

To Private Sector Support Review Team, Office for the Arts, Department of the Prime Minister and Cabinet

Sent by email: artsreview@pmc.gov.au

Re: Review of Private Sector Support for the Arts in Australia

Submission

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Bio: Valerie Kabov is a Paris based art educator and researcher, currently completing a doctorate in Art History at University of Paris 1 Sorbonne. Her projects and research focus on the impact of ideologies of art history on art funding policies and consequent impact on economic welfare of the artists and their relationship with broad audiences.

Overview of submission

Contemporary Australian art funding model including the private sector support for the arts is based on a fundamentally flawed foundation and contradictory values, which cannot in and of themselves provide a holistic and viable long-term solution, which would engender a self-sufficient and viable art sector, which contributes not only to the cultural welfare of the country but also its economic prosperity.

For too long the government and its agencies like Australia Council for the Arts have pursued strategies that have been shown not to improve welfare of artists in Australia and hence the viability of the arts sector as a whole. Moreover studies show that the income gap between artists and other sectors of the community has in fact increased.

Consequently, in response to the key questions 5 and posed by the Review:
“How are current measures contributing to a more sustainable arts sector?”
and “Are there any new approaches or models that could be considered in the Australian setting to encourage increased private sector support for the arts in Australia? ..” this submission posits that the current measures are NOT contributing to a more sustainable arts sector and that what is necessary is a holistic rethink of the approach to art sector needs and sustainability.

Importantly, rather than philanthropic measures, strategy should address itself to economic measures to build grass roots economic support for the arts. Fundamentally what is called upon is a policy, which repositions the arts in the value system and economic value system in the community.

Achievement of this goal requires policy foresight to implement strategies that promote broad based recognition and valorization of art and its ability to enhance life by the general public as well as corporate sector.

Thus it is advocated that the government needs to implement strategies that improve public education and art awareness and engagement at adult as well as youth level and substantial enhancement of media support and exposure for the arts across all media.

Submission

Part 1: The current approach and policy is not viable vis-à-vis the goals of the Review nor in terms of achieving long-term sustainability of the arts in Australia.

The stated goals of the Review were to follow up on 2010 federal election commitment "...to identify new opportunities for **greater connections between artists and arts organisations with the business community and philanthropists**" with recognition of **"the importance of private sector support to promote both the sustainability and growth of the arts and cultural sector."**

The terms of reference set out to examine the efficacy of this objective through the *"current Australian Government arrangements for **encouraging private sector support for the arts** in Australia and consider any potential enhancements to existing Australian Government measures."*

It is submitted that the existing model for achieving private sector support of the arts is fundamentally flawed and based on contradictory values, which cannot in and of themselves deliver a holistic and viable long-term solution, which would engender a self-sufficient and viable art sector, which contributes to not only the cultural welfare of the country but also its economic prosperity.

How is this so?

The fundamental contradiction in terms and logical flaw, which undermines the viability of all solutions emanating from this position can be dissected as follows:

The government policy and goal in seeking support for the arts stems (or should stem) from the recognition that the arts are crucial to social sustainability, cultural health and indeed viable democracy and intercultural dialogue in our community.

This means that the arts have a meaningful value to the community and the public.

The key sponsors of the arts then should be the beneficiaries – namely members of the community and participants in the arts.

If the government recognises that the arts are not sufficiently supported by the key beneficiaries then it should address itself to the subject to investigating the causes of failure to support and or failure to recognise value in the contribution of arts to the community by the community.

Conversely by focusing attention on measures encouraging philanthropic approach what the government is in fact saying is that the arts should be supported as a charity and a discretionary preference of privileged individuals of corporations, rather as something that has a recognisable and measurable value. Moreover that this discretionary preference should be encouraged by appeals to the desire to achieve tax savings (i.e. greed), promotion for commercial gain (again greed) or desire to enhance social status -- that is motives that have nothing to do with recognition of the value or merit of art or cultural priorities of the country. In fact this is not support but betrayal of the arts on a fundamental level.

Consequently to meaningfully and progressively respond to the key questions:

How are current measures contributing to a more sustainable arts sector?

and

Are there any new approaches or models that could be considered in the Australian setting to encourage increased private sector support for the arts in Australia?

It is necessary first to understand how and why the current measures are not working or why the philanthropic approach is bad for the arts, with the visual arts sector as a partial case study.

Philanthropy has a long and worthy historical tradition in the arts and appears to be an absolute and unassailable virtue. Bequests from generous donors have given humanity some of our best museums such as the Guggenheim and Getty to and have enabled creation of some remarkable masterpieces. So how can altruistic desire to give gifts in support of cultural organizations and artists be anything but good? On an individual basis perhaps not, however when promoted and endorsed by government as part of social/cultural policy currently operation in Australia its role is far more equivocal.

