

MR RUPERT MYER:

Good morning, and thank you, Jane. Dr Ho and members of the Home Affairs Bureau, fellow speakers, artists, writers, curators, students, supporters of contemporary art, distinguished guests, I am very honoured to have been asked to speak here to you today. I was asked earlier in the year, as Jane mentioned, to speak here in Hong Kong in a relaxed manner, which I interpreted at the time to mean without a PowerPoint presentation. I intend to do exactly the same today and intend to be as relaxed as I can be.

On that earlier occasion the topic was the question what can we do about contemporary art to which I gave the answer: quite a lot. The focus on the "we" enabled a discussion of the role of artists, collectors, museums and the government, amongst many other participants, in the development of an entire ecosystem of the contemporary visual arts and crafts sector.

Today's remarks extend that earlier discussion to the public policy issues associated with the development of the contemporary visual arts and crafts sector with emphasis on recent developments in Australia. Whilst there is this Australian point of reference to the remarks, I believe that some of the observations are relevant in other jurisdictions. I should say at the start that I do not pretend for a moment to be particularly knowledgeable about the particular circumstances here in Hong Kong, or in the region, and some of what you hear may have little relevance to your own particular circumstances. However, I hope that some of the general observations will make a contribution to the overall theme of this conference.

Many of you, like me, have travelled great distances to be present at this important and exciting event. Our gathering here demonstrates the global character of contemporary art and the worldwide interest in art as a means of satisfying a fundamental human need for creative

compression, for enriching our cultural life and adding an essential ingredient to the growth of creative economies.

I would like to make a proposition that a vibrant contemporary art scene in Hong Kong, or anywhere in the world, would be one with an international reputation for being home to great artists, to great critics, a strong commercial sector, extensive art education, and a community truly engaged with its culture. This is a vision to which Hong Kong and countries in the region can aspire for their future. It's one that should excite all concerned. I intend to discuss the concept of a balanced cultural economy, its significance for an economy, a government policy framework to create it and some personal urgings and encouragements and gratuitous remarks along the way.

The theme chosen for this symposium is "Cultural ecologies: Communicating contemporary art in the 21st century". This theme is open to many interpretations but I think a common interest that we share can be drawn from the ecological analogy. We all desire a sustainable balanced cultural environment. It's essential that all parts of the ecosystem are in good health for the benefit of the whole.

Some may find this application of ecological terminology to cultural unusual or even a little demeaning; after all ecology or ecological science is the scientific study of the distribution and abundance of living organisms and how the distribution and abundance are affected by interactions between the organisms and their environment. I think I had to go back to fourth form to get that from somewhere.

We are well accustomed now to hearing about a digital ecoscape which refers to IT companies, telcos, content, advertising and consumers, as well as the phenomenon of digitisation. So why not apply it to the cultural sphere. What then does this cultural ecology look like in reality. I think the terminology is very apt and appropriate to the way that we should think about cultural development.

As in a national ecology, in a cultural ecology of the visual arts there are on going and predictable actions that nurture growth. There is healthy competition and risk taking is allowed and encouraged bringing with it both great and little appreciation from time to time. There is evolutionary development alongside the unexpected explosion of exciting new works and directions. When in balance the result is a sustainable and vibrant environment in which creativity and innovation flourishes.

If it is our objective to create such an environment we must then ask ourselves how this might be achieved. What are the key public policy variables that need to be activated to develop that environment. What might be expected and when.

The organising bodies of this symposium have said that:

"For a healthy cultural development the nurturing and co-existence of a broad spectrum of cultural spaces both big and small, private and public is required to meet the social and cultural nodes of the community."

I fully endorse this statement. I fully agree with the proposition that in the development of visual culture there needs a balanced ecology of large and small, public and private organisations that nurture contemporary art to ensure that it is both accessible to the public and that artists can obtain fair returns in the market place.

It's also an environment that is beginning to foster the links between art and the creative condition. A balanced ecology is not created by a single event such as a new international gallery being opened in a shopping centre. It is a process that occurs over time, given the right conditions. It has been an often repeated set of circumstances for some of the most significant and prolific periods of creativity across time and across cultures.

Let me say why I have raised the issue of a creative economy. An economy is also an ecology with all the parts

interacting and as an economist would say, seeking equilibrium when there is balance between supply forces and demand forces. Also the theme of this symposium is communicating contemporary art. If we are looking for one clear example of the value of the contemporary art this is it.

I recall that the founder of the now acclaimed Biennale of Sydney, the late Franco Belgiorno-Nettis, a post-war Italian immigrant, who became a great Australian engineering industrialist and an outstanding benefactor strongly believed there was a relationship between innovative thinking and the arts and the contemporary art stimulated ideas. Of course, he was absolutely right.

