

Access to Art Indemnity Australia

The issue

- 2.1 Currently, a State gallery must work with one of the two Managing Organisations - the National Gallery of Australia or Art Exhibitions Australia - to be eligible to receive Commonwealth indemnity for an exhibition.
- 2.2 Some State galleries, particularly the Art Gallery of New South Wales (AGNSW), were opposed to the limited access to the Commonwealth indemnity scheme.

Arguments for limiting access to two Commonwealth agencies

- 2.3 DCITA maintained that ‘the excellent record of AIA is the direct result of stringent Commonwealth guidelines and administration, and at least in part the limitation on access to highly reputable MO’s with a proven record.’¹; In support of the current limitations the department pointed to:

- the need to maintain control and protect the Commonwealth from risk:

With an increased number of managing organisations, it is our view that we would be managing a higher level of risk, because

1 DCITA, *Submission No. 1*, p. 5.

we would have a higher number of players in the scheme and a higher number in how it operates²;

- the excellent record of AEA and the NGA which have secured Australia's international reputation as a safe destination:

... over a very long period of time now this has been an extremely successful scheme. It has put this country amongst the best in the world in terms of a destination for these wonderful world treasures³;

- the stringent Commonwealth guidelines and administration:

These extensive guidelines ... represent the world's best practice in art handling, exhibition security and management. The Department seeks to continually monitor and upgrade the high standards required by the guidelines⁴;

- the need to ensure the ongoing viability of the scheme:

It is part of the fundamental principles upon which we work that, in order to maintain the scheme for the benefit of as many Australians as we can, our fundamental purpose is to ensure the underlying viability of the scheme, which means some very close control⁵; and

- the necessity for the Commonwealth to manage international relations:

The State galleries clearly may not know about global political terrorist or other destabilising activity which may impact on the potential threats to an exhibition and if damage was done, the embarrassment to the Government. Or, in extreme cases, the potential damage to trade or other relations.⁶

2.4 Not surprisingly, the two MOs are satisfied with the current arrangements. AEA observed that State galleries have different strengths, experience and priorities. Also, the States do not always have access to the funding and resources required to show major exhibitions.⁷ State galleries had more demands and responsibilities, such as conserving and exhibiting State collections.⁸

2 Ms Gosling, DCITA, *Transcript*, 20 June 2001, p. CTA 4.

3 Mr Wohlers, DCITA, *Transcript*, 25 July 2000, p. CTA17.

4 DCITA, *Submission No. 1.04*, p. 1.

5 Mr Wohlers, DCITA, *Transcript*, 25 July 2000, p. CTA13.

6 DCITA, *Submission No. 1.01*, p. 1.

7 Dr Edwards, AEA, *Transcript*, 20 June 2001, pp. CTA 5-6.

8 Dr Edwards, AEA, *Transcript*, 20 June 2001, p. CTA 20.

- 2.5 In contrast, AEA are specialists in risk management of exhibitions:
AEA's national perspective and role are unique and bring benefits that no State organisation can offer.⁹
- 2.6 The NGA also stressed that the two MOs have an understanding of the parameters for operating within the Commonwealth scheme and the States do not:
... the guidelines and the obligations on agencies are quite strenuous, ... we have an understanding of the detail, and the states do not yet have an understanding of that detail¹⁰;
- 2.7 State galleries wishing to develop smaller exhibitions are able to apply for funding under the Commonwealth's Visions of Australia program, which aims to make exhibitions of cultural material accessible to more Australians. It provides grants to cultural and community organisations to develop and tour exhibitions of historical and scientific material, visual arts and craft, multimedia and Aboriginal and Torres Strait Islander culture throughout Australia.
- 2.8 Also, a State gallery has the option of seeking State indemnity if it wishes to show a major exhibition without the involvement of the AEA or NGA. Most larger States have developed indemnity or insurance schemes of their own to cover such exhibitions (see Chapter 1).
- 2.9 AEA acknowledged that the AGNSW has staged some excellent major exhibitions with the assistance of the NSW State indemnity scheme. However, these type of State exhibitions tend to be developed to suit the interests of audiences within State boundaries. Therefore, such exhibitions are not managed on the basis of the Commonwealth's broad access policy.¹¹
- 2.10 In contrast to State motivations, AEA has no shareholders and no motive to make profits. Its motivation is to manage major art exhibitions for all Australians, with the objectives of the Commonwealth's art indemnity scheme of utmost consideration.¹²

9 Robert McKay, AEA, *Submission No. 2*, p. 1.

10 Mr Froud, NGA, *Transcript*, 20 June 2001, p. CTA 13.

11 Dr Edwards, AEA, *Transcript*, 20 June 2001, p. CTA 20.

12 Dr Edwards, AEA, *Transcript*, 20 June 2001, p. CTA 8.

Opening up access to the States

- 2.11 Some States were positive about the management of the AIA. The National Gallery of Victoria supported the current scheme as having operated in a reasonable way.¹³ The Art Gallery of Western Australia agreed that the scheme should be managed at the national level.¹⁴
- 2.12 However, other States had a negative attitude to the access limitations to Commonwealth indemnity, claiming that there should be another way for State galleries to apply for indemnity without involvement of the two MOs.¹⁵
- 2.13 This view was partly due to the State indemnity schemes offering a much lower value of indemnity for exhibitions than the Commonwealth. The Director of the Art Gallery of South Australia stated that the State galleries are capable of initiating their own great high-value shows, but they require access to the Commonwealth indemnity:

