS program, it generated \$3, of which \$1.50 was returned to artists.⁵⁰⁶ The 'government support generates a comparatively high return in terms of sales and income to Indigenous artists by other Australian cultural industry standards'.⁵⁰⁷ It also has a ripple effect in generating revenue from tourism and other associated interests and is central to the international profile of Australia.⁵⁰⁸

Less than half of the art and craft centres are in receipt of ATSIC or Australia Council funding. ATSIC policy is to redistribute funding of the centres to newer initiatives when the turnover of the centres reaches a point where they appear to be economically self-sustaining. However, data collected in 1996 by ATSIC on 14 centres operating since 1988 suggest that ongoing subsidies are essential for most centres, as the income from sales of works is insufficient to cover operating costs. It has also been stated that market fluctuations leave even large unfunded centres at risk in an economic downturn.⁵⁰⁹

500. Submission: Norman Wilson.

501. Submission: Norman Wilson.

502. Submission: ATSIC.

503. ATSIC, 2000.

504. *ibid.*

505. Australia Council, *Annual Report 2000/2001*, Sydney, 2001.

506. C. Mercer, *Creative Country: Review of the ATSIC Arts and Crafts Industry Support Strategy (ACISS)*, report prepared for the Culture Section, Culture, Legal and Family Policy Branch, ATSIC, AGPS, Canberra, 1997.

507. Submission: Hetti Perkins.

508. *ibid.*

509. Submission: Norman Wilson.

Development of training in business skills for centre staff

Indigenous artists rely on the integrity, professionalism and knowledge of their art and craft centre managers. The centre staff are responsible for ensuring primary materials are available to artists, an environment conducive to the creation of art is maintained, and a business environment is maintained where artists are supported and, if necessary, protected.

As stated above, the centres have a community development as well as a commercial role and provide a positive focal point for the community which in turn increases the demands made of managers.

Hetti Perkins submitted:

Greater support for art centres operating at the community level, in terms of staffing and resourcing, is critical in assisting the financial management of artists working in remote areas. The regular contact between artists and their representatives in the community is the obvious and ideal opportunity for artists to be advised and supported. Art centre staff members are aware of the particular financial demands that artists face within their communities and are also aware of the dangers presented by unscrupulous dealers. With adequate support they can advise artists on their financial responsibilities (e.g. taxation) and rights (e.g. intellectual property). The same applies to a regional artswoker network that comes into regular contact with independent artists.⁵¹⁰

A successful art and craft centre is underpinned by its staff who often work long hours and are required to deal with a wide range of tasks. After coordinating an art and craft centre for two years Tim Acker from Warlayirti Artists commented 'Being an art centre coordinator in an Aboriginal community is everything and nothing like it sounds, which is why official qualifications have little to do with being a good one'.⁵¹¹

While centre managers are often appointed because of their practical and arts skills, the complexity involved in a successfully run centre entails superior business, administration and social skills. A survey of coordinators published in 2000 noted that, while the majority of centre coordinators already have tertiary qualifications, they still often have significant training needs in general arts administration, bookkeeping, business studies, practical art training, linguistics, fine art, marketing, computing, anthropology and Aboriginal studies.⁵¹²

Coordinators also need to be able to train new staff, in particular they need to be able to train and mentor young local Indigenous artists to ensure the eventual 'Aboriginalisation' of these positions.⁵¹³ The coordinators need great skill to undertake such training. However, as ATSIC states, 'accessing training in remote areas is difficult due to time, financial and access constraints'.⁵¹⁴ If a coordinator is expected to work 70 hours a week their absence can have a serious effect on the art and craft centre community. They need to ensure locum coordinators replace them if they are to undertake professional development.

510. Submission: Hetti Perkins.

511. *Qantas Magazine No 100* October 2001 p61.

512. F. Wright, and F. Morphy (eds), *The art and craft centre story: a survey of thirty-nine Aboriginal community art and craft centres in remote Australia*, Volume 1 Report, ATSIC, Canberra, 1999, p.56.

513. *ibid.*

514. Submission: ATSIC.

Training in new artistic methods and techniques for Indigenous artists

Indigenous artists started painting with acrylic paint on unstretched canvas just 30 years ago. Where Indigenous artists have managed to gain access and training they have always learnt, appropriated and adapted new non-traditional techniques with great success.⁵¹⁵ Yet, training in remote Australia is not easy. There are challenges associated with distance that are as daunting as those associated with limited teaching and equipment resources. ATSIIC's submission stated 'Indigenous artists may feel ill at ease within the mainstream arts education system, may not wish to or may not be in a position to leave their community for any length of time, and the expense of travel and accommodation to a regional centre is often prohibitive'.⁵¹⁶

Bringing teachers on site for short-term courses is effective in communicating basic techniques but it does not allow for follow up training.⁵¹⁷ While art and craft centre coordinators can be expected to be able to supply basic support for a range of media they cannot be expected to be expert in the large and ever expanding range of techniques employed in the contemporary visual arts and craft. This is even more the case with advances in digital media.

Developing skills in the preservation of art held by centres

Many Indigenous artists and many art and craft centres are well aware of the enormous heritage value of the work that is produced by them. Many communities have dealt with this issue by creating Keeping Places. These spaces have a heritage and conservation role and, like the art and craft centres, will often be a focal point for their community.

ANKAAA has developed some prototype workshops, which have taught professional techniques to Indigenous artists.⁵¹⁸ There is a need for further training in museum techniques for the management and staff of Keeping Places, to ensure this valuable heritage is not damaged through neglect or through lack of resources and for governments to acknowledge the significance of Keeping Places with the Museums sector.

FINDINGS

The Inquiry identified several challenges facing art and craft centres in Australia. These include the development of training in business skills for centre staff; the availability of training in new artistic methods and techniques for Indigenous artists; and developing skills in the preservation of art held by centres.

The Inquiry concludes there are many opportunities but many hurdles still to be faced by art and craft centres. Not just the art that is produced within them but also the centres themselves are one of the most important developments in Australian culture in the last three decades. To ensure the centres remain vibrant economic and artistic entities and to ensure that centre management is properly equipped to support Indigenous artists across a number of levels, there is a need for art and craft centre management and staff to:

515. *ibid.*
516. *ibid.*
517. *ibid.*
518. *ibid.*

- improve management and business skills;
- keep-up-to date with new developments in artistic production; and
- learn basic museological practices that will be of use in the specific conditions of the Keeping Places.

While priority for training should be given to Indigenous centre managers and other Indigenous staff, the Inquiry also understands that the professional development of non-Indigenous centre managers and staff is a benefit to Indigenous artists.

RECOMMENDATION 8

To strengthen the key role played by art and craft centres in the national development and promotion of Indigenous arts and craft, the Inquiry recommends the Commonwealth, through the Australia Council or another suitable body, allocate \$200 000 per annum to develop and manage short and medium term professional development opportunities for art and craft centre staff.

ARTIST-RUN INITIATIVES

Artist-run initiatives (ARIs) can be loosely defined as ‘those facilities, such as exhibition venues, studios, workshops, information and resource centres, which have been established and are maintained on a cooperative basis by groups of artists.’⁵¹⁹

ARIs are primarily exhibition spaces, sometimes incorporating studio spaces, run by a collective of practising artists and ranging from part-time short-term projects to long established legal entities. ARIs are distinct from contemporary arts organisations and commercial galleries in that they generally charge rental fees to artists exhibiting in them, and are run collectively by a group of artists, as opposed to employing dedicated administration staff, or having a Board of Directors.

Exhibition spaces which were alternatives to traditional galleries first began to emerge world-wide around the early 1970s, as a reaction against the traditional forms of galleries run by art dealers, or government run art museums. Some of these then developed to become what are now known as contemporary arts organisations and some (that we would now call ARIs) remained at a more grass-roots level. Both streams have remained crucial to contemporary visual artists.

Currently there are around 85 ARIs operating around Australia, in all States and Territories. ARIs exist in capital cities, major cities and regional areas.

ARIs operate in a number of formats—some are associated with tertiary institutions, such as the Victorian College of the Arts Gallery and PB Gallery. Some ARIs are run on a more commercial basis, such as TAP Gallery, which is privately owned.

519. K. Brown, *Artist Run Spaces*, Report to the Visual Arts Board, Australia Council, Sydney, 1987, page 1.

ARIs are distinct from commercial or state/regional galleries in that there is little expectation they will provide public access programs such as forums or education programs. Due to the way in which they operate, ARIs are flexible, topical and responsive to the needs of emerging artists, and provide a valuable stepping stone for artists establishing themselves as professional:

the VACB [...] recognises that ARIs have a special place in the encouragement of emerging artist, creating opportunities in the critical post-art-school period. These spaces act as radical incubators for the art of the future.⁵²⁰

Artists exhibiting at ARIs may be required to cover additional costs such as promotion, invitations, catering for openings and mailouts, however this practice varies and often depends on the ARI's overall budget.

ARIs may be long or short-term ventures, with some intended to operate only for a fixed period of time—such as Blaugrau—and others going on to eventually become more established and to receive recurrent funding—such as the 4A Gallery. Others can last a very long time while remaining true to their original missions—First Draft, which started in 1986 is still an important venue for emerging artists in Sydney, to a large degree because of a policy which changes its volunteer Directors every two years.

Support for artist-run initiatives (ARIs)

Due to their scale, and the fact that they are predominantly non-profit organisations, ARIs are often reliant on some external funding in order to survive:

'Ongoing funding, to support a part time worker and other running costs, which we have been fortunate in receiving from the Australia Council and from the NT Department of Arts and Museums has been absolutely vital throughout Watch This Space's existence'⁵²¹


ARIs are not recipients of triennial or other long-term or recurrent funding, but are funded by single grants, or private monies. The Australia Council has supported ARIs on a project by project basis since the late 1970s.

The prevalence and importance of ARIs in the arts community was recognised by the VACB with the introduction of a separate grant category for ARIs. In 1996, as part of the Commonwealth Government's Young and Emerging Artists Initiative, the VACB developed a competitive grant category specifically to support some of the administration and program costs of ARIs. This has delivered \$0.5 million to ARIs since 1997. Grants made to ARIs are intended to be used towards the running costs of the spaces, not necessarily to fund specific projects or to provide salaries for staff (as ARIs do not employ staff, but are run as artists' collectives). ARIs have also received support through the VACB's Presentation and Promotion category.

As well as funding from the Australia Council, ARIs receive support from State and local governments, and private funds. Local governments in particular have the potential to give effective and efficient support for ARIs by assisting ARIs to get access to well sited and equipped properties.

520. Australia Council, *Annual Report 2000–2001*, page 53.

521. Submission: Pip McManus.



The Inquiry found the situation of ARIs was in many ways similar to that faced by other infrastructure organisations operating in the contemporary visual arts and craft sector: particularly regarding high levels of unpaid work on the part of volunteer directors, and professional and artistic development restricted by financial and other constraints.

Submissions noted that, despite their position as viable art entities and their close relationship with artists, ARIs are not taken as seriously as publicly funded or commercial galleries, or that their role is discounted by larger institutions.

ARIs are also concerned that they may be regarded more in the nature of trainee commercial or funded galleries, rather than initiatives in their own right, with a specific role to play in the contemporary visual arts and craft sector. That is, that their only aim is to become something else (a funded or commercial gallery), and that there is little value in funding them to continue in their ARI forms, as this is only a transitory form:

My key concern in the current visual art climate for artists at this level is that the demonstration of initiative or self-sufficiency (i.e. generating one's own solutions regarding exhibition and publication opportunities) is met with limited acknowledgment or visibility within the broader arts infrastructural network. Where one might expect that a demonstration of initiative, ability and interest in generating critical contemporary art and thinking might occasion a greater interaction or relationship with other infrastructural administrators—such as directors and curators from Federal or State funded galleries/museums and contemporary art organisations [...] the reality is in fact the opposite and artist-run spaces operate effectively in a less than ideal isolation from the broader network. This both frustrates the ambitions of gallerists to be recognised for their contribution and retards the availability to artists of the broader range of professional opportunities occasioned by funded galleries and institutions.⁵²²

Because ARIs are low budget, non-profit ventures, they are restricted in their choices of premises.

...as of late November 2001, Perth will have no artist-run spaces. This is a direct result of inner city development and the absolute and complete lack of support from local government, specifically the City of Perth for maintaining artistic and cultural diversity. Perth City is increasingly becoming a zone singularly designed for the retail sector and business.⁵²³

Many inner city or other high-density areas have extremely high rents, and ARIs are classed as businesses, and not as residential buildings (although some are/have been run out of residential buildings), meaning higher rates and rental prices. This means that ARIs are often obliged to seek premises in lower rent areas, which are often also less central, less easily accessed (by public transport, for example) and which do not have an identifiable public presence.

This problem can cause difficulties for ARIs in a number of ways. Firstly, they are less likely to attract casual visitors, the ARI is not easy to find for those who have not visited before, there may not be easy parking or public transport nearby, and they may not be able to obtain adequate signage. Investing in some form of promotion in order to attract audiences adds to running costs.

522. Submission: Lisa Kelly.

523. Submission: Kate McMillan.

If ARIs can only choose from unsuitable or unaffordable sites, they may be obliged to work in premises which may be or become physically unsafe for members and visitors, not merely inconvenient. A lack of proper facilities and access to premises can discourage artists and audiences alike, and can further undermine ARIs as they may be viewed as running their businesses in an improper way:

Due to low income and rising real estate costs artists are often forced to work in substandard premises [...] consider alternatives such as legal squatting, local councils to provide dedicated buildings for housing and studios for artists, a levy on development or tax breaks for developers who give over a portion of [a] building for permanent artist studios.⁵²⁴

Some ARIs see considerable scope for closer collaboration with and greater support from local government in the areas of publicity, financial assistance and in kind assistance:

Local government could offer gallery signage within each community. A standardised sign could be designed and attached to already existing street signs to show where ARIs are situated, especially around train stations and bus stops. Many ARIs exist in the South Sydney City Council precinct, a high density populated area—as ARIs are often in obscure lower rental locations they are difficult to locate for passers by or first time visitors.

Street signage would increase the community's knowledge of ARI whereabouts. Thus increase ARIs audiences and would be an acknowledgment of ARIs by Local Government.⁵²⁵

And:

...local government could be lobbied to provide rent relief to artists and arts workers who create permanent contributions to their communities. Too often artists who create new uses and constituencies for disused spaces within cities are forced out of the very areas they have developed due to rental increases and re-zoning. Local government through out Great Britain provide rent relief for galleries, studio and living spaces. This support would help improve and sustain the ongoing visibility and profile of artists and art workers in their own communities.⁵²⁶

It has been suggested that more funding should be made available for ARIs:

...public funding to emerging artists and support for ARIs that provide both exhibition and professional development opportunities for young artists needs to be increased and ongoing support made more reliable...⁵²⁷

It has also been suggested that some form of quick response funding might be made available for ARIs:

I am frustrated about the non-existence of funding available on short notice. As a non-profit organisation we are confronted daily with cast restrictions and shortage. We deal with it as best we can using our own money, however there are times of dire straits when we wish there would be a possibility of funding available within a short space of time for emergencies.⁵²⁸

524. Submission: Sandra Hall.

525. Submission: Firstdraft.

526. Submission: James Lynch.

527. Submission: James Lynch.

528. Submission: Block Gallery.

An option for obtaining premises is to combine the gallery with another business, as with GoGo Gallery in Melbourne, which shared premises with a hairdressing salon, owned by one of the ARI's members. Such ventures can help counter any concerns felt by local business owners or local government agencies regarding the financial viability of ARIs. Grey Area, another Melbourne ARI, had premises in a shopping centre, for instance. These joint ventures not only attract viewers to ARIs, but also allow ARIs and artists to be more closely involved and have a greater presence in their local communities. Where the artist-run initiative is occupying large enough premises to incorporate studio space, these spaces can also be rented out or shared in order to increase income.

FINDINGS

ARIs play a vital role in support of emerging artists. ARIs are grass-roots initiatives, and demonstrate artists working to new business models in an entrepreneurial way.

ARIs face similar sustainability issues as other arts based organisations, and while they receive some support from the Commonwealth and State governments, ARIs have a particular local and possibly ephemeral character. This is an area where local government can play a key role.

The Inquiry notes that valuable support is available to ARIs through the Commonwealth Government's Young and Emerging Artists Initiative but that this support is limited. The Inquiry believes that the current program offered for ARIs should be augmented with an additional amount of \$100 000 per annum—effectively doubling the support for ARIs through this program. The Inquiry also notes that the ARI sector could substantially benefit from additional project funding from both the Australia Council and the States and Territories.

The Inquiry also strongly encourages local government to acknowledge the contribution made by ARIs to the cultural health and vitality of cities and towns and to work with ARIs to explore ways to facilitate affordable access to appropriate premises.

RECOMMENDATION 9

To strengthen support for artist-run initiatives (ARIs), the Inquiry recommends:

- 9.1 The Commonwealth (through the Australia Council) increase its support for ARIs through an additional allocation of \$100 000 per annum to supplement the dedicated ARI grant category offered as part of the Commonwealth Government's Young and Emerging Artists Initiative;
- 9.2 The Australia Council and the State and Territory arts funding agencies target the support of ARIs through projects (Recommendation 18) to encourage professional development of ARI volunteers and wider audiences for visual arts and craft projects in ARIs.

MAJOR ART MUSEUMS

Every capital city in Australia has a major art museum (also known as a state or national gallery). These institutions have a museum function, involving the collection, preservation, interpretation and exhibition of historical material but the support and exhibition of contemporary art is also part of their core business.

Major art museums support contemporary art through purchasing works of art at first point-of-sale, through the exhibition of their collections of contemporary art and through the use of contemporary art in their temporary exhibitions programs.

In the following discussion the Inquiry considers the major art museums to be the:

- Art Gallery of New South Wales;
- Art Gallery of Western Australia;
- Art Gallery of South Australia;
- Museum and Art Galleries of the Northern Territory;
- Museum of Contemporary Art, Sydney;
- National Gallery of Australia;
- National Gallery of Victoria;
- Queensland Art Gallery; and
- Tasmanian Museum and Art Gallery.

There are other galleries that are of a size to be considered 'major art museums', even if they can also be considered regional or university galleries.⁵²⁹ Other major institutions, such as State and National museums, the Australian Centre for the Moving Image in Melbourne and the National Portrait Gallery in Canberra also impact on the sector.

Contemporary craft and design is collected by most major art museums as well as other key museums such as the Powerhouse Museum in Sydney. Major art museums and in particular the Powerhouse Museum present temporary exhibitions of craft which are focussed on the work of a single craft practitioner or designer, or analyse developments within a particular media, or aesthetic or historical moment.

529. These include the Queen Victoria Museum and Gallery, Launceston, the New England Regional Art Museum, the Wollongong, Bendigo, Newcastle and Ballarat regional art galleries, as well as the University of Melbourne's Ian Potter Gallery, the Heide Museum of Modern Art and the Araluen Gallery (Northern Territory).



Funding

A major art museum will be primarily funded by the State or Territory government (with the exception of the National Gallery of Australia and the Museum of contemporary Art) but it may also receive project based grants from the Australia Council and have working and sometimes financial relationships with the local government.

A very high percentage of total government funding to the visual arts and craft is invested in capital works and running costs of the major art museums. In 2000, the Commonwealth, State and Territory governments committed more than \$56 000 000 toward the administration and program costs of major art museums. Governments also support major art museums through investments in capital works such as the Federation Square project in Victoria, the redevelopment of the entrance to the National Gallery of Australia and the development of the Queensland Art Gallery of Modern Art.

Major art museums rarely receive direct government support specifically for the acquisition of contemporary art—generally they build their collection through the benefaction of foundations or ‘friends associations’ and such like, dedicated to the support of such purchases, or from the support of corporate sponsorship, or private philanthropy.

As further discussed in Chapter 6, the Commonwealth also supports major art museums (and regional galleries and other public art galleries) through the Cultural Gifts Program which offer donors a tax deduction for the current market value of their gift of an artwork. Recent amendments have further enhanced the incentives by exempting gifts from capital gains tax. In 2000–01, gifts of works of art and craft totalling more than \$11.5 million in value were made to major art museums.

Major art museums often receive substantial support for the promotion of contemporary visual art and craft through sponsorship deals with major companies. Examples of such partnerships in recent years include Fauldings working with the Art Gallery of South Australia, Guinness working with the Art Gallery of New South Wales and across the whole sector, Moët and Chandon.

Temporary and touring exhibitions

The major art museums develop temporary exhibitions of artworks they have not collected. They will exhibit contemporary art that they do not own and do not expect to purchase through borrowing from the artists (in which case the artist will receive an exhibition fee), commissioning an artist or borrowing from a collector or institution that has previously purchased the work of contemporary art, or from presenting a touring exhibition organised by another institution. Major art museums will often receive support for their touring exhibitions through the Commonwealth Government’s Visions of Australia national touring program and from the Australia Council. The potential for touring exhibitions of contemporary works as a vehicle for better promotion of the sector is discussed in Chapter 5 *Expanding the market*.

Support from the Australia Council

The major art museums are significantly more successful than the average applicant in their applications to the Australia Council. The success rate of applications to the Australia Council for project support from all major art museums (averaged 1999–2000) has been 69 per cent. This compares very favourably with the average success rate of 33 per cent.⁵³⁰

Not only are they more successful per application, they also receive more money per application. The average grant over the ten-year period has been \$42 139, which is 32 per cent more than that received by the average applicant in a typical grant round in that category.⁵³¹

The reasons for this are twofold:

- the major art museums can put more resources into the development of projects and applications; and
- they apply for support towards the presentation of major recurrent contemporary art events, such as the Asia-Pacific Triennial or the Adelaide Biennial.

Museums and the promotion of contemporary art

By exhibiting contemporary art the major art museums play an important role in promoting contemporary art to the public. As the Museum of Contemporary Art put it in its submission:

It is critical for the future of the visual arts that the perception of contemporary art as elitist and thus unworthy of public sector investment be robustly challenged. Contemporary art cannot be confined to a ghetto, reaching only the dedicated few. It is therefore essential that there is investment in a range of support structures, from those that give artists the opportunity to experiment and make new work primarily for their peers, to institutions like the MCA that can use its position and prominence to engage with the wider community. The more people that become interested in contemporary art, the more support there will be for artists in the long-term.⁵³²

Major art museums and larger galleries have a role that is wider than exhibiting:

By working closely with the artistic community and acting as a bridge to the wider community, museums of contemporary art can foster interest and act as a resource, a place where those who want to take their interest further can find out how to do so. For example, programs that assist people to start their own collection, visits to artists' studios, trips to other cities and introductions to the art world are all ways in which a more supportive climate for contemporary artists can be fostered. The exhibition and educational programs have to operate on a number of levels, increasing the critical understanding of those who already have an interest in contemporary art, as well as encouraging and engaging new audiences.⁵³³

All major art museums exhibit the work of contemporary artists on a continuing basis. However, the capacity of major art museums to display contemporary art is often limited by the physical space. As the Art Gallery of New South Wales stated:

530. Australia Council records.

531. Australia Council records.

532. Submission: MCA.

533. Submission: MCA.

At present the Art Gallery of NSW has a dedicated space for contemporary collections that is elegantly designed to privilege major works but demands a very austere hang with only a few highlights on show at any time. Given that there are some major icons that are always expected to be on display this is inevitably a very modest attempt to provide a history. In effect we can show a handful of major Australian and International works well but not represent a history even though we do have the collections in the storage to be able to do so.⁵³⁴

There are signs that the major art museums and the audiences that attend them are being more adventurous in their support of contemporary art. As the Art Gallery of Western Australia stated in its submission:

Of pivotal importance to ensure the continuation of the rich and diverse contribution of contemporary artists and craft practitioners, are steps that can be taken which would engender a sense of optimism for artists at all stages in their career.⁵³⁵

FINDINGS

Major art museums are a vital mechanism for the support of contemporary visual arts and craft in Australia. For many audiences, major art museums provide the first experience of contemporary visual arts and craft, and as such the role played by major art museums in promoting contemporary visual arts and craft is particularly important.

REGIONAL GALLERIES

Regional galleries are well positioned to play an active role in addressing the concerns and issues facing regional and rural communities. They can provide opportunities for fostering local identity, community pride and access to the cultural life of the nation. They work with groups within their communities including youth, multicultural groups and Indigenous people on a regular basis.

The regional gallery sector also provides an important vehicle for the promotion and development of contemporary arts practice through curating, exhibiting and developing new opportunities for artists to reach audiences and markets. The regional gallery network throughout Australia provide venues, professional development and exhibition opportunities for contemporary artists.⁵³⁶

All communities, large or small benefit from access to exhibitions of visual arts and craft. In Australia, there are over 100 regional galleries spread from Geraldton to Coffs Harbour and Cairns to Albany and Broome to Burnie.⁵³⁷

Regional galleries are mainly but not always a legal entity under the umbrella of their local council. However, different States and regions, with different populations and demographic patterns have different needs with regard to regional galleries.

Traditionally, regional galleries have been based on the concept of housing a civic collection of artworks. This is changing. Recently, new galleries have been established or proposed in New South Wales and Queensland where no collection function is involved. In Western Australia, South Australia and the Northern Territory, development of exhibition venues tends to involve the partial use of public spaces such as meeting rooms or library foyers and does not involve the formal development of an independent gallery style entity.

534. Submission: Tony Bond (on behalf of the Art Gallery of New South Wales).

535. Submission: Gary Dufour (on behalf of the Art Gallery of Western Australia).

536. Submission: National Regional Galleries Committee.

537. See *Appendix K*.

Regional galleries present contemporary visual arts and craft through temporary exhibitions and purchase contemporary art for their collections. A few regional galleries specialise in specific media. For example, they may primarily collect and exhibit ceramics such as Shepparton Gallery in Victoria or specialise in the exhibition and collection of glass such as Wagga Regional Arts Centre—which also has specifically supported craft curating programs. Some regional galleries—Newcastle, Bendigo, Ballarat for example—are larger administrative/financial bodies than a number of the State and Territory galleries and their impact is not necessarily limited to their local region.

Regional galleries associations

The Regional Galleries Association of Queensland (RGAQ), the Public Galleries Association of Victoria (PGAV) and the Museums and Galleries Foundation of New South Wales (MGFNSW) act—in various different ways—as support and advocacy agencies for regional galleries in their respective States. They provide services such as touring, professional development, conservation and advice on funding and government.

The development of regional and suburban galleries


In the 1950s there were eight regional galleries in Australia. In the 1960s and early 1970s there was a proliferation of new galleries—almost all of which were established through grass-roots campaigns. After a relatively quiet period of development from 1975 to 1990, the last decade has seen the number of regional and suburban galleries in Australia almost double.

Table 4.6 The development of regional galleries – 1975–2000

State / Territory	1975	1989	2000
Victoria	16	16	22
Queensland	4	10	31
Tasmania	2	2	2
New South Wales	18	22	29
Western Australia	3	5	8
Northern Territory	0	1	1
ACT	0	1	2
South Australia	1	2	9
TOTAL	44	59	104

Source: Australia Council Senate submission, 1975; Australian Art Museums and Public Galleries, Art Museums Association of Australia, 1990 and Australia Council records 2000.

N.B. There may be slight differences between Australia Council records and State and Territory definitions of regional galleries.



As the above table shows, the network of regional galleries has developed quickly. There is no indication that the pressure by communities to establish new local galleries will abate in the near future.

However, while some people in every town or regional centre may feel the development of a regional gallery is a good thing, there is concern from some existing galleries that new institutions simply stretch limited funding resources and that it may be better for the existing regional galleries to take on a truly regional role. This could involve cross-council support for institutions and could also involve touring exhibitions (e.g. bussing) and also micro-touring, ensuring that people over relatively large geographical areas received some benefit from galleries in regional centres.

Lismore Regional Gallery submitted:

...a much superior cultural service and facility could be provided if local government shires contributed to the operation and capital infrastructure of one major cultural institution within their region rather than all of them fighting for the limited funds to establish many smaller and inferior galleries within each shire.

In the Northern Rivers we have the Lismore Regional Art Gallery, the Grafton Regional Art Gallery as well as the Tweed Regional Art Gallery already in place. Byron Shire and Ballina Shire also have plans for the development of a Regional Gallery to serve their own community. Kyogle Council has established a small regional gallery and even more recently Nimbin (in the Lismore Shire) have opened a Regional Gallery.

Each of the venues has substantial funds outlayed in capital and all are underserved, underfunded and struggling to provide operational funding for professional staff, curatorial and educational activities and events.⁵³⁸

It may be the case that the term 'regional' is no longer an appropriate term for these organisations. Many of the regional galleries have a specific local rather than regional function. This trend is also seen in the recent establishment of a number of suburban regional galleries.

Suburban galleries

One contributor to the overall increase in regional galleries is the increase in metropolitan or suburban galleries in Melbourne and Sydney in the last decade. In Melbourne institutions such as McLelland Gallery, Linden Gallery (in St Kilda), Monash Gallery (formerly Waverley City Gallery) and in Sydney institutions such as Hazlehurst (in Sutherland), Casula Powerhouse (in Liverpool) and Lewers Gallery (in Penrith) play important roles in their local communities and also provide important exhibition opportunities for contemporary artists. They are often very well supported by their local Council and community, for both capital works involved in the initial development, and later for continuing administrative and program costs.

Of all the capital city councils in Australia, only Brisbane supports the continuing program of a metropolitan gallery (the Brisbane City Gallery is also considered to be a regional gallery). The capital cities support cultural programs that incorporate the support of contemporary visual arts and craft activities on a project basis.

538. Submission: Lismore Regional Gallery.

Government support for regional galleries

Regional galleries are primarily funded by local government. In 1998–99, local governments spent \$24 300 000 on the support of art galleries—almost all of this expenditure would have been for the support of regional galleries.

The federal and state governments of Australia (need) to recognise the important role of local government in supporting regional galleries throughout the country and creating opportunities for contemporary arts practice, especially in non-metropolitan areas. The important role of local government should be recognised through funding support for programs and incentives for best practice in all areas of gallery management and promotion of contemporary visual arts (e.g. collection management, exhibitions programs, educational programs, artist in residencies etc.).⁵³⁹

Regional galleries also receive substantial support from State Governments. Sometimes this support will be for general administration. For example, in 1999–2000 Arts Victoria allocated over \$1 million to regional galleries for this purpose. In 1999–2000, New South Wales distributed \$751 014 to regional galleries for administration and projects. Sometimes the support will be devolved, for example, Arts SA through its support of Country Arts SA supports the administration of a number of regional galleries. Sometimes the support will only be for project funding. This is the case in Queensland, which nonetheless provides substantial project support and will also provide funding for capital projects. New South Wales has a specific capital works grant program that in 1999–2000 distributed \$451 891 (plus \$172 609 in committed funds).

Regional galleries have also received substantial support from the Commonwealth Government's Federation Fund. They are eligible to receive support for national touring projects on an application basis through the Commonwealth's Visions of Australia national exhibitions touring program. Regional galleries receiving donated artworks also benefit from the Commonwealth's Cultural Gifts Program.

Regional galleries are also eligible to apply for special project support to the VACB of the Australia Council. They are also supported through the VACB's and the States' support of the NETS agencies.

FINDINGS

Regional galleries are vital to their communities. The last decade has seen the number of regional and suburban galleries in Australia almost double.

Further support for the projects, exhibitions, publications and touring, of regional, suburban and metropolitan galleries could be available on a competitive application basis through the Australia Council as well as through the state-based projects grants (Recommendation 18).

539. Submission: National Regional Galleries Committee.

UNIVERSITY ART GALLERIES

Australian universities have formal and informal links with art galleries. University galleries are regarded by their associated art and design schools as being valuable opportunities to show the work of students and as a resource for teaching purposes.⁵⁴⁰

Currently, there are university galleries in every State and Territory, ranging from the 800m² Ian Potter Gallery at the University of Melbourne with a budget of over \$1 million per year and a permanent collection of around 25 000 pieces, to the Drill Hall Gallery at the Australian National University, with 135 running metres, a budget under \$500 000 per year and a permanent collection of around 1 400 pieces, to Sydney University's Tin Sheds, which is an exhibition gallery only, with no permanent collection.⁵⁴¹

Although the university galleries are based within university precincts, and have links with the resident art schools, they are not an extension of the art schools, many having been established by the universities before their respective art schools were established. University galleries have no mandate to show the work of the art students or academics who are based at their parent institutions, although these artists can submit proposals to hold an exhibition—their submissions, however, would not be preferred over those of other artists except on merit. Neither are university galleries intended to acquire the work of their university's student or teaching bodies—they hold the university's own collections, but these collections are not intended to be representative of the institution's own graduates or teaching staff.

University galleries acquire works through purchase, donations, and bequests. Many have a focus on Australian contemporary arts and craft, as part of their aims to support research and education in the sector. Many university galleries also provide education programs, offering activities such as open lectures, floor talks, seminars, forums, conferences and programs for school groups. University galleries are also able to take advantage of institutional websites, with a number of them offering online catalogues for research purposes, as well as other reference material, including their own publications.

Due to their connection with universities, these galleries have a function which combines elements of library and art museum, making them an especially useful resource for students of all fields. The permanent collections held by many university galleries are also of academic and art historical value, and many galleries acquire works with the intention of holding a useful art historical record of Australian art practices.

The galleries' links with tertiary institutions also allow them to take advantage of collaborations with other branches of the university, for example, medical and technology research centres. Since they are funded by their universities, they are also likely to be able to access equipment required to show new media and technology based artworks, a difficulty for distant or less well funded institutions.

Some university galleries also extend their activities beyond the university arena to the local community. For example, the Royal Melbourne Institute of Technology (RMIT) gallery actively links its programs with event festivals.

540. Submission: ACUADS.

541. *ibid.*

FINDINGS

University galleries are a valuable and often under-recognised resource for the sector for both education and exhibition purposes.

Further support for university galleries could be available on a competitive application basis through the Australia Council as well as through the state-based projects grants (Recommendation 18).

ARTISTS SERVICE ORGANISATIONS AND ASSOCIATIONS

Australian contemporary visual artists and craft practitioners are assisted in many ways by a number of organisations that offer advice and support for individuals and also play representative roles of advocacy and development for the sector as a whole. Artists become members of such organisations because the service provided is valuable to them.

Artists service organisations and associations in Australia range from media-specific volunteer-run associations and guilds developed with the aim of self-support between small groups of practitioners to large organisations with key national advocacy and lobbying objectives and large memberships. Some are very active, some are less active. Some have been representing the needs of arts and craft practitioners for decades, some only started last year.


In the *Inquiry's Issues Paper* it was stated that there were over 24 membership service or national/regional representative organisations that support contemporary visual arts and craft.⁵⁴² The National Association for the Visual Arts (NAVA) has commented that 'though at first glance this may look like an overabundance of servicing, each entity has developed to fill a perceived need gap'.⁵⁴³

The roles of service organisations

Service organisations play an important role in brokering agreements between artists and business (and government), which can have a positive effect on artists' incomes and professional development. Both the Artworkers Alliance in Queensland and the Artists Foundation of Western Australia manage employment programs (the Artist Referral Service and ArtSource respectively), which link artists and employers. With the introduction of Percent for Art legislation and policy in some States the artist employment services often act as an interface between artists and government. Through lobbying and advocacy to governments they can create further financial opportunities for artists.

Through the provision of professional advice and service they can assist contemporary visual artists and craft practitioners to attain the high standards of professional practice that are necessary to create beneficial relationships between business and artists.

542. See *Appendix K*.
543. Submission: NAVA.



Service organisations are membership-based organisations and, as such, they need to be responsive to the needs of large numbers of artists. Input from their membership contributes to the organisations' own priorities with regard to research, projects and general programming. Service organisations will often work with each other or form partnerships with other institutions with synergistic benefit; they also meet regularly to discuss common issues across the sector.

Key organisations

There are three main visual arts and craft service organisations in Australia with a national brief: these are Craft Australia, the Australian Network for Art and Technology (ANAT) and NAVA. The (Queensland) Artworkers Alliance and the Artists Foundation of Western Australia are two state-based organisations which have similar roles. However, NAVA is the only organisation in Australia with an industry-wide brief that is national, non-media specific and based on support for individuals and organisations.

NAVA

NAVA was started in 1983 at the instigation of the Australia Council and has 2 600 members, predominantly visual artists.

The Commonwealth Government has supported NAVA since its establishment, initially as a program of the Australia Council and from 1988 through the VACB. Since then, NAVA's base administration funding has increased by 20 per cent in real terms. However, in the five years to 2000 (since it started being funded through the VACB's Key Organisations category) its funding has only increased by one per cent in real terms. At the same time NAVA appears to have substantially increased its outcomes, its presence is strongly felt in the sector, and its membership has grown.⁵⁴⁴ NAVA increased income from membership by 37 per cent in the five year period from 1995 to 2000; increased sponsorship income tenfold; and increased other income by 154 per cent.

NAVA currently receives operational funding of \$157 000 per annum from the VACB. The VACB also contributes \$12 500 per annum towards the Pat Corrigan Grants (a semi-devolved grant program managed by NAVA).

NAVA projects

In the last ten years NAVA has undertaken the management of a number of major initiatives including the initial development of VISCOPY, the visual arts copyright collecting agency. More recently NAVA has substantially focussed on issues associated with the New Tax System. It has been the industry partner in the University of Sydney's Visual Arts Industry Guidelines Research Project, which resulted in the publication of the *Visual Arts Code of Practice for the Visual Arts and Craft Sector*. It has also managed the development and publication of Doreen Mellor and Terri Janke's *Valuing Art, Respecting Culture, Protocols for Working with the Indigenous Visual Arts and Craft Sector*. NAVA has also been a key partner

544. NAVA, *Annual Reports*, Sydney, 1996 and 2000.

in the Australian Research Council funded *Big Picture: A Planning Matrix for the Visual Arts*. NAVA has also been the organiser and manager of meetings of the National Visual Arts and Craft Network (NAVCN), an umbrella group for a number of national visual arts and craft organisations. Since its establishment, NAVA has been a key player in discussions on all areas concerning the rights of artists.

While it often receives special project funding, NAVA states that project funding usually does not include support for the fundamental administration of such projects—these costs are subsumed within the organisation’s general administration budget.

NAVA had submitted that it will need to substantially reduce its services in the near future if its is to remain financially viable:

(NAVA) currently has to choose between servicing the needs of individuals or alienating them by reserving their energies for programs that benefit the whole sector. Recently NAVA has been unable to provide the staff resources to maintain activities at a local level in the States and Territories.⁵⁴⁵

NAVA and Craft Australia

In recent years many of the advocacy roles that Craft Australia had played have been taken on by NAVA. The role of Craft Australia was initially to act as a coordinating body linking the programs and activities of the State craft and design organisations enabling a thorough communications network to operate nationally and internationally. In 1986 this role changed to see Craft Australia represent, develop and promote the professional crafts industry nationally and internationally as a whole (i.e. not limited to the assistance of the State craft and design organisations). In the early 1990s the role changed again to one of leading the ‘Australian vocational craft industry nationally and internationally’.⁵⁴⁶ Therefore, the role changed over three decades: from service, to representation to leading. In the last ten years Craft Australia has moved even further into an international and national marketing role, managing the Australia Council Craft Export program and developing domestic craft marketing initiatives such as Craftmark, the national branding scheme and the Best in Sydney coordinated marketing strategy.

NAVA works closely with Craft Australia by representing the interests of the craft sector as part of the broader visual arts sector.⁵⁴⁷ The Australia Council review of the role of a national craft organisation recommended that NAVA should continue to play a key role in the provision of applied policy research, general advocacy for craft to government and advocacy on artists’ rights.⁵⁴⁸

NAVA and VISCOPY

In the early 1990s, the VACB supported NAVA to develop the concept of an art reproduction fee collection agency. VISCOPY was established as an independent entity in 1995.

VISCOPY is a visual artists’ copyright collecting agency with international affiliations with a mission to protect and enhance the legal and financial rights of Australian and international visual artists by ensuring that fees are paid whenever an artist’s work is reproduced. VISCOPY also distributes secondary rights royalties via agreements with international societies and Australian societies such as Screenrights (The Audio Visual Copyright Society).

545. Submission: NAVA.

546. Craft Australia, *Report on the Years 1990 and 1991*, Sydney, 1991.

547. Submission: NAVA.

548. J. Freeland, op. cit., 2000.

VISCOPY has received substantial government support from the Commonwealth Department of Communications, Information Technology and the Arts since its establishment. It was originally envisaged that VISCOPY would be self-supporting after four years. Now after seven years, VISCOPY still requires substantial funding from government. Under recent arrangements made between VISCOPY and the Australia Council, VISCOPY will receive approximately \$225 000 from the Council in 2001–02, \$175 000 in 2002–03 and \$80 000 in 2003–04. The intention of the Council is to provide funding to VISCOPY ‘for a sufficient time for the project to be self-sustaining’.

Indigenous art

NAVA has been involved for many years in representing the interests of the Indigenous visual arts and craft sector. As NAVA put it, ‘in all its advocacy, lobbying and service provision work, NAVA includes the issues of concern to this sector.’⁵⁴⁹ Having secured funding for an Indigenous Arts Officer in 1996–98, NAVA was a partner agency in the National Indigenous Arts and Cultural Alliance (NIACA) which was constituted of representatives of all Indigenous arts organisations and arts officers within non-Indigenous organisations.⁵⁵⁰ NIACA successfully campaigned to maintain ATSIC’s funding commitment to the arts and cultural section of its portfolio in the face of funding cuts. In 2001, NAVA commissioned and published *Valuing Art, Respecting Culture*, protocols for working with the Australian Indigenous visual arts and craft sector.

The Australian Network for Art and Technology (ANAT)

The Australian Network for Art and Technology was established in 1985. It advocates, supports and promotes art and artists in the ‘interaction between art, technology and science, nationally and internationally’.⁵⁵¹ ANAT was initially funded by the Australia Council through the VACB but since 1996 has received triennial funding from the Australia Council’s New Media Arts Board. It also receives support from Arts SA. ANAT keeps its membership informed of national and international opportunities and assists members to take advantage of opportunities available in other sectors, particularly the science industry sector.

ANAT is particularly concerned that opportunities in art and technology are open to artists throughout their careers and that knowledge of advances in art and technology is readily available to interested artists. ANAT manages an annual art and technology summer school, with ongoing support to participants afterwards. It also manages masterclasses, residencies, workshops and mentorships on an ad hoc basis. It works with other technology-interested organisations such as the contemporary arts organisations, The Performance Space and D-lux media Art in Sydney to create, present and promote projects which highlight the value of technology art (and particularly digital art) in Australia.

549. Submission: NAVA.

550. Ibid.

551. Submission: ANAT.

ANAT and Indigenous artists

ANAT inaugurated a National Indigenous Summer School in New Media Art (NISNMA) in July 1999, at the Northern Territory University in Darwin. Fourteen Indigenous artists were selected to participate. The School aims to expand opportunities for Indigenous artists in the field of art and technology, and to provide access to training, hardware and software in order to assist in the development of digital arts practices. ANAT plans to hold a second NISNMA in 2002.

The National Indigenous Arts Advocacy Association

The National Indigenous Arts Advocacy Association (NIAAA) describes itself as ‘a non profit organisation dedicated to protecting Indigenous Australian people’s rights, culture, cultural respect, protocol and values through the promotion and protection of Indigenous arts and crafts.’⁵⁵²

NIAAA has recently been involved with the development of the National Label of Authenticity. This is a national trademark to authenticate cultural products as the work of Indigenous artists. A national registry will be set up to issue the label to individual artists and organisations for both the visual and performing arts.

The 1999 National Aboriginal and Torres Strait Islander Visual Arts and Craft Conference called for the establishment of a National Indigenous Visual Arts and Craft Alliance, ‘to inform and disseminate information on key areas of concern affecting Indigenous visual and craft artists, communities and organisations’.⁵⁵³

The arts and craft centres and their two major umbrella organisations, Desart and ANKAA, all of which are very valuable artists services organisations, are dealt with elsewhere in the Report.

The Artists Foundation of Western Australia and the Queensland Artworkers Alliance

Two other agencies, the Artists Foundation of Western Australia (AFWA) and the Queensland Artworkers Alliance (QAA) provide similar services to NAVA on a State basis. They are primarily funded by their respective State governments. While both of the organisations see lobbying, advocacy, research, membership services and collaboration with other organisations as key functions, they also are involved in broadening the opportunities available to artists by increasing employment opportunities either through the facilitation of private commissioning or the engagement of government in public art schemes.

In Western Australia there are 270 artists registered with the AFWAs ArtSource project. In 2001, ArtSource facilitated \$2 400 000 worth of projects.⁵⁵⁴ QAA, in its submission stated it had secured over \$10 million worth of employment opportunities for artists over the past five years.⁵⁵⁵

552. Submission: Vincent Copley.

553. Aboriginal and Torres Strait Islander Arts Board, Australia Council, Input to the Inquiry.

554. Submission: AFWA.

555. Submission: Artworkers Alliance.

The Public Art Development Agency

Queensland also promotes the employment of artists through the Public Art Development Agency, which is a wholly controlled government agency with a brief of creating and managing public art projects.

Artsource, the Artworkers Alliance's Artists Referral Service and the Public Art Development Agency are model initiatives—their contribution to the arts economy is obvious. Less obvious but a nonetheless extremely important aspect of their work is the dissemination of contemporary art into the public arena.

Small and large commissions in both Brisbane and Perth create an accessible interface between the general public and contemporary artworks. Art referral services and Per cent for Art policies often result in commissions of artwork which can at first be off-putting to the casual viewer but which increase in interest as they become more familiar day-by-day.

The Arts Law Centre of Australia

Artists can also be supported through entities which offer specific services, for example the Arts Law Centre of Australia which is membership based but provides free telephone legal advice, as well as information sheets and sample agreements. The Arts Law Centre of Australia, the Arts Law Centre of Queensland and the Arts Law Referral Service in Victoria also provide consultation meetings for subscribers where initial advice is given freely and a referral is made for more complex legal advice. The referred lawyers may give assistance for a standard fee, semi-*pro bono* or free. The Arts Law Centre of Australia receives \$186 200 recurrent funding from the Commonwealth through the Australia Council.

As the artworld becomes more complex, artists become more likely to interact with other sectors or work in the public arena, and as government legislation concerning artists' rights, taxation and social security becomes more complex the need for entities such as the Arts Law Centres becomes fundamental.

Guilds and associations

The formation of professional organisations, groups, guilds and associations continues to be an effective way of organising, promoting and creating efficiency and economy through sharing and organised volunteering.

The Inquiry received submissions from a number of service organisations. Three submitters give an indication of the breadth of activities. The Society of Arts and Craft in New South Wales is a crafts organisation which has been active for 95 years and has 130 members and two shops in the Rocks in Sydney with an annual turnover of more than half a million dollars. Members benefit from sales (which return up to \$25 000 per annum to members) and members are active advocates for community craft training in rural New South Wales. Similarly the Australian Watercolour Association has been active since 1923. In 2001, the Australian Wearable Art Association was formed to provide a platform and increase the profile of Australian wearable art nationally and internationally.

Multiple memberships

Many of the services offered by the organisations discussed above are only available to members. The economic importance of members can be seen by the fact that membership contributed 26 per cent of NAVA's non-project income in 2000 and 11 per cent of the total income of Artworkers Alliance in the same year. However, the organisation, due to the cost of service provision, incurs additional expense with each membership. While there may be some economies of scale to be had by increased membership (for example, the cost of editing and designing a members magazine), other costs, such as postage, telephone advice etc. are fixed. In many instances the membership fee does not cover the actual cost of the membership.

As different organisations offer different membership services an artist may need to be a member of several organisations to obtain a range of necessary services. A potter for example may need to be a member of the relevant State Craft Council, Craft Australia, an Arts Law organisation and NAVA.

Effectiveness of national service organisations

While NAVA's membership is extremely important to the economic viability of the organisation it does not have a secure base outside the south east of Australia. The arguments the Inquiry makes for additional support for contemporary arts organisations and craft and design organisations also apply to NAVA. The Inquiry believes it is difficult for an organisation to develop as an organisation when it works at a basically subsistence level.

NAVA, Artworkers Alliance and Artists Foundation of Western Australia need to be funded so that the value of the membership fee becomes less important than the value of the member. This is particularly the case with NAVA. NAVA needs additional support to manage its current programs and to allow it to create national partnerships with not just QAA and AFWA but with other logical project partners such as ACUADS and Create Australia, CAOs, COA, ANAT and the major art museums.

The Inquiry finds that NAVA is an effective association representing visual artists, especially in the areas of research and advocacy. Government support has not kept pace with NAVA's expanding role in the contemporary visual arts and craft sector. NAVA is increasingly performing a national role, and to date, has not been funded to do so.