In China today it's common to hear the nation's leader say that innovation is at the heart of a nation's advancement. It's easy to see that a creative economy is a precondition for innovation and in turn a vibrant visual arts sector is key to a creative economy. The value of creativity to business is increasingly recognised in the global market place. I read recently that many graduates in design at Stanford in the US are recruited by corporations for their skills in strategy, marketing, research and design. In particular, new ideas and breakthrough innovations of high value spring from integration and multidisciplinary teams where artistic talent combines with other skills. The same piece quoted Robert Hayes, Professor of Business Administration at the Harvard Business School as saying:

"Fifteen years ago companies competed on price. Now it's quality, tomorrow it's design." This has not gone unnoticed by our nations' leaders and policy makers and I am certain that the sentiment does not go unnoticed in this region where fast-growing economies are constantly seizing competitive opportunities to improve the living conditions for their citizens.

At a recent meeting of Australia's Cultural Ministers Council of which I will speak a bit more later, ministers agreed

to establish a round table of officials bringing together industry development, ICT broadband, film and cultural interests to map the priorities across jurisdictions and report back on the opportunities. This is an encouraging development for the building of a creative economy in Australia.

Let me now turn to the Australian example of a policy framework for building a sustainable cultural ecology. In my talk I will draw upon the views I formed, and Jane mentioned this during the contemporary visual arts and craft inquiry which I chaired in Australia from 2001 until 2002 and the subsequent responses that were made to its recommendations.

Firstly, as the policy settings I refer are generated by government, it may help to explain a little bit about the political structure. Australia is an independent federation of six states, which prior to 1901 were each separate colony. There are two territories that function in a similar way to states. The national constitution provides for a democratic system of government based on a mix of the British and US models; that is, we have federal parliament like Britain but with a senate like the US. Each state retains its own constitution and parliament. However, certain powers such as defence and foreign affairs are the responsibility of the federal government while the states and territories are primarily responsible for education, health, police and so on.

The interesting, or should I say challenging thing for the purpose of this discussion is that with the federal, state and territories combined, this nation of 20 million people has nine elected governments, often led by opposing political parties and consequently nine arts ministers at the head of nine arts bureaucracies. If that does not sufficiently complicate matters, many large and small town and city local governments have arts portfolios as well.

You would be excused for thinking that this must be wonderful for the arts with so many sources of funding and

support available. The reality is that historically arts funding has never been the highest priority for governments. That experience is of course not unique to Australia. While the importance of supporting artists and arts organisations has long been recognised in Australia, and government budgets have consistently made provision for that support, there is always competition for funds between art forms and with other social imperatives. Remember also that cultural budgets share funding across the performing arts including our ballet, and opera companies, orchestras, theatre and dance companies and the film industry and the national broadcasting service as well as the visual arts sector in all its various manifestations. The existence of many governments involved in funding the arts also means that without appropriate national coordination of priority setting and funding arrangements, the potential exists for some art forms to benefit while others can be overlooked and fall behind.

Having talked about the funding, the air that the ecology breathes, let me run through the components of the Australian visual arts ecology and their connections to the other elements and how I perceive them to be functioning at the time of the inquiry and from more recent observations. We have the arts school and the training institutions; the arts practitioners, and the grants funding mechanism; the indigenous artists and their distinctive programs and exhibition spaces; the network of arts organisations that support artists; contemporary arts organisations and craft organisations and so forth; the curators producing exhibitions and catalogues; the specialist writers producing art magazines for criticism and discussion; the great public art museums and the myriad of private galleries and art spaces around the country; the touring organisations that put on the exhibitions; the biennial that I referred to before, and other special events and special exhibitions and other opportunities for presenting the work of artist.

The number of practising individual artist and craft practitioners in Australia is around 20,000 by the last census.

They are the nucleus around which all of this other activity revolves. If we are to maximise the cultural contribution to the visual arts, talented artists need to be valued, their talent nurtured and the works they produce made accessible to the community, collectors and markets with minimum interference and maximum flexibility.

The sector makes an important economic contribution through direct, creative, innovative and experimental activity through the commercial art market and by providing employment. Indirectly, the sector contributes as part of the broader creative economy, including other art sectors, design advertising, and the sciences.

The cultural contribution is significant and diverse, ranging from the visual interpretation of national and individual identities and, in Australia's case, the cultural significance of indigenous art to its role in establishing Australia's international cultural standing, improving quality of life, enhancing the built environment and its application in health and rehabilitation programs.