In a very broad marketplace with strong demographically broad-based support for art there is room for the "full menu" of art support, which includes a government funding, a robust primary and secondary market for art and where artists have a strong nexus and are financial supported by the community without the need to rely on government grants and subsidies. That is to say, philanthropy has its discrete and established place as a sector of the art world. In a small art market like Australia however, the base of support for the arts is extremely narrow and comprises primarily the government and a small number of high net worth collectors and commercial art galleries.

This means that without efforts to grow the overall market through educational infrastructure, the stimulation of development of any one part of the market, tends to cannibalise another.

Many (not all) commercial galleries in Australia are already perceived as being run on a tax-loss/write off basis or as expensive hobby-horses. Many artists complain, that representation by a gallery does not mean much as few dealers understand or prioritise the very basic need to make a living from sales of their work, of the artists they represent. As a result, some of Australia's best artists are not represented and or choose to seek international representation.

An already unsatisfactory situation becomes even more egregious when tax minimisation opportunities (Australia's second favourite pursuit behind sport), such as the prescribed private funds (PPFs)¹ are actively promoted in the mix – even if they are primarily designed with the lofty aim of stimulating philanthropic activities.

So what do tax incentives like PPFs achieve? Well in the visual art world it enabled a very successful major commercial gallery such as Sherman Galleries, Sydney to become a foundation which hosts exhibition projects but does not sell art. That “co-incidentally” meant that they also summararily stopped selling and promoting the work of the artists it represented forcing them to go elsewhere or find themselves unrepresented!

Taking a broader perspective, when government and philanthropists are the main supporter/funder of arts encourages a situation where art is not for sale/is free/price free and in fact value less. Development of organisations which reduce economic engagement with the broader community promotes the culture of reliance by the artist from powers from on high/that fund rather providing avenues for viable incorporation of artists into the economic mainstream.

Conversely developing strategies that prioritise the arts and recognition of the value of art in the lives of the broadest sectors of the population and which encourage incorporation of arts into the household budget/consumption decisions is key to achieving long term sustainability of the arts sector and to ensure that it operates as a contributor of the GDP and recognized as a genuinely valuable part of society and economy rather than a welfare recipient.

Logically the very existence of a price introduces the concept and possibility of acquisition – acquisition means recognition of real value of art, active intention to incorporate art into one's life and active support of an artist. Support of institutional rather than representational approach to supporting contemporary art, reduces the nexus between artists and audiences or conversely promotes passive reception of art rather than active interaction and incorporation of art into lives of people. Moreover deferring to the dominance of deep pocket support for art, this encourages and reinforces this connexion between art and wealth and promotes elitism that is already hampering art engagement.

Statistics and Living facts

In 2002, two important studies for the visual arts sector were carried out in 2002 under the auspices of the Australia Council for the Arts. They were the Rupert Myer *Report of the Contemporary Visual Arts and Crafts Inquiry* in 2002 and David Throsby's *Don't Give up your day job* study of the economic situation of artists. Both were revisited in 2009 and 2010 with an opportunity to assess the progress of strategies implemented and the

¹ A PPF is a trust which gives money to a deductible gift recipient (DGR) and has a tax-exempt status and provides donors to the trust with tax deductibility and attracts other tax and duty concessions. This can be particularly useful in an income year where a large capital gain has been realized.

situation of artists and the visual arts sector in particular during the first decade of the 21st century.

In June 2010, the Visual Arts Board of Australia Council also released “**Visual Arts and Craft Strategy Evaluation Report**” and in it followed with *Do you really expect to get paid? An economic study of professional artists in Australia* (‘the artist survey’). This study was commissioned by the Australia Council but conducted and written independently by Professor David Throsby and Anita Zednik from Macquarie University. Additionally and concurrently Australia Council released *What’s your other job? A census analysis of arts employment in Australia* (‘the census study’) analyses data from the past three Australian Population Censuses (1996, 2001 and 2006) in relation to artists’ employment and income, undertaken by the Centre for Creative Industries and Innovation at the Queensland University of Technology (QUT) under the leadership of Professor Stuart Cunningham.

The outcomes of the David Throsby study, show that in the years since the first survey, the disparity of income between that of general population and artists has in fact widened i.e. artists are even poorer than the general community that they were in 2002. Artists still remain better educated than the average population and still fail to use their high education qualification by being forced to work in menial jobs to subsidise their art. Out of all the art forms, visual artists remain the poorest.