For NAVA to carry on a truly national role it needs to work particularly in close partnership with AFWA and QAA without any of the organisations having the concern of membership loss or any other financial disincentive. As all three organisations can be considered to be effectively meeting their aims and objectives they do not need to change so much as negotiate territory between them to facilitate synergy and national efficiency.

The Inquiry has noted the possibility that the many memberships that an individual practitioner may feel they need is costly, confusing and inefficient. The Inquiry believes that a national membership scheme could go some way to addressing this particular problem and suggests that the Australia Council should undertake research on the practical aspects of such a scheme.

The artist employment functions of QAA and AFWA (Artsource) are good ideas that create income for artists and a valuable interface between artists and business. The Inquiry has received submissions pointing out the benefits of managing such schemes on a national model. Nevertheless, the Inquiry believes that there is substantial scope for funding state-based schemes.

FINDINGS

Membership and service organisations are a valuable and integral part of the contemporary visual arts and craft sector.

Effective service delivery for Indigenous communities would be enhanced by dedicated Indigenous personnel.

There is an increasing need for the sector to be serviced by a network of national organisations.

RECOMMENDATION 10

To ensure national artist service membership organisations continue to develop an integrated national program for artist services and representation, including the support and representation of Indigenous artists, the Inquiry recommends the Commonwealth, through the Australia Council, increase its funding for national artist service membership organisations by \$200 000 per annum.

NEW TECHNOLOGY

For many years there has been national and international recognition of the many Australian artists that work with new technology. For Australian artists to continue to create and exhibit work at international presentation standards there needs to be consistent investment in new equipment.

As more visual artists and craftspeople make artworks using new technology there is an increasing demand for state of the art technological equipment in contemporary visual arts and craft organisations. Contemporary arts organisations, in particular, are expected by artists, audiences and other stakeholders to present new media and screen based works as both part of their general program and in special events. However, exhibition spaces with very limited resources face difficulties in responding to this demand, given the enormous cost and rapid obsolescence of much contemporary equipment and software.

Many organisations borrow equipment for exhibitions on a needs basis, others expect that the artists will supply the equipment, and some organisations have been able to achieve partial in kind sponsorship deals with technology companies. However, to ensure reasonable professional standards, most organisations have to access new technology by either purchasing, leasing or hiring. This is almost always at or near standard market rates.

The issue is one that affects organisations nationwide. Many organisations, from major art museums to artist-run initiatives find themselves faced with ever increasing costs when they work with new technology. They are unable to properly budget for rapid increases in costs for presentation quality equipment and therefore have a choice of either not showing an ever increasing percentage of museum quality new media art or exhibiting new art but only at the expense of other areas of their program.

The demand for new technology art exhibitions is also strong in regional Australia. For regional Australia distance becomes an additional debilitating factor as costs such as equipment hire, freight, travel and telephony charges are substantially higher than they are for metropolitan galleries.

The issue of access to modern computer and audio-visual equipment for regional galleries and other exhibition venues is one which should be addressed. Often the lack of suitable equipment impacts upon their ability to display and exhibit artworks which use new technology and multi-media. As a result of this lack of access regional artists and audiences are significantly disadvantaged in this important area.⁵⁵⁶

The submission made by the Regional Galleries Association of NSW raised the possibility of establishing a travelling New Media Module—a modular room⁵⁵⁷ which could travel to regional galleries and exhibition spaces enabling wider audiences to experience technology-based artworks which would be unable to be toured otherwise—due to a widespread lack of appropriate exhibition space. The Ivan Dougherty Gallery noted:

With artists increasingly using the latest in new technology, which is constantly being upgraded, equipment banks in each State would be a beneficial and more cost effective mechanism, than every individual institution or even artist attempting to be fully resourced.⁵⁵⁸

556. Submission: Regional Galleries Association of Queensland.

557. Submission: Regional Galleries Association of NSW.

558. Submission: Ivan Dougherty Gallery, UNSW

Members of the tertiary education sector have also commented that it is difficult for them to obtain access to high end technology for their arts programs: ‘...initiatives such as these are expensive [and] can only be done in cross-disciplinary collaboration...’⁵⁵⁹ and ‘...the cost of our IT-suites is up to ten times that of traditional studio areas such as painting...’⁵⁶⁰

A secondary concern brought to the attention of the Inquiry was that many organisations, particularly those housed in older premises or in premises that were not custom built as gallery space, have experienced difficulties with regard to finding appropriate display space for artworks utilising new technology.⁵⁶¹ Premises that may have been perfectly adequate for past exhibitions can suddenly be fraught with problems when curators extend their collections into technology and screen based art.⁵⁶²

Technology facility

A popular idea for the resolution of these technical difficulties continues to be the technology bank, similar to the Cooperative Multimedia Centres but loaning or brokering the leasing of equipment rather than simply providing access to it at a centralised point: ‘...lack of equipment for multimedia works is an impediment. Many organisations require high tech equipment that is prohibitively costly to purchase or rent. A national bank or equipment library could provide access to expensive equipment which wastes project funding and goes straight to equipment suppliers...’⁵⁶³

A submission from the New Media Arts Board (NMAB) of the Australia Council examined the costs and benefits of a national not-for-profit technology lending facility.

Costs to the sector

Current expenditure on technology from a sample of 15 organisations and individuals in the field in 2001 totalled \$1 096 293. The programs and projects ranged from small creative enterprises to exhibitions in major galleries. Total expenditure across the field in Australia would be significantly more than this.⁵⁶⁴

Table 4.8 shows the average expenditure on new technology equipment for ten organisations’ annual programs, and five individuals’ project activity in 2001. Projects ranged from large one-off exhibition events to smaller contemporary arts spaces and performance art companies. This sample was chosen to represent the diversity of new media arts practice, in the size of projects and in the types of works created and presented.

Although the larger projects have an impact on the average spending, it is likely that such projects will occur at least once or twice per year into the future and so must be included in any overview of expenditure in the sector.

559. Submission: ANU School of Art.

560. Submission: Noel Frankham, Head of School, SA School of Art.

561. Submission: Regional Galleries Association of NSW.

562. Submission: 24HR Art.

563. Submission: Biennale of Sydney.

564. Submission: NMAB.

Table 4.8 Average expenditure on equipment, 2001 by ten organisations and five individuals

	Purchase	Hire/Lease	In-kind sponsorship	Average for all equipment
Organisations average	\$ 61 671	\$ 9 124	\$ 13 191	\$ 83 986
Individuals average	\$ 31 851	\$ 2 415	\$ 224	\$ 34 490

Source: NMAB submission

The potential benefits of a technology lease facility identified by the NMAB included:

- A possible 30 per cent reduction in expenditure on new technologies by the 15 sample organisations mentioned above translates to a saving of \$328 888. A 30 per cent reduction across the field will translate to at least a \$1.5 million saving in the first year of operation.
- By reducing the need for organisations to purchase outright new technologies, the technology facility could significantly reduce problems associated with the obsolescence of equipment.
- A technology facility could address issues of equitable access to new technologies for creators and presenters of new media arts in Australia by loaning equipment to as broad a range of arts organisations and groups as possible.
- With broader access to new technology, smaller organisations would be able to plan and implement more sophisticated exhibitions of leading new media works thus increasing the exposure for the visual arts and technology at a wider range of venues and audiences around Australia.

The features of the scheme outlined in the submission included:

- The technology lease facility would purchase equipment that does not have a high rate of obsolescence and will maintain its value over time (e.g. video players, DVD players, audio equipment, television monitors). Equipment that will become obsolete over shorter periods (e.g. data projectors, plasma screens, high-end computers, laptops, etc.) would be leased.
- The facility could be used to broker sustainable relationships with equipment manufacturers and suppliers. For example, the conVerge 2002 Adelaide Biennial as part of the Adelaide Festival managed to attract \$262 000 in in-kind sponsorship from suppliers. The brokering and coordination of sponsor relationships at the national level would have significant benefit for organisers of smaller events that do not have the staff resources to devote to seeking sponsorship.
- The facility would deliver its service throughout the country including regional Australia. Given the distances between cities and regions in Australia, expenditure on freight will be a significant cost for the organisation. The facility might require a location on the eastern seaboard and one to service South Australia, the Northern Territory and Western Australia.

- The facility could generate limited income from hiring fees but would require an annual appropriation of around \$1 million to cover the replacement costs of low-end technology and to cover on-going leasing costs of high-end technology.

FINDINGS

The use of new technologies in digital and other arts has added an extra cost factor for artists and organisations, both those producing and those presenting such works.

Due to the rapid evolution of technology, levels of obsolescence are high.

A lack of access for artists will increase the digital divide forming between those who do have easy access to technology and those who do not. Australian artists have achieved international standing, but may lose representation in international exhibitions if they are unable to contribute in the fields of new technology-based and digital art.

If galleries and other art spaces do not have adequate access to new technology, works based on new technology will be unable to be shown and collections will be reluctant to acquire them.

Artists and organisations alike are increasing their uses of new technology in art practice and exhibition, and it is unlikely that this usage will plateau in the near future. For this reason, the visual arts and craft sector will continue to look to a mix of public and private support to access new technology.

The Inquiry believes a technology lease facility will be an effective way of ensuring organisations and artists have access to essential new technologies. Preparatory work scoping this concept shows potential for further development.

The forecast costs of such a facility are not unreasonable if the anticipated outcomes can be delivered. However, the Inquiry believes demand for and the cost of equipment, and transport costs, could mean that a significantly higher investment will be required. It also believes the States and Territories should match the Commonwealth's contribution given the potential of the scheme to assist artists in all States and Territories and in areas outside of metropolitan centres. Prior to these commitments being made the Australia Council should, in consultation with the States and Territories and the corporate sector, develop a business model for the facility.

RECOMMENDATION 11

To ensure appropriate and current arts creation and presentation equipment is more accessible to contemporary visual artists and craft practitioners and their organisations, the Inquiry recommends:

- 11.1 The Commonwealth and State and Territory governments allocate \$2 million per annum to establish a national technology loan facility.
- 11.2 The Australia Council develop as soon as possible a business model for the technology lease facility, in consultation with the State and Territory governments.
- 11.3 In implementing this recommendation, the Commonwealth commit an initial amount of \$700 000 per annum; and the Commonwealth, States and Territories agree that the Commonwealth will commit a supplementary amount of \$300 000 per annum if the States and Territories commit \$1 million per annum.

ART ADMINISTRATORS AND CURATORS

A number of staffing issues have been raised in the course of the discussion on the various components of the contemporary visual arts and craft infrastructure. This section is a dedicated discussion of the role played by art administrators and curators in the sector.

Curating in major art museums

Both small and large art museums need contemporary art curators to collect work, research and develop policy, oversee collections and undertake contemporary art projects. Such projects have multiple benefits in that they are a benefit to the contemporary artists involved, they can create publicity and interest and therefore potentially new audiences for contemporary art, and they assist with the professional development of curatorial practice in Australia, thereby potentially creating a cycle of more adventurous programming by major art museums.

While a contemporary art curator position is not unheard of in other areas (e.g. many university galleries employ curators), usually only the major art museums are substantial enough to properly support such positions on a regular basis. Apart from employing contemporary art curators, the major art museums may employ specialist curators to work with contemporary craft and design, photography, Aboriginal and Torres Strait Islander art and sculpture. Often such positions will have some historical collections duties (such as overseeing the care of collections) but will have a major focus on the development of contemporary collections and exhibitions.

The Inquiry has received persuasive submissions that major art museums with Indigenous collections should ensure they employ Indigenous curators, education officers and other relevant staff as well as Indigenous reference committees in the care and exhibition of these collections. It was argued that such programs should come from their regular budgets and not be seen as a special case.

Independent curators

Major art museums will also use people employed in other positions (e.g. academics, contemporary art space employees) to undertake the curating of exhibitions on a project basis. While such curators may not be employed by the major art museums they are rarely freelance. Naomi Cass, the Executive Director of NETS Victoria, has stated that within the Australian contemporary arts economy and infrastructure the position of independent curator is financially unviable, as the work is infrequent and poorly paid.⁵⁶⁵ In this sense the situation in Australia may simply be lagging behind the situation in most other economically developed countries. However, given the size of the contemporary arts economy there may never be independent curators in Australia such as there are in Europe, America and Japan.

Notwithstanding the economic arguments, there are benefits that a freelance or independent curator can bring to a major art museum project. Major art museum curators can have limited time to keep up with new work being produced by younger artists, they may not have the time to work through problems in partnership with artists or they may simply not enjoy working with certain artists. Independent curators are often more flexible in their work patterns and more mobile with regard to where they can work. By working in different institutions they can also professionally develop in a more holistic way and bring a fresh perspective to the institutions.

By working across major art museums, contemporary arts organisations, regional galleries and craft and design organisations an independent curator can build up a highly practical and diverse knowledge. With the potential of working overseas for short periods on a freelance basis they may also make invaluable international contacts. One current difficulty facing Australian artists is that many of the international curators working independently are not aware of the work of Australian artists. If younger Australian curators were supported to create exchanges with other younger curators overseas it could create understanding with the next generation of international curators before they become fixed in their artworld views.

FINDINGS

Curatorial work, exhibitions and gallery management, and artist management are essential components of the research and development, education and marketing aspects of the contemporary visual arts and craft sector. They are important issues for generating audience demand, and the provision of valuable career opportunities for people working in the arts would benefit both the individual curators and the sector.

⁵⁶⁵. Inquiry notes of meeting with Naomi Cass, Executive Director of NETS Victoria.

There is a need to develop Australian curators at a younger age and show them support outside of institutional employment. Emerging and student curators in Australia and overseas should engage in supported exchange programs. These programs should be targeted at major art museums, contemporary arts organisations, craft and design organisations and commercial art galleries. Such programs will have a national benefit in that they promote the art of Australia to sophisticated and potentially influential emerging art curators overseas.

Curators and arts administrators outside of major art museums

Arts administrators and curators are important to the sector as facilitators, organisers and interpreters of contemporary visual arts and craft. All three roles are important:

Gallery staff play a key role in determining the interface between contemporary visual arts and crafts and the public.⁵⁶⁶

With the current focus on audience development, marketing and obtaining sponsorship (private and corporate), the traditional roles of arts administrators and curators are either being changed, to their eventual detriment, or are no longer regarded as being essential:

Curating is undervalued within the current climate in art galleries where the emphasis is on marketing/media/public relations and public programs. There is a need for curators, both freelance and institutionally based, to reassert their voices as well as a need to recognise the contribution curators can make in regard to historical research, conceptualisation, interpretation, planning and promotion of exhibitions and collections.⁵⁶⁷

Organisations and institutions which are under financial pressure may not be able to afford the comparative luxury of hiring full-time staff members to take on administrative and curatorial roles, despite the advantages they would reap from doing so. Concern has been expressed that a lack of recognition of the importance of such roles by local government agencies and funding bodies makes it difficult for institutions to access additional funding for salaries. This difficulty, coupled with restricted training and development options, limits regional galleries' abilities to attract staff:

Informal learning through peers is limited as gallery staff are small in number and often isolated. Networking as part of the Regional Galleries Association of NSW is supported but limited mainly to gallery directors [...]. A strong commitment to professional development is not strongly embraced by regional galleries due in part to the all-engulfing nature of their work; lack of opportunities or appropriate programs. The lack of recognition of the importance of professional development by local government employers as well as the lack of incentives – special funds, scholarships and funds to ensure that a minimally-staffed organisation can survive if one member is absent - further mitigates against (sic) professional development.⁵⁶⁸

Many institutions, regional and metropolitan, are faced with a multiple dilemma: they have trouble attracting and retaining appropriately trained and experienced staff, and staff members can experience burnout through overwork in understaffed workplaces.

⁵⁶⁶. Submission: Museums & Galleries Foundation of NSW.

⁵⁶⁷. Submission: Museums Australia—Visual Arts, Crafts and Design Special Interest Group (VACDSIG).

⁵⁶⁸. Submission: Museums & Galleries Foundation of NSW.

The organisations are having to compromise on things like: occupational workplace safety issues; quality of life of employees is compromised by long hours of unpaid time; reliance on, and exploitation of, volunteers; board members are forced to condone compromised fiduciary standards; there is difficulty in attracting good candidates to boards because of poor financial situations; legal implications impinge on organisations; organisations continue to work on old historical models as organisations, because they cannot muster the resources for change; poor regional response and representation; lose staff due to low salaries and conditions, ie. loss of trained expertise; training for executive director roles is inappropriate for what is involved; no opportunities for career paths; unacceptable differences in salaries and conditions of people working in government arts departments and state galleries, with people working in the funded craft organisations.⁵⁶⁹

Further, after securing administrative or curatorial positions, some staff are not unnaturally reluctant to move on, due to job satisfaction, or simply a fear that they will be unable to find another equivalent position.⁵⁷⁰

This bottleneck which forms when there are many more applicants for positions than positions available may lead to arts administration and curatorial jobseekers leaving the sector to find work elsewhere:

Many gallery directors have been working in the area for long periods of time and need refreshment. Emerging staff need encouragement to remain in the field and build up strengths in varying aspects of gallery practice. Local government employers need greater understanding of the professional needs of their staff.⁵⁷¹

NAVA submitted that:

For a number of worthwhile projects, the management falls to existing staff because the funding is not enough to cover the cost of project management. Funding bodies expect that this will be undertaken within the existing administrative resources of the organisation. This results in staff fatigue and overwork and protracted project timelines in order to fit the work in around other on-going core responsibilities.⁵⁷²

Professional development

The professional development opportunities for arts administrators and curators are thus very important. The Australia Council's VACB currently provides professional development opportunities for arts administrators working in craft organisations under the Craft Leadership Program. The program, now in its second year, is designed to encourage Australian craft organisations to develop international projects and networks that benefit Australian craftspeople and audiences.

Through the program, curators and other senior staff associated with craft organisations are encouraged to develop new, self-directed, international professional development opportunities. Such projects may include but not necessarily be restricted to exchanges of curators and writers, and participation in international craft and design conferences. Development work for craft exhibitions with international content may also be considered, as will any other area of international activity identified as relevant to the further development of a craft organisation. Proposals need to be well planned, and must demonstrate the potential benefits from the project to the individuals involved, and to Australian contemporary craft more broadly.

569. Submission: COA.

570. Submission: Museums & Galleries Foundation of NSW.

571. Submission: Museums & Galleries Foundation of NSW.

572. Submission: NAVA.

In its submission, Object acknowledged the value of the Craft Leadership Program in promoting Australian artists and organisations overseas and for developing new international opportunities.

The Craft Leadership Program funded by the Australia Council is hugely important in a number of ways: expanding the vision for craft and design organisations and key individuals, for promoting Australian organisations, exhibitions and programs and most importantly, facilitating the exchange of ideas and the development of new international opportunities.⁵⁷³

The Inquiry considers this program has considerable potential. Providing craft administrators and curators with the opportunity to undertake international professional development activities not only benefits them but also the other staff involved in the project and the craft and design organisations by improving the skills of managers. This program also facilitates the exchange of innovative ideas between countries, both in terms of creative and artistic developments, and emerging trends in arts administration and curating. The program also enables networks to develop, which in turn leads to greater collaboration and cooperation between organisations on an international scale.

The Inquiry notes that some crafts administrators and curators are unable to make use of the program due to difficulties finding replacement staff. Craft organisations tend to be run with minimal staff, and as such it can be difficult for senior staff to take leave for professional development purposes as funds may not be available to fill the position with an appropriately qualified person.

FINDINGS

The Inquiry believes that arts administrators, curators and the sector benefit from continuing professional development opportunities.

The Australia Council's Craft Leadership Program provides important professional development opportunities for individual curators and managers. Nevertheless, some crafts administrators and curators are unable to make use of the program due to the difficulties locating appropriate replacement staff and affording wages for those replacement staff.

Visual artists would benefit from an extension of this program.

Extension of the program to encompass the visual arts would allow administrators and curators of contemporary art spaces, galleries and art and craft centres to enjoy the benefits of professional development opportunities overseas, as well as extending benefits to the organisation to which those individuals are affiliated.

Significant additional funding needs to be made available for the potential of this program to be realised. The program currently is allocated \$50 000 per annum. The Inquiry would recommend an additional \$200 000 per annum of recurrent funding to extend the program to encompass the visual arts. This additional funding would extend the program to support visual arts workers as well as crafts people, and would allow the program to grant financial assistance to organisations which would be otherwise unable to afford the wages for a replacement staff member.

573. Submission: Object.

RECOMMENDATION 12

To further the professional development of visual arts and craft curators and managers, the Inquiry recommends the Commonwealth make available additional funding of \$200 000 per annum to the Australia Council to extend the current Craft Leadership Program to encompass both the visual arts and crafts and to target both emerging and experienced visual arts and craft professionals.

CHAPTER 5

EXPANDING THE MARKET

Demand for contemporary visual arts and craft is variable yet it is fundamental to the sustainability of the sector. Audience development and education are critical factors and the commercial galleries and auction houses and publications are key players in the market. Access programs including touring can increase appreciation and interest. Promotional activities in Australia and overseas can boost and stimulate demand.

AUDIENCES FOR CONTEMPORARY VISUAL ARTS AND CRAFT

Audiences for visual arts and craft are many and varied; they can be visitors to a gallery, people observing visual arts and craft through the media, pedestrians passing a work of public art, people relaxing at home with an artwork hanging on the wall. For the purpose of this discussion, audiences are taken to be those people who visit art galleries and museums, private and public,⁵⁷⁴ to enjoy and understand works of contemporary visual arts and craft.

The importance of audiences

In a direct financial sense, audiences as defined above are not as critical to the contemporary visual arts and craft sector as, say, they are to the performing arts. In fact, in cases where audiences are not charged to view a gallery's collection—and in 1999–2000 this was the case for approximately 78 per cent of art gallery and art museum attendees⁵⁷⁵—they impose a net financial cost on the institution. However, in a broader sense, audiences are critical to the health of the contemporary visual arts and craft sector. Firstly, audiences underscore the relevance of contemporary visual arts and craft to Australian society and in part provide a rationale for government support, and secondly, a knowledgeable and appreciative audience is more likely to purchase works of visual art and craft.

In Australia, the Commonwealth Government plays a large role in providing audience access to contemporary visual arts and craft. Over 60 per cent of institutions displaying contemporary visual arts and craft receive some form of government funding.⁵⁷⁶ And government support of visual arts and craft is dominated by the provision of access—in 1999–2000 over 80 per cent of public funds for visual arts and craft went to art galleries and museums.⁵⁷⁷

Besides galleries and museums, there are other government initiatives that provide access to contemporary visual arts and craft for the general public. The Commonwealth Government's Artbank program rents contemporary visual art and craft works from its collection to over 600 public and private clients. Audiences in regional areas are able to experience contemporary visual art and craft works through the National Exhibition Touring Support program (NETS) and Visions of Australia programs (discussed later). The commissioning of public art works is also a means of government support that puts contemporary art into the public arena.

574. Unless otherwise stated, 'galleries' refers to contemporary art spaces; craft organisations; artist-run spaces; national, state and regional galleries; university galleries; and some commercial galleries.

575. ABS, *Attendance at selected cultural venues*, cat.no. 4114.o, ABS, Adelaide, 1999.

576. Australia Council, *Contemporary Art and Craft Audience Development Study*, Draft research report commissioned by the Australia Council and prepared by Woolcott Research and Positive Solutions, 2001.

577. National Centre for Culture and Recreation Statistics, ABS, *Cultural Funding in Australia—Three Tiers of Government, 1999–2000*, Cultural Ministers Council Statistics Working Group, 2002.

Audience data

In the 12 months to April 1999, an ABS survey indicated that almost 3.2 million Australians, or 21 per cent of the adult population, attended an art gallery.⁵⁷⁸ To place this in perspective, three million people attended a museum in the same period, 3.8 million people attended a popular music performance, and almost ten million attended cinemas. The overall rate of art gallery attendance was slightly higher in capital cities than in regional areas (22.3 and 19.4 per cent of adult population, respectively). The total attendance at art galleries and art museums in 1999–2000 was over 6.5 million.⁵⁷⁹

Audiences for contemporary visual arts and craft, while naturally smaller than the total gallery audience, are nonetheless significant. In a survey commissioned by the Australia Council's Visual Arts/Craft Board in 2001,⁵⁸⁰ approximately 31 per cent of respondents had visited a contemporary visual arts or craft venue in the previous two years—nine per cent had visited at least four times in the previous two years. Twenty-one per cent had visited contemporary art venues, but not in the previous two years, and 48 per cent of respondents had never attended one of these venues.

Attendance

The Australia Council survey of contemporary visual art and craft venues included public and commercial galleries, as well as smaller, public venues such as contemporary art spaces, craft organisations and artist-run spaces. The demographic profiles of attendees (those who attended a contemporary visual art and craft venue at least twice in the previous two years) and those who never attend that emerged from the survey are presented below for comparison. These observations are supported by research commissioned by the Australian Centre for Contemporary Art (ACCA) in 1999.⁵⁸¹

Compared to the general population, attendees are more likely to be female, younger (18–29 years old), have a higher level of education, higher incomes and no children. Those who never go to contemporary art and craft venues are more likely to be male, over 55 years old, with lower levels of education and lower household incomes, compared with the general population. Interestingly, according to the Australia Council survey those in regional areas are only marginally less likely than those in capital cities to attend contemporary visual arts and craft venues.⁵⁸²

578. ABS, *Attendance at selected cultural venues*, cat. no. 4114.0, ABS, Adelaide, 1999.

579. ABS, *Museums*, cat. No. 8560.0, ABS, Melbourne, 2001. The number of attendances differs from the number of people who attended art galleries because a person can attend more than once.

580. Australia Council, *Contemporary Art and Craft Audience Development Study*, 2001.

581. Submission: Australian Centre for Contemporary Art.

582. Australia Council, *Contemporary Art and Craft Audience Development Study*, 2001.

Motivations

The Australia Council also undertook an analysis of the attitudes of attendees—and non-attendees—towards contemporary art and craft.

The committed attendees of contemporary visual arts and craft venues were found to ‘enjoy belonging to a group of people defined by their involvement with the challenge, understanding and appreciation of contemporary arts and craft and culture’.⁵⁸³ This group liked the thought-provoking aspects of contemporary visual art and craft. This group was also quite protective of the contemporary art scene as it is—some felt that it would lose some of its appeal and uniqueness if it were promoted to a wider audience.

On the other hand, the survey found that the same factors that appeal to regular attendees act as a barrier to those that do not attend contemporary visual art and craft venues. People who do not attend contemporary art and craft venues ‘see themselves as excluded from the group of people they would see as being more frequent embracers of visual art’.⁵⁸⁴ These people feel they have a lack of understanding about contemporary visual art and craft, and are therefore often intimidated by the intellectual challenge that they perceive is its heart, and the perception that frequent attendees speak in jargon serves to further exclude them. This group prefers to view ‘beautiful’ or ‘familiar’ art that they feel they do not have to understand to enjoy. The report’s authors suggest that non-attendees have stereotyped views towards contemporary visual art and craft, and that this can act as a deterrent to attendance.⁵⁸⁵

These observations tend to be supported by the *Australians and the Arts* report commissioned by the Australia Council as part of it Promoting the Value of the Arts project.⁵⁸⁶ However, when asked ‘What is it that you do not like about the arts’, only eight per cent of respondents nominated modern visual arts.

Sales

According to the 1997 Australia Council survey, approximately 60 per cent of people who had visited a public art gallery in the previous 12 months had also purchased an original painting and 40 per cent had purchased one-of-a-kind craft.⁵⁸⁷

The same report found people who regularly buy works of art and fine craft are more likely than the general population to have a high household income, and are more likely to have a university degree. Importantly, many buyers surveyed worked as artists, highlighting the importance of an arts education to the development of a market for visual arts and craft.⁵⁸⁸ Art and craft purchasers were also much more likely than the general population to have visited a public art gallery in the previous year than the general population (94 per cent of respondents, against 26 per cent of the general population⁵⁸⁹).

583. *ibid.*, p. 67

584. *ibid.*, p. 68

585. *ibid.*, p. 65

586. Australia Council, *Australians and the Arts*, Research report commissioned by the Australia Council and prepared by Saatchi and Saatchi Australia, Australia Council, Sydney, 2000.

587. Australia Council, *To Sell Art, Know Your Market—Survey of Visual Art and Fine Craft Buyers*, Sydney, 1997.

588. *ibid.*

589. NB. The ABS report on cultural attendance (ABS 1999) estimated that 22 per cent of the general population visited public art galleries and museums in the 12 months to April 1999).

Audience and market development

Consolidation and development of contemporary visual art and craft audiences is vital to the sustainability of the contemporary visual arts and craft sector. A significant proportion of government support for the contemporary visual arts and craft sector is devoted to increasing audiences.

An example of a contemporary art venue broadening its audience is the collaboration between the Museum of Contemporary Art (MCA) and Telstra.com. Sponsorship by Telstra.com has allowed the MCA to introduce well-publicised free general admission—audiences have increased three-fold since its introduction.⁵⁹⁰

However, whilst audience development is beneficial, it is also costly. Given that most attendances at contemporary visual arts and craft venues do not generate direct revenue for the organisations involved, a targeted development of audiences is necessary. The sustainability of the sector would not be aided by venues wasting scarce resources on broad-based marketing campaigns. At some point, the costs of attracting larger audiences would start to outweigh the benefits.

The survey of visual art and craft venues commissioned by the Australia Council⁵⁹¹ indicates there is a lack of understanding of contemporary visual art and craft among those who never attend. Other surveys conducted by the Australia Council in the 1990s support the observation that there is a feeling of exclusion from the sector among a significant proportion of the Australian population.⁵⁹² It is likely the costs involved in attempting to attract audiences from this segment in the short-to-medium term would be high. However, the 2001 survey highlighted the fact that, while 31 per cent of the population claimed to have attended a contemporary arts and craft venue in the previous two years, only nine per cent had visited more than three times.⁵⁹³

On the surface, there would seem to be short-to-medium term potential for contemporary visual arts and craft venues to encourage greater visitation from those that infrequently attend these venues, and who have relatively positive attitudes towards contemporary visual arts and craft. In its submission, the Museums and Galleries Foundation of New South Wales identified a need for contemporary visual arts and craft to engage with the public and to demystify practice.⁵⁹⁴

In the longer-term, arts education in schools is important. People who attend contemporary art venues are more likely to be artists themselves, or have close links with the contemporary visual arts and craft sector. Contemporary Arts Organisations Australia identified primary and secondary education as areas that need attention in order to develop contemporary visual arts and craft audiences in the long-term.⁵⁹⁵ In its submission, Craft Queensland suggested placing educators within regional, tertiary and craft and design galleries.⁵⁹⁶

590. See the MCA's website: www.mca.com.au.

591. Australia Council, *Contemporary Art and Craft Audience Development Study*, 2001.

592. For example, see Australia Council, *To Sell Art, Know Your Market—Survey of Visual Art and Fine Craft Buyers*.

593. Australia Council, *Contemporary Art and Craft Audience Development Study*, 2001, p. 29.

594. Submission: Museums and Galleries Foundation of NSW.

595. Submission: Contemporary Arts Organisations (Australia) (CAOS).

596. Submission: Craft Queensland.

Demand

The demand for contemporary visual arts and craft in Australia can be broadly split into public demand and private demand. Public demand—the commissioning and/or purchase of art and craft works by government—is significant. It includes ‘per cent for art’ programs administered by various state and local governments, and the Commonwealth Government’s Artbank program—which has a stock of Australian art and craft works valued at over \$13 million, and which in 2000–01 purchased \$500 000 worth of contemporary art and craft items. These initiatives are further outlined elsewhere in the Report.

State and regional galleries are also significant purchasers of contemporary visual arts and craft works. Galleries may also have a role in commissioning contemporary visual arts and craft. For example, the National Portrait Gallery has an active program for commissioning works from contemporary Australian artists.⁵⁹⁷

Private demand for artworks consists of private individuals’ demand and private corporations’ demand. During the late 1980s, corporate expenditure on art works was high—an Australia Council survey found that \$15 million dollars was spent in 1989, 78 per cent of which was on new Australian works.⁵⁹⁸ Following the stock market crash of 1989, and the recession of the early 1990s, corporate expenditure on art fell dramatically—in 1996 Australian companies spent approximately \$4.2 million acquiring artworks, of which 71 per cent was spent on new Australian works.

Making more people aware of contemporary visual arts and craft through targeted audience development could be expected to result in an increase in visual arts and craft purchases. Several submissions to the Inquiry suggested measures for increasing demand for contemporary visual arts and craft works by lowering the cost to consumers of purchasing contemporary visual art. One submission suggested a tax deduction for purchases of visual arts and craft in the ‘first-sale’ market:

If artists were able to offer tax deductibility for the purchase of a work, this would remove an impediment for the investor, the risk element, and offer an incentive to the collector or potential collector. If the sale of a work was accompanied by tax deductibility, works should be easier to sell, the potential market should increase, and the prices at which works could be sold could be increased because for those collectors already in the market the current cost would now be an after tax cost.⁵⁹⁹

Arts SA’s submission⁶⁰⁰ brought to the attention of the Inquiry the ArtCred Scheme operated in the United Kingdom by two of the Regional Arts Boards. ArtCred is an interest-free art purchase program, where eligible buyers can borrow money on interest-free terms towards buying art and craft works by living artists at selected member galleries. In the first eight months of its operation, £700 000 (A\$1.95 million) worth of artwork was purchased, and over £500 000 (A\$1.4 million) has been lent. Other Regional Arts Boards in the United Kingdom operate similar programs.

597. Submission: National Portrait Gallery.

598. Australia Council, *Corporate support for the arts 1996*, Research Report commissioned by the Australia Council and prepared by Yann Campbell Hoare Wheeler, Australia Council, Sydney, 1996. Figures are in 1996 dollars.

599. Submission: Brian Tucker.

600. Submission: ArtsSA.

While such programs would likely increase the amount of contemporary visual arts and craft purchased in Australia, it is questionable how effective and efficient such a program would be. For such programs to be efficient, they would need to lever a larger amount of additional expenditure on contemporary visual arts and craft. For this to occur, the price of visual arts and craft would need to be a major factor holding back people who would like to purchase visual arts and craft, but currently do not.

FINDING

The Inquiry notes the existence of a range of models for interest-free art purchase programs and proposes that relevant sector participants continue to examine options for their introduction in Australia.

THE COMMERCIAL MARKET

The sale of artistic product occurs in a number of different arenas. Visual arts and craft practitioners may sell their work directly to the public, the practitioner may engage an agent to sell the work on behalf of the artist, or the work may be produced for the prospective owner by commission. Marketing and promotion of the artist and their works is a significant factor contributing to success in the highly competitive market place, and these are roles which are often assumed by an agent acting for the visual artist or craft practitioner.⁶⁰¹ A variety of different agency arrangements can be observed in the contemporary visual arts and craft sector, the most prevalent being the representation of artists by commercial galleries and merchants. Visual artists and craft practitioners may also be members of artist-run spaces. Auction houses make some primary sales of contemporary works of visual arts and craft, but generally are predominantly focussed on secondary sales, i.e. resales of work by collectors.⁶⁰²

Despite the range of agency arrangements observable within the contemporary visual arts and craft sector, the most common manner in which artistic works are sold is by the artist directly to the public.

A survey commissioned for DCITA in 1997⁶⁰³ also estimated that the most important source of total visual arts and craft sales was direct from the artist (Table 5.1).⁶⁰⁴ It is notable that while the majority of visual art is purchased from either galleries or from the artist, craft items are purchased from a wider variety of sources.

601. D. Throsby and B. Thompson, op. cit., p. 38.

602. Submission: NAVA.

603. Department of Communications and the Arts, *Cultural Trends in Australia No 7: Art and Craft Purchases 1997*, Canberra, 1998, p. 18.

604. The survey on which these data are based is a household survey, and as such may not be representative of the market for artworks as a whole; it is likely that sales from auction houses are under-estimated, and sales from outlets such as department stores are over represented.

Table 5.1 Source of visual art and craft purchases, 1997

By proportion of total value	Visual art items %	Craft items %
Market	6.6	13.3
Craft fair	2.5	5.4
Art/craft dealer	25.0	6.4
Specialty craft shop	4.7	14.7
Museum/gallery shop	8.9	2.5
Artist producer	30.0	18.8
Department store	4.4	6.9
Other retail	4.9	27.7
Other	13.0	4.2

Source: Department of Communications, Information Technology and the Arts 1998

An emerging trend is the practice of selling artworks on the Internet. Both primary and secondary sales are now made over the Internet through virtual galleries and auction sites. Examples of these sites are both internationally and Australian-based. Antiques and Art Australia have established a virtual gallery where over 1 500 works are offered for sale. Each work offered in the virtual gallery is also linked back to the dealer's home page, to allow collectors to recognise and develop relationships with exhibitors.⁶⁰⁵ Sotheby's Australia launched an online auction site in October 2001.⁶⁰⁶ A variety of art and craft is also sold on ebay—an online dedicated sales site.⁶⁰⁷

Size and composition of the Australian art market

Estimates extrapolated from 1998 DCITA data showed the total value of visual arts and craft items (in the broadest sense) sold in Australia in 1997 was approximately \$1 821.6 million. Approximately \$551.6 million was spent on visual arts; the remainder (\$1 270 million) was spent on craft items.⁶⁰⁸ The figures include, but are not limited to, contemporary visual arts and crafts.⁶⁰⁹

More recent data indicates that in 2001, approximately \$70 million of art was sold in Australian auctions⁶¹⁰ (of which the majority is assumed to be secondary sales). The value of art sold through commercial galleries in 1999–2000 was \$218 million, of which \$106 million was first sales sold on commission.⁶¹¹ There is no corresponding data available on the value of art sold privately, or sold by dealers that do not operate commercial galleries. Again, these figures are not limited to contemporary visual arts and craft.

605. Antiques and Art Australia, 'Virtual Gallery', 2000, at www.antique-art.com.au/gallery/index.cfm.

606. G. Maslen, 'Cyber Art Sales', *The Age*, 31 October 2001, at www.theage.com.au/entertainment/2001/10/31/FFXFQTDJETC.html.

607. ebay, 'Art', at pages.ebay.com/catindex/art.html.

608. Department of Communications and the Arts, op. cit., 1998, p. 18.

609. The DCITA household survey was quite broad, and included all manner of arts and crafts, including furniture, jewellery, clothing, ceramics and woodcrafts. The survey included sales in retail stores, markets, fairs, specialty shops, as well as dealers, museums and galleries, and direct from the artist.

610. J. Furphy, *The Australian Art Sales Digest*, Acorn Media, Victoria, 2002.

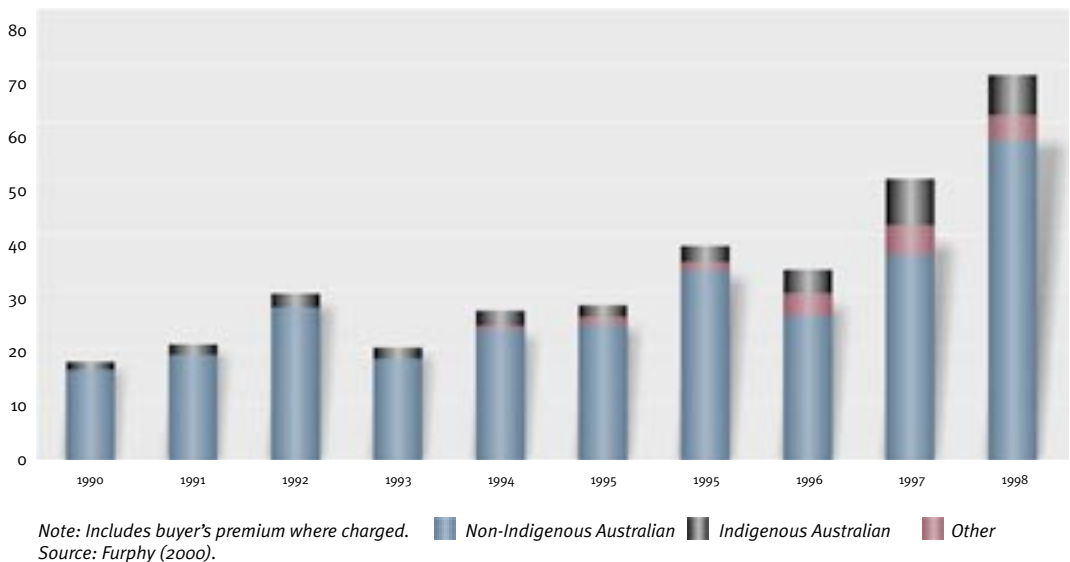
611. ABS, *Commercial Art Galleries*, cat. no. 8651.0, ABS, Melbourne, 2001.

Auction houses

There are approximately 20 auction houses dealing with fine art in Australia. Sotheby's, Christie's and Deutscher-Menzies dominate the market, with 33 per cent, 27 per cent and 23 per cent of total value of art sold at auction in Australia in 2001 respectively.⁶¹²

The value of artworks sold at auction in Australia increased by over 300 per cent between 1990 and 2001. Auction sales of works by Indigenous Australian artists showed the biggest proportional increase over that period. As shown in Figure 1, sales rose from \$169 000 in 1990 to \$4.7 million in 1999—an almost 30-fold increase. These trends indicate a truism with respect to the auction houses—the market for works at auction is not static, rather the market is dynamic and subject to rapid change.

Figure 5.1 Value of Australian auction sales, by nationality of artist



Australian auction houses charge the vendor of a work of art a commission on the sale, as well as charging the buyer a premium. The vendor's commission is usually on a sliding scale, ranging from two per cent of hammer price to 20 per cent, while the buyer's premium—introduced across the Australian industry in 1993—is 10–15 per cent.⁶¹³

Artworks sold at auction are also subject to the goods and services tax (GST). The buyer pays the ten per cent GST on the buyer's premium, and will only pay GST on the hammer price where the vendor is registered for GST. The vendor pays the ten per cent GST on the vendor's commission and any other costs.

In most cases, income tax is payable on increases in the capital value of an artwork ('Capital Gains Tax'). The capital gain on any painting acquired for more than \$500 on or after 20 September 1985 is subject to income tax.

612. J. Furphy, *op. cit.*, 2002.

613. *Australian Art Collector* 2000, no. 12, p. 39.

Most auction sales are secondary sales, although some artists market their primary sales through auction houses. Generally, only well-established artists will put their works up for auction. The benefits of auctioning works are that prices can be much higher at auction and that auction houses generally charge a smaller percentage as vendor's premium than the commissions imposed by the commercial galleries. A further incentive is that some auction houses, including Deutscher Menzies, offer vendors guaranteed sales at a certain price.

Commercial and private galleries

Commercial galleries have a vital role in the contemporary visual arts and craft sector:

Commercial galleries perform an important function for the viability of the visual arts. They are also the major means of dissemination of artworks and are crucial to the economic viability of artists.⁶¹⁴

Submissions have argued that:

...the artist-gallery system has been extraordinarily successful at what should be the main objectives of any inquiry into artists' welfare:

1. encouraging and facilitating the emergence of new artists
2. bringing a greater and greater number of the public into contemplation of the work of serious Australian artists
3. vastly increasing the financial welfare of artists.⁶¹⁵

The Australian Commercial Galleries Association also submitted comments on the importance of the economic and creative contribution of the commercial galleries to contemporary visual arts and craft. The commercial galleries play a number of important roles in the sector, including providing long-term professional support to artists, encouraging patronage and audience development, and cultivating new markets, both domestically for new artistic media, and internationally.⁶¹⁶

Nevertheless, there is anecdotal evidence that for collectors new to the commercial market, it can be difficult to obtain assistance and information from the commercial galleries regarding the market.

In 1999–2000 the ABS conducted a survey of Australian commercial galleries.⁶¹⁷ For the purposes of the survey, a commercial art gallery was defined as a business, the primary activity of which is the display and sale of works of art. According to the survey, at June 2000 there were 514 commercial galleries operating in Australia, with total sales of artwork of \$218 million in 1999–2000. Of this, art sold on a commission basis totalled \$145 million (67 per cent), while own-account sales totalled \$73 million.

The value of secondary sales of art by Australian commercial galleries was \$111 million, of which approximately 16 per cent was sold on a commission basis, with the balance own-account sales. The survey indicated that the average commission for artworks sold on a commission basis was 30 per cent, and that the average mark-up on own-account sales was 61 per cent.

614. Submission: Richard Dunn.

615. Submission: Utopia Art and Watters Gallery.

616. Submission: Australian Commercial Galleries Association.

617. ABS, *Commercial Art Galleries*, 2001.

No comparable data is available for firms, primary business of which is the sale of craft works. Craft Australia indicated that the ABS Survey of commercial galleries:

may significantly undervalue sales through Craft sector retail outlets ... There are many types of Craft retail outlets that are not captured in the 'Gallery' category—there are 'lifestyle' stores, gift retail outlets, department stores as well as the traditional Craft shop and more specific Craft galleries all retailing Craft products.⁶¹⁸

Artist-run initiatives

As discussed elsewhere in this Report, artist-run initiatives (ARIs) provide opportunities for artists, including both emerging artists and more established artists, to exhibit their works in spaces other than commercial galleries. Artists receive the benefits of studio and gallery space, and have the opportunity to engage with diverse audiences and exercise self-determination regarding how works are selected and displayed.⁶¹⁹ Whilst some first-sales of contemporary visual arts and craft works are made through ARIs, the primary emphasis of these spaces is the exhibition and promotion of works.

Major art museums

Major art museums play an indirect role in the market by affecting prices in the commercial gallery sector. For example, if a major art museum purchases a work from a particular commercial gallery, the prices of the works of both the artist responsible for the work acquired by the museum, and the prices of the remaining works held by the commercial gallery (whether created by that particular artist or not), will generally rise. The rise in price is due to the publicity and exposure associated with the sale, and the relationship (real or perceived) between the public institution and the commercial gallery. Major art museums and galleries play the role of a known and respected collector, and in this way may influence the purchasing practices of other collectors. This is similar to the effect on prices generally observed where an artist is collected by a well-known private collector or corporate collection.

The purchasing of art works by art museums and state galleries is a multi-stage process. Generally, when a curator locates a work which may be suitable for acquisition, the work is held by the commercial gallery on reserve while the curator discusses the proposal with the Director. If the Director approves the purchase, the trustees of the institution will also need to approve the purchase before the sale is finalised. There are thus a series of checks and balances which occur before the purchase of a work of art is finalised by a museum or gallery.

618. Submission: Craft Australia.

619. Submission: Museums and Galleries Foundation of NSW.

Craft sales

Craft and design organisations

Craft is sold by subsidised organisations dedicated to the marketing, promotion and sale of contemporary craft. Craft Australia, the craft and design organisations and the Jam Factory are the key players in the commercial market. Unsubsidised, commercial outlets compete with these subsidised craft organisations. For example, in Sydney commercial galleries such as the Glass Artists Gallery, Mura Clay Gallery, Quadrivium, Makers Mark and a number of other craft focussed businesses operate in competition with government subsidised stores such as Craft Australia's retail outlet (in the David Jones city store) and the two retail outlets operated by Object in Circular Quay and the Rocks.

There are relatively few commercial outlets operating in competition with the subsidised craft organisations. Craft Australia indicated in its submission that commercial gallery representation for craft practitioners has been declining:

A shrinking of the public profile of the crafts has encouraged a decline in commercial gallery promotion of the crafts and many galleries have closed. This has caused a great downturn in exhibition and sales opportunities for Craft practitioners, and while there are new opportunities arising in other fields (such as public and corporate commissioning) the majority of Craft practice relates to exhibition and sales of product, and as such needs avenues to reach the buying public.⁶²⁰

Craft Australia indicated that retail opportunities are arising through the regional galleries and museums:

The increasing commercial and retail activities of the wide network of regional art galleries and museums offers increasing opportunities for Craft practitioners, especially as a means of local practitioners being seen in their own communities by providing product related to the regional gallery exhibition program.⁶²¹

Opportunities for craft sales also exist through the broader retail network, such as tourist shops, gift shops and department stores.

It has been suggested to the Inquiry that government involvement in the commercial market has resulted in the build up of tension between subsidised sellers and unsubsidised sellers. Quadrivium made comments in relation to the retail stores which have emerged as part of the various craft and design organisations:

No longer is the priority of these crafts councils to represent their members through exhibitions and other events, but rather to support themselves through retail and corporate sales of the leading craft artists in the country. This results in the councils now positioning themselves as retail outlets in direct opposition to the commercial spaces, and in turn maximising the opportunities for its members and emerging artists.