When I looked at the Australian visual arts scene, I found the sector or was confident of its talents and abilities, proud of its track record at home and abroad and enthusiastic about its potential. It was a sector that was used to but nonetheless increasingly frustrated by doing more with less. It was also clear that there were many instances where chronic frailties existed in the infrastructure, including diminished financial reserves and under-funded organisations. At the same time, artists experienced significant barriers to establishing and maintaining their careers.

New technology was having a major impact on the types of courses being offered and the demand for courses offering technology components was very high. It was also a major driver for change in the work of established artists and in display and in exhibition venues. It was clear that the situation had to be addressed on a number of fronts

simultaneously. Account had to be given to the fact this was not a Greenfield situation. There was a long history of the federal and state governments funding the visual arts in their own idiosyncratic ways and much sensitivity about who would win or lose if changes were made and of course who would pay and whether burdens would be shared equally became topics to be considered.

An important starting point was to define some guiding principles which hopefully all stakeholders would sign up to and which would inform the more complex and detailed negotiations and decisions that needed to be made. I believe the principles ultimately gave some comfort to the policy makers that there was a fairly simple, straightforward and assertive framework in which the recommendations for change were made.

It is worth spending a few moments on these principles because they are likely to have more universal application and, I hope, lasting value than my detailing for you the various recommendations which I intend to do in greater depth in the workshop session tomorrow. The principles are the really essence of the model which I believe is a successful approach to the visual arts policy. The key messages in the template are as follows.

Firstly, to value, foster and promote the creativity, innovation, diversity and excellence of contemporary arts and craft practitioners and acknowledge their cultural, social and economic contribution at an international, national and regional level; secondly, to recognise the value of national wellbeing for a life long cultural education and the importance of a continuum of education in the arts from primary to tertiary level. Some of us were talking about that just before.

Thirdly, to ensure that vibrant, strategic, adaptable and sustainable organisations nurture and support contemporary visual arts and crafts practitioners in



developing their creativity, skills and professionalism and to exhibit, promote and market their work.

Fourthly, to give visual artists, craft practitioners, and their organisations the opportunity to maintain pace and engage with changing international standards in arts practice and exhibition, including advances in technology. And fifthly, to develop and foster an environment that encourages individual and corporate benefaction and sponsorship as a means of broadening the support base for the contemporary visual arts and crafts sector.

In addition, the principles acknowledge responsibilities for both government and art sector participants. Firstly, the contemporary visual arts and crafts sector through its publicly funded and private organisations, should encourage and facilitate the cultural engagement of the broader community. It should stimulate demand through initiatives and programs that develop and educate audiences and provide interpretation and access, including by touring contemporary arts and craft exhibitions to non-metropolitan areas.

Secondly, governments play a critical role in fostering and maintaining a dynamic contemporary visual arts and crafts sector. Government policy should be developed, implemented and evaluated in consultation with the sector. Governments need to share knowledge and experience and strive for a coordinated approach within and across governments to achieve better targeted and synergistic outcomes that will enhance sustainability; and finally, thirdly, at all times governments in the sector should meet high standards of transparency and accountability and the rationale for funding and the responsibilities of all parties should be absolutely clear from the start.

Now, these principles may sound idealistic and impractical, but I actually believe they are achievable and form a very good back bone to public policy. Recent

assessments by the sector of the outcomes of the implementation of the inquiry's recommendation based on these principles are very positive.

Many of the financial and legislative recommendations that emerge from the inquiry process have been implemented since the report was concluded. A large sector, stymied by static funding for almost two decades, has, in the main, risen to the challenge and is developing into a mature and sustainable sector working to strategic business plans, and moving towards attaining the economic and artistic strength and achievement envisioned by the inquiry. The strategy has enabled visual artists and craft practitioners to create more opportunities to further engage in the Australian public and to engage with international developments.

How is the made to work in practice. How do the nine governments, hundreds of local councils and the multiplicity of not for profit organisations and commercial enterprises overcome territorial jealousies and political differences and work together to achieve a balanced environment.

Let's start with the fundamentals, money. Cultural statistics are notoriously out of date but the latest available, published in 2003, estimated that the three levels of government provided funding for cultural activities in 2001, 2002 of A\$4.6 billion. That is about US\$3.5 billion. Don't get too excited about that. This represented about 2 per cent of all general government expenses. It won't surprise you to know that despite starting with a very large number a relatively small amount eventually finds its way to the contemporary visual arts and crafts sector. The allocation of funding to cultural activities includes arts activities of which broadcasting and film was the main recipient of funds from the Commonwealth government. Cultural activities also include heritage funding, as well nature parks and reserves which are the largest recipients of state and territory government cultural funding.