Our schemes are very limited. The federal scheme is very generous—it is \$1 billion or more. The state schemes are all different, but they are very limited. There is not a problem moving an exhibition from one state to the other, providing it is a low insurance value.¹⁶

- 2.14 The State galleries were confident about their capacity to manage major exhibitions without the overarching control of the NGA or AEA. For example, the General Manager of Exhibitions of the AGNSW referred to their proven record to manage large and complex exhibitions, such as *Cezanne* which was worth \$750 million.¹⁷ In fact, the States claimed that it is the galleries which take much of the responsibility in making exhibitions happen, from the organisation of transport to the issuing of catalogues.¹⁸ The Director of the AGNSW stated:

We are all very conscious that our exhibition programmes depend upon our ability to secure significant loans and that in turn is dependant upon our reputations - thus the capacities of the State

13 Dr Vaughan, NGV, *Transcript*, 25 July 2000, p. CTA 22.

14 Mr Dodge, AGWA, *Transcript*, 25 July 2000, CTA 26.

15 Ms Flanagan, AGNSW, *Transcript*, 25 July 2000, p. CTA 31.

16 Mr Ron Radford, AGSA, *Transcript*, 25 July 2000, p. CTA 30.

17 Ms Flanagan, AGNSW, *Transcript*, 25 July 2000, p. CTA50.

18 Mr Dodge, AGWA, *Transcript*, 25 July 2000, p. CTA25.

Art Galleries to legitimately manage major exhibitions, under the AIA Scheme is beyond question.¹⁹

- 2.15 AEA agreed that the galleries assume a bigger responsibility once an exhibition is static in their gallery. However, it is the assembly, transport and security requirements under the Commonwealth indemnity guidelines which require a supervisory role. AEA stressed that, as the MO for a national touring exhibition, it is ultimately responsible for the transport, handling and security of works throughout the whole tour. After all, it is the Commonwealth which is liable throughout the whole exhibition.²⁰
- 2.16 The Director of the National Gallery of Victoria stated that he had been delighted in the past to work in partnership with AEA and to make use of their experience and professional abilities. He also had complete confidence in the management expertise of his staff to manage exhibitions.²¹

Conclusion

- 2.17 The goal of the Commonwealth Art Indemnity Scheme has been to indemnify the major international exhibitions coming to Australia for the benefit of as many Australians as possible.
- 2.18 Since the AIA was established in 1979 many major exhibitions have been viewed around Australia by over 20 million people. The high quality of works entrusted to Australia, such as the *Rembrandt* exhibition in 1997-98 valued at \$900 million, demonstrates the high international standing of the program.
- 2.19 We acknowledge that this international reputation is due to the highly professional management standards of the scheme, specifically the specialist experience in transport and security developed by AEA and the NGA over many years.
- 2.20 As we discussed in Chapter 1, Comcover's ability to negotiate reduced premiums to insure the Commonwealth's indemnity risk is partly because of the professional standing of the two managing organisations.

19 AGNSW, *Exhibit No. 2*, p. 1.

20 Dr Edwards, AEA, *Transcript*, 25 July 2000, p. CTA 49.

21 Dr Vaughan, NGV, *Transcript*, 25 July 2000, p. CTA51.

- 2.21 As the Commonwealth indemnity scheme is a risk borne by the Commonwealth, we believe it is in the best interests of the scheme that access be limited to the current two MOs.
- 2.22 If State galleries wish to develop exhibitions of major international art, and to seek the Commonwealth indemnity, we believe it appropriate that they continue to do so through one of the two MOs.
- 2.23 Alternatively, State galleries can, and do, access the various State Government indemnity arrangements or funding under the Commonwealth's Visions of Australia program for inter-State touring exhibitions.
- 2.24 State galleries are currently closely involved in developing exhibition proposals through the MOs. This is an arrangement which appears to work well and we encourage AEA and the NGA to continue to consult with State galleries in the development of exhibitions. In this regard, we note that representatives of both the AGNSW and the NGV are on the AEA's board of directors.
- 2.25 The reality is that the indemnity available through AIA is limited. This means that not all exhibition proposals will ultimately be endorsed. Selecting the exhibitions to be covered by AIA is a matter for the judgement of the MO's, DCITA and the Minister. This judgement is informed by considerations of cultural significance, public interest and commercial viability.
- 2.26 However, we do consider that there is scope for an increase in the number of one-venue events to celebrate special events of State significance, particularly those involving Australian cultural treasures. As argued in the following chapter we consider that as a general rule, AIA exhibitions should follow the two-venue pattern within Australia. However there are circumstances (such as a State sesqui-centenary or a Commonwealth Games) where a one-venue exhibition of internationally or nationally significant works of art may be appropriate. Accordingly, we make the following recommendations.

Recommendation 2

- 2.27 **In preparing their five-year exhibition schedules, Art Exhibitions Australia and the National Gallery of Australia should pay more attention to developing further partnership exhibition proposals with State art galleries.**

Recommendation 3

- 2.28 In considering the five-year exhibition schedules proposed by the two managing organisations, the Minister for the Arts should consider allowing one-venue exhibitions to qualify for coverage under Art Indemnity Australia where they are to coincide with special events of State significance.**