The conflict which has occurred with the retail spaces of government supported craft councils, has had a noticeable impact on the sales of contemporary craft through commercial spaces, such as Quadrivium, who are completely self funded and cannot continue to operate without sales, and competition from tax funded organizations, places us at a disadvantage.⁶²²

620. Submission: Craft Australia.

621. *ibid.*

622. Submission: Quadrivium.

This is clearly an important issue for the commercial sector. It should be noted, however, that government programs support many commercial galleries to attend art fairs and to strengthen markets for contemporary visual arts and craft. Both commercial galleries and craft and design organisations are able to apply to the Australia Council for funding.

Art and craft fairs

In its submission, NAVA highlighted the promotional role of art and craft fairs:

The Art and Craft Fairs are the opportunity for the general public to see and buy from a wide choice of recent work by Australian artists and crafts people and for representing commercial galleries to 'capture' new clients.

All of these events are an opportunity for the community to see 'state of the art' surveys of recent work by artistic creators and get something of a picture of the scope of work currently being done.⁶²³

Art fairs are regularly held in a number of locations around Australia, both urban and regional, and are often sponsored by government. For example, the Melbourne Art Fair, owned and operated by the Australian commercial Galleries Association, is sponsored by Arts Victoria, the Australia Council, the City of Melbourne, the Australia-Korea Foundation, the Melbourne Airport and Vicnet.⁶²⁴ Australian works are also promoted and sold at international art fairs, and some government funding is available through the Australia Council and State and Territory governments for participation by artists and dealers in these events.

In addition, art and craft fairs are regularly held in a great number of locations around Australia, providing thousands of craft practitioners with the opportunity to display, promote and sell their works both within their local community, and to wider audiences. These art and craft fairs are held in every State and Territory, and vary from small craft fairs dedicated to a particular type of craft, to larger craft fairs with many stalls and a variety of arts and crafts for sale.⁶²⁵ The following are some examples of art and craft fairs:

- Treasured Craft Creations, an annual fair held at the Claremont showgrounds in Western Australia, combines the sale of crafts with sales of antiques and collectibles.
- The Needlework Craft and Quilt Fair held in Brisbane includes displays, free workshops and advice for crafts practitioners, in addition to the promotion and sale of needlework and quilt crafts.
- The Annual Yuletide Art and Craft Fair, held in Croyden, Sydney, features a variety of arts and crafts, including homewares, jewellery, and teddy bears.

Thus, while the avenues for marketing and selling high-end, fine craft may be limited, for the crafts more broadly, there are a great number of outlets for promotion and sales.

623. Submission: NAVA.

624. Melbourne Art Fair 2002, www.artfair.com.au/2002/index.htm.

625. A comprehensive listing of art and craft fairs around Australia can be found at 'Australian Craft Fairs', at www.intercraftmarket.com.au/craft-fairs.html.

Indigenous art sales

Art and craft centres

A significant proportion of the primary sale of Indigenous art occurs through art and craft centres. As discussed elsewhere in this Report, these are community-based, Indigenous-owned enterprises that facilitate the production and marketing of Indigenous art and craft—mostly at the wholesale level.⁶²⁶ Indigenous art and craft centres play an important role in promoting Indigenous artistic work and ensuring the profits from the sale of Indigenous works are returned to the artists and the community. Indigenous art and craft centres receive government funding. NAVA makes the following observation in relation to Indigenous art and craft centres:

[Indigenous art and craft] centres have set themselves both social and commercial objectives which are sometimes in conflict. But they have proved to be one of the most effective ways to both sustain living Indigenous cultural expression, providing Aboriginal and Torres Strait Island people with a sense of purpose and autonomy, and also to generate earned income from art and craft sales and cultural tourism. They are also an effective investment of government funding, demonstrating that eg in 1997 every dollar of NACISS funding was generating \$3 in sales and \$1.50 in returns to artists.⁶²⁷

Auction houses

The secondary, or resale, market for Indigenous art occurs through auction houses, commercial galleries, and other means such as department stores and tourist enterprises. In 1997, the value of Indigenous art sold through auction houses in Australia was \$3.8 million, up from \$175 000 in 1992.⁶²⁸ This increase was driven by both increases in sales and prices—the 53 sales in 1992 averaged \$3300, while in 1997 there were 716 sales with an average price of \$5300. The total value of Indigenous art is significantly influenced by a few large-value sales—in 1997 the top 90 sales attracted \$2.5 million of the total \$3.8 million. By 1999, the value of Indigenous art sold through Australian auction houses was \$4.7 million.⁶²⁹

Commercial galleries

In 1999–2000, commercial galleries sold \$35.6 million of Indigenous artworks, \$12.6 million of which was secondary sales.⁶³⁰ It should be noted, however, that the ABS survey on which this estimate is based may not include all Indigenous art centres. In their submissions, the Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAA)⁶³¹ and Mr Norman L. Wilson⁶³² indicated that the ABS survey appeared to overlook 70 art centres. As such, the above estimates may in fact underestimate the sale of the Indigenous art sales through commercial galleries.

No comparable figures are available for the value of Indigenous art sold by other means, such as through department stores and tourist enterprises, but it is possibly significant. A 1996 survey undertaken by the Australia Council estimates that international visitors purchased (from all sources) \$5 million worth of Indigenous paintings.⁶³³

626. F. Wright, and F. Morphy, (eds) *The art and craft centre story: a survey of thirty-nine Aboriginal community art and craft centres in remote Australia*, Volume 1: Report, ATSIIC, Canberra, 1999.

627. Submission: NAVA.

628. H. Guldberg, *The arts economy 1968–98: Three decades of growth in Australia*, The Australia Council, Sydney, 2000.

629. J. Furphy, op. cit., 2000.

630. ABS, *Commercial Art Galleries*, 2001.

631. Submission: ANKAA.

632. Submission: Norman Wilson.

633. H. Guldberg, op. cit., 2000.

Competitions, prizes and awards

There are a great number of competitions, prizes and awards operating in the field of visual arts and crafts. These vary a great deal as some:

- are acquisitive, and some are non-acquisitive;
- competitions, prizes and awards occur annually, while others occur biennially or triennially;
- involve the sale of works at the end of the exhibition, whereas others do not involve sales;
- competitions have a number of conditions which must be satisfied by each entrant, while some competitions are very flexible;
- competitions involve image preselection, some are by invitation only, and some are available only to a certain demographic or locality; and
- are open only to professional visual artists and craft practitioners, and still others are open to all visual artists and craft practitioners, professional and hobbyist.⁶³⁴

The competitions, prizes and awards currently available to the contemporary visual arts and craft sector cover a variety of media and styles, including sculpture, painting, drawing, print making, digital art, textiles, jewellery, photography, glass, and Indigenous art.

A full listing of the prizes, awards and competitions in the contemporary visual arts and craft sector is set out in the NAVA publication, *Money for Visual Artists*.⁶³⁵ Prizes include:

- Archibald Art Prize for portraiture (\$35 000);
- Centre for Contemporary Photography Documentary Photography Exhibition and Award for photography (\$13 000);
- Contemporary Wearables for textiles (\$5 000);
- Helen Lempriere travelling art scholarship for various art forms (\$40 000);
- Metro 5 prize for painting (\$40 000);
- National Craft Acquisition Award for craft (various);
- National Digital Art Awards for electronic art (\$11 000);
- National Indigenous Heritage Art Award for Indigenous arts (\$20 000, plus additional awards in the range \$1 000–\$8 000);
- Outback Art Prize for works on paper (\$5 000, plus travel expenses);
- Rena Ellen Jones Memorial Print Award for print making (\$10 000);
- RFC Glass Prize for glass art (\$7 500); and
- Wynne Prize for painting and sculpture (\$15 000).

634. National Association for the Visual Arts, *Money for Visual Artists*, Fifth Edition, Sydney, 2000, p. 17.

635. *ibid.*

There were a number of issues identified in submissions in relation to competitions, prizes and awards. These included concern regarding the time, effort and cost associated with entering competitions.⁶³⁶ A further difficulty identified relates to the distinction between public competitions, commissions, competitions by invitation, and tenders, as the Association of Sculptors Victoria suggested that many competition organisers do not understand this distinction.⁶³⁷

The VAIGRP Code of Conduct sets a number of standards, including conditions of entry, entry fees, judging, and commission, sales and payment.⁶³⁸ These standards have the potential to standardise industry practices, thereby promoting certainty for both individual artists and business.

Commissions

Government is one of the largest sources of commissions in Australia. With respect to government commissioning of artistic works, the Association of Sculptors Victoria made the following comments:

It is essential that [commissions and purchases] are conducted at the highest level of correctness, not only to fulfil the Governments' underlying obligation to deal fairly with its contractors, but if it wishes to support the arts, to deal with artists in a manner which makes Government work desirable... For this reason, the NAVA guidelines should be mandatory for Government at all levels and an advisory service should be available to help in difficult situations.⁶³⁹

The VAIGRP Code of Practice sets out processes and standards for commissions. The role of both the commissioner and the artist are clearly articulated in the Code.⁶⁴⁰ The Code sets out standards for producing project briefs, for selection processes, and for producing the final commission agreement.⁶⁴¹ Further, the Code provides best practice guidelines for commission fees, payment schedules, insurance, copyright, moral rights, and dispute resolution.⁶⁴² These guidelines could be used by government to inform and educate Commonwealth officers and the sector. In this way, the Code could influence standards for government commissions. Government should consider the suggestions made in the NAVA Code of Practice in the context of any future review of government commissioning policies and processes.

FINDINGS

The market is expanded by competitions, prizes and awards, which operate effectively to promote contemporary visual arts and craft to new audiences.

There are a variety of prizes available to artists, in a variety of disciplines. There is often ambiguity regarding the distinction between a public competition, a commission, a competition by invitation, tenders, and the commercial arrangements with artists.

The VAIGRP Code of Practice addresses these issues with the intention of standardising industry practice. This model should be considered in the context of any future review of government commissioning practices.

636. Submission: Association of Sculptors Victoria.

637. Submission: Sculptors Association of Victoria.

638. VAIGRP, *The Code of Practice for the Australian Visual Arts and Craft Sector*, NAVA, Sydney, 2001, section 4.2.

639. Submission: Association of Sculptors of Victoria.

640. VAIGRP, *The Code of Practice for the Australian Visual Arts and Craft Sector*, sections 2.2.3–2.2.5.

641. *ibid.*, sections 2.2.6–2.2.8.

642. *ibid.*, section 2.2.9.

National marketing

There are a number of major commercial art fairs conducted on a regular basis in Australia, including the Melbourne Art Fair, the International Works on Paper Fair, and the Western Australian Art Fair.

The Melbourne Art Fair, owned and operated by the Australian Commercial Galleries Association (ACGA), is sponsored by Arts Victoria, the Australia Council, the City of Melbourne, the Australia-Korea Foundation, the Melbourne Airport, and Vicnet.⁶⁴³ The Melbourne Art Fair is held biennially, and includes a number of public programs—comprising forums, collectors programs, talks delivered by artists and curated exhibitions. Since the first Melbourne Art Fair held in 1988, (then known as the Australian Contemporary Art Fair), audience numbers have increased. In 2000, 19 500 attended the Melbourne Art Fair.⁶⁴⁴ The Melbourne Art Fair is discussed further later in this Chapter.

The International Works on Paper Fair (IWOPF) is held biennially in Sydney, and its aim is to ‘create opportunities for accessibility, education and enjoyment of works on paper and their production’.⁶⁴⁵ This art fair is largely self-funding, as it receives substantial support from corporate sponsors, both in the form of financial assistance and in-kind contributions. IWOPF also receives funding from the Australia Council for audience and market development. Participants in the fair are predominantly local commercial galleries and dealers, and the fair features high-quality works on paper from both Australia and overseas. IWOPF includes an informative demonstration and exhibition program. Attendees are able to purchase works on paper, and discover more about creating art and collecting art.

The Western Australian Art Fair is supported by seed funding provided by the Western Australian government, and modest funding for audience development provided by the Australia Council. The Western Australian Art Fair is held every two years, and is managed by the Association of Western Australian Art Galleries (AWAAG). The art fair has only been operating since 1999, and as such the long-term impact of the art fair on sales of works is yet to be fully realised. However, this art fair appears to have the potential to play an important role in developing audiences and promoting the work of Western Australian visual artists and craft practitioners throughout the state, nationally, and internationally.⁶⁴⁶ The Art Fair of 2001, Art 01, brought together both commercial and non-commercial organisations to promote contemporary visual arts and craft and develop the commercial viability of the sector. The participants at Art 01 reported good sales during the fair, and flow on interest subsequent to the fair.

The argument made by the AWAAG in its submission is that for the Western Australian Art Fair to most effectively promote Western Australian art and craft a more stable and long-term funding strategy is necessary:

To administer, promote and develop these art fairs effectively, in a way which will reach their potential, requires a commitment from the Commonwealth Government through the Australia Council for substantial support, over the long-term. (To its credit, the State Government has set a useful precedent by committing its support –albeit to a fixed relatively modest amount—to Art01 and the next two art fairs, 2003 and 2005).⁶⁴⁷

The contribution made by domestic art fairs to the promotion and sale of contemporary visual arts and craft works is significant, and government support of these events is essential to ensure their survival.

643. Melbourne Art Fair 2002, www.artfair.com.au/2002/index.htm.

644. Submission: Australian Commercial Galleries Association.

645. Submission: International Works On Paper Fair.

646. Submission: Association of Western Australian Art Galleries.

647. *ibid.*

PROMOTION AND ACCESS THROUGH TOURING

Almost all exhibition venues in Australia will have at least some touring activity in their annual program of activities. For some smaller regional galleries, touring exhibitions will be the only exhibitions they present.

Australian governments have long recognised the value of supporting cultural touring programs in meeting their objectives of providing access to cultural programs for non-metropolitan based citizens. The Commonwealth and the States support exhibition touring through regional galleries and other exhibition venues (such as community centres, town halls and libraries) through special project funding and through their support of dedicated touring agencies. In 1996, the Commonwealth initiated the Visions of Australia program for interstate touring of exhibitions. This program supports some contemporary visual arts and craft touring.

Touring framework: NETS

In each State and in the Northern Territory there are exhibition touring agencies dedicated to the support of contemporary craft and visual arts and ensuring that interesting exhibitions are developed by and accessible to regional Australia—particularly the regional galleries sector. These agencies are linked through the National Exhibitions Touring Support (NETS) program. There are seven organisations that are NETS agencies.

- Museums and Galleries Foundation of New South Wales;
- Regional Galleries Association of Queensland;
- Artback: Northern Territory Arts Touring;
- Art on the Move (NETS Western Australia);
- Country Arts SA Visual Arts Touring Program;
- NETS Victoria; and
- CAST Touring: Contemporary Arts Services Tasmania.

NETS Australia is the national network consisting of the seven NETS agencies plus a representative of the Australian National Gallery touring program. The VACB currently supports the biannual NETS Australia meetings.

Last year, through the NETS program 845 379 visitors saw 105 exhibitions featuring a total of 1 220 artists. These visitors were often in rural and remote areas that would not have the chance to see exhibitions without dedicated touring agencies. NETS touring programs include craft, visual arts, design, community art, regional art and art and technology.

The effectiveness and potential of the touring programs is indicated by the experience of the Country Arts SA program. In 2000, Country Arts SA exhibitions were seen by 109 000 people (equivalent to 27 per cent of the total regional population of South Australia). Country Arts SA created eight new exhibitions which were augmented by seven exhibitions still touring from development in the previous year.⁶⁴⁸

648. Submission: Country Arts SA.

Artback: Northern Territory Arts Touring noted in its submission the high demand for quality exhibitions of Indigenous art from the Northern Territory both nationally and internationally. Two of its recent exhibitions, *Two Laws* and *The Meeting Place Mural* will have toured to 35 venues across Australia by the end of 2004 and another exhibition, *Bush Colour*, has toured to four venues in the United States ‘funded 100 per cent by the host organisations’.⁶⁴⁹

Touring agencies sometimes develop their own exhibitions but generally work in partnership with regional galleries, state galleries, Aboriginal and Torres Strait Islander corporations, communities and art and craft centres, contemporary arts organisations, craft and design organisations or other public galleries such as university galleries to create, develop and tour exhibitions. Touring contemporary art and craft allows new audiences to become familiar with new art practices and allows people that live in regional and remote Australia to see first hand recent developments.

The exhibition venues they tour to will often be regional galleries but they will also be libraries, multicultural organisations and community halls. Every year new venues are found—this is particularly the case with the Northern Territory, Western Australia and South Australia. The development of new venues ensures that those people in remote areas also receive benefit from the touring programs.

Touring has economic benefits in that resources are shared and initial costs can be mitigated by economies of scale.

The cost share in receiving a touring exhibition is a fraction of the cost of instigating the equivalent exhibition. Touring exhibitions also offer galleries and audiences numerous exhibitions of diversity and high curatorial standards, and increased access to quality artworks. Many galleries do not have sufficient funds to fill their annual program with internally curated exhibitions; others have neither the expertise nor depth of collection.⁶⁵⁰

The NETS agencies themselves provide a further service in that they are professional touring agencies with the expertise to handle delicate artworks. Sometimes NETS agencies will facilitate the touring of exhibitions developed by galleries, sometimes they will initiate their own exhibitions and offer them to regional galleries.

NETS agencies provide in-kind support in the form of tour management, resources and expertise in the preparation of education and promotional activities. These services are subsidised by the state/federal funding, sponsorships and generated income. The dollar value of these imbedded and often-unrecognized professional and logistical services would amount to many, many thousands of dollars. Also professional tour management reduces the risk of damage or loss of an artwork.⁶⁵¹

Issues

Submissions received by the Inquiry regarding NETS indicated concerns with regard to insufficient funding and staffing, education and public programs, audience development issues and the need for NETS to be resourced to be able to tour exhibitions which may be quite complex to mount and dismount and freight.

649. Submission: Artback.

650. Submission: NETS Australia.

651. *ibid.*

A number of issues brought up in relation to NETS agencies and touring art in Australia have been dealt with elsewhere in this report. These include the difficulty of touring new media works and the difficulty NETS agencies and regional galleries have keeping up to date with new technology requirements (these have been addressed in the previous chapter); the need for a new standard of professional fees for artists, curators and writers is addressed in Chapter 3, professional development opportunities for arts administrators and curators is discussed in Chapter 4. Specific issues regarding regional galleries and local government have been addressed in the previous chapter and will be further addressed in the following chapter.

The need for better education and public programs associated with touring exhibitions was pointed out in a number of submissions. The Museums and Galleries Foundation of New South Wales stated that it was considered particularly beneficial for exhibiting artists to visit tour venues.

Touring agencies and organising galleries face similar difficulties in supporting a comprehensive public program which incorporates the travel of artists and curators to tour venues.⁶⁵²

Each NETS agency predominantly tours intrastate, generally dealing with the regional galleries in its State. The agency's ability to tour interstate is limited both by its performance agreements with the local State funding agencies (which often expect predominantly State-based benefits) and generally insufficient funding to mount large scale exhibitions. The focus on intrastate touring also reflects the importance of State and Territory arts funding in relation to the VACB support for the agencies.

Such support has been valuable and contributed to real successes. However, as NETS Australia point out in its submission, the real cost of preparing and touring two exhibitions annually is approximately \$350 000.⁶⁵³ The Regional Galleries Association of Queensland has pointed out shortfalls between funding and demand for service:

There is a need for funding for regional venues and exhibitions spaces to subsidise the cost of accessing significant contemporary art exhibitions. Increasing the resources available to NETS agencies would also enable them to undertake more innovative touring models such as touring artists rather than exhibitions, these would be based upon the NAVA guidelines for residencies— including fees for artists, accommodation requirements and other costs.⁶⁵⁴

Income and expenditure

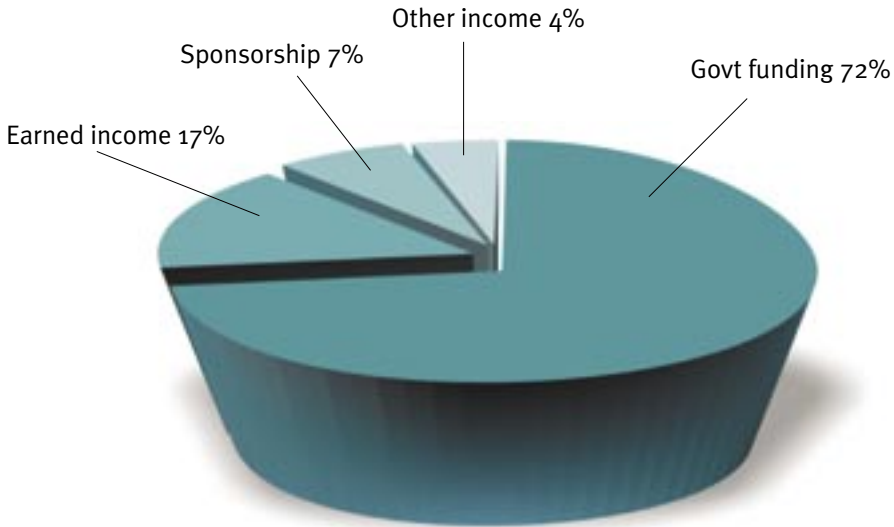
The NETS agencies are heavily reliant on government funding. As Figure 5.2 shows, more than two-thirds of their income is from government grants. Given the strong regional focus, and the emphasis on regional service, there is limited scope for increasing earned income or attracting sponsorship.

652. Submission: Museums and Galleries Foundation of New South Wales.

653. Submission: NETS Australia.

654. Submission: Regional Galleries Association of Queensland.

Figure 5.2 Sources of income for NETS Agencies



The Australia Council supports each NETS agency for administration and program costs. They each receive \$61 000 per annum on a triennial basis (a total of \$427 000 per annum).

VACB support for NETS agencies is in almost all cases more than matched by the State funding agency. As Table 5.2 shows, both State and Territory administration and project funding is much greater than the Australia Council's contribution. Because many of the agencies are a function of larger organisations there is also benefit and economies that come from operating from within a larger organisation.

Table 5.2 Income of NETS Agencies in 2000

Funding source	Total	% of total income
Visual Arts/Craft Board	\$426 265	19
Other Australia Council	\$83 566	4
Other Federal funding	\$87 300	4
State/Territory program income	\$729 575	33
State project funding	\$308 083	14
Other income -- earned	\$604 313	27
Total income	\$2 239 102	100

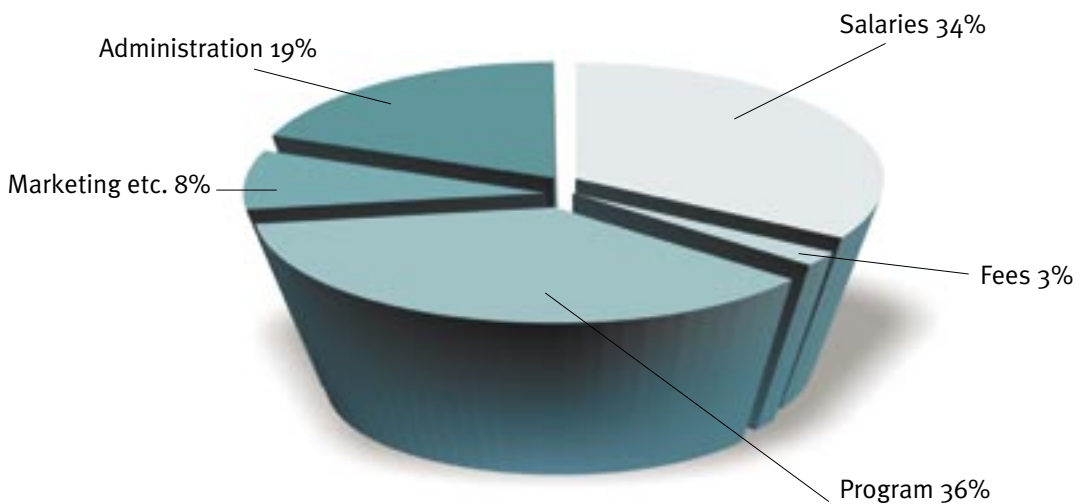
Source: Annual Reports of Organisations and Australia Council 1999–2000 Annual Report

NETS agencies have also received support from the Commonwealth's Visions of Australia touring support program when they have developed interstate projects. (The Visions of Australia program is discussed in more detail below).

Costs associated with touring—freight, insurance, wages etc. are increasing above CPI. Concurrently funding for NETS agencies has been static for more than five years. The end result of this mix can only be a smaller service (less tours, less support for regional arts) or a service of lesser quality.

Under the Australia Council's two applications per year rule (under which a NETS agency's triennial grant will be counted as one application in each year of its operation), if the organisation of which the NETS agency is a function decides to make a project application then the NETS agency is unable to apply for project funding in that year.

Figure 5.3 Expenditure of 7 NETS agencies in 2000



Source: Annual Reports 2000/Australia Council records

As a group, in 2000 the NETS agencies had a total expenditure of \$2 263 025, leading to an overall deficit of \$44 553, equivalent to two per cent of turnover. However, the explicit funding by the States for the touring function can sometimes be hard to disaggregate from the overall State funding of the larger institution within which the NETS function operates (for example, with the funding of the Museums and Galleries Foundation of New South Wales by the NSW Ministry for the Arts or the funding of Country Arts SA by Arts SA). A deficit in this case indicates a commitment from the mother organisation to the touring function that is greater than the funding from governments for the function combined with the income associated with the touring function.

Nonetheless, as a group and as individual agencies, the NETS agencies operate on very small budgets and very small margins year-to-year. Their funding from the Australia Council is currently effectively capped—the greater support they receive from the States and Territories is also basically static. This means that as costs increase the quality and quantity of product delivered will necessarily diminish. This is concerning in itself but is even more concerning given that the NETS agencies are a very effective form of ensuring that arts funding benefits are attained by regional, rural and Indigenous communities.

FINDINGS

Regular touring of exhibitions of contemporary visual arts and craft to regional and remote areas, including to Indigenous communities, is essential for general audience development. It also provides a valuable service for metropolitan galleries and artists.

The level of government support is not keeping pace with rising costs for exhibitions touring.

The NETS structure is an effective model for regional touring, which clearly establishes both Commonwealth and State and Territory funding responsibilities.

There are few opportunities currently to increase philanthropic support or corporate sponsorship for the NETS agencies.

The Inquiry concludes there is clearly a case for increased funding for touring contemporary craft and visual arts exhibitions. However, given the State and Territory-based nature of the majority of their programming, the Inquiry finds that the increased support for general administrative costs and State-based program costs should be fundamentally borne by the State and Territory Governments.

RECOMMENDATION 13

To ensure that National Exhibitions Touring Support (NETS) agencies expand their role in developing audiences, demand and access in regional areas for contemporary visual arts and craft in Australia, the Inquiry recommends:

- 13.1 The Commonwealth and the States and Territories increase their funding to NETS agencies by \$500 000 per annum.
- 13.2 In implementing this recommendation, the Commonwealth commit an initial amount of \$100 000 per annum; and the Commonwealth, States and Territories agree that the Commonwealth will commit a supplementary amount of \$50 000 per annum if the States and Territories commit \$350 000 per annum.

Visions of Australia touring program

Visions of Australia is managed by DCITA and was established by the Commonwealth Government in 1993 to provide greater access to original cultural material through funding assistance for cultural and community organisations, to develop and manage touring exhibitions which tour to at least one other State or Territory.

A committee of experts appointed by the Commonwealth Arts Minister considers applications and makes recommendations to the Minister. Funding of \$1.8 million was allocated for the Visions program for the 2001–02 financial year.

In summary the objectives of the program are to:

- provide access for all Australians to a wide range of cultural material;
- develop new audiences;
- enable exhibitions based on regional collections to receive wider exposure;
- foster partnerships within and across museum disciplines; and
- support projects that promote community involvement.

A primary goal of Visions of Australia has been to assist regional galleries and museums to initiate touring exhibitions and to be the beneficiaries of tours from other galleries and museums, including from major state and national institutions. Because touring exhibitions are resource intensive, there is limited capacity for regional organisations to develop and sustain touring programs. Visions funding assists in both the development and touring stages, and may also result in valuable skills transfer in a number of areas including exhibition design and installation, museum education, promotion, curatorial and conservation services.

The majority of Visions-assisted exhibition tours include regional venues and overall almost 65 per cent of venues for tours are in regional Australia. The Visions program is thus a valuable resource for regional galleries and operates as a supplement to NETS, which generally supports only intrastate touring, while Visions covers interstate. For instance, the NETS agencies have all successfully coordinated interstate exhibition tours with Visions assistance, covering areas such as contemporary printmaking, sculpture and painting.

However, unlike NETS which is targeted at contemporary visual arts and craft touring, the Visions program is broadly based and is intended to support interstate touring of exhibitions without direct reference to the category of the exhibitions. Thus organisations eligible to apply include ‘cultural organisations, including museums, art galleries, science centres, art/cultural centres, libraries, archives, community cultural organisations and other public collecting institutions’⁶⁵⁵ and the exhibitions themselves cover a wide range of subject areas—including science, history, visual arts and crafts, multimedia, and Indigenous arts and cultural objects.

655. DCITA, ‘Visions of Australia Guidelines’, available on at the DCITA website, www.dcita.gov.au

Relevance of Visions for contemporary visual arts and craft

While Visions does not target contemporary visual arts and craft specifically, nor indeed visual arts and craft more generally, the visual arts and craft category (though not necessarily contemporary) has been well-represented over the life of the program and is the largest single group supported—37.5 per cent of touring exhibition projects funded by Visions have been in this category. In 1999–2000, Visions provided some \$1.7 million towards 40 projects. Eighteen were visual arts or crafts projects and ten of these were contemporary.

There are two main barriers to Visions being a more targeted mechanism for support of the contemporary visual arts and craft sector.

- As a broadly based program, Visions cannot earmark contemporary visual arts and craft exhibitions in any concerted way, without changing its fundamental policy basis—which is centred on broadening access to exhibitions of all types.
- Secondly, as the majority of applications are for development and touring of museum-based collections and exhibitions, the program has also tended to mirror this and be seen to favour heritage rather than contemporary collections. Indeed, a further difficulty may centre around the concept of an ‘exhibition’—which may have tended to favour a traditional heritage and collection-based interpretation—whereas it now should encompass more broadly a grouping of material unified by a particular theme or event.

In relation to the latter point, however, it has been observed that the collections and exhibitions of some art museums and galleries are becoming more contemporary and this is being reflected in the applications for touring support which come before the Visions Committee. While the bulk of Visions funding has traditionally been provided for tours based around public collections, there have been a number of instances where exhibition projects have involved development and touring of material assembled from sources other than the gallery’s collection. In addition, projects have supported the creation of new works. Contemporary visual artists and craftspeople from both Indigenous and non-Indigenous backgrounds have been, or will be, significant beneficiaries from support for a range of exhibitions. Recent examples include *Rings of History: Contemporary Craft from Historical Timbers*; *One Tree*; *Future Factor*; *Out of Site*; *None More Blacker*; *Fathoming: Contemporary Australian Sculptors* and *Art on a String*.

These examples seem to indicate a trend towards a more contemporary flavour in exhibitions touring.

Nevertheless, the Inquiry was aware of one aspect of the program which could be addressed and would result in the removal of a current impediment to the funding of contemporary visual arts and craft exhibitions. Under its General Principles for Applications for Touring Assistance,⁶⁵⁶ the program has two guidelines which operate to limit funding of contemporary exhibitions of art and craft:

656. *ibid.*

- Artists touring exhibitions comprised solely of their own work, for commercial purposes, are not eligible for assistance.
- Single artist contemporary art exhibitions are not generally assisted unless the organisation applying can demonstrate special cultural significance.

It is suggested the combination of these two guidelines has resulted in a general exclusion of single artist exhibitions, on the grounds that they would provide commercial benefit to an artist. Indeed, it seems that there is an assumption that providing access to such an exhibition would by definition be seen as commercial promotion.

FINDINGS

There is a trend towards more touring of contemporary visual arts and craft exhibitions with the assistance of the Visions of Australia program. However, the program's current guidelines may be unnecessarily inhibiting tours of this kind.


In the Inquiry's view, the guidelines should be reviewed and clarified. The Inquiry accepts the guideline that these tours should not be commercial in nature—i.e. involve commercial promotion and sale of work. However, undue restriction on exhibitions of single artists' work, or groups of contemporary artists on the implicit grounds that they are commercial promotions, is in direct contradiction of the Visions program's aim of providing access to quality exhibitions through touring.

RECOMMENDATION 14

To ensure that contemporary visual arts and craft are adequately represented in the exhibitions supported through the Visions of Australia program, the Inquiry recommends the Government should amend the guidelines for the program so that they do not unnecessarily restrict the touring of non-commercial exhibitions of contemporary works.

Art museums and touring exhibitions

Major art museums develop, present and tour exhibitions of contemporary visual arts and craft. Apart from their permanent collections, major art museums exhibit contemporary art that they do not own and do not expect to purchase through borrowing from the artists (generally with a loan or exhibition fee), commissioning an artist or borrowing from a collector or institution, or presenting a touring exhibition organised by another institution. Major art museums may also receive support for their touring exhibitions through the Commonwealth Government's Visions of Australia national touring program, from the Australia Council, and from State and Territory arts funding agencies.



The creation, presentation and touring of major exhibitions requires a balancing of priorities of cost, educational function and popular acceptance. In 2000, the Art Gallery of Western Australia used the whole of its ground floor for a major retrospective of the senior Queensland artist, Robert Macpherson. The exhibition was a major and daring commitment to contemporary visual arts and craft by the Gallery.⁶⁵⁷

The Art Gallery of Western Australia proposed that the Inquiry consider an expansion on the Macpherson exhibition model. It noted in its submission that 'budgets for exhibitions such as these to tour to two venues are in the order of \$500,000'. Currently, the financial strain that such an exhibition places on the whole program of a major art gallery makes major exhibitions of Australian artists generally unattractive to museum directors and boards. However, exhibitions at major art museums are undoubtedly a very efficient way of introducing the general public to developmental contemporary art. Retrospectives of senior artists, curatorially-themed exhibitions and longitudinal or media-based surveys of individuals or a small group of individuals may prove a successful and popular way of introducing contemporary art to new audiences.

Successful major exhibitions create audiences for, and engender respect for, the work of contemporary Australian artists. High quality catalogues, such as that produced for the Robert Macpherson exhibition, also act as efficient promoters of Australian art in international curatorial markets.

The Art Gallery of Western Australia has submitted that if two major exhibitions could be:

...undertaken each year by two pairs of galleries in the country, we would in five years have a published history on over ten contemporary artists and have seen these major exhibitions on 20 occasions at State Galleries and the National Gallery in that same five year period. This would contribute enormously to raising the profile of our most talented artists both nationally and internationally, as the feedback from the Robert MacPherson catalogue internationally has been overwhelming.⁶⁵⁸

Such a program would stimulate and further develop the support of contemporary visual arts and craft by the major art museums. Over the last two decades, similar style retrospectives of Arthur Boyd, Sidney Nolan and John Olsen have been developed by major art museums.

Curating and touring Indigenous art

Art and craft centres such as Papunya Tula in Alice Springs, Boomalli Aboriginal Artists Cooperative in Sydney and Lockhart River Art and Craft Centre in Northern Queensland have assisted in the creation of an extraordinary array of artwork which the Inquiry believes could be the basis of many high quality national and international exhibitions. The majority of artwork is rarely seen in broadly accessible galleries. National and international exhibitions potentially have great benefits for the promotion of contemporary art to Australians and the promotion of Australian culture to the world.

657. Submission: Gary Dufour (on behalf of the Art Gallery of Western Australia).

658. *ibid.*

Governments can create greater opportunities for the presentation of Indigenous culture at the highest level through specially earmarked institutional support towards acquisitions, and nationally and internationally touring exhibitions. For major institutions the process of accessing the funding devolved through the Australia Council is complicated by the restrictions on number of applications per institution and the limited funds available. There is perhaps also a misguided perception that institutions are fiscally healthy. To absorb only part of the resources required to mount a major survey would draw away much of the funding, depriving other very needy organisations and individuals. Furthermore, it would not appear from current guidelines that considerable partial support would be available from ATSIC. Therefore, in the absence of significant corporate support, it remains contingent of the institutions themselves generating the funding in lean times.⁶⁵⁹

It is extremely difficult to 'sell' Australian exhibitions to galleries outside of Australia.⁶⁶⁰ However, Indigenous Australian art is an area where this is not the case and where there is undeniable international interest. A collaborative exhibition of the work of Indigenous people from Australia, Canada and the United States currently being developed at the National Gallery of Australia illustrates the complexity and the potential benefits of working on large international exhibitions.

By the time the exhibition opens in mid 2005, it will have been over a decade in the planning. Collaborative partnership projects like these arouse intensive interest, yet funding costs for such projects are high. This is a true collaboration in the sense that it is not a packaged exhibition from one country touring with no input from the receiving/hosting countries. Ongoing exchanges from such projects (via the residencies and so forth) are an inevitable and welcome outcome.⁶⁶¹

FINDINGS

Exhibitions at major art museums are an efficient way of introducing the general public to the work of Australian contemporary visual artists and craft practitioners.

Successful exhibitions create audiences for, and engender respect for, the work of the artists in such exhibitions and increase Australian, and potentially international, audiences for contemporary visual arts and craft.

Such initiatives need long-term commitment and strong support from major art museums.

High quality catalogues also act as efficient promoters of Australian art in international curatorial markets.

Exhibitions at major art museums are an efficient way of introducing the general public to the history and complexity of contemporary Indigenous art.

Successful exhibitions create audiences for, and engender respect for, the work of Indigenous Australian artists and increase audiences for contemporary arts generally. Such initiatives need long-term commitment and strong support from major art museums.

659. Submission: Hetti Perkins.

660. Submission: Gary Dufor.

661. Brenda L Croft, follow-up correspondence with the Inquiry.

The Inquiry believes the development of major touring exhibitions is an effective way of promoting contemporary visual arts and craft to a wide audience. However, the cost of such exhibitions and the risk of diminished audiences (as compared to those achievable with historical exhibitions) has been a disincentive for many major art museums. A series of such touring exhibitions would fundamentally change the way that many Australians perceive contemporary art practice. The exhibitions would have a significant and positive impact on the careers of the artists involved and would also develop curatorial expertise and critical writing in Australia.

Further, the now well established cultural significance of Indigenous art and the critical success of the *Papunya Tula: Genesis and Genius* exhibition and the recent touring retrospectives of Emily Kame Kngwarreye and Lin Onus, led the Inquiry to the view that the promotion of contemporary art would benefit by enhanced promotion and support of major touring exhibitions of Indigenous art. Such exhibitions could be thematic or could present the work of individuals in a retrospective format. This proposal would also further develop the support of Indigenous art by the major art museums and their commitment to such projects would be acknowledged through financial assistance from governments.

The Inquiry believes that Commonwealth funding of a maximum of \$200 000 for any one exhibition and tour will be an incentive for major art museums to develop suitable projects and will also ensure a further commitment to contemporary visual art and craft projects by State and Territory governments and corporate sponsors. Each touring exhibition supported would have a total project budget of at least \$500 000, of which at least \$100 000 would be provided by State and Territory arts funding agencies.

The Inquiry concludes that the implementation of this proposal will further develop the key role that major art museums play in cultural development as well as in developing audiences and demand throughout Australia for contemporary visual arts and craft.

RECOMMENDATION 15

To enhance the presentation and promotion of contemporary visual arts and craft (including Indigenous arts), the Inquiry recommends:

- 15.1 The Commonwealth (through the Australia Council) provide \$600 000 additional funding per annum towards three major touring exhibitions of the work of contemporary Australian visual artists and craft practitioners—at least one of which must be an exhibition of the work of Indigenous artists:
 - 15.1.1 The Commonwealth's commitment be dependent on the following eligibility criteria being met:
 - a strong commitment to the project from the initiating institution;
 - collateral and long-term benefits resulting from high quality catalogues, with quality critical input from respected writers and designers;
 - a strong commitment to the project, incorporating exhibition fee input and in-kind commitment by at least one touring partner;

- developmental business planning for the exhibition including sponsorship, philanthropic and marketing strategies; and
- substantial funding support for the initial exhibition and tour being received from State and Territory governments, corporate sponsorship and in-kind support from initiating and receiving museums.

MAJOR CONTEMPORARY VISUAL ARTS AND CRAFT EVENTS

In its submission to the Inquiry, Arts SA commented:

To build the profile of the visual arts nationally—and develop the international and export profile of Australia’s outstanding visual artists—a national annual/biennial ‘calendar’ of major visual arts and/or craft events needs to be developed, and promoted.⁶⁶²

The Inquiry examined the potential for such a calendar to be developed around existing major contemporary visual arts and craft events or ‘major recurrent exhibitions’. The concept that emerged from discussions and consultations was one that would make major recurrent exhibitions the centrepiece of a wide range of contemporary visual arts and craft activities in a particular location at a particular time. For example, the Asia-Pacific Triennial of Contemporary Art in Brisbane would be the catalyst for other visual arts and craft events involving contemporary arts spaces, craft and design organisations, galleries and other venues in and around Brisbane and south-east Queensland and northern New South Wales. With the support and involvement of local and State and Territory governments, the events could have wider benefits for the tourism and hospitality sectors.


Events

Major contemporary visual arts and craft events individually and collectively are important contributors to the promotion and development of contemporary visual arts and craft in Australia and attract significant national and international participation and attention. Key features of these exhibitions include that they:

- often have both a national and international profile;
- are highly visible and are popular (with audiences, artists and governments);
- often result in significant sales of artworks;
- bring sponsorship dollars into the sector; and
- can act as important stepping stones for Australian artists’ careers.

Many events of great value to contemporary visual arts and craft are held on a regular annual or biannual basis. Such events and exhibitions range from Sculpture by the Sea and the International Works on Paper Fair in Sydney, to the Multimedia Art Asia-Pacific event in Brisbane to the Artrage and Hatched festivals in Perth to the South Australian Living Artists week held annually in Adelaide and the Next Wave Festival in Melbourne. Many of Australia’s international art festivals also have visual arts components. Such events make important contributions to Australia’s culture.

662. Submission: Arts SA.



The Inquiry, through submissions and through discussions held during the consultation process, takes the view that a small group of major events across Australia could create an informal and synergistic network which would have broad benefits for the events and the organisations behind them; for other local visual arts and craft institutions and local artists; and for contemporary visual arts nationally and internationally.

The Inquiry found there are currently six recurrently held major contemporary visual arts and craft events which, while very different individually, as a group may broadly represent the breadth of contemporary Australian art as a network.

The *Asia-Pacific Triennial* has been staged since 1993 and is unique in international art exhibitions in that it has always had a specific geographical focus—like the Biennale of Sydney the artists it exhibits are primarily international, with only a handful of Australian artists represented in any exhibition. It is held in Brisbane with the exhibition lasting four months. It is an initiative of the Queensland Art Gallery. The Asia-Pacific Triennial and the Biennale of Sydney are important international events in Australia and are also generally accepted as important events within the international artworld calendar.

The *Biennale of Sydney* is an international art biennale (one of more than 30 worldwide) which has been staging exhibitions since 1973. The focus is always on bringing international artists and artworks to Australia (generally Australian artists are less than 20 per cent of represented artists). It is held in Sydney over two months. It is managed by the Biennale of Sydney Ltd, an independent company.

The *Melbourne Art Fair* is primarily a commercial venture with 75 per cent Australian Galleries and 25 per cent international galleries gathering over a three-day period every second year. It is a project of the Australian Commercial Galleries Association. It was first held in 1988 and was originally called the Australian Contemporary Art Fair.

The *National Aboriginal and Torres Strait Islander Art Award* attracts work from across Australia, from remote, rural and urban Indigenous artists. It is held annually in Darwin over four months. It is a program of the Museum and Art Gallery of the Northern Territory and has been an annual event since 1984. The National Aboriginal and Torres Strait Islander Art Award is the least developed of all the exhibitions and perhaps presents the most opportunities for national expansion.

The *Adelaide Biennial*—originally based on the Whitney Biennial of American Art—only exhibits Australian artists generally chosen on a thematic basis. It is presented for six to eight weeks every two years to coincide with the Adelaide Festival with a widened audience by its placement centrally within an International Arts Festival. It is a program of the Art Gallery of South Australia and was initially held in 1990.

The *Perth International Triennial of Craft and Design* is one of the world's pre-eminent specialist craft exhibitions. It was originally mooted in 1986, first held in 1989 and has also been held in 1992 and 1998. It is a program of the Art Gallery of Western Australia, which has recently restated its commitment to the program.

The Inquiry has been mindful of the fact that these events take place in five different States and the Northern Territory. There are currently no events in Tasmania or the Australian Capital Territory that are potentially part of this network, with the possible exception of the currently defunct Canberra Sculpture Festival. While the Perth International Craft Triennial is included it should be noted that it has not been presented since 1998. However, it will be presented by the Art Gallery of Western Australia in 2003. The Inquiry notes it is not necessarily the case that the network would remain unchanged over time.

Sources of income

All the events are supported, or have been supported, by the Commonwealth through the Australia Council and by State and Territory governments. However, the differing timelines and programs of the events mean that caution is required when making comparisons.


The Asia-Pacific Triennial of Contemporary Art receives around \$200 000 per event from the Australia Council. The Queensland government also provides up to \$500 000 per event (over and above support for the Queensland Art Gallery). The Asia-Pacific Triennial as a matter of policy does not apply for support from foreign governments.

The Biennale of Sydney receives around \$294 000 per event from the Australia Council. This includes support for administrative costs on off years, while they develop the exhibition. The New South Wales government provides \$150 000 per annum for the event. The Biennale is the only event that has achieved significant long-term support from local government. The City has supported the Biennale with a three event \$150 000 per annum agreement. The Biennale is also the only major event with substantial income derived from international sources. Expected income from international funding bodies in 2002 is \$750 000. The Biennale of Sydney expects to receive fundraising revenue and donations in the order of \$1 250 000 in any two year cycle. Sponsorship is fundamentally underpinned by the support of two major investors, Transfield and Tempo Services which between them provide approximately 50 per cent of sponsorship income.

The Melbourne Art Fair is funded intermittently by the Australia Council. The Australia Council provided \$20 000 towards a freight equalisation program in 2000. The Fair is supported on a case by case basis by the Victorian Government (the fifth Fair received \$70 000). The City of Melbourne supports the Melbourne Art Fair on an application basis.

The National Aboriginal and Torres Strait Islander Art Award has not applied for funding from the Australia Council since the mid-1990s. The Award does not receive specific funding from the Northern Territory Government, although it is a major part of the general program of the Museum and Art Gallery of the Northern Territory. The Aboriginal and Torres Strait Islander Art Award is known as the Telstra Prize, reflecting that institution's long and valuable relationship with the event.

The Australia Council provided \$70 000 to stage the 2002 Adelaide Biennial. The South Australian Government intermittently supports the Adelaide Biennial (for example, \$22 500 for the 2000 event, the 2002 event was not funded).



The Perth International Craft Triennial received \$50 000 from the Australia Council towards the development costs of the 2003 event. The Craft Triennial is not specifically supported by the Western Australian Government.

It should be noted that the events that are part of the programs of major art museums receive considerable great support from State Governments through government funding of the general administration and programs of the major art museums.

Funding issues

The major events are generally acknowledged as being highly effective in furthering general public knowledge of contemporary visual art and craft practice. The Asia-Pacific Triennial and the Biennale of Sydney in particular have managed to create international reputations of excellence while being relatively poorly supported by government, and in the face of growing competition internationally from an increase in the number of international art biennales.

While such comparisons are of limited benefit given the contextual disparities, it is interesting to note that internationally governments recognise the benefits of hosting major recurrent exhibitions and invest in them accordingly. *The Bulletin* magazine recently compared the operating budgets of a number of major internal recurrent events and found the Biennale of Sydney, with a budget of \$US2 million per exhibition could not compete with other major events, whose budgets ranged from \$8 million for Venice to \$11 million for Sao Paulo to more than \$12 million for Kwangju.⁶⁶³ Submissions received by the Inquiry mentioned figures as high as \$US20 million for new events such as the Yokohama Biennale.⁶⁶⁴

Currently the events have cyclical funding patterns reflecting their major activity cycles. Understandably, the events see their long-term development requiring consistent recurrent funding.

The submissions from the Biennale of Sydney and the Queensland Art Gallery (APT) point to the detrimental effect of potentially irregular Commonwealth Government support—due to the current process of having to apply in competition with other applicants for limited funds through grant categories. Because of the biennial or triennial nature of the programs, the Australia Council's Triennial Grants program (within the Key Organisations category) is inappropriate.

