



THE COMMONWEALTH PARLIAMENT
HOUSE COMMITTEE ON COMMUNICATIONS
AND THE ARTS
MEDIA RELEASE

COVERING YOUR ARTS - ART INDEMNITY IN AUSTRALIA

Paul Neville MP, Chairman of the House Communications and the Arts Committee today tabled in Parliament *Covering Your Arts*, a report on Art Indemnity Australia.

The report expresses grave concern that Art Indemnity Australia, a scheme which indemnifies major international works of art against loss or damage when touring in Australia, is now in jeopardy as a result of a decision by the Government to purchase commercial insurance to cover the exposed risk of the indemnity.

Since its establishment in 1979, Art Indemnity Australia has allowed Australians to see first hand the priceless works of art that have toured our galleries under its auspices. Exhibitions such as the *Gold of the Pharaohs*, *Monet in Japan*, *The Book of Kells* and *Rembrandt* would not have been possible without the indemnity provided by the scheme.

For the last 20 years, the Commonwealth self-insured against the risk of loss or damage. However, in July this year the Government decided to take out commercial insurance to cover the risk.

Mr Neville said 'this means that the Government will now be paying premiums of \$1.5 million per annum to achieve what it has achieved at no direct cost (other than the cost of prudent management) over the last 20 years. It is very difficult to see how the new purchased insurance arrangement represents good value for money for the Commonwealth.'

Mr Neville added 'we are also alarmed at the prospect that an overly zealous application of the user pays principle, through the annual budget process, will result in:

- the abolition of the current budget supplementation provided to the Department of Communications and the Arts to cover the cost of the premium; and
- pressure to pass on the cost of premiums to exhibition organisers.

'This would dramatically increase the cost of bringing major international works of art to Australia; undermine the viability of such exhibitions; and, ultimately, defeat the purpose of scheme (which is to ensure that Australians have access to exhibitions that would otherwise be too expensive to bring to Australia).'

Accordingly, the Committee has recommended that the Government restore the former self-insurance arrangements for Art Indemnity Australia.

Mr Neville's tabling statement, a copy of which is attached, provides further background and outlines the Committee's other recommendations.

For comment, please contact Paul Neville MP (the Committee Chair) on (07) 4152 0744 or 0419 704 767.

For information, please contact the Committee Secretary, Grant Harrison, on (02) 6277 4601.