“Over the past 30 years the number of professional artists working in Australia and recognition of their cultural, social and economic contribution to Australian society has grown. More and more people are participating in the arts and support from governments, business and individuals has also grown. Sadly, this has not translated into higher incomes for Australia’s artists, relative to other occupations.”²

This is a clear indication that policy framers and their executives are failing Australian artists and Australian art. However ironically this has not translated to a perception of a need to alter strategy by the executive bodies like the Australia Council for the Arts.

In 2010, Australia Council additionally published a Research report titled Australia Council for the Arts, “**More than bums on seats: Australian participation in the arts. Sydney, Australia, Council for the Arts, 2010**” (the Report), reviewing attitudes of the general public to the arts/culture and spending on culture in Australia. The writers of the Report cite the David Throsby study as a tool for promoting greater accountability but overall the conclusion is certain. The Report deems arts sector strategies as a success by these indicators notwithstanding the elephant in the room – the fact that the situation of the most important players in the equation, the artists, has deteriorated.

The need to make any strategic change is neatly alleviated by the fatalistic statement that “*Research undertaken in Europe, North America and the Asia-Pacific region, including Australia, provides overwhelming evidence that artists’ working lives and their labour markets are similar around the world.* (Dr Nick Herd Director of Research and Strategic Analysis). That is to say, there is nothing that can be done and nothing needs to be done because artists don’t even appear to do things for economic reward (and

² Artist Careers Executive Summary Kathy Keele, Chief Executive of Australia Council for the Arts

perhaps don't need it then????): *“Researchers have expressed surprise that the number of artists has continued to grow over the past 20 to 30 years or, at the least, remained steady. This is despite their low and declining relative incomes.”*

Conclusion and Recommendations

Recent studies show that support for the arts in Australia has been climbing steadily³ and appears to be at an all time high. It is paradoxical then that concurrent studies show that visual artists are the poorest professionals in the Australian economy⁴ with significant numbers of artists earning less than the poverty line and living in reliance of some kind of government support.

At the very least this means that there is a breadth of community potential that does not translate and is not encouraged to translate into economic engagement. Economic engagement is not only valuable as enabling artists to make a living from their work and become tax payers rather than grant and welfare recipients. It also enables and promotes valuable contact between artists and audiences and support for values beyond the merely material – which as the financial crisis demonstrates have let us down and will continue to do so.

The dominance of public sector and philanthropic support as a proportion of the overall arts revenue is damaging to the sustainability and long term health of the arts sector, relationship of art audiences and artists as well as detrimental to genuine and broad-based recognition of the value of art and culture to and in our society.

What is needed now and urgently is an overall strategy that brings synergies between public sector, philanthropic and broad-based public funding through consumption approach.

To date Australia Council policies, which recognise the need to improve economic welfare of artists have placed the responsibility for achieving that on artists themselves, whether it be through teaching them to become businesses, learning to apply for grants effectively or how to obtain sponsorship. Australia Council forecasts that it will persist in these policies despite their failure to achieve stated goals. Conversely recognition of the need to grow demand for the arts and increase audience participation still does not yield initiatives which address the very obvious and basic need (perhaps too obvious and too basic to be addressed?) to engender economic support for the arts by broad audiences as a substantial part of the strategy mix.

What is to be done?

³ According to the Australian Bureau of Statistics (ABS), as of 2006, more Australians are visiting art venues, museums and galleries than attending sports events. In 2005 about 85% (13.6 million people) of the Australian population aged 15 years and over (16 million) attended at least one cultural venue or event.³ An A.B.S 2006 survey shows that over two-fifths of the Australian population aged 15 years and over (44% or 7.1 million) reported they had attended at least one sporting event during the 12 months before interview in 2005-06.³

⁴ According to the 2003 report: 'Don't give up your day job: an economic study of professional artists in Australia' commissioned by the Australia Council for the Arts (David Throsby and Virginia Hollister, 2003) (Throsby Report), visual artists, while having some of the highest rates of post-graduate qualifications had the lowest median 'creative income' of \$3,100.

As this submission has argued consistently, a change of direction is required.

It is difficult to give credence to the ABS statistics, which appear to indicate that participation in the arts and sports in Australia is comparable. To the naked eye it is clear that this is not the case given the relative earnings of athletes and artists, level of exposure of sport across all forms of media and level of sponsorship for sport.

However comparison to sport is not inappropriate. The distribution of support for sport in Australia should provide a viable paradigm to aim for when it comes to the arts and achieving an art sector that is sustainable and contributes to the GDP and achieves a living wage for arts professionals.

While to most Australian readers (and perhaps internationally also) such a proposition may bring a wry smile to the lips, what is important to recognise is the broad-based grass-roots economic nature of the support for sport which engenders its ongoing sustainability – something that is missing in the support for Australian arts sector today.