Of great benefit to most of the major events is the fact that they are part of the program of a larger entity. The investment of the Queensland Art Gallery, the Art Gallery of Western Australia, the Art Gallery of South Australia and the Museums and Galleries of the Northern Territory should not be underestimated. The Inquiry observes that, with the recent decision of the New South Wales Government to take responsibility for continued development of the Museum of Contemporary Art, it may well be an appropriate moment for the and the Biennale of Sydney to discuss the potential administrative benefits of a closer relationship. However, discussions would be unhelpful if such a relationship had the potential to destabilise the Biennale's current corporate sponsorship commitments.

663. M. Hutak, *The Bulletin*, April 16 2002.

664. Submission: Queensland Art Gallery.

Even including the valuable contribution of the City of Sydney, local government's contribution does not come close to reflecting the value of these events for their host cities. All of the events have the potential to create greater benefits for their local and the wider communities in terms of prestige and cultural tourism dollars.

Opportunities

The Inquiry observed that while each individual event is valued there has been little if any promotion of the events as a synergistic network. The priority of the management of each event has rightly focussed on the creation of the event itself. There are few resources available to allow wider exploitation of the potential opportunities of these events for the surrounding visual arts and craft infrastructure and local artists.

While each event brings many artists together from overseas and interstate, there have been few attempts to create programs of artistic interaction between exhibitors and local artists. This has meant that local artists and arts organisations have not been able to see benefits from their proximity to major exhibitions.

International art events are an effective way of enticing international art curators to Australia. International curators are being encouraged to visit Australia 'in the hope that they will include [Australian artists'] work in international exhibitions and biennales'.⁶⁶⁵ There is also a converse need to ensure Australian curators have the opportunity to travel overseas.

There is a need for Aboriginal and Torres Strait Islander representation in the management of such events, commensurate with the contribution of Indigenous visual artists to the events and Australian culture generally. Concern was also expressed that many conferences are still held which discuss Indigenous arts issues with no Indigenous people present.⁶⁶⁶

There is an opportunity for the events to re-position themselves as broad umbrella events, consisting of not only the key central exhibitions but incorporating events, and exhibitions, conferences and education programs for both institutions and the general public.

Local arts organisations would need to create and promote related exhibitions, creating a sense of carnival, using the central large event as a catalyst for a myriad of smaller exhibitions and events, which would bring artists from different regions together.

The events could also provide a focal point for national and regional art form conferences for Indigenous artists and organisations that are crucial to the development of an Indigenous arts infrastructure. In 2002, ATSIC organised an Indigenous visual art conference to coincide with the Adelaide Biennial. Possibly future conferences could take place at the time of the Biennale of Sydney or the Asia-Pacific Triennial.

To date, while resources have been invested into each event to ensure each exhibition takes place there has been no financial support to create a unified marketing strategy for the exhibitions.

665. R. Radford, Director of the Art Gallery of South Australia.

666. D. Mundine, Paper commissioned by the Inquiry.

Unified marketing is not without difficulties. Because the events are variously annual, biannual and triennial in some years only one will take place (2001 for example) whereas in other years such as 2002, five will be held, many of them simultaneously.

While this may appear haphazard, the long time frame that these exhibitions work through and the fact that the general dates of exhibition are known years in advance is an opportunity for an international marketing component to globally market the geographically diverse exhibitions over a long period, to install them as major items in the international art calendar. This could be developed with DFAT's Cultural Relations program.

There would be a need to create a national and international audience development campaign through the calendar concept with targeted cultural tourism campaigns. There is significant opportunity for the major events to be promoted as a synergistic network. These events require the support and planning across a number of government departments, including Commonwealth and State tourist bodies, DFAT, state major events corporations, and capital city governments.

FINDINGS

The major events are significant contributors to the promotion of contemporary visual arts and craft and the development of local, national, international and tourist audiences. These events significantly contribute to international networking opportunities for Australian artists and institutions. The events are funded by governments, but the level and absence of recurrent funding may inhibit their further development and potential.

The Inquiry has observed that major events take a number of years to establish their reputation.

There is significant opportunity for the major events to be promoted as a synergistic network.

The Inquiry believes that funding of \$2 million per annum would be required to be invested to provide the necessary security of funding to the major recurrent exhibitions, for promotion and marketing, and for the facilitation of partnerships with and related funding of contemporary visual arts and craft artists and organisations involved in activities around the major exhibitions.

Programs should both have a national benefit in that they promote the unique exhibitions of Australia to an overseas market and they should also have a local benefit creating joint programs of activities with local arts organisations.

RECOMMENDATION 16

To ensure major contemporary visual arts and craft events have the potential to make a significant contribution to developing audiences and demand throughout Australia, and to create international opportunities for individual visual artists and craft practitioners, the Inquiry recommends:

- 16.1 The Commonwealth, through the Australia Council, and State and Territory governments increase funding for the long-term promotion and recurrent support of a number of major contemporary visual arts and craft events and related activities by \$2 million per annum.
- 16.2 In implementing this recommendation, the Commonwealth commit an initial amount of \$700 000 per annum; and the Commonwealth, States and Territories agree that the Commonwealth will commit a supplementary amount of \$300 000 per annum if the States and Territories commit \$1 million per annum.

INTERNATIONAL PROMOTION AND EXCHANGE

Submissions from all areas of the sector indicated the fundamental importance of international promotion, market development and cultural exchange. Contemporary visual arts and craft communicate more effectively across cultures than many other media, for a number of reasons. Visual arts and craft do not rely on words, unlike art forms like the theatre, opera, and literature, and so are more easily accessible when language barriers exist. Visual arts and craft exhibitions are generally exhibited for a longer period than other art forms and are often not accompanied by an entrance fee, thereby making them more accessible to a broader and larger audience. Further, as artists tend to work independently, they have more capacity to work overseas with minimal infrastructure and group support.⁶⁶⁷ Contemporary visual arts and craft are thus an effective vehicle for communicating innovative ideas, concepts and cultural views overseas.

Short-term goals for Australian artists participating in international exhibition opportunities (the Venice Biennale, ARCO, Carnegie International, Lyon Biennale are some examples) include increased sales and a larger audience for their work. However, participation in international events also offers longer-term goals such as the expansion of opportunities for Australian artists abroad, opportunities to make connections and network with other artists, collectors and curators internationally, and a truer representation of Australia and Australian culture worldwide:

...cultural export is critical to establishing new markets and dialogues. There is a need to support cultural exchange so as to maintain and develop distribution networks. There is a greater need for Australian artists to travel, to meet with their colleagues, to develop close interpersonal relationships between individuals and organisations, for it is through these kinds of relationships and intimate understandings of different contexts that opportunities arise...⁶⁶⁸

667. Submission: Asialink.

668. Submission: 200 Gertrude Street.

International activity is more expensive than equivalent activities being undertaken in Australia. Therefore, for international projects, fewer artists can be supported. As the Experimental Art Foundation commented:

Given increased costs related to travel, freight and insurance, it may be there is a need for a dedicated grantline to neutralise the adverse affects of distance with regard to Australian artists exhibiting overseas. It has been observed that, given the spiralling costs of transport, freight and insurance, there is little chance for most organisations to participate in any kind of international opportunity without outside support.⁶⁶⁹

Government programs for international promotion

Australia Council

More than \$3 000 000 of the Australia Council's total support for visual arts and craft is dedicated to international activities, either assisting artists to take advantage of overseas opportunities; increasing the international reputation of Australian visual arts and craft through the support of international touring exhibitions; or through assisting international curators (and other individuals who may benefit Australian art) to come to Australia.

The Council's VACB supports international activities through the following initiatives:

- Overseas Studio Program (a group of ten managed studios—eight available for three month residencies and two available for one-year residencies);
- Recurrent International Exhibitions Strategy;
- Out-of-time grant application facility;
- Support for international activities in and out of Australia through the New Work, Skills and Arts Development, and Presentation and Promotion grant categories; and
- Self-developed studio and other international opportunities primarily for individuals through the Skills and Arts Development category.

The VACB introduced the Craft Leadership Program in 2000, a program which aims specifically to encourage senior staff of leading craft organisations to access international opportunities by travelling overseas to undertake short-term work placements.

The VACB has drafted a strategic policy aimed at enabling the organisation to respond in a timely way to international events, to deliver appropriate funding, to identify and expand export opportunities and to develop its international visitors program, amongst other projects. Part of the VACB's strategy will include limiting the Board's focus to six major international events over the next five years (Documenta and Berlin, Istanbul, Kwang Ju, Sao Paolo and Liverpool) in order to maximise the effectiveness of its resources. The VACB has also established an International Visitors Program, providing for international curators, researchers, arts administrators and journalists to visit Australia in order to increase their knowledge and appreciation of contemporary Australian culture.

669. Submission: Experimental Art Foundation.

Another option under consideration is that of allocating substantial funds to contemporary art spaces in order to allow them to develop international partnerships with their equivalents overseas. The aim of this project would be to facilitate exhibitions of Australian contemporary art overseas, and to allow artists to establish an international profile. The VACB is also considering cooperation with DFAT, by working with its Images of Australia branch, which has as its charter the projection abroad of a contemporary image of Australia.

The Australia Council's Audience and Market Development Division (AMD) also runs the Craft Export Program, with Craft Australia. This Program aims to provide promotional and export sales opportunities for craftspeople overseas, and to represent Australian craft at international events. AMD also manages the Council's Visual Arts Export Strategy which assists commercial art galleries with the costs incurred by attending prestigious international art fairs such as the Armory in New York, ARCO in Madrid and Basel in Switzerland. This is discussed in more detail later.

The Inquiry noted the Venice Pavilion is owned and operated by the Australia Council. An ongoing review of this key piece of arts infrastructure is deemed necessary and desirable. Any further development of this asset should involve private philanthropic support and corporate sponsorship.

Department of Foreign Affairs and Trade

The Department of Foreign Affairs and Trade (DFAT) is committed to exhibiting Australia's artistic and cultural assets, including visual arts and craft, to international audiences. DFAT undertakes much of its international cultural promotion activities through the Australia International Cultural Council, a group comprised of representatives from government, the arts and cultural community and business.

DFAT also funds cultural activities by way of its Cultural Relations Discretionary Grant, a program currently budgeted at \$200 000 which provides ad hoc funding to projects which promote a positive image of contemporary Australia overseas through cultural activity.

Overseas posts are also provided with discretionary public diplomacy funds, of which around \$1 million per year is earmarked for cultural activities. Last financial year this discretionary funding provided for 1 386 Australian artists to give performances or participate in festivals and exhibitions globally, activities which were attended by over 1.6 million people. DFAT also works with Asialink (see below) in developing and touring visual arts exhibitions in Asia.

State and Territory Government support for international activities

artsACT does not offer a specific funding program for international projects, however, such opportunities could be pursued under its normal project funding or emerging artists (\$100 000 in 2002) funding program. artsACT also offers quick response funding of up to \$1 500 for applications which cannot be dealt with in the standard project funding timetable.⁶⁷⁰

670. artsACT website, www.arts.act.gov.au/, February 2002.

The NSW Ministry for the Arts offers International Programs which subsidise the cost of travel involved in either touring exhibitions abroad or participating in professional development and residencies overseas. Up to \$10 000 is available in 2002 for international touring (to fund artists' travel and freight). Grants for professional development are offered for amounts up to \$2 500 for individuals, and are intended to cover airfares only.⁶⁷¹

Arts Victoria has an International Program as part of its International Market Development strategy. Funding opportunities arise from an Export and Touring Fund and a Cultural Exchange Fund (current priority exchange countries include Italy, the United Kingdom, Greece, Singapore, Indonesia, Japan and China).

Arts Queensland does not offer a specific international program of funding, however, funds may be applied for under its Professional Development Program. Funding is divided into major grants (\$5 000 and over) and small grants (under \$5 000). Options included under this funding are attendance at international events and overseas residencies.⁶⁷²

Arts SA offers an International Professional Development Program for individuals and organisations. Funds are available for up to \$10 000 (individuals) and \$25 000 (organisations). The funds are intended to allow artists to present their works overseas, or assist with cultural exchange projects.⁶⁷³ There are funds available under the Marketing Assistance Program, of up to \$7 000, intended to assist applicants to establish new international markets, or to extend existing international markets.

Applications can also be made to the Invitation at Short Notice program for international events with funds of up to \$2 000 per individual application and \$3 000 per group. Arts SA also offers the New York Studio School Scholarship and the Bank of Tokyo-Mitsubishi Japan/South Australia Award (a mentorship based in Japan), both of which are targeted at emerging artists.⁶⁷⁴

Applications to participate in international arts and craft events can be made to Arts WA through the Distribution category, which funds initiatives which distribute the work of West Australian artists to new audiences, and also covers marketing and export projects. Applications will be considered for amounts up to \$20 000.⁶⁷⁵ Arts WA has worked with the Office of Aboriginal Economic Development to market Indigenous artwork internationally.⁶⁷⁶

Arts Tasmania offers funds for promotional projects (not including international residencies), and has an international exchange program which includes Asialink residencies, allowing two Tasmanian artists and one arts administrator to participate in residency programs in Asia. Arts Tasmania further co-funds and administers residencies at the McCulloch Studio in Paris.⁶⁷⁷ Arts Tasmania supports commercial galleries to attend international art and craft fairs and has links with its Department of State Development to identify and develop new overseas markets for cultural products.⁶⁷⁸

artsNT does not offer a specific international grants program, however, funds can be applied for under its Projects grants category (\$5 000 maximum for individuals and \$15 000 for organisations and community groups).⁶⁷⁹

671. NSW Ministry for the Arts website, www.arts.nsw.gov.au/, February 2002.

672. Arts Queensland website, www.arts.qld.gov.au/, February 2002.

673. Arts SA website, www.arts.sa.gov.au/, February 2002.

674. Arts SA, *Arts Industry Development Programs 2001*, Arts SA, pp. 16-17.

675. Arts WA website, <http://hosted.at.imago.com.au/artswa/>, February 2002.

676. Submission: Arts WA.

677. Arts Tasmania website, www.arts.tas.gov.au/, February 2002.

678. Submission: Arts Tasmania.

679. arts NT website, www.nt.gov.au/cdsca/dam/artstnt_intro.htm, February 2002.

Other international opportunities

The Artists Foundation of WA (AFWA)

AFWA manages the Basel Exchange in association with the Christoph Merian Foundation of Basel, Switzerland. A Western Australian visual artist has the use of a studio apartment in Basel for the last six months of the year and a Swiss visual artist lives and works rent-free in Old Customs House (Perth) for the first six months of each year. AFWA provides a \$16 000 grant to the WA recipient of the exchange.⁶⁸⁰

AFWA is collaborating with Edith Cowan University to develop a visual artist exchange in India, and with the Bartel Arts Trust in Durban, South Africa for a similar program in South Africa.

200 Gertrude Street

This Melbourne gallery offers cultural exchange and professional development projects that contribute to the contemporary culture of artists in Australia and internationally. Initiatives include overseas residencies and exchanges with Scotland, Pasadena and Oslo.⁶⁸¹

Artspace

Artspace, based in Woolloomooloo (Sydney) runs residential and non-residential studio programs which allow the organisation to invite both Australian and international artists and others to develop ideas, work and their professional networks on-site.⁶⁸²

Craft Australia

Craft Australia has built international marketing programs and networks specifically for the professional Australian craft sector, including an export program in Germany and the United States.

Craft Australia is the Australian commissioner for international awards including the Faenza International Ceramics Concorso, the Lodz Craft Triennial, the Schmuck International Jewellery Award, and the Talente Young Designers and Craftspeople Award.⁶⁸³

Object – Australian Centre for Craft and Design

Object, the Sydney-based craft and design centre, offers residencies for craftspeople in its own studios, as well as international residencies, in order to promote the profile of contemporary Australian craft and design overseas and to allow craftspeople and designers to form networks and collaborate.⁶⁸⁴

680. AFWA website, www.afwa.com.au/, February 2002.

681. Submission: 200 Gertrude Street.

682. Artspace website, www.artspace.org.au/, February 2002.

683. Submission: Craft Australia.

684. Submission: Object.

Asialink

The Asialink Centre is a non-academic department of The University of Melbourne supported by the Australia Council, the Myer Foundation and the University of Melbourne.⁶⁸⁵ The Asialink Centre promotes public understanding of the countries of Asia and creates links with Asian counterparts. Asialink enables Australians to contribute to and benefit from the dynamism of Asia through three major programs:

- corporate and public programs;
- Asia Education Foundation; and
- arts.

Asialink Arts works in 19 countries in Asia, and its visual arts branch has been involved in 50 exhibitions touring to 154 venues and showing the work of 375 artists since 1991. The touring exhibitions program aims to facilitate bilateral exchanges and partnerships by providing opportunities for Australian artists to work in Asia, developing their work and forming personal contacts.

Asialink Arts also provides artist residencies in Asia, mainly—but not restricted to—China, India, Indonesia, Japan, Korea, Malaysia, Sri Lanka, Taiwan and Thailand. Candidates are required to be eligible under normal Australia Council criteria, that is, they must be permanent residents of Australia and be able to demonstrate a proven record of professional activity over at least three years. Residencies are not offered for the purposes of study or research only.

International marketing at commercial events

Government has a role in promoting Australian art internationally, primarily through commercial art fairs supported by the Australia Council and the Department of Foreign Affairs and Trade (DFAT).

The Audience and Market Development division of the Australia Council and various State and Territory governments support contemporary visual arts and craft activity in international markets through a number of different approaches. These include: international market development programs, showcase events, the international visitors' program, new audience programs and international promotion.⁶⁸⁶

DFAT supports Australia's international activities through the Australia International Cultural Council (AICC). The AICC aims to project a positive image of Australia, and 'promote and enhance the export of Australian products'.⁶⁸⁷ A major focus of the AICC is on coordinated programs of 'high quality artistic presentations at major international events'.⁶⁸⁸

One example of the international marketing and promotion of Australian contemporary visual arts and craft is the presence of Australian commercial galleries at ARCO. In 2002, Australia was designated as the focus country of the event. More than 100 Spanish galleries and 150 international commercial galleries were represented at the event. The Australia Council and various State governments provided funding for 13 leading Australian contemporary art galleries and one art space to represent artists at ARCO.⁶⁸⁹ Total sales

685. Asialink website, www.asialink.unimelb.edu.au/arts/, February 2002.

686. Audience and Market Development Division of the Australia Council, Information provided to the Inquiry Secretariat, November 2001, p. 1.

687. Department of Foreign Affairs and Trade, 'Promoting Australia's Culture Abroad – Aims', Australia International Cultural Council, www.dfat.gov.au/aicc/paca/aims.html.

688. Department of Foreign Affairs and Trade, Information provided to the Inquiry Secretariat, December 2001.

689. M. Hutak, 'Viva Pitch', *The Bulletin*, 5 March 2002, p. 72.

at ARCO valued \$890 000, and while Australian collectors were involved in some sales, Spanish, British and other overseas collectors predominated the buyers of contemporary Australian art.⁶⁹⁰

There has been some criticism in submissions of the funding directed towards commercial art fairs. For example, Arts WA submits:

The Australia Council's international program for the visual arts appears to have a focus on trade fairs rather than encouraging our artists to be part of the international high art world. Working on joint strategies with the State Galleries and providing more support to individual artists who have received invitations to exhibit overseas might prove more beneficial in the long run than sending commercial galleries to expensive art fairs such as ARCO. The international commercial market depends to a large extent on the trends of the high art world as defined by major public exhibitions.⁶⁹¹

The Niagara Galleries made the following statement in its submission:

There needs to be a complete new look at export and promotion of Australian art overseas. The Australia Council clearly do not have the skills or expertise to handle this critical area of development and neither do many of the people from within the commercial gallery world. The presentation of Australian art at ARCO and the Venice Biennale cannot be developed from within a framework of self-interest ... the industry would benefit from some expert and objective professional advice to assist us to not only become 'export-ready', but 'export-active'. DFAT could perhaps be encouraged to set up a specialised art export area to provide specific and relevant information and assistance to our industry.⁶⁹²

However, one submitter asserted that the international program has had demonstrable success:

The support for commercial galleries participation at international art fairs (such as Berlin and Basel) has contributed significantly to the profile of Australian art internationally. This has been a successful initiative that should be encouraged through the Australia Council and DFAT.⁶⁹³

Australian Commercial Galleries Association (ACGA) submitted that commercial art fairs, and specifically the Melbourne Art Fair, play an important role in testing and establishing new domestic markets for emerging artistic media, such as installation work, multi-media and video art.⁶⁹⁴ Further, ACGA made the following comment regarding support for international commercial art fairs:

It is only by familiarity in an international context, that Australian art and artists will establish improved market strength. A lively international market for Indigenous art has shown what can be achieved.⁶⁹⁵

These disparate views can be largely attributed to the different priorities, focuses and perspectives of the organisations and individuals submitting views to the Inquiry. Some individual artists oppose the commercial emphasis of international art fairs. Juan Davila has been quoted in the media as objecting to fairs like ARCO for this reason:

I think it is a commercial venture that I don't want anything to do with. This is a celebration of the commercial gallery culture, and what is on show is not an idea of what Australian culture is, but a trade mission.⁶⁹⁶

690. T. Ingram, 'Europeans Catch Knight Fever at Madrid Art Fair', *Australian Financial Review*, 21 February 2002, p. 45.

691. Submission: ArtsWA.

692. Submission: Niagara Galleries.

693. Submission: Brian Tucker.

694. Submission: Australian Commercial Galleries Association.

695. *ibid.*

696. Juan Davila, quoted in M. Backhouse, 'Arts Council Repudiates Art-as-Trade Accusation', *Age Review*, 20 February 2002, p. 6.

Indigenous issues

There is a call for increased Indigenous content to be included in touring exhibitions and to be made available in Australian representative sites abroad, such as foreign posts.⁶⁹⁷ DFAT currently funds an Aboriginal and Torres Strait Islander Program (budget approximately \$150 000 in 2001).⁶⁹⁸ The main function of this program is supporting touring exhibitions that are lent to overseas posts, in line with DFAT's goal to project a positive image of Australia. Some examples of tours include 'Seasons of the Kunwinjku', 'Prints by Seven Aboriginal Australian Artists' and 'New Directions—Aboriginal Australia and Business' (in conjunction with Rio Tinto).

Despite this example, there is concern that not enough opportunities exist for Indigenous artworks to be toured overseas.⁶⁹⁹ It has also been suggested that DFAT might create more formalised relationships with galleries and arts organisations in order to facilitate this process.

With regard to the exportation of Aboriginal art internationally, it has been suggested that an Indigenous Arts Marketing Board be established to cater to interest in Indigenous art expressed in America and Europe. Such an organisation could also ensure the authenticity of the works involved, as authenticity marks and labels are desirable, as are licenses for dealers in Indigenous visual arts. A formal, internationally recognisable Indigenous Arts Marketing Board could be an effective way to cover the concerns of Indigenous artists over how and where their artwork is sold, and to reassure collectors that artworks are authentic and have been acquired for sale appropriately.⁷⁰⁰

FINDINGS

The contemporary visual arts and craft sector benefits from its promotion internationally through international art fairs, exchanges, residencies and related touring activities.

There are many programs supporting international activities provided by both the Commonwealth and the States and Territories. However, there is little inter-governmental coordination of these activities and little knowledge in the sector of the breadth of international opportunities offered by the Commonwealth departments and the States and Territories.

The Inquiry believes the Australia Council, in consultation with the DFAT and the State and Territory arts ministries, should undertake regular evaluation of the effectiveness of international promotion and exchange programs to ensure efficiencies and synergies between such programs.

697. D. Mundine, Paper commissioned by the Inquiry, page 3.

698. 'Department of Foreign Affairs and Trade, Information provided to the Inquiry Secretariat, December 2001.

699. Noted at CVACI Indigenous Reference Group meeting, 19/12/01.

700. Djon Mundine, *op.cit.* page 3.

PROMOTION THROUGH ARTBANK

Artbank was established in 1980, with the aim of making contemporary Australian art more accessible to clients through an art rental program. Artbank is a part of DCITA, but has been financially self-sufficient since 1992. Any surplus made by Artbank is reinvested in the program. Artbank's aims include providing greater access to the arts for Australians, encouraging emerging Australian artists (by purchasing their works for the collection), providing greater opportunities for artists (by acquiring and displaying their works worldwide) and to assisting the sector to market itself nationally and internationally.

In 2000–01, Artbank's acquisition budget was over \$500 000. This has flow-on benefits as commercial galleries, artist-run spaces and art and craft centres receive commissions from sales. Other beneficiaries include framers, photographers, art transporters and other industry groups.

Artbank currently has around 8 500 works in its collections, with over 3 500 Australian artists represented. Over 6 000 (approximately 70 per cent of the collection) of these works are on display (i.e. rented out to clients) at any one time. Works represented in the collection include paintings, sculpture, works on paper, tapestries, ceramics, glass and photography. Works from Artbank's collection are displayed prominently in 78 Australian Embassies and High Commissions.

National promotion

When Artbank was reviewed by the government several years ago, it was demonstrated that Artbank's contribution to the young and emerging artists engaged in the primary art market was more than the state and national galleries combined on an annual basis. Artbank's support usually benefits the artists at the beginning of their careers, which is when they are most in need of financial support.

Artbank is often the first serious collection for their work and the acquisition is a boost to their confidence and a means by which they can gain valuable exposure, both nationally and internationally. Artbank's national focus ensures that many more artists' works cross state boundaries through the rental program and exhibition loans than through the commercial gallery channels and touring exhibitions.

In its consultations with the Inquiry, Artbank submitted that it could also increase access to its services and support more acquisitions of contemporary works by increasing its national profile. Artbank believes that a more prominent national presence will increase client take-up of Artbank's services and stimulate a strong follow-on in acquisitions of artists' work through increased demand.

Expanding the national operations of Artbank would require an investment of funds by the Commonwealth into what is a successful self-sufficient organisation. This might take the form of a one-off injection of funds in the form of a loan. The Inquiry believes that, given the organisation's track record, there would be considerable benefits to the contemporary visual arts and craft sector from such an investment. However, the Inquiry considers that the appropriate form and level of investment, and the implications for Artbank and the market, would need to be fully examined by the Commonwealth before such a decision was made.

International promotion

Artbank informed the Inquiry that international transportation costs are a deterrent to providing dynamic and representative exhibitions of contemporary Australian visual arts and craft at overseas posts. The high costs are a disincentive to changing works over on a regular basis and this can result in rather stagnant displays that are not representative of current art practice and the best of what Australia has to offer.

An example of the high art transport costs was highlighted with the Moscow Residence. The quote to airfreight 17 suitable works to the Moscow Embassy was \$10 000. Closer to home, the cost of sending 37 works to Singapore Embassy was \$4 810 and the cost of returning 27 works from the Osaka Mission was \$7 975.

Artbank suggested that the Commonwealth Government might consider introducing a 'freight equalisation' program through Artbank to encourage the Embassies and High Commissions to display a dynamic and changing view of Australia through its contemporary visual arts and craft. Such a program might involve Artbank being funded to meet some part of the costs currently borne by DFAT where it would result in more frequent turnover of leading Australian works.

The Inquiry recognises that the potential to reach larger audiences and to promote Australian creativity and innovation through exposure to the Artbank collection would be greatly enhanced by more frequent rotation of works at overseas posts. Posts might also consider publicising new collections through a public opening or event.

Nevertheless, the Inquiry considers that further consideration should be given to whether a program to address freight costs would be more appropriately funded through DFAT. The AICC may be the appropriate body to investigate this issue.

FINDINGS

Artbank makes a significant contribution to the promotion of Australian contemporary visual arts and craft at home and abroad.

Given the potential for Artbank to expand audiences and, potentially, demand for the works of Australian artists, proposals that might allow Artbank to heighten its national profile and presence consistent with its role in the market would deserve serious consideration.

The ability to regularly rotate works held by Artbank through overseas posts, and thereby achieve wider promotion of Australian contemporary visual arts and craft, is hindered by transportation costs. DFAT and the AICC could seek to address this issue in consultation with Artbank.

CONTEMPORARY ART AND CRAFT WRITING AND PUBLISHING

...arts publishing, including the serial journals and magazines, and one-off monographs and anthologies, provides a crucial platform for the development and dissemination of ideas within and about the arts. Publication is vital to the professional development and recognition of individual artist's work, it underpins the viability of galleries and informs collectors...⁷⁰¹

Arts writing and criticism are a necessary part of arts and craft culture, providing a forum for discussion which extends beyond the immediate place and time of any exhibition. Reviews are also part of the 'research and development' process.

Arts journals and books provide a means by which Australian visual artists and craft practitioners can become recognised worldwide:

...publications, including regularly published magazines, journals and newsletters, news-media reports and reviews, and one-off books such as monographs, nourish the visibility and viability of contemporary visual art and craft. They empower artists, designers, galleries and collectors. They enable thoughts, ideas and information to be shared by colleagues around Australia and the world. Importantly the Internet and virtual publishing has increased the latter dramatically. However, the industry believes, through a deal of evidence, that the actual printed work and glossy magazines are more important and valid than ever. Advertising, for example, in these publications is extraordinarily buoyant at present, and magazines in general in Australia continue to experience a growth audience.

Specialist contemporary Australian visual arts magazines and journals—including those that focus on craft, design and cultural activities, and including those which have Federal or state government support—have been a vital force in presenting the best of Australian practice nationally and internationally. Co-promotions, linking both with commercial galleries at major international expos and art fairs, and at other major exhibitions and events over the last decade, both overseas and in Australia, have been a significant factor for cultural and commercial success...⁷⁰²

Documenting works

As contemporary art and craft practice becomes more ephemeral and site-specific, there is a concern that the work will disappear from history. The need for publications, from photocopied room sheets to hardback monographs is obvious to artists—publications not only document an artist's work, they also create a critical dialogue:

...publications are critical for the cultural development of contemporary visual arts practice. This is a fact that can no longer be ignored. The contemporary visual arts in Australia is constantly embarrassed beyond belief whenever dealing with international artists, particularly from Europe, who, even at an emerging level, have been provided with substantial and impressive published catalogues. This issue is not just about promotion, but, and I insist, more about ensuring that we document our critical developments in the contemporary visual arts so that we are able to research them in the future rather than constantly consigning contemporary visual art to invisibility in the methodical way that we do now...⁷⁰³

701. Submission: *Eyeline*.

702. Submission: *Object*.

703. Submission: *Artspace*.

Audience development and education

...in recent years art publications have been recognised by the full gamut of galleries and museums, state, regional and national, as crucial ingredients in the understanding, appreciation and marketing of arts...⁷⁰⁴

Submissions have confirmed that printed catalogues for arts and craft exhibitions are widely regarded as useful and important documents, not only during the course of the exhibition in question, but that they also have a long-term shelf life:

...the catalogue has a complex role. It can be used as a marketing tool for advocacy; as a research tool hopefully giving access to contemporary ideas or information; or as an historical document [...] catalogues can also record artists and art works at a particular time. Without the catalogue the exhibition is only a temporary event...⁷⁰⁵

Catalogues and journals in particular are valued for their contribution to education, especially in secondary and tertiary courses covering contemporary Australian art, areas of which may not have been dealt with to any great degree in print elsewhere, particularly in the case of very recent works.

Catalogues can be ahead of other publications in discussing the work and practices of contemporary visual artists and craft practitioners:

...in NSW the schools curriculum at Years 11 and 12 in high schools has been changed to include the study of Contemporary Australian Art. There are very few text books available that are current and relevant [...] educational publishing is one of the areas in Australian publishing that makes money. A number of art institutions in Sydney intend to prepare publications for these courses[...] this new market could make [...] catalogues viable productions in their own right...⁷⁰⁶

Writing about craft

Craft in Australia has benefited from a strong organisational infrastructure, which in turn has continued to publish journals, newsletters and other publications:

...Object magazine has grown in circulation from a membership-based magazine distributed to 500 members (with 1,200 printed) to a glossy magazine distributed across the globe to over 4,500 stockists, subscribers and members, or over 50,000 readers annually...⁷⁰⁷

There is continued interest in craft-specific publications, as tools to extend the experience of practitioners and to promote a standard of excellence in the craft sector, and also as a means of sharing technical and practical information, and to make available to a wider public reviews of craft exhibitions. While some of the crafts, ceramics for example, are increasingly covered in visual arts publications, many others are not; another reason for which craft-specific publications are necessary.

704. Submission: Artlink.

705. P. Cripps, *A Review of the VACB's Funding of Exhibition Catalogues, and Research into Strategies for Future Support*, Australia Council, Sydney, 1990, page 2.

706. *Ibid.*, page 8.

707. Submission: Object.

Australian publications

There are currently about 20 contemporary visual arts and craft publications in Australia:

- *Artlink*, *Art Monthly*, *Broadsheet*, *Photofile*, *Object*, and *Eyeline* receive recurrent support from the Australia Council. These six magazines received \$239,540 from the VACB in 2001.
- *Real Time*, a free monthly magazine with a broad brief covering contemporary performing, visual, film and digital art received \$139,000 from the New Media Arts Board's Triennial category in 2000.
- *Crafts*, *Craftsouth* and *Craftwest* are published as part of the overall programs of the Victorian, South Australian and Western Australian craft and design centres.
- *Art and Australia*, *Australian Art Collector*, *Art and Asia-Pacific*, *Art Almanac*, *Ceramics Art and Perception*, *Pottery in Australia* and *Textile Fibre Forum* are published on a commercial basis.
- *Post West* is published by the University of Western Sydney, *Dialogue* is an infrequent publication from West Space, a Melbourne artist-run initiative, and *Arts Nexus* is published by the Cairns-based artists' agency.

Viability

Art publishing representatives consulted by the Inquiry submitted that contemporary art and craft journals are financially viable. They exist on non-professional editing and writing practices based on volunteer editors, academic and emerging writers who write for little other than personal or academic reward:

...we must also consider how related professions such as arts writers and curators are valued. Often they are similarly impoverished despite their ability and dedication to support, profile and generate critical dialogue on the cultural sector...⁷⁰⁸

While the market for art journals in Australia is limited, most journals have reported moderate increases in sales per annum. Unfortunately, rising costs negate any potential advantages from increased sales. The journals have generally also found it difficult to attract additional support from the Australia Council. This means it is very difficult to increase design and production quality. The current trend is for the magazines to decrease the number of pages per issue and decrease the number of issues per annum.

Trends in funding

While some State art ministries support writing and publishing, the main source of government support for this sub-sector has been the Australia Council. Contemporary visual arts writing has been supported by the Commonwealth Government continuously since 1962 when the Commonwealth Arts Advisory Board, the precursor to the VACB, agreed to support the publication costs of the new publication, *Art and Australia*. At its establishment in 1973, the (then) Visual Arts Board had a mandate to stimulate and support the market for arts writing in Australia.⁷⁰⁹ The Visual Arts Board supported *Art and Australia* until 1979 when it was proving itself to be economically self-sustaining. At that point, the Visual Arts Board transferred this allocation towards another new publication, *Art and Text*.

708. Submission: Kate McMillan.

709. M. Bonnin, 'Visual Arts/Craft Board Publications Review', Australia Council, Sydney, 1988, page 2.

The VACB's support for writing and publishing has decreased over the last ten years. While support for journals has remained fair, with support just dropping slightly in real terms overall financial support for writing and publishing in 2000 was less than half what it was in 1990. While the journals that are still being supported have increased readership, sales and advertising, they have decreased the issues per annum published, salaries have remained stagnant or decreased and writers' fees have decreased in real terms by 10 per cent in the last five years.

In 1990, 36 separate grants were awarded for writing and publishing activities. Ten years later the number of grants allocated for writing and publishing was less than a third of that. Submitters pointed to grants being essential in order to sustain a reasonable level of arts writing in Australia, a comparatively small market in which few arts publications would be able to survive long-term without some form of assistance:

...the journals necessarily operate between the commercial and funded environments. Their distribution and sales have to compete in a mainstream market...given the size of the Australian population it is unlikely that a journal like *Eyeline* can ever be sustained by this market alone...⁷¹⁰

Apart from the magazines receiving support from the Australia Council through the VACB's Triennial (Key Organisations) publishing initiatives, individual writers also apply to the VACB for support. Most government support for one-off publishing projects takes the form of catalogues accompanying exhibitions. However, monographs, artists books, art theory, history, memoirs and electronic journal publishing projects have all been supported by the Australia Council in the last five years.

Nonetheless, even the funded journals are very commercially driven. Subsidies for art journals average less than 20 per cent of annual income whereas an average 60 per cent of annual income of contemporary art spaces is supplied by government subsidy.

Catalogue costs

Catalogue production and distribution is expensive and plagued by difficulties regarding the sizes of print runs (frequently overestimated because of limited or inaccurate market knowledge, and therefore costly) and effective distribution to those who do not attend the actual exhibition (e.g. interstate or international residents), and to those who wish to source copies of the catalogue after the exhibition has closed (a market which could make use of copies left in storage, often previously regarded as having no further use).

To be of long-term value, catalogues must, like other publications, contain high quality writing, essays, research or criticism on ideas raised by the exhibition, quality reproductions and photographs. Ideally, it would be more worthwhile for institutions to consider spending more time and money on smaller print runs of higher quality catalogues, rather than cheaper, smaller (and less valuable long-term) catalogues in large print runs.⁷¹¹

Funding is often necessary for the production of catalogues. Catalogues have the disadvantage that, unlike journals or newsletters, they are 'one-off' publications, and are less likely to attract advertisers.

A number of institutions, for instance Bendigo Art Gallery, are issuing art catalogues on CD-ROM, a medium which allows high quality reproductions, a large amount of text, and is also comparatively low cost to manufacture and distribute. A CD-ROM is smaller, lighter and more robust than a printed publication, and is an attractive and modern form of packaging.

710. Submission: *Eyeline*.

711. P. Cripps, *op.cit.* page 2.

Books and monographs

The publication of books and monographs on arts and craft subjects is restricted mainly by the reluctance of commercial publishers to enter into this market, which is viewed as one where small sales will be made and publications must be of high quality in order to sell. There is a strong interest in such books from the arts and craft sector, however attempts at partnerships with publishing houses in the past have rarely been successful or run over a long enough term for them to become successful.

Nonetheless, organisations such as the Institute of Modern Art in Brisbane, Fine Arts Press and a few others continue to manage to produce a stream of publications, often with project support from governments or with financial assistance from the artist. The VACB has, through the Presentation and Promotion category, supported the publication of many monographs and other contemporary art related publications. It should be noted, however, that grants for the research and publication of such monographs have frequently been high risk in the past, in as far as research may never lead to a finished manuscript, a finished manuscript may not lead to publication, a publication may not achieve acceptable distribution and so on.

Arts SA has put in place a program to provide \$20 000 per annum towards the production and publication of monographs on South Australian contemporary artists:

monographs are seen as a crucial tool in the career development of leading South Australian visual artists, poised to make an impact in the national and international arena.⁷¹²

Newspapers

Newspapers are probably the primary source of arts writing for many Australians, and as a medium are low-cost publications with comparatively large circulations.

Articles and reviews published in newspapers are more ephemeral than those appearing in journals, as readers are less likely to keep copies of items appearing in papers, whereas they may well save issues of journals for future reference.

On the other hand, because of their immediacy, newspapers can comment on arts and craft sector events much more quickly than journals, which have lead times of four weeks or more, and often cannot publish reviews or editorials on exhibitions while they are still showing (with the exception of long-running exhibitions, which may be of the ‘blockbuster’ type, and therefore of less interest to specialist publications).


Distribution

It has been widely noted that effective and reasonably priced distribution is essential for publications to thrive:

...the main challenges for this sector are: wider distribution development and ongoing management to key stockists, national and international audience development (new audiences and broader), subscription development—in general, viability and business development ...⁷¹³

712. Submission: Arts SA.

713. Submission: Object.



One of the main problems for arts journals negotiating with distributors, is the fact that distributors will generally require a minimum print run of a given publication which is much higher than arts journals normally consider, making such ventures extremely costly and likely to land journals with large numbers of unsold issues. In short, large distributors are unaccustomed to dealing with small print runs of specialist journals, and are often unable to meet their particular needs, although they do offer other advantages such as wide distribution. This would also be the case regarding the distribution of catalogues, which is increasingly rarely undertaken outside of the actual exhibition venue, but which would be desirable for the arts and craft community, as well as the education sector.

Online

One option which can solve the dilemma of high printing and distribution costs, for journals and newsletters especially, is that of publishing on the Internet. A number of e-zines are already running successfully both in Australia and worldwide, such as *Mesh*, *fineartforum*, *Rhizome*, *geekgirl*, *Leonardo electronic almanac*, and so on.

Online publications have the same immediacy of newspapers, without the space and editorial restrictions. Internet-based publications are also more interactive, and can respond much more quickly to their readers' interests. There has been some suggestion that funding may be more effectively spent on Internet-based journals, which could circumvent some of the chronic difficulties hard copy journals face.

Copyright

An essential element of arts and craft-based writing is, of course, the reproduction of colour prints of the artworks being discussed. This is, however, one of the factors that can make publishing expensive, due not only to the technicalities of reproducing colour prints accurately, but also because of copyright issues.

Copyright is a contentious issue, and many arts journals and newsletters want, out of principle, to pay fees to artists when they reproduce their works. However, due to the financial restrictions imposed upon them by tight budgets, many publications are simply unable to do so:

...the question of fees for reproducing works of art in magazines is one which must be addressed. As an integral part of the visual arts infrastructure almost all of the magazines take a proactive stance in relation to the equity issue of payment to artists, yet we do not have the wherewithal to implement this fully...⁷¹⁴

This issue is particularly important regarding publishing on the Internet, which is not monitored or restricted by its very nature. There have been many instances of artworks being reproduced on the Internet and of reproductions being sold over the Internet without the consent, or even the knowledge, of the artist. Because of the interactive nature of the Internet, there is also an increased likelihood that artworks can be altered or otherwise manipulated without the consent of the artist. Indigenous artists in particular have expressed concern at these developments.

714. Submission: Artlink.

Regional disadvantage

A lack of locally-based correspondents or reviewers/critics, especially in regional cities and towns which are at significant distances from capital cities, can mean that exhibitions in that area are not reviewed or commented on in national/regional publications, which represent an unfair disadvantage for such artists.

However, the significant expense necessary for writers to travel the country are prohibitive for most publications. It is fair to say, nonetheless, that it is largely funding issues that keep Australian publications from covering more art, not a disinclination to do so.

Any acknowledged lack of regional arts writing is viewed as a disadvantage:

...Eyeline magazine was established [...] to redress the lack of critical writing and debate around the contemporary visual arts in Queensland and to contextualise those arts nationally and internationally. At that time there was no record of art activity in this region, and therefore no sense of history or local identity around the arts...⁷¹⁵

and:

...currently the journals provide a range of geographic and intellectual coverage of the arts suitable for a variety of audiences. But there is a critical need for more monographs, anthologies and occasional papers which focus on and analyse specific areas of practice and individual artist's work at various stages of their careers. There is a vast amount of excellent work being produced in Australia which is not covered at all at present...⁷¹⁶

Training

Another issue of concern for arts writers and others involved in the publication of journals in particular, is the lack of training opportunities in their field:

...while many arts writers come out of art history (Fine Arts) courses and art schools, there is little formal training in this area. Publishers, and the journals in particular, provide the main training ground for arts writers. In our case, the Eyeline editor and members of the editorial committee work closely with emerging writers in mentor-like relationships...currently, there is no training for editors in this field and little recognition of the specialist nature of their knowledge and contribution. With the increasing demand for lucid arts writing and for arts publications of all sorts, strong editorial skills and publishing knowledge are required for both hardcopy and electronic publishing...⁷¹⁷

A suggested solution to this problem is the provision of professional development grants to be accessed by arts writers and publishers:

...writers should be given special professional development grants to explore opportunities internationally with international art journals and magazines, in the capacity of contributors, guest editors etc. This would enhance the quality of art writing through new opportunities and further ensure the dissemination of Australian contemporary visual arts practice...⁷¹⁸

Initially, and still today, many contributors to arts and craft publications are professional artists and academics, rather than professional journalists. However, this pattern seems set to change as interest in arts writing as a career, rather than a sideline, increases:

715. Submission: *Eyeline*.

716. *ibid*.

717. Submission: *Eyeline*.

718. Submission: *Artspace*.

...over the past five years there has been a change in attitude to the magazines which is part and parcel of a noticeable maturing of the visual arts scene. There has been a recognition of the value of art publishing in the larger arena of art practice, as both a support mechanism for artists and as an activity in its own right. Writers, who ten years ago were thin on the ground and often inexperienced, are now more plentiful, and producing material of a far higher standard than before. The growth of departments of art theory in the arts schools and universities has been partly responsible for this larger pool of aspiring writers. A small percentage of these writers now fall into a new class – that of professional writers, who are attempting to earn part of their livelihood from their writing...⁷¹⁹

As noted above, it is not uncommon for arts writers to be able to concentrate solely on their writing as a career and to make a living overseas. Australia's comparatively low population is perhaps bound to restrict the number of people who may be able to do this in Australia, as circulation of publications has a ceiling which has so far precluded publication's capacity to offer viable salaries. However, it is important to note that the option of being a full-time arts journalist/writer is becoming increasingly desirable and realistic.

FINDINGS

Art publishing and writing is an integral part of the contemporary visual arts and craft sector providing an essential forum for documentation, discussion and criticism and for the promotion of contemporary work nationally and internationally. It contributes to education and audience development, marketing and advocacy. Craft publications also extend the experience of practitioners and share technical information.

Australia's small publishing market receives government subsidies that have not kept pace with increasing costs. Fewer grants are being offered and writers' fees have decreased. Nevertheless subsidies account for an average of only 20 per cent of income.

The small size of the Australian market and high costs create difficulties associated with publishing catalogues and monographs needed to document and promote artists and their works. For similar reasons national and international distribution is problematic, as is adequate coverage of regional artists.

Professional development is an issue for writers in the field. On line publishing may offer a solution to current cost and distribution difficulties in the future.

The Inquiry believes the key issue to address in the area of arts writing and publishing relates to funding difficulties. Funding increases are required to offset the high risk, high cost, low volume nature of arts publishing, as the sustainability of these publications in the long-term is unclear. The arts publications perform a particularly valuable national role, and as such, government should provide adequate support to ensure these publications are able to flourish.

719. *ibid.*

RECOMMENDATION 17

To strengthen the sustainability of contemporary arts and craft publications to enable them to better promote the sector, stimulate audience growth and demand and take advantage of emerging opportunities, the Inquiry recommends the Commonwealth increase its funding to the Australia Council for contemporary arts and craft publications and writing projects by \$200 000 per annum.

SPECIAL PROJECTS

The preceding pages have described the activities of a broad range of organisations—from artist-run initiatives to commercial galleries to major art museums—and the many issues facing them. The Inquiry has made a number of recommendations involving increased recurrent support for specific sections of the infrastructure.

This Report has already outlined project funding for individual visual artists and craft practitioners in Chapter 3. While annual funding provides support for basic administration and programming costs, visual art and craft organisations also create and present a number of ‘special’ projects each year. One-off projects are characteristic of the sector, are a necessary driver of change and development, and allow organisations to undertake complex, innovative and developmental exhibitions, events and publications. Touring exhibition projects brings contemporary art and craft to broader audiences, particularly in regional areas.

Projects may allow in-depth examination of distinct areas of artistic practice (for example, recent developments in fine wood work, art and bio-technology or public art) or important sub-sector issues to be addressed (for example, emerging artists or artists of cultural diversity). Artists today often work through the creation of installations or site-specific sculpture or digital art. They will often utilise the opportunity presented by a funded special project to work with more expensive materials, with new technology and in partnerships, thereby creating artworks that would otherwise be unable to be created.

Special projects are also an effective way of generating additional publicity and audiences (because the event is out of the ordinary it will often have more ‘news value’). When an organisation develops a special project there is a benefit that also accrues to artists, writers and curators involved in such projects in that they receive experience, greater exposure to curatorial and commercial markets, even international exposure.

Special projects are also a valuable way of ensuring arts funding support reaches out and supports a wider variety of organisations. Many organisations—Australian or international, profit making or not-for-profit, public or private—come up with project based ideas that can be of great benefit to visual artists and craft practitioners and the sector generally. Special project funding allows commercial art galleries, university galleries, regional galleries, art museums and artist-run initiatives amongst others to create and present exhibitions and projects which they are unable to present without additional government support.

Issues

Project funding to visual arts and craft organisations is offered by all the States and Territories' arts funding agencies, by the Australia Council and, for interstate touring of exhibitions, by DCITA through the Visions of Australia program. Types of projects supported include the development and touring of exhibitions, publications, public art projects and residencies.

