

SUBMISSION : 3

GOVERNMENT ENCOURAGEMENT TO THE VISUAL ARTS

As I have previously mentioned the art market has been depressed for the past two years and the last year has been catastrophic especially for a number of established mid-career artists. Galleries have reported that the majority of the exhibitions have achieved sales of less than 25% and numerous exhibitions were without any sales at all

The reasons for the depressed art market, both primary and secondary is due to the following factors :

1. The Cooper Report [relating to Self Managed Superannuation Funds Investment in Art] its subsequent public debate and Super Art Campaign. Despite acknowledgement by the Government, the Opposition and The Greens that these recommendations would be greatly destructive to the arts industry new Legislation [which ignored the concerns of the art community] only made matters worse, by introducing regulations which make acquisition of art by SMSF's too confusing and too onerous.
2. Resale Royalties Legislation

This has left a severe impact on the secondary art market and especially indigenous art.
3. The Global Financial Crisis
4. The high Australian dollar which has had an adverse effect on exports of indigenous art, as well as an increase in overseas art being acquired by Australian collectors
5. A malaise of negative feeling throughout the economy and especially in the arts industry, where the uncertainty and confusion in relation to the Resale Royalties and Superannuation investment in art has had a considerable impact.

I have been involved in the arts industry for the past 40 years as an Accountant to artists, galleries, dealers, academics etc., and consider that I have a good understanding of the art market in both the primary and the secondary areas.

My view is that the art market is so depressed that it requires a kick start by the Government and I would suggest that this assistance should be directed at mid-career artists, who are having a very hard time.

My suggestion is based on a joint venture which my former Accounting practice, Lowenstein Sharp instigated with the help of the Victorian Government in 1996 and under the auspices of the Museum of Modern Art at Heide, known as the Lowenstein Sharp Arts 21 Fellowship.

This scheme was based on mid career artists being invited to submit projects that they wish to undertake and the selected artist was awarded a \$50,000 Fellowship to pursue those activities.

It was a requirement that on completion of the project that they would liaise with the Museum of Modern Art at Heide and provide them with a major work to their collection in appreciation of the Fellowship and Heide's involvement.

As a matter of interest, the five winners of the Lowenstein Sharp Arts 21 Fellowships were :

Aida Tomescu

Imants Tillers

Mike Parr

Akio Makigawa

Fiona Hall

each of these people have more than adequately repaid the confidence that the selecting committee had in their selection for the Fellowship.

Specifically, my suggestion is the following :

100 mid-career artists be selected and given a two year Fellowship of \$50,000 per annum on the following basis :

Application criteria

1. An exhibiting history of 20 years
2. Net sales of the past year under \$100,000 OR
3. Net income [disregarding Cultural Gifts] of less than \$20,000
4. Present a proposal for a project or activity to be undertaken over the next two years

It is suggested that the Selection Committee should consist of two Directors or Curators of State or Regional Galleries, two Senior artists and two Collectors or Art critics or Art Administrators.

It has been suggested that on completion of the project or at the end of two years, that the artist would have an exhibition and in his/her commercial gallery.

The Government either via Artbank or their National or State Galleries or Regional Galleries will have the first choice of acquiring \$100,000 worth of work which would be an effective acquittal of the \$100,000 Fellowship which they had received.

This type of project would not only provide a stimulus for a 100 needy artists but would also provide State and Regional Galleries with a collection of work which otherwise they would not have received.

Although there is an initial cost outlay, it is an investment into the future.