



ARTS MANAGEMENT

DON'T SIT ON YOUR ARTS

While winter and a gloomy economic outlook may be having a dampening effect on sales at art galleries across the country, it's an opportune time to reflect on the causes, to take stock, and look at the way forward.

There is no dispute that the global financial crisis has affected most businesses, and has had a negative impact on all sectors of the arts industry, including artists, art galleries, dealers, consultants and even collectors.

In addition, the Federal Government has shown no interest whatsoever in the problems of the arts industry.

In fact, they have exacerbated the situation by introducing new legislation and regulations, which have created uncertainty, additional administrative headaches, and created major obstacles to the acquisition of art.

You may recall that on behalf of the Australian Artists Association, I ran a campaign attacking the Cooper Report's recommendations, that Self Managed Superannuation Funds should not be permitted to invest in art and collectables.

Our campaign was supported by all artists, the Australian Commercial Galleries Association, auction houses, individual galleries, dealers and collectors. In my 40 years experience in the art world, I have not seen such unanimous support for any project or cause.

After running what we considered a successful "SAVE SUPER ART CAMPAIGN", the Government gave us an undertaking before the elections, that it would reject the Cooper recommendations that Self Managed Super Funds should be prohibited from investing in Art and Collectables, and gave a further undertaking that it wouldn't do anything that "posed a disincentive to the arts".

Yet, the Government within months of winning office, passed new Regulations, which have not only created additional costs of acquisition, but have made acquisition of art by Self Managed Superannuation Funds NOT viable, thus effectively achieving the result that the Cooper Report intended.

In addition the introduction of The Personal Property Security Act, places in jeopardy works of art left on consignment by artists with their galleries, in the event of the gallery being put into liquidation, unless artists have consignment agreements with each of their galleries and register the consignment on a Public Register.

Added to these problems, the introduction of the Resale Royalty Legislation, which again provided major administrative costs and uncertainty in the secondary market, especially amongst dealers and consultants, has done little to stimulate the art market.

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Despite, a number of submissions setting out our concerns and repeated requests for meetings with Government Ministers, we have yet to receive an invitation to a meeting.

Admittedly, on the 9th May 2012. the Minister for the Arts, The Hon. Simon Crean MP replied to my original submissions of the 13th September 2011.

However the Minister for Superannuation The Hon Bill Shorten MP, has not yet responded to my letter of the 4th November 2011.

On the other hand when I made approaches to the Chairman of the Coalition Policy Development Committee, Mr. Andrew Robb AO MP, I was given an appointment within a few weeks.

I received a sympathetic hearing to the various issues raised, and whilst not able to give definite undertakings at this stage, Mr Robb made a commitment that if and when the Coalition won office, they would review the various issues that I had raised. They would consult with all sections of the arts community, and would be prepared to repeal any legislation which was detrimental to the industry and which imposed unnecessary burdens on its members.

In the meantime, although it does not look promising, we will continue to make submissions to the Government.

Our submissions and correspondence can be found on our website : www.lowensteinsarts.com.au

The other factor for diminished art sales has been the NEGATIVITY that has permeated our whole economy, not only the art world. The level of complaints and emphasis on failings within the economy have been out of proportion to reality.

Despite assurances that, compared to other countries, our economy is sound, unemployment is not dangerously high, our banks and mining companies are making reasonable (sometimes even record) profits, the emphasis of the media has been on the difficulties of retailers, decrease in retail sales, some of which is more due to "internet shopping" rather than a lack of spending power.

In the same way the art market has witnessed a general feeling of negativity and pessimism.

As a result, over the past two years a number of art galleries have closed their doors, others have announced that they will close, while most have dug deep to keep their doors open.

Perhaps, there is also a generational change that is taking place in the art market and perhaps, it is time to look at the old fashioned model of art openings to attract buyers.

Although it is pleasant for an artist to have his/her friends celebrate an opening, the old system of hanging paintings on the wall, sending out invitations and supplying drinks to colleagues is not a guarantee of sales.

There are people out there with money, galleries just need to be innovative in the way they go about attracting them as well as attracting new buyers.

Despite the general negativity and pessimism, some artists have had sell-out shows and some galleries have adopted a more positive approach.

Many galleries regularly participate at the major Art Fairs in Melbourne and Sydney, some suburban galleries have arranged weekend area precinct shows and floor talks.

Some galleries have organised lunches with artists that potential buyers can attend, some have regular artists talks, and many have created more interesting websites, providing buyers with the ability to see the range of works available for sale.

A number of galleries have participated at international art fairs and have established overseas connections with significant success.

Tim Olsen is a good example of an art gallery director that hasn't sat back waiting for people to walk through the gallery doors. He, for example, has benefitted from his attendance at the recent Hong Kong Art Fair. Tim took John Olsen's work to the Hong Kong Art Fair and says "activity in the Asian art market has stimulated a new arena for John's work and was definitely a result of nurturing that Eastern market".

Mr Olsen points to a flow on effect to the Australian market as a result of the strong international interest in his father's work.

"It hasn't just made sales internationally, it has buoyed his Australian market."

Similar successes were enjoyed by other galleries attending the Hong Kong Art Fair

Stuart Purves from Australian Galleries concurs that coming up with new ideas is paramount to a gallery's success. He is of the view that art collectors are now more likely to browse the internet for art works, and as a result Australian Galleries recently set up a new website with "high quality images" of artists works as well as improving "the quality and quantity of images in their hard mail.

Mr Purves also feels that artists talks at Australian Galleries has generated interest and have been well attended, creating "a great atmosphere".

He says maintaining "an upbeat attitude" is important.

"I've seen downturns before, but downturns are usually followed by upturns".

Mossgreen Gallery Director Paul Sumner agrees that there is money out there to be spent.

He describes the current lack lustre art sales as "a recession in confidence, not a financial recession".

As one way to increase sales, Mossgreen Gallery has opened a cafe to attract people through the doors.

"Everyone has time for a cup of coffee and they're likely to buy art if they're in a good frame of mind", Mr Sumner says.

While they're enjoying a coffee, a plethora of art catalogues and magazines are on hand to browse through and hopefully provide temptation to purchase art works.

"It's all about having a strategy. If you sit and wait, nothing will happen", Mr Sumner says. "You can't sell to an empty gallery".

If there's one thing Misters Olsen, Purves and Sumner all agree on it's maintaining a positive attitude.

"If you get people in a room and start talking negatively, everyone will. It's about understanding the psychology I suppose", says Mr Sumner.

However, it's not just art galleries that need to look to new horizons, artists themselves also need to adapt.

Lowering their expectations on reserves on art works and including smaller, less expensive items in exhibitions will go part of the way to generate sales. Continuing a dialogue with commercial art galleries, and working with them, is imperative and artists should resist the temptation to have studio sales of their art works as this could impact on their prices in future years.

However the greatest winners of the current situation are collectors. As with any market that is soft, opportunities arise for negotiations and the acquisition of some great art at realistic prices.

If the art world reacts in the same way as they did during our Save Super Art Campaign, I can see a light at the end of the tunnel and a concerted effort by all members of the arts community to remain positive will shut out the negativity and pessimism that threatens to engulf not only the art world, but our whole society.

TOM LOWENSTEIN
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