The Inquiry received many submissions that stressed the difficulty of achieving the extra support required for special projects, notwithstanding the fact that proposals are generally high quality and largely well developed. The money requested is essential for the successful development of the projects and failure in an assessment process means that these projects will generally not go ahead, no matter how valuable they would be.

The primary reason visual arts and craft organisations develop so few developmental special projects in Australia is financial. The second reason why projects are not considered or funded by the VACB and sometimes by the States is restrictions the funding agencies place on the number of applications they are willing to receive in a calendar year from any one organisation. These restrictions are in place to ensure greater access to funding from a wider range of applicants given a limited budget.

As recurrently funded organisations, CAOS members are precluded from applying for more than one project per annum from the Australia Council and in some instances prohibited from applying at all to state governments for project support.⁷²⁰

The following table indicates the spread of funding across the sector from the VACB's Presentation and Promotion category over three years. It is presented as indicative data and the Inquiry believes that similar funding patterns would be found in the support of special projects by State and Territory arts funding agencies.

Table 5.4

Grants (to sub-sectors) from the VACB Presentation and Promotion Category over the three years 1999, 2000, 2001

Sub-sector	Total accumulated 1999–2001	%
CAOS	\$141 600	6
NETS	\$35 451	2
CDOs	\$177 850	8
Other craft	\$99 000	4
Major museums and events	\$784 000	35
Publishing/magazines	\$107 000	5
Artist-run initiatives	\$134 647	6
Education institutes	\$167 500	8
Service organisations	\$10 000	0
Regional/metro galleries	\$292 296	13
Overseas institutions	\$200 900	9
Other	\$76 000	3
TOTAL combined 1999, 2000 and 2001	\$2 226 244	100

Source: VACB Presentation and Promotion Assessment Reports 1999, 2000, 2001

720. Submission: CAOS.

As Table 5.4 shows, the largest beneficiaries over three years were major art museums and events (35 per cent). This category includes projects developed by major art museums as well as support for the development and presentation of major recurrent art events. The second largest group is the regional, suburban and metropolitan galleries (13 per cent). The three groups of organisation that generally also receive key organisations funding—CAOS, CDOs and NETS—received 16 per cent of funding but of this NETS received only two per cent or \$35 451, of which \$30 451 was to support NETS officer meetings and only \$5 000 was for the touring of an exhibition.

The demand for such funding is highly competitive and approximately two-thirds of the applications in 2000 for project funding were unsuccessful.⁷²¹ It is generally the case that even those applications that are successful are only part-funded as the Board is unable to allocate the amount requested and instead offers a smaller amount. In the 2001 assessment, 14 of the 18 successful applicants were offered smaller than requested amounts (from 50 per cent to 90 per cent of the total requested). This will often create a situation where an organisation will undertake a project which is not of the quality desired—simply because the funding was less than was necessary for the successful creation of the project.

Nevertheless, special projects grants are both highly effective (given that often a project will not even take place without the support of a funding agency) and often extremely efficient. As an example, in 2000 successful VACB Presentation and Promotion grants accounted for only ten per cent of the total expected income of the special projects supported. A relatively small State or Commonwealth investment often attracts business and corporate sponsorship and philanthropy and earned revenue into the sector. It is also the case that the States and Territories and local government will almost always be the co-funder to larger special projects.

States and Territories

The States and Territories already have mechanisms in place to assess and manage project grants and currently their financial commitment to special projects exceeds that of the Commonwealth. Through their project grants they are often able to ensure that arts funding support is delivered to regional and remote areas and that partnerships are created between organisations that may not as a rule work closely together. This might result in new money from other sectors flowing into the contemporary visual arts and craft sector (for example, as it does through the VACB's Partnership category) or it may result in more efficient use of resources through the sharing of responsibilities for particular projects by a number of visual arts and craft organisations (as it does when NETS and craft and design organisations work together on a single one-off project).

721. VACB 2000 Assessment Report.

If the States and Territories can also fund projects that have impact across State boundaries then the project has the additional benefit of creating greater synergies and efficiencies between State arts funding bodies. It is also the case that State and Territory assessment committees are likely to have a greater knowledge of local issues and the sort of special projects needed for their particular communities.

FINDINGS

Inadequate support for special projects is detrimental to the development and effectiveness of the sector and the impact of Australian visual arts and craft on the whole of Australia and the world stage.

The VACB necessarily sets restrictions on the numbers of applications it is able to accept from any specific organisation.

State and Territory arts assessment committees already provide limited support for special projects and are likely to have a greater knowledge of local issues and the sort of special projects needed for their particular areas.

There is potential for limited Commonwealth outlays to encourage additional State and Territory funding of the contemporary visual arts and craft sector through support for special projects.

The Inquiry concludes that project funding is an efficient and effective form of funding to the sector. It creates opportunities for the professional development of those working within the sector, arts development opportunities for visual artists and craft practitioners that are part of the special projects and audience development opportunities.

The Inquiry believes that any organisation—Australian or international, profit-making or not-for-profit, public or private—should be able to apply for support for projects which involve practising artists, craft practitioners or artswomen and have clearly defined arts components.

The Inquiry feels that to maximise the benefits, the Commonwealth should allocate additional funding to the Australia Council, and the Council should devolve that funding to the States and Territories. The devolution would be conditional on the States and Territories contributing further funding towards new programs for special projects. The programs would be appropriately co-badged as joint Commonwealth/State initiatives. The relative commitments of the Commonwealth and the States and Territories should be agreed with reference to their current commitments to special project funding.

RECOMMENDATION 18

To ensure that a wider variety of organisations are supported to create special projects of excellence and increase opportunities to develop audiences and demand, the Inquiry recommends:

- 18.1 The Commonwealth provide \$600 000 additional funding per annum to the Australia Council to support special projects that support and develop the contemporary visual arts and craft sector.
- 18.2 The Australia Council devolve up to \$75 000 per annum to each State and Territory on condition they allocate up to \$100 000 per annum to match this support within a new co-badged program for the support of projects.

CHAPTER 6

RESOURCING THE SECTOR

Earlier chapters of this Report have considered the contemporary visual arts and craft sector from the perspective of the role of individual artists, the infrastructure that supports them and the sustainability of the sector. This examination has revealed the complexity of the sector, and the extent to which it depends on the contributions and interactions of its many stakeholders, including government and the private sphere.

This Chapter focuses initially on the role of governments, across the three tiers, in supporting the contemporary visual arts and craft sector, and the effectiveness of this support in achieving cultural objectives for both individual artists and arts organisations. This is followed by a discussion of private sector support for the arts—philanthropy and corporate sponsorship. The Inquiry has assessed the importance of the role played by philanthropic organisations, individual donors and corporate sponsors in broadening the financial support base for the contemporary visual arts and craft sector, and explored options for facilitating a greater contribution from private sector sources.

ROLE OF GOVERNMENTS IN SUPPORTING THE CONTEMPORARY VISUAL ARTS AND CRAFT SECTOR

Overview of government programs

The Commonwealth Government, all the States and Territories and many local governments have programs that provide support for contemporary visual arts and craft. Government interventions are many and varied, including support for artists, organisations and infrastructure, as well as mechanisms to stimulate demand.

As previously discussed, the Inquiry estimates that support from the three tiers of government for the contemporary visual arts and craft sector totalled some \$58 million in financial year 1999–00.

Commonwealth Government support through the Australia Council, ATSIC, DCITA and other Departments in 1999–00 is estimated to be about \$18.3 million. The combined value of State and Territory funding for the contemporary visual arts and craft sector in 1999–00 is estimated to have been almost \$19.5 million. The total value of local government support for the sector is estimated at some \$20.4 million in 1999–00.

Funding trends

The Inquiry found there was very little data relating specifically to the *contemporary* visual arts and craft sector, but that ABS collections of cultural data on the full visual arts and craft sector could be used as the basis for estimates of the contemporary sector. The following table shows total government support for the full visual arts and craft sector, for 1999–00.⁷²²

Table 6.1 Government funding of visual arts and craft, 1999–2000⁷²³

	Art galleries	Visual arts and craft	Total	%
Commonwealth Government	\$39 900 000	\$14 300 000	\$54 200 000	29
State/Territory Government				
New South Wales	\$33 400 000	\$1 000 000	\$34 400 000	18
Victoria	\$24 200 000	\$2 400 000	\$26 600 000	14
Queensland	\$10 600 000	\$1 100 000	\$11 700 000	6
South Australia	\$5 500 000	\$1 600 000	\$7 100 000	4
Western Australia	\$7 000 000	\$3 000 000	\$10 000 000	5
Tasmania	\$2 400 000	\$400 000	\$2 800 000	1
Northern Territory	\$2 800 000	\$300 000	\$3 100 000	2
Australian Capital Territory	\$1 500 000	\$900 000	\$2 400 000	1
Local government	\$30 900 000	\$4 900 000	\$35 800 000	19
Total government	\$158 200 000	\$29 900 000	\$188 100 000	100

The Inquiry estimates that only ten per cent of the funding provided by State and Commonwealth Governments for the category of ‘art galleries’ flows to contemporary visual arts and craft. Funding for art galleries in this context is predominantly for major art museums and the support of contemporary visual arts and craft is just one of a broad range of functions undertaken by these institutions. Local government support is principally for regional galleries, which are often more involved with contemporary work—the Inquiry estimates that 50 per cent of support of art galleries by local government is direct support for contemporary visual arts and craft. The Inquiry considers that 100 per cent of the category, ‘visual arts, craft and photography’ is support for the contemporary visual arts and craft sector.

On this basis, the following Table 6.2 gives the Inquiry’s estimates of funding for contemporary visual arts and craft, based on ABS survey data, from 1994–95 to 1999–2000.⁷²⁴

722. Source: National Centre for Culture and Recreation Statistic, ABS, Cultural Funding in Australia—Three Tiers of Government, 1999–2000, Cultural Ministers Council Statistics Working Group, 2002; Note: these figures include amendment to the expenditure by Arts Tasmania on art galleries.

723. Table 6.1 also indicates a significant contribution from the Commonwealth Government in 1999–00 towards art galleries, this needs to be qualified by reference to the one-off nature of Federal Centenary of Federation expenditure on capital infrastructure, including arts galleries, in that year. (ABS data for the last few years indicates that ‘normal’ Federal contribution to the category of ‘Art Galleries’ is about \$20 million, comprising its support of the National Gallery of Australia and the National Portrait Gallery.)

724. *ibid.*, pp21–23.

Table 6.2 Government funding (actual dollars) of contemporary visual arts and craft 1994–95 to 1999–00

	1994–95 \$m	1995–96 \$m	1996–97 \$m	1997–98 \$m	1998–99 \$m	1999–2000 \$m
Federal	16.27	21.97	17.80	17.34	17.90	18.29
States/Territories	17.07	16.07	16.27	17.13	18.03	19.44
Local	10.60	15.80	22.60	18.55	16.55	20.35
Total Govt	43.94	53.84	56.67	53.02	52.48	58.08

This data indicate that, while there was some increase over the six year period for the Commonwealth and State and Territory expenditure, this was not large (some 12 per cent for both Commonwealth and State) especially considering that the comparison is in non CPI-adjusted dollars. Total government funding for the contemporary visual arts and craft sector rose by some 31 per cent in the six year period 1994 to 2000, as a result largely of the almost 100 per cent increase in local government funding.

FINDINGS

In 1999–2000, total support of the contemporary visual arts and craft sector was \$58.08 million, comprising the Commonwealth Government's contribution of \$18.29 million (31.5 per cent), total State and Territory governments \$19.44 million (33.5 per cent), and total local government \$20.35 million (35 per cent).

State and Territory and Commonwealth Government support increased by about 12 per cent (in non-adjusted dollars) over the period from 1994 to 2000.

POLICY OBJECTIVES AND TARGETING BY GOVERNMENTS

In general, policies of governments at all levels have focused on encouraging excellence, innovation, access and participation. To achieve these aims, governments have developed and maintained infrastructures to support the sector, while also providing direct assistance to artists and craft practitioners, organisations and events.

National role

The Commonwealth Government has traditionally assumed responsibility for addressing national cultural objectives. Its current arts policy objectives are summarised in the Government's 2001 election statement, *Arts for All*:

Our aim is to encourage excellence in, and access to, all areas of the arts in Australia, and to encourage all Australians to celebrate our culture and creativity. In order to realise this, we must strive for excellence in training, excellence in artistic endeavour and excellence in promotion and presentation of artists' work.⁷²⁵

These objectives are underpinned by the Government's commitment to the Australia Council as the main statutory agent to deliver arts funding. The *Australia Council Act 1975* stipulates the policy basis of Commonwealth arts funding to be centred around excellence, participation, access, audience development and promotion of national cultural identity.

State, Territory and local governments necessarily take a narrower perspective in their funding policies, which are limited principally to their own jurisdictions. Nevertheless, they also operate in and contribute to a broader national context, and collaborate through the sharing of ideas in Commonwealth–State consultative forums, such as the Cultural Ministers Council. They also frequently operate as co-funders of visual arts and craft infrastructure with the Australia Council and in partnership with other Federal programs of support.

The Australia Council

The roles and functions of the Australia Council are summarised in the Australia Council's 2001 Annual Report as follows:

The Australia Council is the Commonwealth Government's arts funding and advisory body. Its vision is to enrich the life of the nation by supporting and promoting the arts ... [It] performs a crucial role in supporting Australian artists and arts organisations to pursue artistic excellence, to create and present their work, to take advantage of opportunities to improve and develop their skills, and to tour and promote their work to wider audiences. ...[It] also plays a vital role in developing new audiences for the arts both here and overseas and in promoting appreciation of the value and role of the Arts in the Australian community.⁷²⁶

Arm's length funding and peer assessment

Under the terms of its Act, the Australia Council operates on the principle of peer assessment at arm's length from Government. While almost all the State and Territory arts funding agencies operate through a committee system, where arts peers assess applications and make recommendations based on published selection criteria, decisions are made at Ministerial level. In the case of the Australia Council, specific decisions on funding are the decisions of Council without reference to the Minister for the Arts.

725. Coalition, *Arts for All*, Election Policy, 2001, at www.liberal.org.au
726. Australia Council, Annual Report 2000–2001, Sydney, 2001, p.7

Australia Council budget

The Australia Council allocates funding to artists and arts organisations through Boards and Divisions that assess applications and manage grants on its behalf. The Commonwealth's total funding for the Council was \$79.765 million in 1999–00, \$95.933 million in 2000–01, \$131.222 million in 2001–02, and \$135.928 million in 2002–03. The increase in the last three years was largely due to the transfer from DCITA to the Council of funding responsibility for the major performing arts companies following the Major Performing Arts Inquiry, as well as increases associated with that Inquiry.

Visual Arts/Craft Board (VACB)

The VACB is the principal body for the support of contemporary visual arts and craft within the Australia Council. The Board's primary roles are to:

- expand opportunities nationally and internationally to create and present innovative new Australian visual arts and craft;
- provide opportunities for the professional development of Australian visual artists and craftspeople; and
- promote public understanding and enjoyment of contemporary arts and craft through informed critical debate.⁷²⁷

Like all Boards of the Australia Council, the VACB offers grants in discrete categories, each with different objectives. Three of the VACB's grants programs in 2000–01 were open only to applications from individual visual artists, craftspeople, arts writers and curators.

These were the New Work, Skills and Arts Development, and Fellowships categories.

The following categories of funding were available only to organisations: Presentation and Promotion, Key Organisations (Triennial), and Partnerships and Commissions.

In 2000–01 the Board allocated funds across the categories as follows:

Table 6.3 Funding by the VACB across grant categories, 2000–01

Visual Arts/Craft Board programs		% of total
New work (60 grants)	\$895 882	14
Presentation and promotion (39 grants)	\$834 931	13
Development (incl. Studio o'heads) (58 grants)	\$1 015 303	16
Triennial grants (35 grants)	\$2 748 114	43
Fellowships (9 grants)	\$360 000	6
Partnerships (5 grants)	\$139 000	2
Commissions (1 grant)	\$50 000	1
Awards (2 grants)	\$50 000	1
Initiatives (16 grants)	\$169 759	3
Advocacy/Assessment	\$116 691	2
Total VACB Funding	\$6 379 680	100

Source: Australia Council 2000–2001 Annual Report, pp.120-123

NB. Table 6.3 is based on actual expenditure rather than commitments.

727. Australia Council, Support for the Arts Handbook 2002, Sydney, 2001, p.118.

The Fellowships category paid for nine grants in 2000–01 because five grants offered in the previous year (they are grants that are paid over two years) were still to be paid.

Analysis of the effectiveness of the VACB grant categories

Table 6.4 Total grants (actual dollars) paid by the VACB, 1996–97 to 2000–01

Year	VACB Total # of grants	VACB Total \$ granted	# to indv.s	# to org.s	Grants to indv.s	Grants to org.s
1996–97	266	\$6 508 083	141	125	\$1 956 956	\$4 551 127
1997–98	272	\$7 063 253	126	146	\$2 157 357	\$4 905 896
1998–99	241	\$5 969 903	129	112	\$1 902 850	\$4 067 053
1999–2000	235	\$6 069 188	129	106	\$1 775 190	\$4 293 998
2000–01	227	\$6 379 680	123	104	\$1 917 283	\$4 462 397

Source: Australia Council Annual Reports

As can be seen from the data in Table 6.4, the funding allocation to the VACB has remained relatively static for several years. This has affected its ability to support both individuals and organisations.

Issues raised in submissions to the Inquiry

A number of issues were raised in submissions and in the Inquiry’s consultations with the sector pertaining to the VACB’s roles and performance. These included criticism of the VACB’s funding decisions (though in many cases it was readily acknowledged that these reflected the constraints of a limited grant budget), and claims of disproportionate representation by some States in funding outcomes of grant decisions. It was also suggested the VACB should have a greater leadership role for the sector and achieve a better balance between its grants administration function and other activities such as research and advocacy in relation to such issues as funding, artists’ rights and taxation.

Some criticisms stemmed from measures taken by the VACB to deal with its static funding levels and the consequent decline in the real value of the grants. These include reducing the number of grants awarded, and limiting the number of applications that can be made by any applicant. In addition, ‘buffer periods’ have been imposed which limit new applications by previously successful individual applicants—individuals who have been successful VACB grant recipients in 2002 may not apply for a further grant from the VACB until 2005.

In the Inquiry’s view, issues of this sort are symptomatic of a difficult and relatively static funding situation and will diminish if this Report’s recommendations for funding increases are accepted.

In relation to other forms of support for the sector, the Inquiry believes that the VACB needs to balance its grant-giving function with other advisory and research roles, and considers that increases in grant budgets may take pressure off the VACB and its staff, allowing them to be proactive in areas other than grant management. In relation to advocacy, it should be stressed that the Australia Council's statutory role in relation to government is 'advisory', and that an advocacy role is more properly the role of peak bodies in the sector.

Some submissions raised concerns about the lack of coordination between the VACB and State and Territory funding agencies, and the lack of consultation with the sector itself. While, again, some of these concerns may be alleviated by basic increases to the funding base of the sector, the Inquiry agrees that there should be a cooperative working relationship between the VACB and the other funding agencies, especially with regard to the key infrastructure organisations.

The Inquiry received several submissions which raised the question of whether craft was properly supported by the VACB and whether it would be better supported through a separate Board as was the case prior to 1988. Since amalgamation of the two original boards, considerable infrastructure has developed to support both areas in a joint way, both nationally and also through international infrastructure such as the overseas studio program and recurrent events. This melding also parallels the blurring of distinctions between 'visual arts' and 'craft' which has occurred in recent years. The Inquiry considers that administrative efficiencies and other policy benefits have resulted from the amalgamation of the two boards, and there seems no case for returning to a two board model.

Australia Council support for contemporary visual arts and craft across boards and divisions

While the VACB is the principal supplier of *dedicated* support from the Australia Council for the contemporary visual arts and craft sector, in 2000–01 total VACB outlays equalled only 53 per cent of all funding for contemporary visual arts and craft from the Australia Council.

As Table 6.5 shows, support of visual art and craft across the Council is extensive, with several other boards and divisions making an important funding contribution. The almost \$12 million in the table represents 15 per cent of all funding from the Australia Council in 2000–01.

Table 6.5 Contemporary visual arts and craft funding by Australia Council Board and Division

Contemporary visual arts and craft funding by Australia Council board and division	2000–01	% of total
Visual Arts/Craft Board	\$6 379 680	53
Audience and Market Development Division	\$1 550 294	13
Policy Communications and Planning Division	\$224 330	2
New Media Arts Board	\$645 587	5
Community Cultural Development Board	\$1 090 262	9
Aboriginal and Torres Strait Islander Arts Board	\$2 167 127	18
Total Australia Council support	\$11 961 394	100

Source: Australia Council 2000–2001 Annual Report and information provided by Boards and Divisions

The contribution of areas of the Council other than the VACB is described briefly below:

The *Aboriginal and Torres Strait Islander Arts Board* assists Aboriginal and Torres Strait Islander people to claim, control and enhance their cultural inheritance. The Board supports this right through its grant categories and through the implementation of the National Aboriginal and Torres Strait Islander Arts Policy.

The *Audience and Market Development Division* focuses on developing audiences and markets nationally and internationally for Australia's artists and arts companies. The program's support for projects in the contemporary visual arts and craft area includes participation in major recurrent international art fairs and craft fairs; development and management of the visual arts components of major international showcase events, including the Venice Biennale; and support towards the international marketing and promotion of Australia based major events such as the Biennale of Sydney, the Asia-Pacific Triennial, and the Melbourne Art Fair.

The *Policy Communications and Planning Division's* support is mainly through the Young and Emerging Artists Initiative which has accounted for some \$1.1 million in grants for the contemporary visual arts and craft sector in the last five years. This initiative supports visual artists and craftspeople in the first five years of their practice. The program also supports artist-run initiatives and emerging writers and curators in a period when many artists find it very difficult to be supported through the market.

The *New Media Arts Board* supports the development and creation of artistic work that displays a critical and innovative approach to art and its place in society. The particular focus of the Board is to support experimentation with new forms of expression and exploration of hybrid art practices.

The key aim of the *Community Cultural Development Board* is to enable communities to advance their cultural aspirations by working closely with professional artists. Through these collaborations, communities are assisted to maintain and develop their culture, to address issues of concern to them and to create contemporary artistic works which reflect the richness and diversity of Australian communities and their cultural life.

Other Commonwealth Government programs supporting contemporary visual arts and craft

The second largest contributor to the contemporary visual arts and craft sector is the Aboriginal and Torres Strait Islander Commission (ATSIC). While the total Australia Council support for the sector in 1999–2000 was some \$9.4 million, ATSIC contributed \$4.2 million through its National Art and Craft Industry Strategy, principally in support of the art and craft centres which have been developed in each State and Territory and represent more than 5 000 Indigenous artists. ATSIC also estimated a further \$2.8 million expenditure on visual arts and craft through its more broadly based Regional Arts and Culture Program.

Artbank makes an important contribution to the sector, spending around \$0.5 million annually on purchase of contemporary visual arts and craft from the primary market for renting to private and public sector clients.

The Commonwealth Government has a lead role in establishing national legislative frameworks to support arts and craft workers, including copyright and taxation measures. DCITA and the Australia Council both have roles in consulting with other Federal bodies with principal carriage of policy in areas relevant to the cultural sector, such as Treasury (tax policy); the Australian Taxation Office (tax administration and amendments); and Attorney General's Department (copyright). In developing or changing such frameworks, the Australia Council is well-placed to advise the Commonwealth Government and to consult as appropriate with the States and Territories, and with the sector through such key national service organisations such as NAVA and Craft Australia.

The Commonwealth Government also has principal responsibility for art education at the tertiary level. As discussed in Chapter 3 of this Report, it funds the 45 publicly funded universities, 40 of which have courses of study in visual arts and craft. The core support for these institutions, provided through the Federal Department of Education, Training and Science, is supplemented by the Commonwealth's Australian Research Council which has funded a small number of university-based or university-linked research projects in the visual arts and craft area (for instance, the recent Visual Arts Industry Guidelines Research Project). The Commonwealth Government also provides considerable funding to the States and Territories for Vocational Education and Training (VET).

There are also many other Commonwealth Government programs, many within the Commonwealth portfolio of Communications, Information Technology and the Arts, which provide considerable national assistance to contemporary visual arts and craft, as part of their broader activities, such as:

- *National Gallery of Australia* (non-collecting exhibitions programs, purchase and management of collections, commissions).
- *National Portrait Gallery* (contemporary exhibitions, purchases for the collection, commissions).
- *Australian National Maritime Museum, National Library of Australia, National Museum of Australia* (some contemporary exhibitions, commissions).

- *DCITA Tax Incentive programs for donations* (Cultural Gifts Program and Register of Cultural Organisations which enable gifts of cash and artworks to art museums and organisations).
- *Bundanon Trust* (a Commonwealth Government owned company which manages Arthur and Yvonne Boyd's Shoalhaven properties and art collection gifted to the nation in 1993; the Trust offers an artist-in-residence program).
- *Art Indemnity Australia* (a DCITA program which indemnifies collections of cultural works, mostly from overseas, which are touring Australia, thus increasing public access to such material).
- *DCITA Regional Arts Fund* (provides funding to Regional Arts Organisations in each State and Territory to support community cultural activities in regional areas).
- *DCITA Visions of Australia program* (supports interstate touring of exhibitions, with an emphasis on touring to regional areas).
- *DCITA Festivals Australia program* (grants program supporting the cultural components of community-based festivals—including elements of visual arts and craft).
- *Australia Business Arts Foundation* (works with the business sector to promote and facilitate sponsorship and philanthropic support for the arts).
- *Protection of Movable Cultural Heritage Program (Environment Australia)* (prevents the export of significant cultural heritage, including especially some contemporary Indigenous art and craft).
- *Culture and Recreation Portal* (www.cultureandrecreation.gov.au), a DCITA website which offers a number of valuable resources for art workers, including information on grants and services, events and relevant national and international links).
- *Department of Foreign Affairs and Trade* (through its support of international cultural and trade initiatives).
- *Department of Education, Science and Training* (through residency programs, University Galleries, employment and education at tertiary education institutions).
- *Australian Broadcasting Corporation* (through radio and television programs which review and promote contemporary visual arts and craft).
- *Australian War Memorial (Department of Defence)* (commissioning of work and employment of official war artists).
- *Department of Prime Minister and Cabinet* (official gifts purchased by the department for presentation by the Governor-General, Prime Minister, Ministers or approved parliamentary delegations; commissioning of official portraits).
- *Commonwealth Scientific and Industrial Research Organisation* (partnership programs between artists and CSIRO).
- *Australian Bureau of Statistics* (as it collects, analyses and distributes information which is used for the development of policies to support contemporary visual arts and craft practice).

- *Department of Employment and Workplace Relations* (through the provision of social security measures)
- *Department of Industry, Tourism and Resources* (through the provision of small business assistance packages)

FINDINGS

The Commonwealth Government spends approximately \$18 million per annum on the contemporary visual arts and craft sector, principally through the Australia Council, ATSIC and DCITA.

The Australia Council (and especially the VACB) is the main Commonwealth source of grants in the contemporary visual arts and craft sector, although ATSIC also plays a significant role.

The quality of contemporary visual arts and craft in Australia is affected by funding levels of the VACB, which have been relatively static for several years. Increased funding recommended by the Inquiry will play an essential role in bolstering support both for individuals and for the key national infrastructure network.

Other more broadly targeted programs of the Commonwealth Government also make an important contribution to the contemporary visual arts and craft sector.

Roles of State and Territory governments

Policies and programs

The States and Territories have arts support programs that focus on cultural development, sustainability, diversity, access and participation. These policies tend to be presented as cultural sector wide, rather than art form specific. This reflects a general move in the second half of the 1990s towards cultural industry models which focus on developing a sustainable cultural sector, with support on both the supply side—e.g. support of infrastructure and individuals—and the demand side—e.g. audience development, marketing and distribution. It also recognises the increasing difficulty of classifying contemporary work, particularly due to use of new media technologies.

While data on funding of the contemporary visual arts and craft sector was reported in submissions, the policy and funding framework set out in arts Ministries' handbooks usually does not take an art form specific approach to grouping, nor do annual reports of funding. Rather the frameworks encompassed groupings such as *professional development; cultural infrastructure; regional arts development; sponsorship; market development and advocacy; and partnerships*.

This trend is also to be seen in the Australia Council's funding approach which, despite maintaining art form specific arrangements, also has in place structures which focus on audience and marketing development and other themes. The NSW Ministry for the Arts has a similar structure to the Australia Council's, with specific art-form groupings, including a Visual Arts and Crafts Program and associated committee—but also encompassing such parameters as *encouraging partnerships* and *raising the profile of the arts*.⁷²⁸

Several arts ministries reported a move towards a whole-of-government approach, whereby mutually beneficial links and partnerships are formed with other departmental agencies within that State's jurisdiction. This acknowledges the arts are relevant to other activities of government, such as health, industry, trade, economic development, tourism and environment. The policies of Arts SA, artsACT, Arts Victoria, Arts Tasmania and ArtsWA indicate a move towards such a cross-government approach.

While there are similarities in the broad approaches to arts policy (including visual arts and craft) in the States and Territories, it is also evident that they have different priorities which reflect their different geographic and demographic situations. These lead to different types of programs tailored to the specific needs of that State or Territory.

Per Cent for Art programs

Several states have Per Cent for Art and public art policies, which were described in their submissions to the Inquiry. Such programs specify a proportion of expenditure on capital works by governments to be spent on art incorporated in the building.

The Western Australian Government's Per cent for Art Scheme, managed by the Department of Contract and Management Services in partnership with ArtsWA, has operated for more than ten years.⁷²⁹ Under the program, all State Government buildings with a budget over \$2 million will consider one per cent of the project budget for an arts component.⁷³⁰ The Scheme has seen 120 public artwork projects completed or under way to date across the State at schools, hospitals, law courts, police stations and prisons.⁷³¹

Queensland has established a Public Art Agency to implement its Arts Built-in policy.⁷³² The policy requires that two per cent of applicable capital works building project budgets in excess of \$250 000 be expended on commissioning public artworks. Since its inception in 1999, Arts Built-in has resulted in some 74 projects to a total value of \$13 million, creating over 317 jobs. More than half of these projects were in regional Queensland.

Tasmania also supports a vigorous Art for Public Buildings Scheme, established in 1979. An estimated \$600 000 in commissions is expected to have been spent in 2000–01, resulting in putting 800 artworks in more than 300 locations. The current scheme is based on two per cent of building costs to a maximum of \$40 000 per project.⁷³³

728. NSW Ministry for the Arts, Annual Report 2000/2001, www.arts.nsw.gov.au/Pubs/Ann_Rep/annrep.htm.

729. Submission: Arts WA.

730. Western Australian Ministry for Culture and the Arts, Annual Report 1999–2000, at www.cultureandarts.wa.gov.au/, p51

731. Western Australian Ministry for Culture and the Arts website, www.cultureandarts.wa.gov.au/.

732. Arts Queensland website: www.arts.qld.gov.au/publicartagency/

733. Submission: Arts Tasmania.

Though not a per cent for art policy, the Australian Capital Territory's (ACT) arts development strategy, Arts Capital, includes an Art in Public Places strategy. The aims of the strategy are to increase the integration of arts activity into ACT places and spaces, and maximise the benefits of the ACT's arts infrastructure and artistic environment. The emphasis of the ACT policy is on the use of public spaces as a place to exhibit artists' work, and to promote cultural life in the ACT, its facilities and arts training opportunities.⁷³⁴

There is also a trend in State and Territory capital works programs towards integration of art/design elements into the fabric of buildings and spaces and a greater emphasis on 'environmental art' in both urban and rural settings.

Current Commonwealth Government practice is to lease rather than own buildings used by its agencies and therefore it is difficult for the Commonwealth itself to introduce such an approach. Nevertheless, the Commonwealth does make considerable use of Artbank (on a commercial basis) within its buildings, including in Australia's overseas posts.

The Inquiry considers these types of programs have considerable potential to assist contemporary visual artists and craftpersons and commends those governments that have introduced them. Those government authorities that have not already adopted such measures, should consider the benefits and draw on the many models which are now available.

Funding by States and Territories

The Inquiry compiled data from annual reports of State and Territory arts funding agencies which allowed an analysis by organisation or individual recipient, and this is set out in Table 6.6.⁷³⁵


Table 6.6 Contemporary visual arts and craft—funding by State and Territory Governments, 1999–2000

Individuals/ organisations Breakdown	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
Individuals \$	120 295	227 296	261 674	174 052	140 497	123 113	18 039	74 449	1 139 415
No of individuals	12	30	43	34	59	40	10	21	249
Organisations \$	5 222 795	4 382 131	2 020 715	2 445 600	1 782 980	329 551	635 794	654 546	17 474 112
No of organisations	146	127	25	36	58	20	37	17	466
Total \$	5 343 090	4 609 427	2 282 389	2 619 652	1 923 477	452 664	653 833	728 995	18 613 527

It is evident from this table that State and Territory spending on contemporary visual arts and craft is weighted considerably towards support of organisations/infrastructure. Of total State and Territory spending, only six per cent was for direct grant support of individuals, and this pattern was in general reflected within each jurisdiction.

734. artsACT website, www.arts.act.gov.au/, February 2002.

735. It is acknowledged that there is some discrepancy between the data in Table 6.6 and that in Tables 6.1 and 6.2, with the annual report data generally showing a lower figure than the ABS data. It is suggested that some of this difference may be due to the application of the formula for art gallery support which has been applied by the Inquiry to the basic ABS data, and is at best an approximation, and that the ABS may have had additional sources of data which did not appear in annual reports of the principal arts funding agencies in each State and Territory.



Similar data compiled from Australia Council records (see Appendix L) shows that the relative expenditure by the Council on individuals is considerably more—31 per cent of aggregated expenditure across all jurisdictions (excluding the Other category)—as compared with less than ten per cent on average by State and Territory governments.

Commonwealth and State and Territory cooperative funding arrangements

Chapter 4 has dealt extensively with the infrastructure funded by governments to support a healthy and creative environment for the contemporary visual arts and craft sector. In the case of the organisations which form a national infrastructure network (contemporary arts organisations, craft and design organisations, and touring (NETS) agencies in each State and Territory) the State and Territory arts funding agencies are the majority funders in partnership with the VACB—but these arrangements are not currently formalised or formulaic.

For instance, the 12 co-funded contemporary arts organisations receive a mixture of recurrent (triennially based) and project funding from both funding sources. In 2000, the Commonwealth Government's contribution on average was approximately one third of the support for recurrent/core costs, and around 45 per cent of total project support—but the allocations to specific contemporary arts organisations from either funding source show no clear pattern, even in the core triennial funding, and have developed over time in respect of each organisation in accordance with a mixture of precedent and need.

Similarly, the craft and design organisations are supported with a mixture of core triennial and project funding from both tiers of government. On average the Commonwealth Government's contribution to core funding was around 19 per cent, but was about 42 per cent for projects. Again there was no clear pattern for this distribution.

NETS agencies in each State and the northern Territory received the same amount in core funding from the Australia Council—in 2000 approximately \$61 000 each. Support from the States varied and was in total almost twice that of the Australia Council's for core funding and three times more for projects.

The Inquiry considers that the current arrangements for co-funding of key infrastructure organisations by the VACB and State and Territory funding agencies are important for the sector but that improvements through a greater degree of coordination and collaboration can be achieved. The proposed increases in funding should allow an opportunity to put these relationships on a surer footing. Tripartite agreements should be pursued to replace the current bilateral arrangements between funders and the funded organisations. This would result in efficiencies of delivery as well as greater certainty and simplicity for the contemporary visual arts and craft organisations themselves.

FINDINGS

States and Territories have developed a variety of programs to support the cultural sector in their jurisdictions. While these have certain similarities in approach—for instance offering support for both organisations and individuals through grant programs—the targeting of their resources for cultural support necessarily reflects their particular geographical and demographic needs.

Within State and Territory programs there is a general move toward a holistic cultural industry model that does not necessarily prioritise specific art forms.

Many government authorities have introduced per cent for art policies as an effective way to support public art and artists. Wider use of per cent for art schemes by governments would have valuable benefits for the contemporary visual arts and craft sector.

States and Territories are currently the principal funders of contemporary visual arts and craft infrastructure, while the Commonwealth is the main funder of individuals in the sector.

Tripartite funding agreements should be achievable between the State and Territory and Federal funding agencies for funding the group of key national infrastructure organisations currently receiving triennial funding.

Role of local government

Many local governments support contemporary visual arts and craft practice. Most often this comes through their support of regional galleries, of which there are over 100 in Australia.

However, local governments also provide support for contemporary arts and craft in other ways, such as artist-in-residencies, public art projects, art training, specific artist projects and community art and cultural development projects.

As there were few submissions from local government, the Inquiry sourced information on local government cultural programs from websites to derive a picture of the scope of these and their relevance to the contemporary visual arts and craft sector.

Metropolitan and suburban local government

Many metropolitan councils have developed programs which support cultural activities of a more local nature, and would result in support of locally based contemporary artists, crafts workers and associated organisations. The following examples indicate the breadth of activities which are undertaken at the local government level within the capital cities.

- Located in South Hobart, Tasmania, Glenorchy City Council established the Moonah Arts Centre ten years ago.⁷³⁶ The Centre now presents around 60 cultural events each year, with 79 being held in 2000, attended by 12 102 people. Events included 16 exhibitions, 37 workshops, eight forums and an artist-in-residency program. The Centre is currently the third most used gallery space in southern Tasmania.

736. Glenorchy City Council website, www.gcc.tas.gov.au/.

- The City of Port Phillip has an active cultural program encompassing local festivals and events, an Indigenous arts unit, and two public galleries with a focus on contemporary art.⁷³⁷ The Linden Arts Centre and Gallery, located in St Kilda, supports and develops innovative art practices through its exhibition program, studios, talks by artists and projects dealing with current social issues and aesthetic concerns. The GasWorks art precinct in Albert Park includes 15 artist studios and an illustrators gallery. The City also maintains a substantial collection of heritage items and contemporary artworks which are displayed in its three town halls.
- The Liverpool City Council operates the Casula Powerhouse Arts Centre, a major contemporary arts centre offering a rich program of exhibitions, workshops and other events.⁷³⁸
- Adelaide City Council supports the Artists Open House event, a special project where artists' studios in central Adelaide are open to the public and marketed with a coordinated promotion.
- The City of Melbourne adopted in March 1999 a cultural policy which: '...will stimulate, support and promote contemporary arts and cultural activities that: demonstrate artistic excellence and innovation; reflect Melbourne's diverse and distinctive culture; maximise community involvement...'.⁷³⁹ The Council has a Cultural Development Branch, and offers a grants program for artists, a public art program, and sponsors community development activities. Four arts advisory bodies guide its activities. The City also has a Per Cent for Art program, which dedicates one per cent of its capital works commitments towards commissioning public art to be integrated into the constructions. Funding collected from the Per Cent for Art program funded the first Melbourne International Biennial. The City is also supporting the Art in the Laneways project, which will allow five artists to install specifically commissioned artworks in laneways in the City over 2001 and 2002.

Regional local government

Many non-capital city councils have developed policies which encourage and support local arts activities and thereby enrich local communities. In many cases this support has been directed at contemporary visual arts and craft activities.

Cairns City Council administers the Regional Arts Development Fund (which has been running for 11 years) in partnership with Arts Queensland.⁷⁴⁰ The Fund aims to provide work opportunities for local artists and to increase professionalism. The Fund provides support for artists across the sectors, however it has historically been most utilised by contemporary visual arts and craft practitioners. In addition, the Council funds the Cairns Regional Gallery, the second largest gallery in the State, which has been operational since 1995.

The City of Greater Bendigo has a Cultural Development and Events area which researches, develops and implements cultural development initiatives in the area. Programs available include annual cultural grants, the Raw View Youth Arts Festival (held biennially), an arts register, arts seminars, and a monthly arts newsletter Artznewz. The Council also supports the Bendigo Art Gallery.⁷⁴¹

737. City of Port Phillip website, www.portphillip.vic.gov.au.

738. Liverpool City Council website, www.liverpool.nsw.gov.au/council/.

739. City of Melbourne, 'Melbourne: a city for the arts (summary of the City of Melbourne's cultural policy)', Melbourne, 1999, page 3.

740. Submission: Cairns City Council.

741. City of Bendigo website: www.bendigo.vic.gov.au

The City of Mildura in Victoria's far north-west supports the Mildura Gallery, which exhibits the work of local artists as well as works from its permanent collection.⁷⁴² The Gallery hosts the Mildura Arts Festival, held in March every year and the innovative Sunrise 21 Artists-in-Industry project, involving five artists-in-residence collaborating on projects with local businesses and government industries around the Mildura region. Council also supports the Mildura Arts Centre, including the Sculpture Park which displays contemporary Australian sculpture, and operates in association with special exhibitions and hosts Australia's leading arts/science exhibition and forum—Mildura Palimpsest. The Fourth Palimpsest, held in 2001, attracted over 90 national and international artists to Mildura.

The above examples give a good overview of the types of roles local government have carved for themselves in supporting the contemporary visual arts and craft sector. It is evident that interventions are essentially tailored to each community's needs and priorities, though the support of regional galleries and local arts-based festivals is a common thread of these initiatives.

The Inquiry concludes that local government plays a very important role in grass-roots support of community-based arts and craft activities, much of which is contemporary in focus. It is evident that the local government agencies are used to building on other programs such as tourism, environment and education and are highly flexible and adaptable in this respect.

The Inquiry considers there may also be potential for authorities to supplement government funding through partnerships with local and regional business groups, community groups or other philanthropic bodies in supporting the contemporary visual arts and craft sector. The arts and craft sector itself can encourage local government to take an interest in and make financial and other commitments to arts and craft projects, development by participating in local activities and by making their views and concerns known to local government bodies.

Further discussion of regional programs of all levels of government, including local government, is included in the next section of this Report.

FINDING

Local government authorities have undertaken many initiatives to support the contemporary visual arts and craft sector. Their support of regional galleries is especially important.

742. City of Mildura website: www.mildura.vic.gov.au

Regional programs

Governments at all levels have placed considerable emphasis in their arts policies on the need to ensure access by all Australians, including those in regional, rural and remote areas, to cultural activities and product. Thus the programs of the arts funding agencies are designed to be available to all potential applicants, whether in metropolitan or regional areas, and efforts are made in Commonwealth and State and Territory programs to encourage greater uptake from non-capital city based applicants. These programs are not generally targeted at specific art forms, but would encompass support for the contemporary visual arts and craft sector.

The Australia Council's main targeted assistance for contemporary visual arts and craft in the regional areas of Australia is its co-funding, with the States and Territories, of the National Exhibition Touring Support (NETS) in each State and the Northern Territory.

DCITA has three national programs with a specifically regional focus, which are known to be of benefit to contemporary visual arts and craft, as well as other cultural sub-sectors:

- *The Regional Arts Fund (RAF)* provides funding to each State and Territory to support community cultural activities leading to sustained cultural development in regional areas. The program was recently renewed with funding of \$7.6 million in total for a further three years, and is now devolved to Regional Arts Organisations (RAOs) in each State, and to the two Territory arts ministries. Decisions on project support are made by the RAOs themselves, in accordance with a set of national RAF guidelines.
- *Visions of Australia* supports the touring costs (and some development costs) of interstate exhibitions touring, of which some is contemporary visual art, craft and design, with an emphasis on touring to regional areas. Funding from other sources (usually State or local government), is a requirement.
- *Festivals Australia* provides grants for community based festivals for the introduction of a new cultural element or project; many of these have involved the visual arts and craft, and most festivals supported are in regional Australia.

States have developed specific regional initiatives involving partnerships with RAOs. Represented nationally by Regional Arts Australia, RAOs exist in each State and are supported by State Governments and by the Commonwealth's Regional Arts Fund. RAOs service an area covering many shires and are well-placed to provide locally-specific visual arts and craft services, in that they involve local government authorities and members of the visual arts and craft community.

RAOs are also responsible for providing Regional Arts Development Officers (RADOs), who manage the delivery of cultural programs in their areas. While acknowledging the valuable work done by RADOs, there have been concerns raised in some submissions regarding the availability and effectiveness of RADOs whose services are often stretched thinly across a large geographical area.⁷⁴³

Regional galleries make an important contribution to the appreciation of visual arts and craft in their communities, as well as providing a market for contemporary work.

743. Submission: Upper Clarence Community and Economic Development Organisation.

Though mainly a local government funding responsibility, regional galleries also get financial support from the State and Territory arts funding agencies. They would occasionally, on an application basis, receive funding for special projects from the Australia Council and other Commonwealth Government programs such as the Regional Arts Fund or Visions of Australia. Several also benefited from the Federation Fund program. In addition, regional galleries benefit considerably from the Commonwealth's Cultural Gifts Program which provides tax incentives for donors making gifts of significant cultural items to approved art museums.

While there are many avenues of support for regional cultural activities, including contemporary visual arts and craft, many of these are not specific to the sector. Nevertheless, there tends to be a good representation of the sector in the funding outcomes of these programs. For instance, the two Commonwealth tax incentive programs, the Register of Cultural Organisations and the Cultural Gifts Program, both have considerable uptake from regional arts organisations and galleries wishing to seek donations.

Submitters who commented on the issue of regional access to programs were generally anxious to increase funding, pointing to the high cost of regional and remote area delivery,⁷⁴⁴ the static Australia Council contribution to NETS,⁷⁴⁵ the static funding for local government to assist in the support of regional galleries and the confusion about which tier of government is responsible principally.⁷⁴⁶

With the exception of NETS, regional programs of Federal and State agencies do not tend to be art form specific, nor would it be administratively practicable or wise from a policy perspective to single out in a 'quota' sense contemporary visual arts and craft from the broader cultural sector. However, in these circumstances there is a responsibility for government funders to ensure that visual artists and craft practitioners are aware of appropriate programs and that their participation is reflected in funding outcomes.

The additional funding for NETS proposed by the Inquiry will strengthen the Commonwealth and State and Territory support for visual arts and craft practitioners in regional Australia, as well as assisting regional galleries.

FINDINGS

Governments at all levels have developed comprehensive programs to support regional initiatives. While many of these benefit art and craft practitioners and organisations, most are not dedicated specifically to this sector.

It is important for the sector to avail itself of opportunities within broader-based regional funding programs and for governments also to ensure there is a fair representation of the sector in funding outcomes.

Increased funding for NETS, as recommended by the Inquiry, would assist the contemporary visual arts and craft sector in regional Australia.

744. Submission: Northern Territory Department of Arts and Museums.

745. Submission: Regional Galleries Association of Queensland.

746. Submission: Regional Galleries Association of NSW.

International programs

The VACB of the Australia Council offers considerable assistance towards overseas travel or exchange, including several artist studios in overseas locations. A quarter of all money outlaid in grants from the VACB is directly or indirectly for the support of artists developing their careers internationally and benefiting from interaction with the overseas art scene.

In addition, some 80 per cent of the support of the Australia Council's Audience and Market Development Division for contemporary visual arts and craft is aimed at the support of international market development projects, including the funding of commercial galleries and craft organisations to attend international art and craft fairs.

The other major source of Commonwealth support for international activities is the Department of Foreign Affairs and Trade (DFAT). DFAT's cultural activities are part of a broader umbrella of international public diplomacy programs which are managed mainly through its Images of Australia Branch. DFAT initiatives include international market development through Austrade; the Australia International Cultural Council initiative; and its Aboriginal and Torres Strait Islander Program and Asialink initiatives to assist in the touring of exhibitions of visual arts. DFAT is also responsible for cultural exchanges under a series of bilateral Councils, Foundations, Institutes and Agreements—for instance, the Australia–Japan Council—which provide support for many Australians, including many artists.

In relation to direct support for visual arts and craft practitioners and organisations, some discretionary funding assistance is available through DFAT and Australia's overseas posts, and these have successfully supported many Australian artists and exhibitions. DFAT is also currently Artbank's largest single client and through that relationship promotes the work of contemporary visual arts and craft in Australian High Commissions and Embassies across the world simply by displaying it.

States and Territories offer funding for international projects or development opportunities under their project and development categories of funding, and also often have links with other State departments responsible for trade and economic development. Support for festivals, biennials, and other events, is an alternative way for the States to create national and international interest in its artists—with incidental but important tourism benefits for Australia.⁷⁴⁷ The Australia Council also frequently supports these events.

The Inquiry noted while there were many avenues of support for international activities, there was little coordination between them and the Australia Council and DFAT should improve coordination of relevant programs—including compiling appropriate information for visual arts and craft practitioners and organisations. In addition, greater use could be made of the network offered by DFAT's overseas posts in promoting Australia's contemporary visual arts and craft, and providing information overseas to potential visitors about major Australian events.

747. Submission: NT Department of Arts and Museums.

FINDINGS

Federal and State and Territory governments have programs to support international cultural activities, which are often linked to trade, tourism and public diplomacy.

The Australian embassies are a useful network in the promotion of Australian art and craft overseas.

There is scope for closer coordination between DFAT, the Australia Council, and the States and Territories on international initiatives to assist contemporary visual arts and craft practitioners, including making available information on relevant programs.

Programs for Indigenous artists

Indigenous Australian visual arts and craft practice is widely recognised by governments at all levels as a major cultural and economic force in Indigenous communities, especially in remote areas of Western Australia, the Northern Territory and North Queensland. It is also an important component of urban Indigenous culture throughout Australia.

As has been discussed in Chapter 4 of this Report, the principal funding agencies of the Indigenous contemporary visual arts and craft sector are:

- ATSIAC, through its National Art and Craft Industry Support Strategy (NACISS) and its Regional Art and Culture (RACS) program (total of \$12 million in 2000, of which \$7 million was for visual arts and craft); and
- The Australia Council, through its Aboriginal and Torres Strait Islander Arts Board (ATSIAB) (\$2.16 million in 2000–01).

The majority of NACISS funding for visual arts and craft (about \$4 million) was to support administration costs of some 50 art and craft centres (about half of all such centres). RACS funding and ATSIAB support is generally on a project basis. The State and Territory governments do not generally contribute to the funding of the centres, but there are programs in some State and Territory arts ministries which specifically target Indigenous culture, including visual arts and craft.

The Northern Territory Department of Arts and Museums and other departments in the Territory have many programs which benefit the Indigenous art and craft sector and an Indigenous arts strategy is being developed. The Alice Springs Cultural Precinct is funded by the Department and is important in exhibiting Aboriginal art and craft of the Central Desert region. The Museum and Art Gallery of the Northern Territory hosts the nation's leading Indigenous art award *Telstra presents the National Aboriginal and Torres Strait Islander Art Award*, now in its 20th year.⁷⁴⁸

South Australia has an Indigenous Arts Development Officer whose role is to provide advice and information to Indigenous applicants seeking program assistance.⁷⁴⁹ Arts Queensland's Indigenous Regional Arts Development Program supports many Indigenous communities' arts activities, including visual arts and craft.⁷⁵⁰ Arts Queensland referred in its submission to the important contribution of Queensland's Department of Aboriginal and Torres Strait Islander Policy in undertaking key initiatives in Cape York.

748. Submission: NT Department of Arts and Museums.

749. Arts SA, Arts Industry Development Programs 2001, Adelaide, 2001, p. 35.

750. Arts Queensland, Annual Report 2000–01, www.arts.qld.gov.au/resources/AQAnnRep.pdf.

In Western Australia, Indigenous visual arts and craft initiatives have been supported through Arts WA's Aboriginal Arts Development program, and Community and Regional Arts Development program, and through research and exhibitions of the Art Gallery of Western Australia.⁷⁵¹ Arts WA raised in its submission to the Inquiry the need for improved coordination and cooperation for the maintenance and development of Indigenous art centres, and proposed convening a working party to include among others the Office of Aboriginal Economic Development, the Australia Council (ATSIAB), Country Arts WA and local government.⁷⁵²

While the Inquiry was aware that currently the principal programs of support for Indigenous artists are through ATSIAB and ATSIAC, it noted that many States and Territories are also developing programs and that this is an area in which increased involvement by States and Territories could be explored.

FINDINGS

ATSIAC is the principal funder of Indigenous contemporary visual arts and craft programs with the Australia Council's ATSIAB also making a considerable contribution. Their combined support for Indigenous arts and craft was just over \$9 million in 2000–01.

Many of the States and Territories also have relevant programs of support.

INTERRELATIONSHIPS, COORDINATION, TARGETING AND OPPORTUNITIES FOR NEW SYNERGIES

It can be seen from the above description of government policies and programs to support the contemporary visual arts and craft sector that they are characterised by complex interaction between funders and infrastructure providers, including vertical relationships between two or more levels of government, and horizontal whole-of-government arrangements. In such a complex environment the need for well sustained infrastructures and very good coordination is essential, to ensure that scarce government funding is well spent in support of contemporary visual arts and craft practitioners and their supporting organisations.

The following seeks to summarise the Inquiry's findings on the interventions by the three tiers of government, including current and potential interrelationships. It also encompasses a summary of the main recommendations of this Report and the potential new funding and other interventions these entail for governments.

751. Western Australian Ministry for Culture and the Arts, Annual Report 1999–2000, at www.cultureandarts.wa.gov.au/, pp. 27, 42–43.
752. Submission: Arts WA.

Intersections between the three tiers of government


Governments in Australia have developed a range of interventions which support the contemporary visual arts and craft sector. While the Inquiry believes these interventions can be more effectively targeted through enhanced coordination of funding agencies and expansion of activity by all jurisdictions, it also believes that the existing structures and modes of operation are broadly appropriate. Thus recommendations of the Inquiry have focused on strengthening existing structures rather than establishing new ones.

While the following is a simplification, it represents broadly the current situation in relation to separate and combined roles of the three tiers of government:

- The Commonwealth Government focuses on a national perspective comprising key infrastructure (including a national network of major contemporary art, craft and touring organisations; national service organisations; key publications; and legislative frameworks covering such issues as taxation and intellectual property) and nationally-based support of individuals.
- The Commonwealth Government also has a lead role in relation to international and Indigenous programs, and most tertiary education.
- States and Territories focus on basic physical infrastructure within their jurisdiction and recurrent support of organisations, with some support for individuals, and some programs supporting international and Indigenous initiatives.
- States/Territories have responsibility for primary, secondary and vocational visual art and craft education.
- Some shared middle ground provides opportunity for partnerships and co-funding by Commonwealth and State and Territory arts agencies of the key national network of organisations in each State and Territory, including assistance for exhibitions touring.
- Local Government focuses on local events and support of regional galleries.
- Some shared middle ground exists in the funding and delivery of regional programs by all levels of government.

The Inquiry believes that the Commonwealth Government and the States and Territories have developed and maintained an effective national framework for the contemporary visual arts and craft sector—but that this intervention needs further funding from both sources if it is to remain effective.

From the Commonwealth's perspective, its ongoing support of the VACB of the Australia Council is vital in this equation. The VACB is the primary vehicle for the Commonwealth Government's support of the contemporary visual arts and craft sector, through its funding of both infrastructure and individuals, although the supplementary support from other boards/divisions of the Council such as the Aboriginal and Torres Strait Islander Arts Board, the Audience and Market Development Division, the Community Cultural Development Board, and the New Media Arts Board is acknowledged.



In relation to infrastructure, it is the Inquiry's view that the VACB is well-targeted in its support of the contemporary visual arts and craft sector, with much of this assistance already being co-funded by State and Territory arts funding agencies. This co-funded national infrastructure provides a vital network of support for the sector and is a core element in sustaining its viability. In the current environment of static funding levels, however, this support has become less effective and needs bolstering.

For this reason, the Inquiry has recommended increased funding for the following key organisations and initiatives, through the VACB, with the Commonwealth's contribution contingent to a considerable extent on additional funding from the States and Territories:

- The national network of key contemporary arts organisations; the key craft and design organisations; and the NETS touring agencies, all of which are currently co-funded by the Australia Council and State and Territory arts funding agencies (Recommendations 6, 7 and 13).
- Key visual art and craft publications (Recommendation 17).
- A new fund for projects—to be co-funded by and devolved to States and Territories (Recommendation 18).
- A new integrated national program of artist service membership organisations (Recommendation 10).
- Commitment to developing a national technology loan facility for visual artists and craftspeople (Recommendation 11).

Furthermore, the Inquiry is also aware that these new funding arrangements would offer opportunities for closer partnerships and valuable new synergies between the Australia Council and the State and Territory arts funding agencies.

In the case of the contemporary arts, craft and design organisations and NETS agencies, it is recommended that funding negotiations with the States and Territories lead to more formalised tripartite arrangements that will clarify the responsibilities of all parties and ensure agreed standards of financial reporting and accountability. It is considered that these funding agreements should allow for greater security of future funding, including consideration of a rolling triennial funding arrangement, in exchange for recipient organisations providing detailed regular reporting against business plans and agreed budgets (Recommendation 19).

The Inquiry recognises the key role played by the VACB and other Boards of the Australia Council in supporting individual arts and craft practitioners on a national basis. However, the Inquiry is concerned that the value and effectiveness of Commonwealth support for individuals in the contemporary visual arts and craft sector has diminished in a highly competitive environment and has thus recommended a new injection of Commonwealth funding to ensure that excellence in artistic practice by individuals is nurtured for the benefit of all Australians (Recommendation 1).

In addition, the question of whether the VACB and the other Boards of Council are shouldering too much of the burden for supporting individuals is relevant. The value of the Australia Council's support of individual contemporary visual and craft artists is more than

twice that of the combined States and Territories, which in 1999–2000 spent on average only six per cent of their funding for the contemporary visual arts and craft sector on individuals.

It is the Inquiry's view that while there is a special onus on the Australia Council to continue its key national role of supporting individuals, it is a high priority to also augment the funds available through the State and Territory funding agencies since their support for individuals has been less of a focus. The proposed devolution by the Commonwealth of some funds for individual art and craft practitioners to the States on condition that these be matched by the States and Territories, should assist in increasing the States' and Territories' support for individual art and craft practitioners.

There are several other initiatives recommended in this Report which are principally a Commonwealth responsibility and have been high on the agenda of visual art and craft membership organisations for many years. These will enhance considerably the environment in which individual artists and craft practitioners operate:

- Measures to improve the status of visual artists and craft practitioners in relation to employment, taxation and occupational health and safety (Recommendation 2).
- Measures relating to intellectual property rights and protection, including the special needs of Indigenous artists (Recommendations 3 and 4).
- The introduction of a resale royalty arrangement (Recommendation 5).

In relation to regional programs, there are many initiatives across all jurisdictions, with some degree of interaction and coordination through such programs as the Regional Arts Fund and the joint support of regional galleries. The proposed increase in NETS funding, to be matched by the States and Territories (Recommendation 13), will be an important element in strengthening joint Commonwealth-State approaches in this area. The Commonwealth's interstate touring program, Visions of Australia, has the potential to make a greater contribution to supporting and promoting contemporary collections in regional areas, and the Inquiry has recommended a review of its guidelines to ensure contemporary visual art and craft are appropriately represented in these touring exhibitions (Recommendation 14).

The Inquiry notes that international promotion of contemporary visual arts and craft is a high priority for the sector and is important in establishing Australia's place and cultural identity in the international context. While there are many initiatives across different jurisdictions, especially at Commonwealth and State and Territory levels, there is scope for better coordination between the Australia Council, DFAT and relevant State and Territory programs and for better communication with the contemporary visual arts and craft sector on available avenues of support.

Also aimed at improving market and audience development opportunities for contemporary visual arts and craft is the proposal to increase funding for long-term promotion of major contemporary visual arts and craft events in cooperation with the States and Territories (Recommendation 16). Similarly, the recommendation to support three new touring exhibitions, in concert with relevant States and Territories, will boost audiences and markets for the sector (Recommendation 15).

The Commonwealth currently has the principal funding role in support of the Indigenous arts and craft sector, with the majority of funding being provided by ATSIC but a substantial amount also coming from the Aboriginal and Torres Strait Island Arts Board of the Australia Council. The Inquiry has identified a special need for additional training in business skills for art and craft centre managers and recommended additional funding for this, through the Australia Council (Recommendation 8). The Inquiry's recommendation to fund three new touring exhibitions of contemporary artists and craft practitioners, including the requirement that at least one be an Indigenous exhibition is also an important initiative to support contemporary Indigenous art and craft.

The recommendations of this Inquiry are largely government focused and aim to strengthen the current structures which support the contemporary visual arts and craft sector. An important element of the proposed strategies is the new funding relationship which would result from increases in funding to the Australia Council and State and Territory arts agencies. This closer and more coordinated relationship has the potential to result in greater efficiencies of delivery as well as greater certainty for the visual arts and craft sector. As such it should be pursued as a matter of priority by the relevant arts funding agencies.

RECOMMENDATION 19

To ensure that government support for the contemporary visual arts and craft sector is well targeted and well coordinated where appropriate across jurisdictions, the Inquiry recommends the Commonwealth and the State arts funding agencies take the opportunity in pursuing the recommendations of this Report to enter into more collaborative and coordinated arrangements, including tripartite funding arrangements in respect of their joint support of the key infrastructure organisations currently receiving triennial funding.

PRIVATE SECTOR SUPPORT

The Inquiry received a number of submissions addressing philanthropy and corporate sponsorship. Furthermore, consultations with philanthropic organisations have suggested that there is potential for a greater contribution from philanthropic and sponsorship sources to broadening the financial support base for contemporary visual arts and craft.

Broadening the funding base for the contemporary visual arts and craft sector is important for two reasons. Firstly, there are a number of private individuals and organisations with a desire to contribute to the contemporary visual arts and crafts, but who are either unaware of the avenues available, or are unaware of how their contribution would achieve the best outcomes. Secondly, there is a high degree of competition for access to limited government funding, and as a result, the need for more flexible and varied sources of support for the contemporary visual arts and craft sector is clear.

Government can facilitate the broadening of the funding base by providing incentives to leverage private sector support, to ‘tap into’ the private sphere to increase the amount of support available to the contemporary visual arts and craft sector. Private support of the visual arts has the potential to provide much needed support for arts organisations. Further, private support for individual artists would facilitate professional artistic practice and development and would supplement other proposed initiatives, such as a resale royalty scheme.

While some philanthropic and sponsorship support has been secured by the contemporary visual arts and craft sector, the amount of support offered by private donors to the sector tends to be limited, and is relatively small in comparison with the amount of support secured from private donors overseas, particularly in the United States. While this is a problem which spans the broader not-for-profit sector, philanthropy and sponsorship is particularly scarce in the contemporary visual arts and craft sector. Of the total amount of philanthropic donations and sponsorship funding provided to the not-for-profit sector, only a small proportion is directed towards the arts. Further, of private support for the arts, only a small proportion is directed towards the visual arts and craft. An even smaller percentage of the funding for visual arts and craft is directed towards contemporary visual arts, and a smaller percentage again is directed to supporting contemporary craft.

The contemporary visual arts and craft sector is a sector where a modest amount of additional support would have a demonstrable and significant impact. Contemporary arts organisations tend to be run on very limited budgets, and a small amount of additional funding would allow these organisations to more comfortably achieve organisational goals and extend their activities and programs in a way which benefits the broader arts community. Private support for individual artists would also have a significant benefit, as visual artists and crafts practitioners tend to have limited incomes, and additional income will directly affect their ability to create work.


There are various mechanisms that could be adopted by government to broaden and increase the amount of private support available to contemporary visual arts and craft. Tax expenditures are one such mechanism. A tax expenditure is a tax concession that is designed to benefit a specific activity or class of taxpayer.⁷⁵³ Indirect funding through the taxation system has a number of advantages when compared with direct government funding through grants and subsidies. Indirect taxation promotes pluralism. It is also administratively simple compared with direct funding. However, indirect support through the taxation system also has a number of disadvantages when compared with direct funding measures. These include increasing the complexity of the tax system and increasing the opportunities for its abuse.⁷⁵⁴

Tax expenditures which lever further support from the private sector—including the tax deductibility of donations and gifts—are described as ‘treasury efficient’ if the government revenue forgone is at least matched by the increase in charitable giving that the measures promote.⁷⁵⁵ Tax expenditures are thus an appropriate way for government to invest in the contemporary visual arts and craft sector, provided the philanthropic activities prompted by the initiatives leverage private support which exceeds the cost of the measure, thereby making the tax expenditure a more efficient way of supporting the sector than direct funding.

753. Treasury, Tax Expenditures Statement 2000, Commonwealth of Australia, Canberra, 2001.

754. Treasury, Reform of the Australian Tax System: Draft White Paper, AGPS, Canberra, 1985.

755. IC, Charity Organisations in Australia, Industry Commission Inquiry report, Industry Commission, Melbourne, 1995.



In considering the various ways in which philanthropy and corporate sponsorship can be encouraged in Australia, the Inquiry has analysed existing taxation incentives and government programs. This analysis has been conducted with a view to enhancing these existing programs and building upon their success, where appropriate. The international experience has also been considered as possible sources for new approaches to the promotion of charitable giving.

Definitions

Philanthropy can be defined in a number of different ways. The term ‘philanthropy’ is used here to refer to charitable aid and donations designed to increase the prosperity and well being of people and communities. Philanthropy encompasses community investment through both financial and in-kind support, and includes circumstances where a donor contributes in a facilitative or networking capacity. This term is used interchangeably with ‘benefaction’ and ‘patronage’.

Philanthropy is one distinct part of the not-for-profit sector, which is also known as the ‘third sector’. The third sector includes the activities of individual benefactors and patrons, the activities of charitable foundations, and the activities of a great number of non-profit organisations and voluntary associations working for a number of different causes, including the arts and culture.

Australia’s third sector consists of organisations formed by groups of people acting voluntarily and without seeking personal profit, to provide a service for themselves or others, or to advance a cause or to provide opportunities for worship.⁷⁵⁶

Philanthropy, benefaction and patronage can assume a number of different forms. Grants can be made by individual benefactors, patrons or philanthropic trusts for the purposes of programs, including acquisitions, commissioning of new works, exhibitions and overseas travel. Grants may also be made in the form of salaries for artists and for capital works, such as building construction and equipment.

These types of grants can be made either by gift during the life of the donor, (also known as *inter vivos* gifts), or by bequest. Bequests are also known as testamentary gifts, and are donations made by a donor in his/her will. Bequests are an important source of private support for many collecting institutions. For example, the National Gallery of Victoria has benefited for nearly a century from distributions made by the Alfred Felton Estate.

Philanthropy is distinct from ‘sponsorship’ which refers to financial or in-kind support provided by an organisation or individual for community benefit in exchange for commercial return. Sponsorship arrangements tend to be designed on a business-case approach, with benefits to the community aligned productively with corporate and business goals.

756. Asia Pacific Philanthropy Information Network, ‘Third Sector Overview: Definitions and Forms’, 2000, at www.asianphilanthropy.org/countries/overview_details.cfm?country=1&id=2.

Trends in Australian philanthropy

There is increasing interest in philanthropy in Australia. Philanthropy was once regarded as the province of the wealthy. This perception has been changing, as the role of philanthropy in social and cultural development is being critically examined. Today, many charitable foundations, including community foundations, are funded by donations made by individuals from small inheritances, salaries, or long-term savings; people of differing backgrounds and socio-economic status are participating in charitable giving.⁷⁵⁷

Discussion is occurring of the benefits of philanthropic giving and corporate sponsorship, both long-term and short-term, and in particular, the ability of philanthropic funds to take risks in funding innovative projects in a way which government cannot.⁷⁵⁸ Philanthropy Australia, the national umbrella body for foundations, trusts and corporations, actively promotes the benefits of philanthropy and benefaction through education programs, and the dissemination of information about domestic and international philanthropy. Foundations and trusts now have a higher profile in Australian life.⁷⁵⁹

Public and private foundations contribute to Australian society in a number of different fields, including education, health and welfare, science, rural and regional regeneration, the environment, heritage protection, and the arts. However, in Australia there are few philanthropic trusts specific to the visual arts and craft. The role of philanthropic trusts is generally to promote projects and programs, rather than to fund capital works.

The principal foundations active in the contemporary visual arts and craft area are the Gordon Darling Foundation and the Helen Lempriere Trust. Other foundations are able to fund the visual arts alongside other causes, such as the Myer Foundation, the Ian Potter Foundation, and the Harold Mitchell Foundation.⁷⁶⁰ However, many may be unable to make donations to individuals due to their corporate constitution. Some philanthropic foundations are also limited to distributions in certain geographic regions. For example, some foundations created in Victoria may only make distributions within Victoria.

Systemic data on the number, assets, income, interests and geographical distribution of Australian foundations is scarce. According to the Australia Business Arts Foundation (AbaF), private support for the arts in Australia is growing. Estimates indicate that in 1999–2000, the arts received \$118.5 million from non-government sources: \$43.5 million was from philanthropic donations and bequests, and \$75m was from sponsorship. Museums and galleries received \$34 million from donations, bequests and fundraising, and \$20m from sponsorship. This compares with a total of \$34.6 million in 1996–97.⁷⁶¹

The limited data available indicates that there is a vast disparity between the level of donations to projects in the fields of art and culture, in comparison with other fields attracting philanthropic support. According to the Australian Non-profit Data Project, in 1997 \$17 million was donated to arts and culture, or 0.6 per cent of the overall total of donations. By way of contrast, \$457 million was directed to education and research (16.4 per cent), \$478 million was directed to community and welfare projects (17.2 per cent), and \$246 million went to sport and recreation (8.9 per cent).⁷⁶² Thus, the arts receive a very small share of philanthropic funds.

757. A. Crawford, 'Philanthropy – The New Wave', *The Age*, 14 November 2001, p. 1.

758. J. Sandilands, 'Australia: A Community of Philanthropy' 47 *International Dateline*, Winter 1998, at www.cof.org/newsroom/newsletters/international/index.htm.

759. *Ibid.*

760. For details of distributions, please see the Myer Foundation, Annual Report 1999–2000, Melbourne, at www.myerfoundation.org.au/mfar9900.pdf; the Ian Potter Foundation and the Ian Potter Cultural Trust, 'Scope of Benefactions', at www.ianpotter.org.au/interest.htm; and the Harold Mitchell Foundation, 'Supporting Health and the Arts', at www.haroldmitchellfoundation.com.au.

761. Australia Business Arts Foundation, 'More Business Support for the Arts', Newsletter, December 2001, at www.abaf.org.au/public/0112/0112_01.html.

762. The Australian Non-Profit Data Project, cited at Philanthropy Australia, 'Gifts and Donations in Australia', at www.philanthropy.org.au/factsheets/7-05-04-gifts.htm.

Trends in Australian sponsorship

There is a view often publicly expressed that corporations ought not be expected to make gifts of substantial amounts of money without an accompanying commercial benefit. This view is often supported by the argument that making gifts from shareholder funds is inappropriate and that it is preferable for shareholders to do this individually.⁷⁶³ This view still appears to be the dominant one in Australia with respect to pure corporate philanthropy.

Notwithstanding this, there are now many examples of increasingly sophisticated sponsorship arrangements between corporations and community organisations. While most of these carry the expectation of measurable outcomes, there is a great diversity amongst corporates as to what ought to be measured. Sponsorship packages can offer many direct benefits such as attendance at events and branding opportunities which are more easily quantifiable. Measurement of outcomes for these examples can include visitor numbers, press clippings and sophisticated linkages between sponsorship and commercial outcomes. A limiting factor is that, for many contemporary visual arts and craft events, audiences can be unpredictable and the content of events may not always be acceptable to corporate sponsors.

The attitudes of customers, staff, prospective staff, regulators and the broader public may be profoundly influenced by the manner in which a company interacts with its community. Increasingly though, there is a heightened awareness that the commercial benefits of corporate support may be less immediate and certainly less easily measured. For the contemporary visual arts and craft sector, sponsorship often requires a desire to be acknowledged as leading edge and experimental and a belief that, over time, this will enhance brand positioning.

Both in Australia and internationally, corporations are recognising the need to balance shareholder value with 'good corporate citizenship'.⁷⁶⁴ Partnerships between business and arts organisations can have numerous beneficial effects on business. These include:

- corporate relations advantages, such as client relationship building and corporate citizenship credentials;
- market advantages, such as positioning and exposure, improving the image of the company, penetrating niche markets and brand differentiation; and
- staff development, in terms of attracting and retaining good staff, productivity, loyalty and corporate pride.⁷⁶⁵

Many corporations are now seeing the value of community involvement for business, and are finding ways of contributing to the community, whether through financial support and cash grants; in-kind support through the supply of services, products and materials; purchasing of art works; or advertising support.⁷⁶⁶ Sponsorship levels grew during the 1993–96 period: corporate support of the arts grew by 5.5 per cent during this time, and expenditure on the acquisition of art works grew by 27.3 per cent.⁷⁶⁷ The primary source of this gain can be traced to the section of the business community containing the largest companies, companies with 250 or more employees. This trend has continued.

763. A. Patrick, 'Charity begins at home, not in the boardroom', *Australian Financial Review*, 4 April 2001, p. 3.

764. M. Mehra, *op. cit.*, p. 13.

765. Australia Business Arts Foundation, 'More Business Support for the Arts', newsletter, December 2001.

766. J. Sandilands, *op. cit.*, For statistical patterns in types of corporate support, see also Australia Council, *Corporate Support for the Arts 1996*, Redfern, 1996, p. 23.

767. Australia Council, *Corporate Support for the Arts 1996*, p. 5.

According to the AbaF, large companies have a high interest and engagement with the arts. In 2000, 89 per cent of Australia's Top 100 companies provided sponsorship to the arts and culture.⁷⁶⁸

Nevertheless, as with philanthropy, the amount of sponsorship secured by the arts is small when compared with other charitable areas, such as education, community welfare and sport. Between 1986 and 1996, the share of sponsorship received by the arts sector dropped from 13 per cent of all sponsorship outlays to just five per cent.⁷⁶⁹ Further, with respect to the Indigenous arts and crafts sub-sector, corporate support is very limited.⁷⁷⁰

Arts organisations need to present professional proposals to business which demonstrate an understanding of the needs of business, and the corporate and community benefits of the sponsorship arrangement.⁷⁷¹ It is particularly important for contemporary visual arts and craft organisations and practitioners to demonstrate the benefits of corporate sponsorship. As indicated above, corporations may be nervous about sponsoring contemporary art events due to a lack of certainty regarding audience attendance, and content and style of the exhibition. Contemporary art and craft is often considered a less attractive product to endorse than other more conventional, less speculative forms of art, which also tend to attract larger audiences.

Thus, the case for corporate support of contemporary visual arts and craft needs to be very strong for sponsorship in the sector to be encouraged, and sponsorship proposals need to target niche markets.

Sponsorship is generally only offered for high visibility, metropolitan-based, major galleries, and is often linked to specific exhibitions. For example, Sony sponsored the National Gallery of Australia's Monet exhibition in 2001. Some institutions have established a corporate sponsorship division, such as the Business Council of the National Gallery of Victoria. A number of corporate sponsorship arrangements have also emerged which link technology and innovation in business, with technology and innovation in the arts, a characteristic of contemporary visual arts and craft. For example, Telstra.com has established a strategic partnership with the Museum of Contemporary Art. Also, Siemens has established a contemporary art purchasing fund. Siemens, in partnership with the Royal Melbourne Institute of Technology (RMIT), conducts an annual fine arts awards ceremony and exhibition. The winning artwork is selected for Siemens' fine arts collection, and the remaining entries are displayed in Siemens' headquarters during the year following the ceremony.⁷⁷² Another example of a project which uses the innovative qualities of contemporary visual arts and craft to the benefit of business is the Guinness contemporary art project conducted at the Art Gallery of NSW.

There are support mechanisms such as ABAF available to assist organisations seeking to make a business case for sponsorship.

768. Australia Business Arts Foundation, 'Large Companies More Likely to Support the Arts', Newsletter, December 2001, at www.abaf.org.au/public/0112/0112_02.html.

769. Australia Council, Corporate Support for the Arts 1996, p. 6. More detail regarding the levels of corporate support for the various art forms can be found at p. 24.

770. Submission: Hetti Perkins.

771. Australia Council, Corporate Support for the Arts 1996, p. 35. See also Australia Business Arts Foundation, The Strategic Direction in Corporate Sponsorships: Practical Implications for the Arts, Cultural Ministers Council Statistics Working Group, Feb 2002, p. 3.

772. RMIT, '2002 Siemens Fine Arts Scholarship Awards Ceremony and Exhibition', 6 December 2001, at www.rmit.edu.au.

Object made the following observations about the role played by AbaF:

The Australia Business Arts Foundation has been working by facilitating business arts partnerships around the country. By developing a new model and methodology for business/arts partnerships and by producing guides for business and the arts, there has been a remarkable increase in new and innovative support from business. Arts organisations like Object have benefited from the direct training that AbaF has made available. The training and networking sessions facilitated through AbaF are increasing awareness in the business community of the benefits to be gained through partnering with a cultural organisation and are invaluable in hosting opportunities where the two communities can come together.⁷⁷³

However, many contemporary art spaces and smaller arts organisations are either not aware of the support mechanisms available, or are unable to make use of these mechanisms due to resource and time constraints. The Jam Factory stated:

...the sponsorship chase is a high risk activity for small arts organisations in terms of return for effort. It is difficult to find and justify the dedication of resources to sourcing sponsorship with an operational budget under daily pressure, and in a context where both artists and funding bodies expect every funding dollar to produce direct and immediately quantifiable outcomes.⁷⁷⁴

Organisations that are able to secure sponsorship arrangements may also experience difficulties due to the risk of relying on the sponsor. Ongoing sponsorship cannot generally be guaranteed, and if one sponsorship arrangement falls through, it can be very difficult for an alternate sponsor to be found.

Current policy environment: philanthropy and benefaction

It is noted that some changes have been introduced relating to the donation of works to state and national collections, but a more pro-active and extensive program of sponsorship/patronage should be encouraged, since voluntary philanthropy is not a strong characteristic of Australian society.⁷⁷⁵

Cultural Gifts Program

Many collecting institutions are unable to purchase new works due to limitations associated with their acquisitions funds. In recognition of the limited and often depleted acquisitions funds of the collecting institutions, the Commonwealth Government has endeavoured to promote private gifting of works to institutions.

The Cultural Gifts Program, administered by DCITA, encourages donations of significant cultural items from private collections to public art galleries, museums and libraries by offering donors an income tax deduction for the market value of the gift, and, from 1999, exemption from capital gains tax on the item donated. Tax deductions may be spread over a period of up to five years.

773. Submission: Object.

774. Submission: Jam Factory.

775. Submission: RMIT.

To be eligible for the tax incentives, the donation must be made to an eligible public collecting institution, must be in accordance with that institution's collection policies, and must be of significant ongoing value to the collection and the community. Contemporary visual art and craft is one of a number of categories of works which may be gifted to public institutions. However, contemporary art is not often gifted. The principal focus of the program is on the transfer of cultural objects from the private to the public domain. Both corporate bodies and private benefactors can gift works under the Cultural Gifts Program.

In 2000-01, an estimated \$27 million worth of gifts was donated to public collections under the program, up from \$17 million in 1999–2000. The exemption of capital gains tax on items donated seems to have influenced donations—in 1998–99, before donations were exempt, approximately 15 per cent of donations were subject to capital gains tax, whereas in 1999–2000, after the exemption, approximately 30 per cent of donations would have been subject to capital gains tax. In 2000-01, this figure rose to approximately 32 per cent.

The program benefits contemporary visual arts and craft practitioners only indirectly. Because of its contemporary nature, the ongoing significance and value of contemporary art is difficult to judge, and therefore is less likely to be included under the program. Also, artists are unable to deduct the market value of donations of their own under the program, unless it comes from their private collection and not from trading stock.

Nevertheless, art and craft practitioners do benefit from the program to the extent that donations by third parties of their work to public collections potentially enhance appreciation of, and demand for, their work. More broadly, art and craft practitioners benefit from the program to the extent that the donation of art and craft items to public collections increases the public's appreciation of art.

Register of Cultural Organisations

The Register of Cultural Organisations (ROCO), also administered by DCITA, was introduced in 1991. It allows qualifying cultural bodies to offer donors a tax deduction as an incentive for charitable giving.⁷⁷⁶ Under these arrangements it is possible for financial support to be granted to cultural groups for a range of cultural activities, including visual arts, design, crafts and Indigenous arts.⁷⁷⁷

To qualify for inclusion on the Register, the principal purpose of the organisation must be cultural. The organisation needs to be constituted as a limited company, an incorporated association, a trust established by will or deed, or a statutory body.⁷⁷⁸

The organisation will also need to maintain a public fund, into which donations are paid by the public, and which is used exclusively for cultural purposes.⁷⁷⁹

For an organisation to be included on ROCO, the organisation must also be endorsed as a Deductible Gift Recipient (DGR) by the ATO.

To be eligible for a tax deduction, donors must not put any conditions on the gift, and must not receive any material benefit or advantage in return for the gift.⁷⁸⁰ Deductions are only available for gifts of cash, in-kind support, and in some cases property; donations of services are not tax deductible.⁷⁸¹

776. DCITA, 'Register of Cultural Organisations – Fact Sheet', at www.dcita.gov.au.

777. Income Tax Assessment Act 1997, subsection 30-300(2).

778. DCITA, Cultural Register: Guide, Canberra, 2001, p. 2, at www.dcita.gov.au/foco. See also the *Income Tax Assessment Act 1997*, subsection 30-300(1).

779. DCITA, 'Register of Cultural Organisations – Fact Sheet'. See also the *Income Tax Assessment Act 1997*, subsections 30-300(3) and (4).

780. DCITA, Cultural Register: Guide.

781. DCITA, 'Register of Cultural Organisations – Fact Sheet'.

Private versus public foundations

In 1999 philanthropy law was amended to permit private benefactors to establish private foundations.⁷⁸² Prior to this change, it was necessary for all charitable organisations and foundations to receive donations from the public. Under the new provisions, businesses, families and individuals have greater freedom to set up trusts for philanthropic purposes. The private funds are intended to encourage greater, long-term philanthropy, and to contribute to the development of a cross-generational culture of philanthropy in Australia.

Applications may be made to government for recognition of a private charitable fund as a 'prescribed private fund'. Prescribed private funds are funds established by individuals or corporate bodies, and donations to these funds are tax deductible. The main attraction of prescribed private funds is that these funds are not required to seek public donations.⁷⁸³ Tax deductions may be claimed for donations to prescribed private funds. One important limitation on prescribed private funds is that the funds can only make distributions to DGRs.⁷⁸⁴ This limitation was introduced to provide a safeguard against abuse of the system. One effect of this restriction is to preclude distributions to individual artists.

A further recent development has been the creation of new public galleries with private financing. In general terms, a public gallery is an institution owned or controlled by government or controlled by persons or an institution with a degree of public responsibility which makes its collection available to the public.⁷⁸⁵ Some public galleries have recently been constituted with private funding. For example, early in 2002 the Besen family established a public gallery, and the family's art collection will be given to the gallery under the Cultural Gifts Program. Named the Tarra Warra Museum of Art, the gallery will be open to the public. While private initiatives in this area are to be encouraged, this must be balanced with the needs of the existing public galleries.

Current policy environment: sponsorship

Australia Business Arts Foundation

AbaF is a Commonwealth company that facilitates sponsorship and partnership arrangements between cultural organisations and businesses.⁷⁸⁶ The mission of AbaF is to 'increase private sector support for the arts'.⁷⁸⁷

AbaF aims to increase private support for the arts through three strategies:

- facilitating partnerships by providing training, information and advice to business and the arts;
- advocating increased private support through a growing network of chapters; and
- promoting the benefits of supporting the arts.

782. Philanthropy Australia, *Tax Concessions for Arts Donations: Australia, US, UK, Canada*, 2001, p. 1.

783. Prime Minister of Australia, 'Federal Government Tax Measures to Encourage Philanthropy', Media Release, 26 March 1999, at www.pm.gov.au/news/media_releases/1999/philanthropy2603.htm. See also ATO, 'Guidelines for Prescribed Private Funds', at www.ato.gov.au/download.asp?file=/content/professionals/downloads/PPF_guidelines_final.rtf.

784. DGR status is determined by the ATO. To be endorsed, the applicant must have an Australian Business Number (ABN), must maintain a gift fund, must operate within Australia, and satisfy conditions set out in the tax law. An organisation can be endorsed as a whole, or a particular fund, authority or institution can be endorsed. For more information see Australian Taxation Office, 'The endorsement process for deductible gift recipients (DGRs) – fact sheet', 2000, at www.ato.gov.au.

785. ATO, 'Taxation Ruling. Income tax: public libraries, public museums and public art galleries', TR 2000/10, at law.ato.gov.au.

786. Department of Foreign Affairs and Trade, 'Australia Now: Arts Support', Country, Economy and Regional Information, at www.dfat.gov.au/facts/arts_support.html.

787. Australia Business Arts Foundation, 'Australia Business Arts Foundation: Enriching the Community by Investing in Australia's Culture', News, November 2001, p. 1.

AbaF receives funding from the Commonwealth government for operational costs; it has no grant-making function or brokering involvement, rather it focuses on facilitation, education and networking. The focus is on sponsorship arrangements with benefit to both the arts and business; AbaF is not generally involved in philanthropy.

AbaF emphasises the business case approach, which involves a consideration of the needs of both business and arts organisations, and of ways of achieving benefits for both parties through trading assets.

To encourage business and the arts to adopt business case methodology, AbaF has produced and continues to promote guides for business and the arts, and has also established *adviceBank*, a program which matches volunteer advisers from business with not-for-profit cultural organisations requiring short-term, project-specific advice to achieve business outcomes.⁷⁸⁸ In the 18 months leading up to November 2001, AbaF assisted participants to establish or extend 50 partnerships, valued at more than \$4 million, the majority of which was directed to performing arts and museums.

Prime Minister's Community Business Partnership

The Commonwealth Government actively encourages partnership building between corporate bodies and the community through the Prime Minister's Community Business Partnership. The partnership seeks to develop a culture of corporate social responsibility in Australia by:

- recognising and appreciating excellence in community business partnerships; and
- providing advice on how to encourage greater partnership activity.

The Community Business Partnership is a 10 member consultative board appointed to advise the Government and to conduct public programs.⁷⁸⁹ The partnership recognises successes in this area through the Prime Minister's Community Business Partnership Awards. Awards are presented to businesses and community partners who have worked together to benefit the community.

The Prime Minister's Community Business Partnership has released information and promotional material that highlights the benefits of partnerships to both the community and to business. In particular, the publication *Partnerships—Making Them Work* provides useful information to business and the community on motivations for entering into partnership arrangements, how to find a suitable partner, and the type of partnership arrangement which is appropriate given the circumstances.⁷⁹⁰ Similarly, the Department of Family and Community Services commissioned a study into corporate community involvement, and the findings of this study were published by the Centre for Corporate Public Affairs.⁷⁹¹ This Report provides guidance on establishing a business case for a business-community partnership.

788. Australia Business Arts Foundation, *adviceBank: A Fund of Knowledge and Experience*, Melbourne, 2001.

789. Prime Minister's Community Business Partnership, *CBP The History—The Challenge*, www.partnership.zip.com.au/intro.html.

790. Prime Minister's Community Business Partnership, *Partnerships—Making Them Work*, Sydney, 2000, at www.partnership.zip.com.au.

791. Centre for Corporate Public Affairs, *Corporate Community Involvement: Establishing a Business Case*, Melbourne, 2000, at www.accpa.com.au.

Overseas experience

In Australia, philanthropy, charitable giving and fundraising in 1995 represented approximately 0.32 per cent of the Gross Domestic Product (GDP). This figure is low when compared with statistics from the United States (one per cent of GDP), Canada (0.63 per cent), and the United Kingdom (0.62 per cent).⁷⁹² Similar disparities are observed when a comparison is made of average donations to charity. In Australia, the average donation per annum to charity is \$210. This figure is much lower than Canada (\$320 per annum), Great Britain (\$375), and the United States (\$1 000).⁷⁹³

Particularly for the United States, philanthropy and fundraising levels are very high. Philanthropic foundations play a major role in the charitable sector, and many have been active in the arts for a great number of years. Tax incentives are available as a stimulus for individual and corporate giving. Estate planning, and other philanthropic arrangements operating during the life of the donor, provide the impetus for individuals to make bequests. Further detail regarding philanthropy in the United States, the United Kingdom and Canada is provided in *Appendix M*.

Overseas experience suggests there is scope for governments to adopt a wide range of tax incentives and other measures to encourage a greater contribution from philanthropic and sponsorship sources to broaden the financial support base for contemporary visual arts and craft.

Volunteers

It is important to recognise that significant support for the contemporary visual arts and craft sector is found at the grass-roots level through volunteers. According to the submission made by Museums Australia (WA):

The arts industry would not be where it is today without the support of the army of volunteers working in art institutions. We are still relying on people's goodwill to motivate their work for visual art and craft organisations, when in some cases they should really be paid for the work that they have done.⁷⁹⁴

There are two types of volunteering prevalent in the contemporary visual arts and craft sector. The first is the volunteering by arts administrators who receive a wage, but work much longer hours and undertake many duties which they are not remunerated for.⁷⁹⁵ This type of volunteerism is by subsidy, and is endemic across both the contemporary visual arts and craft sector, and the not-for-profit sector more generally. With respect to contemporary visual arts and craft, artists are also an important group of volunteers, as artists often work for negligible or no payment.

The second type of volunteers is the great number of individual volunteers who dedicate their time and effort to supporting the visual arts and craft and who receive no payment. Many individuals interested in finding a career in the arts, or who simply have a passion for crafts and the visual arts, volunteer their time to support the sector in a number of different ways. These include acting as tour guides in public galleries, writing for cultural publications, promoting contemporary visual arts and craft organisations and services at cultural events, and conducting fundraising activities, such as raffles.

792. D. Fishel, 'Australian Philanthropy and the Arts: How Does it Compare?', 4(2) *International Journal of Arts Management*, Winter 2002, p. 11.

793. Philanthropy Australia, 'The Non-profit Sector in Australia. Donations to Charity – International Comparison', Factsheets, at www.philanthropy.org.au/factsheets/7-05-03-nonprof.htm.

794. Submission: Museums Australia (WA).

795. Submission: Canberra Contemporary Art Space.

Both these arrangements involve volunteering, and both make a vital contribution to the health of the sector. However, it should be noted that volunteering is generally not reflected in statistics documenting generosity in the arts.⁷⁹⁶

The contribution made by volunteers should be recognised as a significant form of grass-roots support for the contemporary visual arts and craft sector. Volunteers sacrifice both their time and the personal expenses and costs associated with their duties as a volunteer, for the benefit of contemporary visual arts and crafts.

FINDINGS

In an environment where there is strong competition for limited government funding, incentives for increasing the contribution of philanthropic giving and corporate sponsorship are important if the sector is to find more varied and flexible sources of support. The philanthropic sector could play a greater role in supporting contemporary visual arts and craft.

There is potential to leverage substantial private support by the government making modest amendments to the relevant legislative framework.

There is increasing interest in philanthropy in Australia and people of differing backgrounds and socio-economic status are participating in charitable giving. Foundations and trusts now have a higher profile in Australian life.

There is a large disparity between the level of donations to projects in the fields of art and culture, in comparison with other fields attracting philanthropic support.

There is a clear distinction between philanthropy and corporate sponsorship. There are substantially different motivations and drivers for corporate sponsorship than for private benefaction.

As with philanthropy, the amount of sponsorship secured by the arts is small when compared with other charitable areas, such as education, community welfare and sport. Further, with respect to the Indigenous arts and crafts sub-sector, corporate support is very limited.

There is an understandable level of doubt regarding the availability of sponsorship in the contemporary visual arts and craft sector. Nevertheless, there are support mechanisms available to assist organisations seeking to make a business case for sponsorship. Many contemporary arts organisations are either not aware of this support, or are unable to make use of these mechanisms due to resource and time constraints. The Inquiry found that there is enormous scope for the development of further corporate sponsorship arrangements to the benefit of both contemporary visual arts and craft organisations and corporations.

Overseas experience suggests there is scope for governments to adopt a wide range of tax incentives and other measures to encourage a greater contribution from philanthropic and sponsorship sources to broaden the financial support base for contemporary visual arts and craft.

Volunteers play a significant role in supporting the contemporary visual arts and craft sector.

796. D. Fishel, 'Australian Philanthropy and the Arts: How Does it Compare?', p. 11.

BROADENING THE FUNDING BASE

The Inquiry believes there is considerable scope to encourage more financial support for Australian contemporary visual arts and craft from the philanthropic sector and from corporate sponsorship. It has developed a number of strategies that it believes should be seriously considered by government.

Better promotion of existing programs

The Inquiry believes the existing tax incentive programs would be more readily utilised if there was a greater awareness in the community of the nature of the programs and the benefits offered. As a result, it is important to raise the public profile of existing tax incentive programs and related programs by promoting these programs more widely.

It is also important for the benefits of community-business partnerships to be continually promoted. Cultural organisations, both individually and collectively, need to promote the value of their activities by articulating and demonstrating the social benefits of the arts, and the benefits for business.⁷⁹⁷ Governments at all levels and businesses supporting the arts also need to raise awareness in the community of the contribution made by the arts. This may occur through campaigns launched by industry associations, local business groups and Chambers of Commerce. Further, public recognition of the contribution of sponsors to the arts is also important.⁷⁹⁸

Philanthropic organisations should also promote their activities to the arts community to raise awareness in the contemporary visual arts and craft sector of the support provided by these organisations, and mechanisms for accessing this support.

The Inquiry notes DCITA has produced promotional material detailing the Cultural Gifts Program and ROCO.⁷⁹⁹ This information has been distributed to accountants and business advisers, with a view to raising the awareness of individuals and business of the benefits of the taxation incentives for donations to the arts.

Improving incentives for philanthropy

The Inquiry believes a stimulus to philanthropy in the contemporary visual arts and craft sector is needed and it should take the form of higher tax concessions for targeted purposes for a fixed period of time. The purpose of philanthropy incentives is the generation of incremental funding for a range of organisations operating in the sector, and for individual practitioners of contemporary visual arts and craft.

The Inquiry is aware that proposals to increase tax incentives for contemporary visual arts and craft would raise equity concerns, given that donations for community welfare, medical research and education, also serve a very valuable social purposes. However, it is clear there is currently a disparity between levels of philanthropic support received by the contemporary visual arts and craft sector, and the support received elsewhere. These incentives are intended to encourage philanthropic giving in the contemporary visual arts and craft sector to raise levels of giving to levels comparable with other valued social activities.

797. Australia Business Arts Foundation, *The Strategic Direction in Corporate Sponsorships: Practical Implications for the Arts*, Draft Paper, Feb 2002, pp. 5–6.

798. *ibid.*, p. 6.

799. Department of Communications, Information Technology and the Arts, *Tax Incentives: Taxation Incentives for Cultural Donations*, Information Pack, September 2001.

Cultural Gifts Program

The Inquiry believes an appropriate incentive would be to amend the existing Cultural Gifts Program to permit donors to claim a 125 per cent tax deduction for gifts of contemporary art to public collecting institutions under the Cultural Gifts Program. For the 125 per cent income tax deduction to be claimed, the work would need to be identified by the collecting institution as a work to be included in the contemporary art collection.

This amendment would increase the cost to government of the program in terms of revenue forgone. However, placing limitations upon the deduction can reduce these costs.

The deduction could be limited to gifts of work acquired in the last five years. Further, the deduction could be available only for a limited period of time—the device would be used to stimulate philanthropic activity, the effects of which would be expected to endure after the incentive is removed. A five-year trial period would be appropriate.

The following example is a hypothetical posed to demonstrate the manner in which the proposed program would operate in practice.

Example 1

Olga would like to donate a painting to the Art Gallery of New South Wales under the Cultural Gifts Program. The work was purchased from a living artist in 1999, and Olga has held the work in her personal collection since that time. Olga approaches the Art Gallery of New South Wales. The gallery indicates that it will accept the gift, and that the gifted painting is intended to form part of the gallery's contemporary art collection.

Under the current law, Olga would be able to claim a 100 per cent income tax deduction for the gift of the work. In contrast, under the proposed program, Olga would be able to claim a 125 per cent deduction for the gift, as the work is identified as a work to form part of the contemporary art collection of the Art Gallery of New South Wales, and the work was acquired during the previous five years.

The proposed program clearly provides a greater incentive for donors to gift works of contemporary art to public institutions. This incentive has the potential to lead donors to move valuable and significant works from the private sphere into the public domain where the community at large is able to enjoy the benefit. The program would also have the effect of drawing collecting institutions close to private collectors of contemporary visual arts and craft. Acquisitions budgets for collecting institutions are uniformly low across the country. Galleries have become increasingly reliant upon gifts in this area. The proposed amendment would enable other pathways for collecting galleries to increase their contemporary collections.

Donations fund focusing on research and development

It has been suggested that much of the process of creating contemporary visual arts and craft is a process of research and development. Contemporary visual arts and craft practice is premised on innovation, technical risk and the acquisition of new knowledge. Contemporary visual artists consistently use new technologies or reinvigorate old technologies by using them differently to create new ways of making, and new ways of visualising the contemporary world.

The Inquiry believes there is a need to target philanthropy more at emerging art forms, and facilitate the development of visual arts and craft practice by supporting activities that focus on research and development (R&D).

An enhanced incentive could be made available to donors wishing to support organisations for their specific R&D projects, or where a gift is made to establish a scholarship, internship, fellowship or award which aims to support practitioners engaged in R&D activities. For example, the Mark Howlett Foundation provides an individual artist practising in Western Australia with a 12-month developmental scholarship. These types of programs need to be actively encouraged.⁸⁰⁰ In acknowledgment of the R&D nature of the activity being supported, it is suggested it would be appropriate for this activity to be encouraged through an enhanced incentive of a 125 per cent income tax deduction, to be available for a limited period of five years only. Such an incentive would be a way of kick-starting philanthropic support of this developmental/research area.

An option would be for the Australia Council, or another appropriate institution, to maintain a fund specifically designated for R&D activities, which would attract a 125 per cent income tax deduction for the first five years of the program. The implementation working group, suggested in Chapter 1, should determine an appropriate body to manage and distribute the fund. Charitable funds management is increasingly becoming a specialist field, and it will be necessary for the body managing the fund to have this expertise. The body managing the fund should make use of the resources and expertise of the Australia Council when making distributions. It should be noted that the body will need to be a deductible gift recipient. The Australia Council is a deductible gift recipient and is listed on the Register of Cultural Organisations.

Under the proposed arrangements, grants would be distributed from the special R&D fund, and donors would be permitted to nominate a preference for the type of activity to be supported, or even a specific activity. Donors would benefit from the additional tax incentive, and would be satisfied that the body managing the fund would ensure their donation was appropriately targeted. To prevent abuse, there would be a requirement that only organisations listed on ROCO and undertaking relevant R&D activities would be eligible recipients of distributions from the fund.

The following example is a hypothetical posed to demonstrate the manner in which the proposed program would operate in practice.

800. Submission: Artists Foundation of WA.

Example 2

Ben is interested in making a donation of \$2000 to support the Canberra Contemporary Arts Space (CCAS). The CCAS conducts a number of different programs targeted towards innovation, development and creativity in visual arts practice. The CCAS is listed on the Register of Cultural Organisations.

Under the current arrangements, Ben could donate his \$2 000 directly to the CCAS. As the CCAS is included on the Register of Cultural Organisations, Ben would receive a 100 per cent income tax deduction for the gift.

Under the proposed program, rather than directly donating to the CCAS, Ben could decide to donate the \$2 000 to the R&D fund. In exchange for this donation, Ben would receive a 125 per cent income tax deduction (\$2 500). Ben would need to make the donation to the Australia Council unconditionally, but could nominate on the donation form that the CCAS is his preferred beneficiary.

The \$2000 received by the body managing the R&D fund would then be pooled with other donations. The CCAS could apply for a grant from the Australia Council. Provided the Australia Council considers that the CCAS is conducting eligible R&D activities, the CCAS will be the recipient of the \$2 000 donated by Ben.

Costs

Two tax expenditure scenarios relating to these proposals are modelled below. The first assumes that a sum of \$5 million is donated in the first year of operation of the program, and the second assumes that \$1 million per year for five years is donated. In each case, 20 per cent of funds is assumed to be donated by corporations (subject to a 30 per cent company tax rate), and 80 per cent by individuals (subject to the 48.5 per cent marginal income tax rate).

Scenario 1: \$5 million of donations in first year

Tax concession	Tax expenditure	Deviation from base (a)
%	\$m	\$m
100	\$2.24	-
125	\$2.80	\$0.56
150	\$3.36	\$1.12

a. Compares cost to tax revenue to existing 100 per cent deduction.

Scenario 2: \$5 million of donations over five years (a)

Tax concession	Tax expenditure (b)	Deviation from base (c)
%	\$m	\$m
100	\$1.92	-
125	\$2.40	\$0.48
150	\$2.88	\$0.96

(a) Assumes a \$1 million donation each year; (b) Assumes a discount rate of 5.32 per cent; (c) Compares cost to tax revenue to existing 100 per cent deduction.

Under scenario 1, the cost to tax revenue is \$2.8 million, although the deviation from what would be allowed under current arrangements is \$0.56 million. In scenario 2, when the donations are spread over a five year period, the discounted cost to tax revenue is \$2.4 million, and the deviation from what would be allowed under current arrangements is \$0.48 million.

The Inquiry also believes that a range of other mechanisms should be introduced or modified in order to facilitate philanthropic giving in Australia.

Distributions by foundations to individual artists

Charitable trusts and foundations are an increasingly important potential source of donations for the full span of community assistance and welfare activity, including support of the cultural sector and of contemporary visual arts and craft activities. Such foundations want to focus on areas where their involvement will support valuable community activities which need more support than may be available from government.

But if foundations serve only as passive middlemen, as mere conduits for giving, then they fall far short of their potential and of society's high expectations. Foundations can and should lead social progress. They have the potential to make more effective use of scarce resources than either individual donors or the government. Free from political pressure, foundations can explore new solutions to social problems with the independence that government can never have. And compared with individual donors, foundations have the scale, the time horizon and the professional management to create benefits for society more effectively.⁸⁰¹

801. Michael E. Porter and Mark A. Kramer, Harvard Business Review, November–December 1999

While such foundations are motivated to support areas where they believe they can make a difference, there are currently some barriers to their support, especially in relation to financial assistance for individuals. Anecdotal evidence suggests that a number of philanthropic organisations would like to make grants to individual artists, and do not do so due to real or perceived legal impediments on the foundation making individual grants. Prescribed private funds, and some public foundations, are unable to make grants to individual artists under taxation law. Those philanthropic trusts with the legal capacity to make distributions to individuals are often hesitant to do so due to a lack of experience in making distributions to individual artists. Discussions with various philanthropic trusts led the Inquiry to believe that a number of foundations are interested in supporting individual artists. However, the foundations often do not have adequate resources and expertise to evaluate applications and determine which artists to support.⁸⁰²

A public foundation may elect to create an associated trust through which donations may be made to individual artists in the form of grants. The associated trust employs a transparent application driven process to avoid the difficulties associated with patronage. The Ian Potter Foundation has avoided the patronage problem by adopting this type of corporate structure. However, this approach can be costly, and as a result may not be viable for smaller foundations. Also, as prescribed private funds may only make grants to DGRs, an associated trust would need to be endorsed as a DGR for the prescribed private fund to make grants to it. To be so endorsed, an application must be lodged, and the associated trust must adhere to a number of requirements, including maintaining a public fund and holding an ABN.⁸⁰³ As a result, this approach may be too cumbersome, costly and administratively onerous to be a viable option for most philanthropic organisations.

An alternative approach is for an independent DGR to act as a receiving body. The Australia Council could adopt this role: the Australia Council is a DGR, and could receive donations from philanthropic foundations, including prescribed private funds, which could then be distributed to individual artists. Under its enabling legislation, the Australia Council has the power to receive gifts, devises and bequests, and has established a Donations Fund which could be used for this purpose.⁸⁰⁴ The implementation working group should consider whether the most appropriate receiving body is a not-for-profit provider, a commercial enterprise or a government body. If the organisation selected is not the Australia Council, the body managing the program should make use of the Australia Council's expertise in grant making.

The benefit of this approach would be that prescribed private funds and public funds without the capacity to make distributions to individual artists could make grants to this donations fund, and grants could then be made to individual artists. The body administering the program would have expertise in charitable funds management and grant distribution. This program is likely to be attractive to those philanthropic trusts with a desire to directly support individual artists, but without the confidence to internally process and evaluate applications for support.

The following example is a hypothetical posed to demonstrate the manner in which the proposed program would operate in practice, assuming that the Australia Council will manage the fund.

802. Discussions with Philanthropy Australia, including the Ian Potter Foundation, the Hugh Williamson Foundation, the Myer Foundation, and Arnold Bloch Leibler, Melbourne, 5 December 2001.

803. Legal advice kindly provided by Arnold Bloch Leibler to the Secretariat, 22 January 2002.

804. Australia Council Act 1975, subsection 6(1). The 'Donations Fund' was established in 1991, and donations were made to this fund between 1991 and 1994. No donations have been made to this fund since November 1994.

Example 3

The Beneficent Arts Foundation (BAF) is a prescribed private fund. While the BAF would like to distribute grants to individual visual artists and crafts practitioners, the prescribed private fund requirements restrict distributions to Deductible Gift Recipients. Also, as the BAF was only established three months ago, the trustees do not have a great deal of experience in supporting the contemporary visual arts and craft sector.

Under the proposed program, the BAF could make a distribution to the Australia Council's Donations Fund. This money would then be pooled with other donations made by philanthropic trusts and benefactors seeking to receive tax deductions for their support of individuals. In accordance with transparent application and assessment processes, the Australia Council would then use this money to make grants for the benefit of individual artists.

It is important to clarify that the proposed arrangement would not allow donor foundations to nominate specific recipients. Rather, it would be an additional source of revenue for the Council to distribute specifically to contemporary visual artists and craftspeople using its existing structures. Distributions would be made to individual artists according to transparent, application-driven processes based upon merit. The resulting increase to the Australia Council's funds available for individual visual and craft artists would assist in addressing the high unmet demand for grants in this area.

Donations by individual artists to public collections

An option considered by the Inquiry to potentially increase the direct benefits to arts and craft practitioners was to allow artists to claim an income tax deduction for the market value of donations of their own work to eligible institutions. Currently, if a donation is made by an artist under the Cultural Gifts Program out of trading stock, then the deduction is limited to the cost of producing or acquiring the item. If the donation is made of a work held in the personal collection of the artist, the deduction is for the value of the work as assessed. If the distinction between gifts from trading stock and personal collections was removed, there would be an incentive for artists to gift their works, which is currently a rare practice. This measure would also facilitate contributions by artists to the public domain.

Two factors limit this option. Firstly, in theory, such a policy would have no financial benefit to the artists; if the valuations upon which the market values are determined are realistic, then the artist would be better off selling into that market (and incurring extra income tax) than donating the item (and claiming a tax deduction). When marketing costs (such as gallery commissions) are taken into account, however, some small advantage may be possible.

Secondly, such a policy may diminish the integrity of the program. The success of the Cultural Gifts Program depends on it being seen as an effective and desirable means of making philanthropic donations to public collections, rather than as a way for artists to minimise their tax.

Nevertheless, there are arguments in favour of removing the distinction between gifts from trading stock and gifts from artists' personal collections. One submission stated that artists do not tend to be motivated by the tax consequences of their actions:

Artists, generally, are not predominantly financially motivated. This does not mean that they don't want to make money. It means that their priorities lie in attempting to create great works of art and they are not prepared to compromise their art in order to maximise their profits.

Tax considerations rarely influence their decisions, or their expenditure. Artists have not chosen their profession on the basis of the tax benefits available, nor do they carry on their business with a view to minimise tax.⁸⁰⁵

Given that artists are not motivated by taxation benefits, removing the current distinction between gifts from private collections and gifts from trading stock would not act as an incentive to increase the number of works gifted into the public sphere. The removal of this distinction is not likely to lead to a 'rush' of gifts of works, with the intention of abusing the provision. However, removing this distinction would eliminate a current disincentive that comes into play when established artists are approached by collecting institutions for gifts. Provided the artist is approached by the gallery, the potential for the provision to be abused (however remote) is further minimised.

The following example is a hypothetical posed to demonstrate the manner in which the proposed amendment would operate in practice.

Example 4

Li is an established sculptor. The Museum of Contemporary Art (MCA) is interested in acquiring a sculpture Li is offering for sale in his home-based studio. The MCA approaches Li, and inquires whether Li would consider gifting the work to the MCA. While Li acknowledges the benefits associated with his work being exhibited by the MCA, to gift the work may impact significantly on Li's income, and he would be unable to claim an income tax deduction for the gift under the current law. Li cannot be convinced to gift the work under these circumstances.

In addition to the works displayed for sale in his studio, Li also keeps several of his works in a room attached to the studio. These works form Li's personal collection. If Li held the particular sculpture of interest to the MCA in his personal collection, Li would be able to claim a tax deduction for the value of the gift under the Cultural Gifts Program.

Under the proposed amendment, there would be no taxation disadvantage for Li if he gifted the sculpture to the MCA while it constituted part of his trading stock. While it is unclear whether or not Li will be convinced to gift the work if the taxation arrangements are altered, the chances of the gift being made are increased by the removal of the disincentive. The MCA would be able to receive the gift, and the important work would move from the private sphere into the public domain.

FINDING

Removing the requirement that gifts made by artists under the Cultural Gifts Program must be from their personal collection, not trading stock, would assist collecting institutions to seek gifts directly from individual artists on the same terms and conditions applying to gifts made by other donors.

805. Submission: The Painters and Sculptors Association.

Bequests

The Inquiry believes that bequests should also be tax deductible. This amendment would remove anomalies between the tax deductibility of *inter vivos* gifts, and the treatment of testamentary bequests under the current law. In 1998, the Prime Minister established a working group to consider proposed amendments to income tax legislation in order to facilitate philanthropy. The Taxation Working Group reported in 1999, and a number of the recommended amendments were implemented. One of the conclusions of the Taxation Taskforce was that there is little rationale for the denial of tax deductibility for bequests. Firstly, gifts made by beneficiaries under a will are tax deductible. Secondly, charitable gifts made by the deceased immediately prior to death are also tax deductible.⁸⁰⁶

It is desirable to simplify the law by removing the artificial distinction made between *inter vivos* gifts and testamentary gifts for the purposes of income tax deductibility. As the tax deductibility of bequests has an impact which extends beyond the contemporary visual arts and craft sector, the Inquiry has not made a recommendation in this regard. Notwithstanding current arrangements which encourage life-time giving, the Inquiry believes that in any future review of the taxation arrangements for bequests the government ought to consider the removal of the distinction between *inter vivos* gifts and bequests.

Personal benefits for donors

The Taxation Taskforce also considered the difficulties associated with the requirement that a donor not receive ‘an advantage of a material character’ as a result of a gift. There have been difficulties for donors and recipient institutions in determining what constitutes a benefit of a ‘material character’. For example, it is an issue whether naming rights in relation to a gift are a material advantage. The Taskforce concluded that donors should be permitted to receive some small acknowledgment for the gift, and that the law should be amended to permit benefits of a limited nature, including naming rights.⁸⁰⁷

There are some clear benefits associated with this approach. Currently, collecting institutions tend to be uncertain as to the extent to which donors, patrons and benefactors can be recognised for their gifts, before this recognition will be construed as a material advantage. Allowing donors to receive limited direct personal benefits would facilitate relations between collecting institutions and philanthropists by eliminating this uncertainty. Recognition for gifts, such as naming rights, may provide some small additional incentive to make a gift. However, limiting the direct personal benefit to a certain level would minimise the risk of this provision being abused, as the personal benefit received is unlikely to outweigh the value of the original gift. The Taskforce suggested that a threshold limit be introduced, and that any benefit within that threshold would not disallow a tax deduction. The threshold suggested, a benefit of up to 2.5 per cent of the value of the donation, with a maximum of \$500, appears an appropriate limitation.

806. Taxation Taskforce, Memorandum – Business and Community Partnerships, 1999, p. 2.

807. *ibid.*, p. 4.

Acquisitions fund

Currently, the acquisitions funds of the major state art galleries, museums, and regional galleries, are limited. While the Inquiry is aware that galleries and museums in Tasmania and Queensland utilise their government funds for the acquisition of new works, this is unusual. Funding for acquisitions is generally derived from private donations and bequests. It is thus desirable to improve incentives for private benefactors and corporates to make donations or bequests of cash to collecting institutions with a view to facilitating the acquisition of new works of contemporary visual arts and craft.

One option with the potential to increase the amount of private donations and bequests received by collecting institutions is the establishment of an acquisitions fund. This acquisitions fund would be allocated a distribution from the Commonwealth government. When State and Territory museums, art galleries and regional galleries receive private donations or bequests, and these funds are used for the acquisition of works of contemporary visual arts or craft, the collecting institution could apply to the acquisitions fund for a grant. The acquisitions fund would make a grant to the institution of equal value to the private donations. The State or Territory where the collecting institution is based would also provide matching funding. The institution would thus receive the benefit of the original donation times three.

The program would have the following characteristics and limitations:

- Grants would be made on application. Grants will only be given where the donation or bequest, and the grants made under the program, are to be used to acquire works of contemporary visual art or craft.
- Works will be deemed to be works of contemporary visual arts and craft if the work is purchased directly from the artist or the artist's agent, a sale in the primary market, and if at the time of the acquisition, the artist is a living artist either born in Australia or resident in Australia for at least the previous two years. Art acquired from the secondary market would be excluded.
- Eligible institutions would include State and Territory galleries and museums, regional galleries and galleries operated by educational institutions. The institution must not be operated for commercial purposes or financial gain.
- Only gifts or bequests made after the program has commenced operation would attract grants.

The following example is a hypothetical designed to demonstrate the manner in which the proposed program would operate in practice.

Example 5

Mark would like to donate a sum of \$1 000 to the Cairns Regional Gallery, conditional upon the use of the donation being for the acquisition of works of contemporary visual arts and craft. Under the current arrangements, Mark could donate this sum of money to the Cairns Regional Gallery, and he would receive an income tax deduction. The Cairns Regional Gallery would receive \$1000 towards the acquisition of new works. Under the proposed arrangements, the Cairns Regional Gallery could apply for a grant from the acquisitions fund at the end of the financial year. If deemed eligible, and conditional upon the Queensland government granting the Cairns Regional Gallery \$1 000 for the acquisition of contemporary art, the Commonwealth would grant \$1 000 from the acquisitions fund. The Cairns Regional Gallery would thus receive the benefit of \$3 000 worth of contemporary works of art and craft.

Aliya is an emerging visual artist. The Cairns Regional Gallery has shown interest in her works in the past, but has not been able to purchase any of those works due to its limited acquisitions fund. With the \$3 000 arising from Mark's donation, the Cairns Regional Gallery is able to acquire one of Aliya's works, and also a work by another established crafts practitioner. These works are sold to the Cairns Regional Gallery by the Central Gallery, a small commercial gallery. Thus, in addition to the public benefit of the Cairns Regional Gallery acquiring works of contemporary art and craft it would not otherwise be able to purchase, Aliya and the other artist are benefited by the program as they receive income from the sales of the works. Further, both artists benefit from the public exposure associated with the exhibition of their works in the Cairns Regional Gallery. The Central Gallery receives the benefit of the commission charged on the sale of their works.

This program would encourage the gifting of cash to collecting institutions, and would provide support to the contemporary visual arts and craft sector more generally by increasing the acquisitions budgets of the public galleries. Increasing the overall purchasing power of the collecting institutions will indirectly stimulate the production of new works of contemporary visual arts and craft by providing artists with additional income associated with sales of their works, and by supporting the commercial galleries (which, in turn, facilitate the production of new works).

A possible criticism of the proposal is that there is a lack of certainty. As there would be a limited amount of funding to be distributed through grants each year, if donations and bequests exceed the total budget allocated for that year, the institution may only receive a portion of the donation or bequest as matching funding under the program. While this is a drawback, if the institutions do not receive the full matched funds, the position of the collecting institutions will be improved under the program as they will still have the benefit of the donation or bequest. Further, in the event that the amount of donations exceeds the budget allocated to the fund, the program will clearly be a success, and the government could choose to review the program at that point.

A further possible problem relates to attracting new private funding. Where governments provide ‘challenge grants’, as is the case where the Commonwealth funding is only available if both the State or Territory government and the recipient institution have each raised matching funding, it can be difficult to identify whether the private gifts and bequests received are new and are associated with the additional government funding, or whether the private support would have been received by the institution without the additional government funding. While this is a valid point, it is clear the proposed program will provide a net benefit to the recipient institution. Further, this is a matter which can be assessed during the review at the completion of the four-year trial.

Liaison between the Australia Council and the philanthropic sector

Currently, there is no formal dialogue between the Australia Council and the philanthropic sector. Philanthropic organisations do not have access to information regarding the viability of grant applications, which makes the evaluation of applications difficult.

A possible measure to improve this situation would be to appoint a liaison officer to facilitate communications between the Australia Council and the philanthropic sector. The role of the liaison officer would be to ensure appropriate resources and information is shared with philanthropic organisations, and this would facilitate a more effective contribution by the philanthropic sector to the contemporary visual arts and craft sector. This measure would also be relatively low-cost for the Australia Council.

There is an issue in relation to privacy, as data collected can only be shared by organisations if the applicant gives express permission for this to occur.⁸⁰⁸ This requirement would need to be reflected in grant application processes.

Philanthropic organisations may also benefit from greater communication between the various foundations active in the contemporary visual arts and craft sector. Philanthropic trusts making grants in the arts in Australia may benefit from meeting regularly to discuss their activities and issues affecting grantmaking. Philanthropy Australia organises meetings, conferences and seminars for grantmakers seeking information, and members’ forums on items of interest to members. The Inquiry encourages philanthropic trusts to utilise available opportunities for peer learning and dissemination of information regarding making grants in the contemporary visual arts and craft sector. Where appropriate, the Inquiry also encourages philanthropic trusts to create additional opportunities for this type of discourse.

The Inquiry is aware of current moves to establish an affinity group of philanthropic organisations supporting the arts. A liaison officer sourced from within the Australia Council could be appointed to service this affinity group—the officer could be seconded to either Philanthropy Australia or AbaF in order to base operations in Melbourne (where most major philanthropic foundations are based). The role of the liaison officer would be to build stronger partnerships between the philanthropic sector and the arts by improving communication channels and creating opportunities for sharing Australia Council resources and expertise. The officer would also assist State, Territory and local governments seeking to support artists in a similar way.

808. Privacy Act 1988 (Cth).

Data collection

An additional measure, which would facilitate philanthropy, would be to improve data collection practices. Currently, there is little consolidated data in relation to corporate sponsorship and philanthropy. In particular, the collection of data on private bequests and foundations is currently inadequate. Given the increased emphasis on using government funds to lever private sector support for the arts, it is becoming increasingly important to collect data on the amount of private contributions. This data is necessary in order to assess the impact of government policy on philanthropy. Research into the role of the philanthropic sector, and its contribution to the arts in particular, would also encourage investor confidence, facilitate improved levels of support and allow for limited resources to be allocated in the most effective manner. Similarly, detailed research into the role of corporate sponsorship and patronage would have a beneficial impact on levels of support. The value of philanthropy, benefaction and patronage, and corporate sponsorship need to be considered in terms of creative, cultural and social impact, as well as by economic measures.⁸⁰⁹

Government, in consultation with the contemporary visual arts and craft and philanthropic sectors, should play a role in the data collection process. This matter should either be referred to the Cultural Ministers Council as an issue to be addressed wither through the Statistics Working Group or a special working party, or the matter should be taken up by the Australia Council as a special project. An audit of the currently available research should be undertaken and a database synthesising this information created for use by philanthropic organisations and the visual arts and craft sector.

Arts organisations and philanthropic bodies should also undertake their own systematic analysis of the role of philanthropy, benefaction and patronage, and sponsorship. The Philanthropy Australia affinity group should, in conjunction with AbaF, ensure that this analysis is undertaken.

Sponsorship and community partnership incentives

Submissions to the Inquiry indicate that there is a need for the contemporary visual arts and craft sector to take a more active role in promoting the business case of sponsorship in the arts. RMIT stated in its submission:

...visual artists and crafts people are not accustomed to (self) promotion—sometimes it seems alien to their purpose—in comparison, for example, with Performing Arts. This means they have been less forward in aligning themselves in partnerships with industry and business, though the potential for sponsorship may be larger than imagined.⁸¹⁰

Similarly with respect to Indigenous arts, it is essential that the profile of Indigenous arts is raised and the benefits of sponsorship more effectively marketed by the sector:

Critical to generating greater support for Indigenous arts from the corporate and private sector is a greatly increased profile for Indigenous arts in the public galleries ... Greater activity in this area would stimulate more interest and support from the private and corporate sectors.⁸¹¹

809. Mark Lyons from the University of Sydney has published work which values the economic and social contribution of the third sector. This work could be used as a model for research into the philanthropic sector and corporate sponsorship more specifically. See M. Lyons, 'Australia's Nonprofit Sector', Australian Bureau of Statistics, Yearbook Australia, 1999, at www.abs.gov.au/ausstats/abs@.nsf/94713ad445ff1425ca25682000192af25ebe1496169c5d31ca2569de002842b61OpenDocument.

810. Submission: RMIT.

811. Submission: Hetti Perkins.

As discussed above, AbaF and the Prime Minister's Community Business Partnership have been actively promoting the benefits of partnership arrangements between the business and community. It would be desirable to conduct a similar exercise tailored specifically for the contemporary visual arts and craft sector. A promotional package could be developed which would highlight the specific needs of the contemporary visual arts and craft sector, and the potential benefits for business of investing in this particular sector.

It would also be beneficial for corporate investment in the visual arts and crafts, by purchasing art and developing corporate art collections, to be encouraged. Craft Australia noted that a key trend in the sector is:

The lack of a strong culture of collecting and philanthropy in Australia, creating the imperative to develop a literate, supportive and economically strong collector base, to ensure that new, challenging, exploratory and 'high end' craft work continues to receive support and be recognised as the research and development engine of the sector.⁸¹²

As indicated by Museums Australia (WA) in its submission:

In the same way that Australia Business Arts Foundation works to encourage arts sponsorship, there is considerable potential for business at all levels to be encouraged to acquire contemporary art—both for its investment potential, as a way of supporting the cultural life of the community, and as a way to improve a company's general image for sophistication and innovation.⁸¹³

Both Wesfarmers and Siemens have developed corporate acquisitions policies. The benefits of corporate collecting should be included as part of any package promoting the benefits of investment in visual arts and craft.

Further, it is important for the contemporary visual arts and craft sector to access existing programs providing them with relevant skills in obtaining and managing sponsorship arrangements. A closer role needs to be fostered between the contemporary visual arts and craft sector and AbaF. To date, the emphasis of AbaF has tended to be the performing arts. However, the Inquiry understands that AbaF is interested in becoming more involved in the visual arts and crafts. There is a need for AbaF to make marketing the visual arts and craft a priority.

AbaF currently recognises outstanding partnerships between business and the arts through the AbaF Awards. Awards are granted annually, and in addition to an award for the Business Arts Partnership of the Year, there are awards in a number of different categories. These include small business, government enterprise, regional and large business.⁸¹⁴

The contemporary visual arts and craft sector would benefit from an award recognising valuable partnerships between the sector and business. Recognising achievements in this area would make both the contemporary visual arts and craft sector and business more aware of the potential for mutually beneficial arrangements to be forged in this area. AbaF should establish an award specifically recognising partnerships in the contemporary visual arts and craft sector as part of its strategy to improve sponsorship levels for this sector.

812. Submission: Craft Australia

813. Submission: Museums Australia (WA).

814. AbaF, 'AbaF Awards', at www.abaf.org.au/awards.html.

RECOMMENDATION 20

To ensure the funding base for the contemporary visual arts and craft sector is significantly expanded by strategic interventions that build on current arrangements to encourage philanthropy, the Inquiry recommends the Commonwealth develops and implements the following initiatives:

- 20.1 Raise the public profile of existing tax incentive and related programs through better promotion.
- 20.2 Amend the Cultural Gifts Program provisions to permit donors to claim a 125 per cent tax deduction for gifts of new works by contemporary Australian artists to public collecting institutions for a trial period of five years.
- 20.3 Establish a donations program directed at research and development activities, attracting a 125 per cent tax deduction for the first five years.
- 20.4 Establish a program whereby foundations are encouraged to make donations to an Australia Council or other appropriate public fund, which may make distributions to individual artists.
- 20.5 Amend the Cultural Gifts Program provisions to enable individual artists to claim a market value deduction for gifts of their own work under the program, whether these be from their trading stock or personal collection.
- 20.6 Amend the philanthropy provisions to clearly state that an advantage or benefit received by donors does not prevent their ability to receive a tax deduction, provided the benefit does not exceed a specified limit.
- 20.7 Establish an acquisitions fund to provide grants to collecting institutions matching private donations used for the acquisition of works of contemporary visual arts and craft. This fund should have an initial budgetary allocation of \$250 000 per annum for four years. The Commonwealth grants would be contingent upon matching funding being provided by the State or Territory in which the collecting institution is located.

APPENDIX A

BIOGRAPHY OF RUPERT MYER

Rupert lives in Melbourne with his wife and five children. He completed an honours commerce degree at Melbourne University before continuing to Cambridge University to complete an MA in social and political sciences.

He is Deputy Chairman of The Myer Family Company Pty Ltd and serves on the boards of several companies, including MCS Properties Ltd and the publicly listed AMCIL Ltd.

Rupert was appointed as a Trustee of the National Gallery of Victoria in 1997 and has served as Chairman of the NGV Foundation from 1997 until 2001. He served on the board of the Museum of Contemporary Art in Sydney from 1996 until 2000.

As a Vice-President of the Myer Foundation, Rupert has served as Convenor of the Arts, Culture and Humanities Committee and as coordinator of The Sidney Myer Centenary Programme. The Myer Foundation continues to fund a number of visual arts projects around Australia including programmes in regional areas and in professional development.

He is currently serving as Chairman of Mission Australia's Youth Strategy and Advisory Group.

He has been a collector of contemporary art for 26 years.

APPENDIX B

CONSULTATIONS AND CONFERENCES

The Inquiry consulted with many individuals and organisations in the contemporary visual arts and craft sector to inform itself about the issues and to encourage sector participation in the Inquiry. The following list includes not only those who were involved in formal consultation meetings, but also those who participated by providing assistance, information and advice to the Inquiry in other ways.

Organisation	Name
200 Gertrude Street	Max Delaney
24hr Art	Cath Bowdler Jackie Wurm
Alcaston Gallery	Beverly Knight
ANKAAA	Djambawa Marawili Steph Hawkins Susan Congreve
Araluen Centre	Caroline Lieber Suzette Watkins
Arnold, Bloch, Liebler	
Art Gallery of NSW	Edmund Capon Tony Bond Hetti Perkins Wayne Tunnicliffe
Art Gallery of SA	Ron Radford
Art Gallery of WA	Gary Dufour Alan Dodge Brenda Croft Trevor Smith
Art Monthly	Phillipa Kelly
ArtBack	Denise Officer Vanessa McCrae
Artbank	Antonia Syme Jackie Dunn Jasmin Stephens
Artists' Foundation	Jenny Wright
Artlink Magazine	Stephanie Britton
Arts at Work	Simon Alcorn

Arts Nexus	Eve Stafford Erik Oates
Arts NT	Sylvia Langford Chris Capper
Arts NT (Alice Springs)	Lucy Stewart
Arts Qld	Ivan Catlin Donna McDonald Suzanne Oberhardt
Arts SA	Kathie Massey Caroline Treloar Carolyn Rankin Claire Witham Gail Fairlamb
Arts Tasmania	Lynne Uptin
Arts Victoria	Penny Hutchinson Andrew Abbott Maria Katsonis Michael Nation
Arts WA	Allanah Lucas Keith Sinclair Nikki Miller
artsACT	Lyn Allen
ArtSource	Jude van der Merwe
Artspace Gallery	Nick Tsoutas
ATSIC	Tamelyn Hall
Australia Council	Dr Terry Cutler David Gonski Cathy Craigie Carol Innes Karilyn Brown Geoffrey Taylor Andrew Donovan Bernice Gerrand
Australia Council - Visual Arts/Craft Board	
Australia Council - Youth Arts Panel	
The Australian	Dr Benjamin Genocchio
Australian Business Arts Foundation	Winsome McCaughey
Australian Bureau of Statistics	Theo Neumann

Australian Centre for Contemporary Art	Stuart Koop Jenepher Duncan
Australian Centre for Photography	Alisdair Foster
Australian Commercial Galleries Association	Rose Lang Stuart Purves
Australian National University	David Williams Nigel Lendon
Australian Network of Art and Technology	Julianne Pierce
Australian War Memorial	Barbara Reeve
Biennale of Sydney	Richard Grayson Luca Belgiorno-Nettis Euan Upston Paula Latos Valier
Boomalli Aboriginal Artists Co-operative	Jeffrey Samuels
Cairns City Council	Peter Tabulo
Cairns Regional Gallery	Michael Narzik
Cairns TAFE	Deanna Grant Elaine Compton
Canberra Contemporary Art Space	Jane Barney Kim Chapman
Canberra School of Art	David Williams
Centre for Contemporary Photography	Tessa Dwyer
Contemporary Art Centre of South Australia	Alan Cruikshank Michael Newell
Contemporary Arts Services Tasmania	Sean Kelly Michael Edwards Geoff Parr
Council of Australian Art Museum Directors	
Craft Australia	John Odgers Robert Bell
Craft Queensland	Julie Foster-Burley
CraftACT	Catrina Vignando Anne Brennan
CraftSouth	Jane Andrew

Craftwest	Lynda Dorrington Kate McMillan
Craft Victoria	Kevin Murray Margaret Harkness
Create Australia	Marie Manidis
Curtin University	Ted Snell Barbara Cotter
Gallery 4A	Gia Nghi Phung
Department of Foreign Affairs and Trade	Penny Amberg
Department of Treasury	Roger Brake David Tune
DESART	Rose Wallace Anne-Marie May
Experimental Art Foundation	Julie Lawton Chris Chapman Michael Grimm Ken Bolton
Eyeline magazine	Sarah Follent
Fire-Works Gallery	John Armstrong Michael Eather
First Draft	Jay Rives George Dann Vicki Clare
Hazlehurst Gallery	Michael Rolfe
Ian Potter Gallery	Chris McAuliffe Bala Star
Institute of Modern Art	Michael Snelling
Ivan Dougherty Gallery	Nick Waterlow
Jam Factory	Mark Ferguson
Kick Arts	Anne Harris Sharon Pacey Russell Milledge Melissa Waters Julie Chisholm Sonya Olsen Janet Parfenovics Terry Enger

Laetitia Street Studios	Neil Hadden
Lowenstein Sharp	Tom Lowenstein
Macquarie University	Professor David Throsby
Manly Art Gallery	Therese Kenyon
Melbourne Art Fair	Bronwyn Johnson Guy Abrahams
Ministry for Culture and the Arts (WA)	Ellis Griffiths
Museum of Contemporary Art (MCA)	Elizabeth Ann Macgregor
Museums and Art Gallery of the Northern Territory	Anna Malgorzewicz
National Association of the Visual Arts (NAVA)	Tamara Winikoff Michael Keighery
National Visual Arts and Craft Network	
National Gallery of Australia	Dr Brian Kennedy Robert Bell
National Gallery of Victoria	Gerard Vaughan Frances Lindsay Tony Ellwood
NETS Victoria	Naomi Cass
NSW Ministry for the Arts	Roger Wilkins Jennifer Lindsay Deborah Ely
Niagara Galleries	William Nuttall
Office of the Premier (Tasmania)	Katherine Hough
Object Centre for Contemporary Craft	Steve Pozel Alex Bowen
Object Jewellery Studios	Grainne Brunsdon
Papunya Tula Artists	
Performance Space	Fiona Winning
Perth Institute of Contemporary Art	Sarah Miller
Philanthropy Australia	Ruth Jones
Philip Bacon Gallery	Philip Bacon
Power Institute of Art History and Theory	Julian Pefanis Catriona Moore Blair French
Public Art Agency	John Stafford
Public Galleries Association of Victoria	Giacomina Pradolín

Queensland Artworkers Alliance	Renai Stoneley
Queensland Art Gallery	Doug Hall Suhanya Raffel Rhana Devenport Anna Marsden
Queensland University of Technology	Stuart Cunningham
RAFT Artspace	Dallas Gold
Regional Galleries Association of Qld	Robert Heather
RMIT Gallery	Suzanne Davies
Salamanca Arts Centre	Rosemary Miller
Sherman Galleries	Dr Gene Sherman
Sydney College of the Arts	Margaret Harris Brad Buckley
Tasmanian Museum and Gallery	David Hansen
Territory Craft	Leonie McNally
University of SA School of Art	Noel Frankham
Victorian College of the Arts	Sue Baker Andrea Hull
VISCOPY	Anna Ward Mark Fitz-Gerald Mark Williams
WA Lotteries	Jan Stewart Jacquie Thomson
Watch this Space Gallery	Harriet Gaffney Pip McManus
Witt Design	Alan Witt
Individuals	Julian Burnside Professor Jan Carter Bob Edwards Sandra Ferman Bernice Murphy Susan Norrie Mike Nicholls Wayne Eager Marina Strocchi David Harley Simone Slee Robert McKay Tom Harley John Kaldor Carrillo Gantner



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- Queensland University of Technology: ‘Innovation—a national arts/media/design symposium’, 27-29 October 2001
- Australian Copyright Council: ‘Copyright Symposium: Moral Rights Session’, Sydney, 23 November 2001
- Australia Council: ‘Promoting the Value of the Arts—National Seminar on Education and the Arts’, Sydney Opera House, 14 February 2002
- National Aboriginal & Torres Strait Islander Visual Art and Craft Conference, Adelaide 5 March 2002

APPENDIX C

INDIGENOUS REFERENCE GROUP

The Inquiry established a Reference Group to assist it in identifying key issues for Indigenous visual artists and craft practitioners. The members of the Group were as follows:

Djon Mundine	Indigenous Curator and Writer
Doreen Mellor	Manager, <i>Bringing Them Home</i> Project, National Library of Australia
Cathy Craigie	Director, Aboriginal and Torres Strait Islander Board – Australia Council
Hetti Perkins	Curator, Aboriginal & Torres Strait Islander Art – Art Gallery of NSW

APPENDIX D

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APPENDIX E

SUBMISSIONS

Government agencies

Aboriginal and Torres Strait Islander Commission

Arts Queensland

Arts SA

Arts Tasmania

Arts WA

Department of Arts and Museums Northern Territory

Department of Education, Science and Training

Department of Employment, Workplace Relations and Small Business

NSW Ministry for the Arts

Organisations

200 Gertrude Street

24hr Art – The NT Centre for Contemporary Art

Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA)

Art Gallery of NSW

Art Gallery of SA

Art Gallery of WA

Art Gallery of WA, Indigenous Art

Art on the Move

Artback NT Arts Touring

Artists Foundation of WA

Artists Union

Artlink

Arts Industry Council (Victoria)

The Arts Law Centre of Australia Centre of Australia

Arts Training NSW

Artspace

Artworkers Alliance

Asialink

Association of Sculptors of Victoria

Association of Western Australian Art Galleries

Australia Council Multicultural Advisory Committee

Australia Council Youth Arts Panel

Australian Art Collector Magazine

Australian Centre for Contemporary Art

Australian Centre for Photography

Australian Commercial Galleries Association

Australian Copyright Council

Australian Institute of Professional Photography

Australian Network for Art and Technology (ANAT)

Australian Research Council

Australian Watercolour Institute

Australian Wearable Art Association

Awesome Arts Australia



Batchelor Institute of Indigenous
Tertiary Education

Biennale of Sydney

Block Gallery

Briefcase

Cairns City Council

Canberra Contemporary Art Space

Canberra Potters' Association

Canberra School of Art

Centre for Contemporary Photography

Christie's Australia

City of Sydney

Community Cultural Development Network

Contemporary Art Centre of SA

Contemporary Art Services Tasmania

Contemporary Arts Organisations of
Australia (CAOS)

Copyright Agency Ltd

Council of Australian Art Museum Directors

Country Arts SA

Country Arts WA

Craft Australia

Craft Organisations Australia

Craft Queensland

CraftSouth

CREATE Australia

Designer Makers Tasmania

Experimental Art Foundation

Eyeline Publishing

Firstdraft Gallery

Furniture Design Department, Tasmanian
School of Art

Gallery 4A

Global Arts Link

Institute of Modern Art

International Works On Paper Fair

Ivan Dougherty Gallery

Jam Factory Contemporary Craft & Design

Lismore Regional Art Gallery

Mackay Artspace

Marion Marshall Studios

Museum of Contemporary Art (MCA)

Museum Victoria

Museums and Galleries Foundation of NSW

Museums Australia - Visual Arts, Crafts and
Design Special Interest Group

Museums Australia (WA)

National Association for the Visual Arts
(NAVA)

National Gallery of Australia

National Indigenous Arts Advocacy
Association

National Potrait Gallery

National Regional Galleries Association
Co-ordinating Committee

National Exhibitions Touring Support
(NETS) Australia

Nexus Multicultural Arts Centre

Niagara Galleries

Object—Australian Centre for Craft and
Design

Performance Space

Perth Institute of Contemporary Art

Print Council of Australia

Printmakers of WA
 Promoting Electoral Awareness of the Artists Status in Society (PEAASS)
 Public Galleries Association of Victoria
 Quadrivium
 Queensland Art Gallery
 Queensland Arts Council
 Queensland College of Art, Griffith University
 Queensland Potters Association
 Queensland University of Technology (QUT) Cultural Precinct
 Redback Gallery
 Regional Galleries Association of NSW
 Regional Galleries Association of Queensland
 Ricochet Productions
 Royal Melbourne Institute of Technology (RMIT)
 Roar Studios
 Roma Mitchell Arts Education Centre
 Sculpture by the Sea
 Sherman Galleries
 Society of Arts and Crafts of NSW
 Sotheby's Australia
 South Australia School of Art
 South Australian Youth Arts Board
 Stills Gallery
 Sturt Contemporary Craft
 Tasmanian School of Art
 Territory Craft
 The Australian Council of University Art and

Design Schools (ACUADS)
 The Bakehouse Gallery
 The Hand Weavers and Spinners of NSW
 The Knitters Guild Inc (NSW)
 The Painters and Sculptors Association
 The Print Council of Australia
 Upper Clarence Community & Economic Development Organisation
 Victorian College of the Arts, School of Art
 Victorian Tapestry Workshop
 VISCOPY
 Watters Gallery
 West Space

Individuals

Willow Aliento
 Barrie Brennan
 Jane Burns
 John Collis
 Sandra Cook
 Gordon Darling AO CMG
 Arthur Davies
 Richard Dunn
 Anne Ferran
 Kevin Free
 Lianne Gibson
 Sandra Hall
 Patrick Hall
 Julienne Home
 Noris Ioannou
 John Irving

Beth Jackson
Isobel Johnston
Sue Kalab
Lisa Kelly
Marie Klement
Helen Lancaster
Darani Lewers
Anne Lord
James Lynch
Andrew MacDonald
Irene Manion
Pip McManus
Kate McMillan
Lyn Merrington
Kevin Murray
Jill Noble
Nick Oughton
Daniel Palmer
Alan Peascod
Carole Pemberton
Hetti Perkins
Christine Polowyj
Debra Porch
Damien Prokop
Margaret Roberts
Gene Sherman
Anneke Silver
Doug Spowart
Marina Strocchi
Marc Sutton

Lara Travis
Brian Tucker
Ken Wach
Keith Ward
Peter Wilde
Norman Wilson

APPENDIX F

GLOSSARY OF ACRONYMS

AbaF

Australia Business Arts Foundation

ABS

Australian Bureau of Statistics

ARC

Australian Research Council

ARI

Artist-run initiative

ATO

Australian Taxation Office

ATSIAB

Aboriginal and Torres Strait Islander Board
(Australia Council)

ATSIC

Aboriginal and Torres Strait Islander
Commission

CMC

Cultural Minister's Council

DCITA

Department of Communications,
Information Technology and the Arts

DEST

Department of Education, Science
and Training

DEWR

Department of Employment and
Workplace Relations

DFAT

Department of Foreign Affairs and Trade

IPCRC

Intellectual Property and Competition
Review Committee

NAVA

National Association for the Visual Arts

NIAAA

National Indigenous Arts Advocacy
Association

NMAB

New Media Arts Board (Australia Council)

OH&S

Occupational Health and Safety

ROCO

Register of Cultural Organisations

VACB

Visual Arts and Craft Board
(Australia Council)

VAIGRP

Visual Arts Industry Guidelines
Research Project



APPENDIX G

DERIVATION OF VALUE ADDED ESTIMATES FOR THE CONTEMPORARY VISUAL ARTS AND CRAFT SECTOR

The value added of an industry is commonly put forward as the most appropriate measure of an industry's contribution to the national economy.⁸¹⁵ The value added of an industry is its contribution to GDP after deducting the cost of raw materials, fuel, power, services and other purchases from the industry's turnover. Thus, value added largely consists of the wages, salaries and operating surplus (profit) of an industry.⁸¹⁶

Historically, there have been inconsistencies in the way industries' contributions have been calculated. Prior to 1997, the contribution of some industries was calculated using industry gross product—a related concept—rather than industry value added.⁸¹⁷ The earlier Service Industry Surveys of the ABS, which are used in this analysis, are examples of this. Allen Consulting Group estimates that, on average, estimates of industry contribution measured by gross product are 94 per cent of the estimates using value added.⁸¹⁸ While recognising the difference between the two measures, given the relatively close concordance between gross product and value added, no distinction will be made for the purpose of this analysis.

Derivation of estimates

Unfortunately, there are no data on the value added by the contemporary visual arts and craft sector as defined in this report—indeed most value added data are aggregated to the industry subdivision level. Subsequently, value added data for the contemporary visual arts and craft sector are hidden in the value added estimates for several industry subdivisions contained in the Australian National Accounts (ANA), namely:

- Libraries, museums and the arts (Subdivision 92);
- Education (Subdivision 84);
- Printing, publishing and recorded media (Subdivision 24);
- Personal and household goods retailing (Subdivision 52);
- Business services (Subdivision 78); and
- Other services (Subdivision 96).

As a result, data from a number of sources have been used to estimate the value added for the contemporary visual arts and craft sector (Table A1). Additionally, the most recent ANA product detail publication⁸¹⁹ contains data for 1996–97; as the estimate for the value added of visual arts and craft creation is derived from this figure, the total sector value added is also measured at 1996–97. The methodology is detailed below.

815. See, among others, Allen Consulting Group 2001; Guldberg 2000.

816. Allen Consulting Group 2001.

817. Allen Consulting Group 2001.

818. Allen Consulting Group 2001.

819. ABS 2001.

Table A1: Value added of contemporary visual arts and craft sector, 1996–97

Activities	Value added \$m
1. The creation of visual arts and crafts	129.5
2. The collection and display of visual art and craft items	9.3
3. Writing about contemporary visual arts and craft in magazines, journals and newspapers	1.5
4. Printing and publishing art and craft journals, magazines, and articles in newspapers	
5. Retailing contemporary visual arts and craft objects	16.8
6. Contemporary visual arts and craft education	na
7. Provision of support services to the sector	3.0
8. Contemporary visual arts and craft interest groups and	na
9. Contemporary visual arts and craft copyright services.	0.1
Total value added	160.2

na: Not available.

Activity 1: The creation of visual arts and craft

This activity is wholly contained within the Australian New Zealand Standard Industrial Classification (ANZSIC) industry class ‘creative arts’. In 1996–97, the Australian production of creative arts was \$463 million.⁸²⁰ As the creation of visual arts and craft is only a subset of this estimate, data from a survey of individual artists by Throsby and Thompson⁸²¹ was used to disaggregate it. The survey found that total arts-related income of visual arts and craft practitioners (visual artists, craftspeople and community artists) was 59 per cent of the total arts-related income of creative artists (visual arts and craft practitioners plus composers and writers). Thus, the derived Australian production of visual arts and craft creation for 1996–97 is \$273.5 million.

To determine the value added proportion of this output, the individual artist’s survey was again used. The net income (total arts-related income minus expenses) was found to be 47 per cent of total arts-related income; this measure was used as an estimate of the value added proportion of total income. This figure is very similar to the estimate obtained—by different methods—by both Guldberg⁸²² and ABS/ DoCA⁸²³ (48 per cent and 50 per cent, respectively). Applying this proportion to the estimate of Australian production gives an estimate of value added for visual arts and craft creation of \$129.5 million.

820. ABS 2001.

821. Throsby and Thompson 1994.

822. Guldberg 2000.

823. ABS/ DoCA 1997.

Activity 2: Collecting and displaying contemporary visual arts and craft

These activities are primarily carried out by state and local galleries and museums. The gross product estimates for this sector derived from a 1997 ABS Service Industry Survey form the basis for this analysis.⁸²⁴ As discussed earlier in this Report, the contemporary visual arts and craft related activities of the major state and national galleries comprise about ten per cent of their total activities—this proportion was used to scale down the ABS' estimate of the gross product of state and national art galleries to \$5 million. The exception to the 'ten per cent rule' among state and national galleries is the Museum of Contemporary Art, whose activities are entirely related to contemporary visual arts and craft. Its expenditure on wages and salaries was used as a proxy for value added (profit was assumed to be zero); the figures from the 2000 annual report⁸²⁵ were deflated to 1996–97 dollars and added to the estimate of state and national gallery value added.⁸²⁶

For local galleries, the ABS publication⁸²⁷ reports the gross product of regional galleries together with regional museums. To split out the art gallery component, the value added of art galleries at the state and national level relative to museums at the state and national level was used as an estimate. As discussed elsewhere in the Report, about 50 per cent of regional galleries' activities are related to contemporary visual arts and craft, when this is applied to the estimate of total regional gallery value added, an estimate of \$1.4 million is obtained.

The total of national, state and regional gallery value added for 1996–97 is estimated to be \$9.3 million.

Activities 3 and 4: The writing, printing and publishing of contemporary visual arts and craft articles in magazines, journals and newspapers

Financial data obtained during the course of the Inquiry relating to the writing and publishing of art and craft periodicals forms the basis of this estimate. Total staff expenses are used as a proxy for value added (profit is assumed to be zero), and are deflated to 1996–97 dollars. For the writing of newspaper articles, the estimated number of words published in major Australian newspapers on contemporary visual arts and craft are multiplied by the Australian Journalists' Association rate for journalists.

No data is available on the value added by the printing of contemporary visual arts and craft periodicals, and the data for the publishing and printing of newspaper articles cannot be separated from total newspaper costs. The value added for these activities is not estimated.

824. ABS 1998b.

825. MCA 2001.

826. This method results in some double counting—presumably the MCA was included in the ABS Service Industry Survey.

827. ABS 1998b.

Activity 5: Retailing contemporary visual arts and craft objects

The estimate of gross product obtained from an ABS survey of commercial art galleries in 1997⁸²⁸—\$16.8 million—is used as a proxy for this activity. This is likely to be an underestimate of the true value for several reasons. Firstly, the ABS survey likely underestimates the number of Aboriginal art and craft centres.⁸²⁹ Secondly, the survey only included businesses whose primary business was the sale of visual art, and as such it excluded businesses selling craft, as well as businesses such as tourist shops that sell a variety of goods, including visual arts and craft. In the absence of any other value added data, however, and recognising its shortcomings, this value is used as an estimate of value added for this activity.

Activity 6: Contemporary visual arts and craft education

Unfortunately, no value added data is available for art schools and art-related vocational education and training. Indeed, the estimates of value added are aggregated to the 'education' division in the ANA.⁸³⁰ As a result of this lack of data, an estimate of this important component of the contemporary visual arts and craft sector was not possible.

Activity 7: Provision of support services to the sector

This activity includes contemporary art and craft spaces, organisation of arts festivals, and government contemporary visual arts and craft administration and support activities. Estimates of value added for contemporary visual art and craft spaces were derived from financial data obtained during the course of the Inquiry from contemporary arts organisations and the various craft councils. Due to lack of data, the contribution of art festival organisations and government support has not been included in the value added estimate for this activity.

Activity 8: Contemporary visual arts and craft interest groups

Due to a lack of data, the economic contribution has not been estimated for this activity.

Activity 9: Contemporary visual arts and craft copyright services

The estimate of value added for this activity was derived from the annual report of VISCOPY,⁸³¹ the copyright collection and distribution agency for the visual arts. Total staff expenses are used as a proxy for value added (profit is assumed to be zero), and the value for 2000–01 (in 1996–97 dollars) is used as an estimate for the 1996–97 figure.

828. ABS 1998c.

829. Submission, ANKAAA; and Submission, Mr Norman Wilson.

830. ABS 2001d.

831. VISCOPY 2001.

APPENDIX H

TERTIARY INSTITUTIONS OFFERING COURSES IN VISUAL ARTS AND CRAFT

Australian Capital Territory

Australian Catholic University
Australian National University
Australian National University –
Canberra School of Art
University of Canberra

New South Wales

Australian Graphic Design and
Computer School
Avondale College
Charles Sturt University – Wagga Wagga
KVB College of Visual Communication
Macquarie University
National Art School
National Photo Training College
Southern Cross University
University of Newcastle
University of New South Wales –
College of Fine Arts
University of Sydney
University of Technology Sydney
University of Western Sydney – Macarthur
University of Western Sydney – Nepean
University of Wollongong

Northern Territory

Northern Territory University
This list includes general Arts degrees
where visual arts, art history or theory, or
art administration is offered as a major.
Graphic design is included, but not
fashion design.

Queensland

Brisbane Institute of Art
Griffith University
James Cook University
Queensland University of Technology
University of Queensland
University of Southern Queensland

South Australia

Adelaide Central School of Art
Flinders University
University of South Australia

Tasmania

University of Tasmania

Victoria

Australian Academy of Design
 Deakin University
 La Trobe University
 Melbourne School of Art
 Monash University
 Royal Melbourne Institute of Technology
 University of Ballarat
 University of Melbourne
 Victorian College of the Arts
 Victoria University of Technology

Western Australia

Curtin University of Technology
 Edith Cowan University
 University of Western Australia
 Western Australian School of Art, Design
 and Media

**Vocational Education and
Training institutions****Australian Capital Territory/
New South Wales**

Canberra Institute of Technology
 North Coast Institute of TAFE
 Northern Sydney Institute of TAFE
 Southern Sydney Institute of TAFE
 Sydney Institute
 TAFE NSW Illawarra Institute
 Western Sydney Institute of TAFE

Queensland

Bremer Institute of Queensland TAFE
 Central Queensland Institute of TAFE
 Moreton Institute of TAFE
 Southbank Institute of TAFE

South Australia

Douglas Mawson Institute of Technology
 North Adelaide School of Art (TAFE SA)
 Onkaparinga Institute of TAFE

Tasmania

Institute of TAFE Tasmania

Victoria

Box Hill Institute of TAFE
 Chisholm Institute of TAFE (Dandenong)
 Chisholm Institute of TAFE (Frankston)
 Chisholm Institute of TAFE (Moorabbin)
 Gordon Institute of TAFE
 Holmesglen Institute of TAFE
 Northern Melbourne Institute of TAFE
 RMIT University – TAFE Division
 South West Institute of TAFE
 Swinburne University –
 TAFE Division (cont'd)
 University of Ballarat – TAFE Division
 Victoria University

Western Australia

WA School of Art, Design and Media

Sources: www.can.gov.au
www.detya.gov.au/tenfields/



APPENDIX I

TYPES OF INSURANCE COVER FOR VISUAL ARTISTS AND CRAFT PRACTITIONERS, AND ARTS ORGANISATIONS

Public liability

Public liability insurance covers any legal liabilities arising from personal injury and property damage sustained by members of the public arising from the artwork and activities of the artist. Freelance and self-employed artists and arts organisations should seek public liability cover to protect themselves from legal suit. Individuals may make claims for damages where loss or harm has been suffered, including bodily injury or property damage resulting from the artwork or the artists' activities outside the place of work. Artists and organisations are generally obliged to ensure that their works are structurally sound, that their workplace is a safe environment for others, and that occupational health and safety guidelines are adhered to.⁸³² The extent of an artist's liabilities with respect to a commissioned work should be enumerated specifically in a contract.⁸³³

Workers compensation

If the artist or arts organisation employs others, the artist or arts organisation will be obliged to obtain workers compensation insurance to compensate employees injured at work.

Income protection and disability

Self-employed or freelance artists may take out their own disability insurance or work-related injury insurance and income protection insurance. In the event of illness or injury, this insurance generally provides the artist with fortnightly income payments, private hospital costs, journey cover, reasonable medical expenses, and rehabilitation services. In addition, insurance cover may include a lump sum payment for permanent partial disability and a lump sum payment for work-related death, which is paid to dependents.⁸³⁴

Life

Life insurance compensates named beneficiaries under the policy who have been detrimentally affected by the death of the artist.⁸³⁵

832. Artworkers Alliance, 'FAQ #1 – Insurance', 2002.

833. O. Watts, 'Public (Art) Liability', oo (3) Art + Law, September 2000, at www.artslaw.com.au/reference/003caveat_public_art_liability/.

834. N. Oughton, *A Hard Hat to Follow: A Health and Safety Guide for Artworkers*, Queensland Community Arts Network, New Farm, 2000, pp. 74–75.

835. Arts Law Centre of Queensland, 'Liabilities: Risk and the Art of Insurance', 2002, at www.artslawqld.org.au/liabilities/insurance.htm.

Professional indemnity

Professional indemnity insurance covers artists for any costs associated with losses suffered by an employer or client as a result of the negligent acts or omissions of the artist in the conduct of their professional activities.⁸³⁶

Artworks

Artists may insure their artworks and materials against loss, destruction and damage.⁸³⁷ Some galleries have insurance policies which cover works on consignment or loan. However, it may be advantageous for artists to independently insure their works, as even if the gallery is insured, the artist has no legal entitlement to make a claim under that policy.⁸³⁸

Directors and officers

Arts organisations may consider obtaining cover for directors and officers of the company from claims made by persons or entities detrimentally affected by the decisions of the director or officer.⁸³⁹

Warranty

Where an artist produces work under a commission, a limited warranty period may be sought by the commissioner. Artists may seek an insurance policy to cover the warranty in these circumstances. However, it should be noted that it can be difficult for artists to obtain a policy to cover warranties.⁸⁴⁰

Volunteers

Generally, volunteers are not covered by workers compensation or public liability insurance. Where an artist or arts organisation is provided with the services of volunteers, volunteer insurance cover may be obtained, or a specific endorsement covering volunteers could be added to an existing policy. In the alternative, volunteers could be asked to sign a release form providing that they are responsible for their own insurance.⁸⁴¹ However, volunteers may be unable to absorb the cost of insurance, and the cost of insurance may lead some individuals to hesitate to volunteer.⁸⁴²

Subcontractors

Where an artist or organisation engages a subcontractor to assist with a project, the artist or organisation may require that the subcontractor has their own insurance cover.⁸⁴³

836. Artworkers Alliance, *op. cit.*

837. O. Watts, *op. cit.*

838. S. Simpson, Insurance, *Simpsons Solicitors*, Sydney, at www.simpsons.com.au/library/documents/visarts/visarts89/19Insura.pdf.

839. Arts Law Centre of Queensland, *op. cit.*

840. O. Watts, *op. cit.*

841. S. McCausland, 'Volunteers in Arts Organisations', 99 (3) *Art + Law*, September 1999, at www.artslaw.com.au/reference/cavvolun993/.

842. L. Glendinning, 'Insurance rises putting volunteers out of action', *Sydney Morning Herald*, 5 April 2002, p. 10.

843. O. Watts, *op. cit.*

APPENDIX J

RESALE ROYALTY

Resale royalty schemes vary greatly between jurisdictions. If a resale royalty was to be introduced in Australia, there are a number of models which could be adopted. These models vary greatly, and when formulating a policy in relation to this issue, the following matters should be addressed.

1. Coverage

Australia would need to define which artworks attract a resale royalty. Would the right extend to all artistic works as currently defined within copyright law, or would it only apply to selected works within this definition?⁸⁴⁴ In overseas models, the traditional forms of artistic works, such as paintings, drawings and sculpture are invariably included. Original photos, lithographs and engravings are also included in many jurisdictions, and in some jurisdictions, original literary and musical manuscripts are included. Where an artwork is produced in limited multiples, these may also be included.⁸⁴⁵ Contemporary visual arts and craft are generally included in resale royalty schemes.

Further, upon which transactions would a resale royalty apply?⁸⁴⁶ A resale royalty may be applied to public auctions and sales, private sales or both. It may be appropriate to only include sales with a public element, exempting resales between private individuals from the application of resale royalties due to privacy considerations.⁸⁴⁷ Sales between private persons tend to be conducted discreetly, making information and remuneration rights difficult to enforce.⁸⁴⁸ The high costs and difficulty of monitoring private transactions mitigate against the inclusion of these transactions. It would be impossible to administer a resale royalty scheme that included private sales without a formal registration system for all transactions involving works of art. A registration system would be costly to introduce.⁸⁴⁹ Further, it is likely that personal privacy rights would be infringed if the financial affairs of individuals were open to public scrutiny.⁸⁵⁰ As a result, it appears appropriate for resales between private persons, without the intervention of an art market professional, to remain free of resale royalty obligations.

Where a work of art is resold through an art dealer, it may be appropriate to grant the artist a right to enforce their remuneration right respectively against both the original owner and the commissioned art dealer, auctioneer or agent. In its submission, VISCOPY states that this measure is essential to ensure the payment of the claim, especially in the case of international sales.⁸⁵¹

844. D. Cliche, *op. cit.*, 1994, p. 10.

845. Australian Copyright Council, *op. cit.*, 1989, p. 13.

846. D. Cliche, *op. cit.*, 1994, p. 10.

847. F. B. Berger, 'Should Visual Artists have a Right to a Resale Royalty?', at www.weblaw.ch/jusletter/Artikel.jsp?ArticleNR=1033&Language=1. VISCOPY also made a similar point in their submission.

848. Australian Copyright Council, *op. cit.*, 1989, p. 14.

849. *ibid.*, p. 70.

850. G. Pfennig, *op. cit.*, p. 4.

851. Submission: VISCOPY.

2. Form

The statutory form of resale royalties varies considerably between jurisdictions. The payment to the creator of a work could be based upon a percentage of the resale price of the work, or a percentage of the increased value of the resale work, or a mix of both.⁸⁵² Some jurisdictions calculate the royalty as a percentage of the increased value of the work, to ensure that artists do not benefit where the work of art has declined in value.⁸⁵³

The problem with imposing a penalty on only that part of the sale price which represents an increase in price from the immediately preceding sale is that the artist, the party seeking to enforce their legal right, would be required to prove that the work has increased in value. This would be extremely difficult to prove where there is no corresponding obligation on each vendor or purchaser to disclose the sale price.⁸⁵⁴ A royalty calculated on the basis of the sale price is a more effective approach to administer and enforce.

3. Rate

Australia would need to consider the appropriate royalty rate, and whether it would be subject to a minimum sale amount.⁸⁵⁵ Also, Australia could introduce a maximum payment limit.

Graded royalty rates for resale royalties are generally justified on the basis that graded royalty rates are less likely to lead to a transfer of the art trade to a more permissive jurisdiction than flat rates.⁸⁵⁶ However, there are a number of additional benefits flowing from a flat royalty rate. Where the same royalty rate is applied for all kinds of sales, there is greater certainty and predictability for artists, purchasers and art dealers, and it facilitates collective management. Where there is a standard royalty rate, this may form a precondition for sales contracting, and resale royalty remuneration could be collected in the form of a lump sum payment.⁸⁵⁷ The percentage rate royalty imposed varies between models, but in most jurisdictions the rate is between three per cent and five per cent of the resale price. The royalty should be calculated so as not to be so high as to inhibit sales, and not so low that the administrative costs outweigh the moneys collected.⁸⁵⁸

A minimum threshold for claiming a resale royalty appears necessary. The administration of claims is costly, and this cost can only be justified if the benefits to be gained by the claimant are of some substance. The European Union decided on a minimum threshold of EUR\$3 000, however, lobbyists assert that claims can be successfully administered if the resale price exceeds EUR\$1 000 (or about A\$1 700).⁸⁵⁹ A threshold even lower is favourable to artists, as this permits less financially successful artists to enjoy the same degree of benefit as more well-known artists. However, a lower threshold may not be viable given this arrangement may lead to large-scale and expensive collective management where the royalties to be collected would not cover the costs of collection by a representative collecting agency or by the artist. As a result, a minimum threshold should be determined with consideration of the specific characteristics of the Australian contemporary visual arts and craft market. The royalty should exceed the administrative costs associated with collection and disbursement, and should consider the nature of the Australian art market.

852. D. Cliche, *op. cit.*, 1994, p. 10. See also S. Simpson, *Droit de Suite: The Artist's Royalty*, Simpsons Solicitors, Sydney, p. 2, at www.simpsons.com.au/library/documents/visarts/visarts89/9Artists.pdf.

853. J. H. Merryman and A. E. Elsen, *op. cit.*, p. 403.

854. Australian Copyright Council, *op. cit.*, 1989, p. 15.

855. D. Cliche, *op. cit.*, 1994, p. 10.

856. See, for example, Commission of the European Communities (2000), *Communication from the Commission to the European Parliament pursuant to the second paragraph of Article 251(2) of the EC Treaty concerning the common position of the Council on the adoption of a proposal for a Directive on the resale right for the benefit of the author of an original work of art*, 15 September 2000, Brussels, p. 8.

857. G. Pfennig, *op. cit.*, p. 8.

858. Australian Copyright Council, *op. cit.*, 1989, p. 15.

859. G. Pfennig, *op. cit.*, p. 9.

A maximum threshold could also be imposed on royalties claims, as the European Union has set in its Directive. A maximum threshold on royalties claims contradicts traditions in copyright. Further, where a work of art increases enormously in value, it may be inequitable to restrict the creator of the work of art to a limited share of the benefits. However, in other jurisdictions it is argued that a limit is necessary as, if the royalties were unlimited, it is likely that sales of more expensive artworks will be relocated to other jurisdictions where a resale royalty either does not apply, or where the amount of the royalty payable is limited. While the likelihood of sales in contemporary Australian visual arts and craft being relocated overseas is not high, the issues relating to a maximum royalty limit need to be considered when determining an appropriate model for a resale royalty.

4. Collection and distribution

Remuneration under a resale royalty could be collected and distributed by individual artists directly, by a government agency, or by an organisation acting on behalf of artists.

Considering the difficulty in administering individual rights and monitoring subsequent sales of works of art subject to a resale royalty, most countries collect the payment through a collecting agency or a government institution.⁸⁶⁰ A single artist is generally not able to avail himself or herself of the necessary legal means to enforce a remuneration claim against a reluctant art dealer, auctioneer or agent. By way of contrast, collecting societies have contacts in the contemporary art market and generally command sufficient influence to enforce claims, if needs be, through legal mechanisms. The enforcement of claims by a collecting agency also offers an advantage to the art trade, as vendors need only balance accounts with the collecting agency annually, rather than settling each claim individually as it is lodged at great administrative expense.⁸⁶¹ Generally, only relatively small monetary amounts are involved with respect to individual claims, thus it is more efficient to administer claims for royalties in bulk.⁸⁶² While the resale royalty regimes vary between jurisdictions, the most successful regimes tend to be administered by collecting societies established by visual artists for the artists themselves.⁸⁶³ A collecting agency may be the best model for the collection and distribution of a resale royalty in Australia. Nevertheless, this should not preclude a consideration of the implications in the Australian context of permitting individual artists to represent their own resale royalty interests where they have adequate resources to do so.

The costs of collecting a resale royalty in Europe appear to vary between ten per cent and 40 per cent of the royalties collected, with the larger, more successful agencies (such as ADAGP in France and Bild-Kunst in Germany) retaining 10–20 per cent to cover costs. The British collecting society (DACS) stated that a resale royalty could be collected in Britain for as little as ten per cent. In its submission, VISCOPY, the Australian copyright collecting society for the visual arts, stated:

VISCOPY's current general administration fee [for copyright collection] of 25 per cent is not unreasonable in view of the international cost comparisons from fully mature societies. Under suitable legislation it could be that VISCOPY could administer a resale royalties scheme at comparable rates or even much lower than the overseas figures suggest.⁸⁶⁴

860. D. Cliche, *op. cit.*, 1994, p. 10.

861. G. Pfennig, *op. cit.*, p. 10.

862. Australian Copyright Council, *op. cit.*, 1989, p. 20.

863. R. Duffield, 'The Artist's Resale Right at the International Level', Paper delivered at the European Commission's International Conference on Management and Legitimate Use of Intellectual Property, Strasbourg 9-11 July 2000, at www.europeanvisualartists.org.

864. Submission: VISCOPY.

5. Waiver and assignment

If enacting legislation introducing a resale royalty, the government will need to decide whether the resale royalty should be an inalienable right, or if the artist should be permitted to waive or assign his or her resale royalty rights.

Much of the literature concerning the economic efficiency of resale royalties centres on the ability to assign or waive the right. It is argued that if a resale royalty is an inalienable right, then the ability of the artist and the buyer to efficiently allocate the risk associated with the uncertainty of the resale price of the work is compromised.⁸⁶⁵

The above argument assumes that bargaining power is equal between artists and buyers/agents. However, the bargaining power of artists and galleries tends to be unequal; in most circumstances art dealers hold a stronger bargaining position than artists due to the limited number of art galleries and the large number of artists seeking to sell and exhibit their work. As a result of this inequality of position, art dealers generally dictate business terms, including price and conditions of sale. If art dealers were able to persuade artists to waive their future resale royalty claims, then art dealers may make the assignment of resale royalties a contractual condition in any purchase of an art work.⁸⁶⁶ This would negate the beneficial effect a resale royalty would have for the artist.

Alternatively, unequal bargaining power may also mean that an inalienable right would be more likely to reduce the initial sale price, which may not be in the interests of the particular artist involved. It may be in the interests of the artist concerned to waive the resale right, and receive a higher price for the initial sale of the work.⁸⁶⁷ For example, for an artist who does not have a large resale market, it would be in his or her interest to waive the resale royalty and receive a higher price for the initial purchase.⁸⁶⁸ However, as is indicated above, a wealth redistribution from an artist's early career to their later life may have demonstrable benefits, including providing a source of income in the absence of superannuation.

6. Duration and succession

The resale royalty should be actionable both by the artist and the heirs of the artist. This is important in terms of consistency with arrangements for other creative sectors under copyright law, particularly composers and writers, whose rights to royalties extend to their heirs. Further, this is particularly important given that the value of a work of art can increase a great deal after the death of the artist.⁸⁶⁹ Benefits should thus accrue to the heirs of the artist, as well as to the artist during their lifetime. In a similar way to copyright, the rights of heirs should only be operable during a certain time period after the death of the artist.

865. R. Filer, *op. cit.*

866. G. Pfennig, *op. cit.*, p. 3.

867. R. Kirstein and D. Schmidtchen, *op. cit.*, p. 15.

868. F. B. Berger, *op. cit.*

869. Australian Copyright Council, *op. cit.*, 1989, p. 17.

7. Reciprocity

As with most countries, if a resale royalty were introduced in Australia, it would only be actionable by foreign artists where the artist is a citizen of a nation where a similar resale royalty provision operates to protect Australian artists.⁸⁷⁰ The condition of reciprocity provides an incentive for states which have not recognised resale royalties to introduce it to obtain the benefits of its application for their artists in countries already applying the resale royalty.⁸⁷¹ The recognition of resale royalties in an increasing number of countries also operates to minimise the risk of a detrimental effect on domestic art markets. As a result, it appears appropriate for reciprocity to be required before resale royalties can be exercised by a foreign national.

8. Right to information

Should Australia follow a number of international resale royalty models and institute a right to information for artists and their successors?

In order to effectively enforce a resale royalty claim, the entitled party—the artist or the right owner—must be aware of the sale of the art. While some auctions are documented, the majority of art sales are not transparent. Further, while information data banks have been developed which document major art trades, there are substantial costs associated with the provision of information through these services, and many persons entitled to receive resale royalty remuneration cannot afford to pay these charges.⁸⁷² In this context, it is imperative that a person entitled under resale royalties possess a right to information. Greater transparency in relationships between commercial dealers and artists is essential for a resale royalty to be enforceable. A right to information would compel an art dealer, agent or auctioneer involved in the resale of the art work to provide the name of the creator, the title of the work and the resale price, the minimum information necessary to determine and calculate the claim.⁸⁷³ This information could then be recorded in a public register maintained by government or a collecting society.

Given the breadth of the proposed right to information, the potential exists for vexatious, frivolous or excessive information claims to be lodged. This presents a potential difficulty for art dealers, as the obligation to provide information could prove extremely burdensome. As a result, it may be appropriate to limit the exercise of the right in some way. For example, the period for raising claims could be limited to a specified period of time subsequent to the resale. Further, the right to information could be exercisable only by collecting societies on behalf of the artist and those persons entitled under the artist.⁸⁷⁴ VISCOPY advocated the granting of the right to information to a single collecting agency only.⁸⁷⁵ A collecting society could make claims on behalf of artists in a single procedure, thereby minimising the administration costs for art dealers by controlling the flow of claims to the organisation. The involvement of collecting societies is particularly valuable where artists are seeking to enforce their rights beyond national borders. These two mechanisms for limiting information claims, the time limit for claims and the involvement of collecting societies, could be instituted either separately or in conjunction with each other.

870. G. Pfennig, *op. cit.*, p. 3.

871. *ibid.*

872. *ibid.*, p. 5.

873. *ibid.*

874. *ibid.*, p. 6.

875. Submission: VISCOPY.

9. Remedies

Australia would need to introduce mechanisms permitting artists, or collecting societies working on behalf of the artist, to enforce the resale royalty.⁸⁷⁶

Civil remedies appear appropriate, given that the existing intellectual property regime in Australia is enforced through civil remedies. These remedies could be enforced by the collecting society nominated in the legislation on the behalf of visual artists and craft practitioners.

10. Conflict of laws

An additional consideration arises out of the globalisation of the art market. The market for art, especially for secondary sales of works of art by well-established artists, is today an international market, and this may lead to conflict of laws issues.⁸⁷⁷ For example, if Australia introduced a resale royalty, a situation may arise where an Australian dealer sells a work of art to an overseas collector from Japan. The work is delivered in Japan. If a resale royalty applied in Australia, but not in Japan, would the Japanese collector be bound to comply with Australian obligations regarding the resale royalty? The parties may have agreed that the contract is governed by the law of Japan. Would the artist have any right of redress in this situation? If so, what is the appropriate forum—Japanese courts, or Australian courts? If not, can parties simply avoid resale royalties by structuring contracts so that the applicable law is that of a jurisdiction not recognising a resale royalty?⁸⁷⁸ These are difficult issues, but a response would need to be developed if a resale royalty was to be introduced in Australia.

876. Australian Copyright Council, *op. cit.*, 1989, p. 72.

877. F. B. Berger, *op. cit.*

878. This example is modelled upon the hypothetical set out in F. B. Berger, *op. cit.*

APPENDIX K

KEY ORGANISATIONS IN THE CONTEMPORARY VISUAL ARTS AND CRAFT SECTOR

The following list should be seen as only indicative of the breadth of the organisations in the sector. It does not attempt to list the commercial art galleries other than those that are members of the Australian Commercial Galleries Association, the many media specific craft associations, the many artist-run initiatives and the many regional galleries that are not part of the Regional Galleries Associations.

Major art museums:

Art Gallery of New South Wales

Art Gallery of South Australia

Art Gallery of Western Australia

Australian National Gallery

Heide Museum of Modern Art, Melbourne

Museum and Art Gallery of the Northern Territory

Museum of Contemporary Art, Sydney

National Gallery of Victoria

National Portrait Gallery

Queen Victoria Museum and Art Gallery, Launceston

Queensland Art Gallery

Tasmanian Museum and Art Gallery

Contemporary arts organisations:

200 Gertrude Street, Melbourne

24HR Art: Northern Territory Centre for Contemporary Art, Darwin

Artspace Visual Arts Centre, Sydney

Australian Centre for Contemporary Art, Melbourne

Australian Centre for Photography, Sydney

Canberra Contemporary Art Space

Centre for Contemporary Photography, Melbourne

Contemporary Art Centre of South Australia, Adelaide

Contemporary Arts Services Tasmania, Hobart

Experimental Art Foundation, Adelaide

Institute of Modern Art, Brisbane

Perth Institute of Contemporary Arts

Craft and design organisations:

Craft ACT

Craft Queensland

Craft Victoria

Craft+Design Tasmania

Craftsouth: Centre for Contemporary Craft (SA)

Craftwest Centre for Contemporary Craft (WA)

Jam Factory Centre for Craft and Design (SA)

Object, Australian Centre for Craft and Design (NSW)

Tandanya, National Institute of Indigenous Art (SA)

Territory Craft (NT)

National Exhibition Touring Support (NETS):

Art on the Move (NETS WA)

Artback - NETS - Northern Territory

Contemporary Arts Services Tasmania (NETS Tasmania)

Museums and Galleries Foundation of New South Wales

NETS - Victoria

Regional Galleries Association of Queensland

South Australia Touring Exhibitions Program

Other contemporary arts organisations:

Arts Nexus, Cairns

Fireworks Gallery, Brisbane

International Art Space Kellerberrin, Western Australia

Kick Arts Collective, Cairns

Mackay Artspace

Metro Arts, Brisbane

Nexus, Adelaide

The Biennale of Sydney

The Performance Space, Sydney

Umbrella Studios, Townsville

Publications:

Art Almanac

Art and Asia Pacific

Art and Australia

Art Australia Monthly

Artlink

Broadsheet

Ceramics Art and Perception

Crafts

Craftsouth

Craftwest

Dialogue

Eyeline Magazine

Like Magazine

Object

Photofile

PostWest

Pottery in Australia

Textile Fibre Forum

National and service organisations:

Artists Foundation of Western Australia (AFWA)

Asian Australian Artists Association

Association for Northern Kimberly and Arnhem Aboriginal Artists (ANKAAA)

Association of Western Australian Art Galleries (AWAAG)

Australian Art Journals represented by ArtLink /Real Time

Australian Commercial Galleries Association (ACGA)

Australian Council of University Art and Design Schools (ACUADS)
Australian Network for Art and Technology (ANAT)
Australian Photographic Artists
Black and White Artists Club
CAOS: Contemporary Arts Organisations Australia
Council of Australian Art Museum Directors (CAAMD)
Craft Australia
Craft Organisations Australia (COA)
Desart
IndigenousIndigenous Art Trade Association
Media Entertainment Arts Alliance (MEAA)
Membership of the National Visual Arts and Craft Network (NVACN):
Museums Australia
National Association for the Visual Arts (NAVA)
Indigenous Arts Advocacy Association (NIAAA)
NETS Australia :National Exhibitions Touring Service (NETS)
Print Council of Australia
Queensland Artworkers Alliance (QAA)
Regional Galleries Australia
VISCOPY

Regional, metropolitan and suburban galleries in Australia

ACT

Canberra Museum and Gallery
Nolan Art Gallery

New South Wales

Albury Regional Art Gallery
Bathurst Regional Art Gallery
Bega Regional Art Gallery
Broken Hill City Art Gallery
Campbelltown City Art Gallery
Casula Powerhouse Art Centre
Coffs Harbour Regional Gallery
Dubbo Regional Art Gallery
Gosford Art Gallery
Goulburn City Art Gallery
Grafton Regional Art Gallery
Griffith Regional Art Gallery
Hazlehurst Art Centre
Lake Macquarie Regional Art Gallery
Lewers Bequest Penrith Regional Gallery
Lismore Regional Art Gallery
Maitland City Art Gallery
Manly Art Gallery
Manning Regional Art Gallery
Moree Plains Regional Gallery
Mosman Regional Gallery
Muswellbrook Art Gallery
New England Regional Art Museum
Newcastle Region Art Gallery
Orange City Art Gallery
SH Ervin Art Gallery
Sutherland Regional Gallery
Tamworth City Art Gallery
Tweed River Regional Art Gallery

Wagga Wagga City Art Gallery

Wollongong City Art Gallery

Northern Territory

Araluen Centre Art Gallery

Queensland

Balonne River Gallery

Bauhinia Shire Bicentennial Art Gallery

Boonah Art Gallery

Brisbane City Art Gallery

Bundaberg Arts Centre

Caboolture Shire Arts Centre

Caloundra Art Gallery

Dalby Regional Art Gallery

Cairns City Art Gallery

Cooloola Shire Public Gallery, Gympie

Crows Nest Regional Gallery

Gatton Shire Art Gallery

Gladstone Regional Art Gallery

Gold Coast City Art Gallery

Hervey Bay Regional Gallery

Hinchinbrook Gallery

Ipswich Regional Art Gallery (Global Arts)

Logan Art Gallery

Mackay City Gallery

Noosa Regional Art Gallery

Perc Tucker Regional Art Gallery

Pinnacles Gallery, Thuringowa

Redcliffe Regional Art Gallery

Redland Shire Art Gallery

Rockhampton City Art Gallery

Stanthorpe Regional Art Gallery

Texas Regional Art Gallery

Toowoomba Regional Art Gallery

Townsville Regional Art Gallery

Warwick Art Gallery

Winton Regional Gallery

South Australia

Carrick Hill Regional Art Gallery

Kapunda Arts Gallery

Millicent Art Gallery

Naracoorte Art Gallery

New Land Gallery

Port Lincoln Artyrea Gallery

Port Pirie Regional Art Gallery

Riddoch Mt Gambier Regional Art Gallery

River Lands Gallery

Tasmania

Allport Library and Museum of Fine Arts

Burnie Regional Art Gallery

Devonport Regional Art Gallery

Queen Victoria Museum and Art Gallery,
Launceston

Victoria

Ararat Gallery

Ballarat Art Gallery

Balonne Regional Art Gallery

Benalla Art Gallery

Bendigo Art Gallery

Castlemaine Regional Art Gallery
Caulfield Regional Art Gallery
Geelong Art Gallery
Glen Eira City Gallery
Hamilton Regional Art Gallery
Heide Art Gallery
Horsham Art Gallery
La Trobe Valley Art Gallery
Linden Art Gallery
McLelland Gallery
Mildura Arts Centre
Monash Gallery of Art
Mornington Peninsula Arts
Redcliffe Regional Art Gallery
Sale Regional Art Gallery
Shepparton Art Gallery
Swan Hill Regional Art Gallery
Wangaratta Exhibitions Centre
Warnambool Regional Art Gallery

Western Australia

Albany Vancouver Art Centre
Bunbury Art Gallery
Fremantle Arts Centre
Geraldton Regional Art Gallery
Mt Barker Art Gallery

University galleries

ACT

Canberra School of Art Gallery
Drill Hall Gallery

New South Wales

Hermann Black Gallery
Ivan Dougherty Gallery
Macquarie University Gallery
SCA Gallery
Tin Sheds Gallery
University of Technology, Sydney Gallery

Northern Territory

Northern Territory University Art Gallery

Queensland

Griffith Artworks
Queensland College of Art Gallery
Queensland University of Technology
Art Gallery
University of Queensland Art Museum
University Art Gallery of Southern
Queensland

South Australia

Flinders University Art Museum
Union Gallery, University of Adelaide
University of SA Art Museum

Tasmania

Plimsoll Gallery
University Gallery Launceston

Victoria

Ian Potter Gallery University of Melbourne
La Trobe University Art Gallery
Monash University Art Gallery

RMIT Gallery
Victorian College of the Arts Gallery

Western Australia

John Curtin Gallery
Lawrence Wilson Art Gallery

Arts and craft centres

New South Wales

Amaroo Museum, Walcha
Armidale Employment Aboriginal Corporation
Armidale Region Culture Centre &and Keeping Place
Balranald Local Aboriginal Land Council
Bindi Aboriginal Heritage and Culture Centre, Wauchope
Boomalli Aboriginal Artists Co-Operative, Annandale
Boree Aboriginal Corporation, Orange
Cooramah Culture Centre, Glen Innes
Cooramah Housing and Enterprise Aboriginal, Glen Innes
Gavala Aboriginal Art Centre, Darling Harbour
Gunuda Gunyah Aboriginal Corporation, Gunnedah
Mrangalli Aboriginal Corporation, Tinga
Murrigejarr Aboriginal Corporation
Nindethana Aboriginal Corporation, Moree
Orana Aboriginal Corporation, Wellington
Quirindi Aboriginal Corporation
South Coast Aboriginal Culture Centre, Nowra

Tobwabba Art, Forster
Toomelah Co-Operative Ltd
Walkabout Gallery, Leichhardt
Wiawa Aboriginal Corporation, Wee Waa

Northern Territory

Aherrenge Craftsmen
Ali Curung Men's Centre
Ali Curung Women's Centre
Anyinginyi Congress Arts And Crafts, Tennant Creek
Aputula Arts, Finke
Association of Northern, Kimberley and Arnhem Aboriginal Artists, Darwin
Bima Wear Association Inc, Bathurst Island
Buku Larrnggay Mulka Centre
Bulabula Arts
Desart
Elcho Island Art And Craft
Ernabella Arts Inc
Hermannsburg Potters
Ikuntji Women's and& Arts Centre, Haasts Bluff
Imangarra Women's Centre, Murry Downs
Injalak Arts And Crafts, Oenpelli
Ipolera
Iwantja Arts and Crafts, Indulkuna
Janganpa Artists
Jilamara Arts And Crafts, Winnellie
Jukurrpa Artists, Alice Springs
Julalikari Council Art Centre

Kaltjiti Crafts, Fregon
Keringke Arts, Santa Teresa
Mabunji Resource Centre Art Gallery
Maningrida Arts and Culture, Winnellie
Marrawuddi Gallery
Maruku Arts and Crafts, Uluru
Merrepen Arts-Naiyu, Daly River
Mimili Maku Arts and Crafts, Alice Springs
Munupi Arts and Crafts Association,
Pirlangimpi/Pularampi Melville Island
Mutijulu Community Inc
Nambara Arts and Crafts, Nhulunbuy
Ntaria Arts Centre, Hermannsburg
Papulankutja, Blackstone
Papunya Tula Artists Pty Ltd, Alice Springs
Peppiminarti Awa Falmi Merrepen Arts
Group, Winnellie
Tiwi Designs, Bathurst Island
Utju Arts, Areyonga
Wadeye Art and Cultural Centre, Darwin
Walkatjara Art and Craft Centre,
Mutitjulu Community
Walkatjara Art Uluru
Wallace Rockhole Community Arts,
Alice Springs
Warakurna, Alice Springs
Warlukurlangu Artists Aboriginal
Association Inc of Yuendumu
Warnayaka Art Centre, Lajamanu
Warumpi Arts, Alice Springs
Wiilu Arts Group, Alice Springs
Wugularr Arts Centre, Barunga

Wugularr Community Government Council,
Katherine

Queensland

Bama Ngappi Ngappi, Yarrabah
Bidjara Cdep, Charleville
Camu Community Corporation Society
Limited, Kennedy
Doomadgee Cdep Aboriginal Corporation
Gungarde Aboriginal Corporation,
Cooktown
Jama Dreaming Aboriginal Arts and Craft,
Palm Cove
Lockhart River Arts and Culture Centre
Muyinda Aboriginal Corporation,
Mornington Island
Roma Aboriginal Corporation
Trading Arts and Crafts Aboriginal
Corporation, Mount Isa
Warrego Aboriginal Corporation,
Cunnamulla
Wik Artists and Cultural Resource Centre,
Aurukun
Yarrabah Aboriginal Arts and Crafts Cultural
Centre, Yarrabah

South Australia

Koonibba Aboriginal Women's Group Inc,
Ceduna
Minymaku Arts, Pitjantjatjara Lands
Weena Mooga Gu Gudba Inc, Ceduna

Tasmania

Deloraine Aboriginal Cultural Association
 Palawa Prints, Berriedale
 Women's Karadi Aboriginal Corporation,
 Goodwood

Victoria

Dja Dja Wrung Aboriginal Association,
 Bendigo
 Koorie Heritage Trust Inc, Melbourne
 Wamba Wamba Local Aboriginal Land
 Council, Swan Hill

Western Australia

Jarnda Yawaru Women's Centre, Broome
 Mangkaja Arts Resource Agency Aboriginal
 Corporation, Fitzroy Crossing
 Ngunga Designs
 Paupiyala Tjarutja, Kalgoorlie
 Warba Mirdawaji, Roebourne
 Waringarri Arts Aboriginal Corporation,
 Kununurra
 Warlayirti Artists Aboriginal Corporation,
 Balgo Hills
 Warmun Art Centre, Turkey Creek
 Yarliyil Art Centre, Halls Creek
 Yuriny Aboriginal Culture Centre

Members of the Australian Commercial Galleries Association:**Australian Capital Territory**

Chapman Gallery
 Solander Gallery

New South Wales

Access Contemporary Art Gallery
 Annandale Galleries
 Australian Galleries
 Byron Mapp Gallery
 Gallery 460 & Sculpture Park
 Hogarth Galleries/Aboriginal Arts Centre
 King Street Galleries
 Legge Gallery
 Michael Nagy Fine Art
 Robin Gibson Gallery
 Roslyn Oxley Gallery
 Sarah Cottier Gallery
 Sherman Galleries
 Stills Gallery
 Tim Olsen Gallery
 Utopia Art Sydney
 Watters Gallery

Northern Territory

Framed, The Darwin Gallery
 Gallery Gondwana



Queensland

Grahame Galleries + Editions

Michel Sourgnès Fine Art

Milburn Gallery

Philip Bacon Galleries

Redback Art Gallery

South Australia

Gallerie Australis

Greenaway Art Gallery

Hill-Smith Fine Art Gallery

Victoria

Anna Schwartz Gallery

Australian Galleries

Charles Nodrum Gallery

Christine Abrahams Gallery

Dianne Tanzer Gallery

Flinders Lane Gallery

Gallery 101

Gallery Gabrielle Pizzi

Niagara Galleries

Tolarno Galleries

William Mora Galleries

Western Australia

Artplace

Galerie Düsseldorf

Goddard De Fiddes

Gomboc Gallery Sculpture Park

Indigenart, The Mossenson Gallery

Perth Galleries

APPENDIX L

AUSTRALIA COUNCIL AND STATE AND TERRITORY GOVERNMENT FUNDING OF THE CONTEMPORARY VISUAL ARTS AND CRAFT SECTOR, 1999–2000

The information below was derived from financial information provided in the annual reports of State and Territory arts agencies and of the Australia Council and has been used in charts and in discussion of government funding within Chapter 6 of this Report.

Funding by State and Territory Governments, 1999–2000									
Indvs/ Organisations Breakdown	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
Individuals \$	120 295	227 296	261 674	174 052	140 497	123 113	18 039	74 449	1 139 415
<i>No of Individuals</i>	12	30	43	34	59	40	10	21	249
Organisations* \$	5 222 795	4 382 131	2 020 715	2 445 600	1 782 980	329 551	635 794	654 546	17 474 112
<i>No of Organisations</i>	146	127	25	36	58	20	37	17	466
Total \$	5 343 090	4 609 427	2 282 389	2 619 652	1 923 477	452 664	653 833	728 995	18 613 527

**Note These amounts include an adjusted figure for State and Territory support of art galleries consistent with the approach in the Report which has assumed that only ten per cent of funding for art galleries would be of benefit to the contemporary visual arts and craft sector.*

Australia Council (all Boards) Funding 1999–2000, by State and Territory										
Individuals/ Organisations Breakdown	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Other (o'seas, national)	Total
Individuals \$	707 118	661 115	312 555	301 631	168 510	123 320	56 155	74 000	145 558	2 549 962
<i>No of Individuals</i>	45	50	17	12	8	8	5	7	15	167
Organisations* \$	1 554 113	845 991	883 797	655 782	425 158	168 847	534 174	164 854	1 590 131	6 822 847
<i>No of Organisations</i>	40	29	18	24	12	4	18	7	37	189
Total \$	2 261 231	1 507 106	1 196 352	957 413	593 668	292 167	590 329	238 854	1 735 689	9 372 809

Source: Australia Council internal records.

APPENDIX M

OVERSEAS PHILANTHROPY

United States

Charitable giving and fundraising levels in the United States are very high when compared to other jurisdictions, including Australia. Philanthropic foundations also play a major role in the charitable sector in the United States. There are a number of foundations making grants to the arts, including the David and Lucile Packard Foundation, the Ford Foundation, and the Rockefeller Foundation.⁸⁷⁹ Philanthropic foundations based in the United States are supported by Grantmakers in the Arts, a non-profit membership organisation which aims to improve communication, information exchange and peer learning within the philanthropic sector. Grantmakers in the Arts sponsors relevant research, provides services to members, organises an annual conference, and sponsors meetings.⁸⁸⁰

The philanthropic organisations active in the arts in the United States are numerous and varied. These organisations adopt different structures and have different financial resources at their disposal (the majority possess less than ten million in corpus). These organisations also have different priorities. Some foundations provide seed funding for charities; others focus on supporting individual artists. A philanthropic trust may dedicate resources to a single arts discipline, or to a specific geographic region. The following examples demonstrate the variety of ways in which the arts are supported by family foundations in the United States.⁸⁸¹

Creative Family Giving in the Arts

- Chris Vroom created the ArtCouncil Inc, a public, non-profit charitable organisation, to support individual emerging artists living and working in San Francisco, and to support organisations providing arts education programming in the region. Mr Vroom contributes \$300 000 annually, with a view to encouraging others to invest in the ArtCouncil in the future.
- The Benkhe Foundation provides 'The Neddy', an annual artist fellowship, to two visual artists annually (one painter, and one visual artist from another discipline). Each artist selected receives \$10 000, and the works of all the artists considered for the award are included in an exhibition sponsored by the community art gallery of the Bank of America.
- The Durfee Foundation supports individuals in the arts through numerous programs. These include the Durfee Sabbatical Program, which provides grants.

879. For further details on grant making activities, see the David and Lucile Packard Foundation, Program Overview 2001, at www.packfound.org/pdf/2001progover.pdf; the Ford Foundation, Mission Statement, 2001, at www.fordfound.org/about/mission.cfm; and the Rockefeller Foundation, The Programs – Creativity & Culture, 2001, at www.rockfound.org/display.asp?context=3&SectionTypeID=16&Preview=0&ARCurrent=1.

880. Grantmakers in the Arts, 'Who We Are', at www.girarts.org

881. More detail regarding support of the arts in the United States can be obtained from L. Jones and M. Warshawski, Creative Family Giving in the Arts, Grantmakers in the Arts Field Resource Book, Vol 2, Seattle, 2000. The examples included in this section were derived from the information set out in this resource.

- These grants allow recipients to take a rejuvenating break from work commitments. The Durfee Foundation also supports individual practising artists in Los Angeles through Artist Awards, and mini-grants of up to \$2 500 to artists who have been invited to present their work at an institution, but who lack the funds to complete and present the work.
- The LEF Foundation, in collaboration with other public and private funders, provides support for the creation of new work by visual artists for projects linked to public sites in the Boston region.
- The Wallace Alexander Gerbode Foundation is a private foundation supporting arts organisations, institutions and individual artists. Some recent recipients of support include the Berkely Art Museums, California Lawyers for the Arts, and the Contemporary Museum (Honolulu).

The Foundations Center observed that grant making activities by foundations increased by US\$4.3 billion in 2000. Foundations donated an estimated US\$27.6 billion, which represents an 18.4 per cent increase from 1999.⁸⁸² Thus, it would appear that philanthropic foundations are becoming an increasingly significant source of funding for the charitable sector in the United States.

The United States federal government provides support predominantly through tax incentives, rather than direct subsidies. The Federal Tax Code provides two important incentives for philanthropy in the United States:

- tax deductions for individuals and corporations; and
- tax-exempt status for organisations.⁸⁸³

However, the Commonwealth Government provides some support for the arts and cultural organisations through a number of different programs, including the National Endowment for the Arts.⁸⁸⁴

Tax deductions are designed to stimulate charitable donations to arts organisations by organisations and individuals.⁸⁸⁵ Generally, the Internal Revenue Service permits an individual or organisation to deduct contributions of money or property made to qualified organisations from their adjusted gross income when calculating tax liability. Qualified organisations include corporations and foundations whose purpose is solely charitable, religious, sporting, educational, literary or scientific. The allowable deduction for charitable contributions is generally limited to 50 per cent of the adjusted gross income.

882. Council on Foundations, 'Foundation Facts', at www.cof.org/whatis/types/content.htm.

883. Philanthropy Australia, 'Tax Concessions for Arts Donations: Australia, US, UK, Canada', 2001, p. 1.

884. For further information on the support provided by the National Endowment for the Arts, and for links to information regarding other Commonwealth Government programs supporting the arts in the United States, see National Endowment for the Arts, 'Cultural Funding: Federal Programs'.

885. Philanthropy Australia, 'Tax Concessions for Arts Donations: Australia, US, UK, Canada', 2001, p. 1.



APPENDIX N

INQUIRY SECRETARIAT

The Inquiry was assisted by a Secretariat based in Canberra staffed by officers on secondment from the Department of Communications, Information Technology and the Arts and the Australia Council.

Principal staff

Jim Adamson	Manager	July 2001–June 2002
Billy Crawford	Senior Research Officer	July 2001–June 2002
Chris Toyne	Senior Research Officer	July 2001–March 2002
Jen Watson	Administrative Officer	August 2001–May 2002
Kathryn Alley	Research Officer	September 2001–May 2002
Liz Penhallurick	Senior Research Officer	March 2002–June 2002

Temporary staff

Georgina Ryan	Research Officer	November 2001–January 2002
Veronica Cairns	Research Officer	January 2002–March 2002
Justin Murray	Research Officer	January 2002–April 2002
Marie Wood	Administrative Officer	August 2001

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