The contemporary visual arts and crafts sector is currently operating with funding of approximately A\$80 million or US\$60 million which includes a four-year funding package of A\$39 million, US\$30 million, that was introduced on the recommendations of the inquiry. You will share with me my noting of how small a proportion of overall cultural funding it receives. This level of funding is the annual recurrent funding and does not include irregular capital contributions for buildings and other major capital works.

The point of making this financial commentary is to emphasise that the total government commitment is not substantial overall. The sector is required to make the best possible use of the outlays and to leverage the government contributions with private benefaction and sponsorship. Given this background of comparatively limited government funding, how does the cultural ecology of the contemporary visual arts sector survive and thrive. In truth, it is with the minimum of direction and control. Even though the governments may be the piper, they do not call the tune. In other words, government provides funding as part of an independent process, and funded organisations act independently of government in their organisations and programs.

The outcomes are not censored. Governments have traditionally adopted a regime of minimal regulation combined with taxation incentives to encourage private funding. It's worth observing that tax incentives to promote cultural benefaction tend to work best in countries that have high tax rates. In low taxed countries acts of benefaction need to confer widely perceived personal visibility and recognition as well as honour and prestige. Such an environment needs to make a promise to a prospective benefactor that the support of a cultural institution and a contribution to the community will confer far greater benefits on the giver than say the purchase of a new BMW or some other item of consumption.

Of course, beyond financial support philanthropy can

also be given through the provision of goods, time, influence and voice -- and I say "voice" because it's a rather softer way of saying advocacy, but it means that there is a role in these sorts of forums to talk about these sorts of issues.

An important characteristic of the Australian approach is to decisions to fund artists and arts organisations from tax revenue are made at arms-length from the government. Similarly, the major public galleries funded by government have considerable autonomy in developing their acquisition and exhibition programs, and private galleries operate freely in the market place.

Independence from government is a vital element in the ecology of the sector. However, this does not imply lack of accountability to government. Quite the opposite. I will briefly give you two examples, the National Gallery of Australia, of which I am privileged to be chairman of the governing council and the Australia Council and the Australia council the principal federal government arts funding body. The National Gallery, known in Australia as the NGA, is located in Australia's national capital Canberra and is funded from taxation revenue by Australia's national government. It does not charge entry fees to its general exhibitions to ensure maximum public access. The total proportion from the government for the NGA in the current budget is \$64 million, a substantial sum of money by any estimate. You may ask how that compares with the 80. Of course, not all that the National Gallery of Australia is related to the contemporary visual arts sector. It has heritage collections and other responsibilities.

This highly respected and influential institution is subject to minimal government control. The Australian National Parliament created the NGA with the passage of the National Gallery Act of 1975. The Act directs the gallery to: (a) develop and maintain a national collection of works of art; and (b) to exhibit and make available from exhibition by others works of art from the national collection or works

of art that are otherwise in the possession of the gallery. The Act states that:

"The gallery shall use every endeavour to make the most advantageous use of the national collection in the national interest. The Act of Parliament establishing the NGA as body corporate governed by council and subjects it to the Commonwealth Authorities and Companies Act of 1997. That act deals with standard governance matters relating to Commonwealth authorities, it includes reporting and accountability, banking and investment and conduct of officers. However, the NGA's council and its director are appointed by the governor general as part of our Commonwealth Government's processes, direct and manage its operation and there is little scope for interference in the direction of the gallery.

For example, the minister's few powers include the power to convene a meeting of the council and to approve acquisitions of art whose value exceeds A\$10 million. The gallery is not subject to taxation under a law of the Commonwealth or of a state or territory.

My responsibility as chairman is to keep the minister informed about the galleries plans which I do in written correspondence and personal briefings. There is also a process twice yearly of presenting to a committee of senators at which questions may be asked about the galleries operations. It is independent, yet accountable.

Incidentally, I might add here quite gratuitously that the cafe and dining offers at the gallery are becoming a key component of our overall visitor experience. Come for the art, stay for the food, and the other way round. Also, donors and sponsors must receive appropriate acknowledgement for their support of the institution.

The Australia council is the Australian Governments arts, funding and advisory body. It directs, supports young and emerging and established artist as well as new and

established organisations. It has in its charter this advocacy role, the voice. Based in part on the British Council, the Australia council was formed in 1973, and was given statutory authority, that is, freedom from directed ministerial control by the Australia Council Act of 1975. It was granted considerably expanded functions and greater independence from government in its policy making and funding roles than any of its predecessors at that point.

The council provides over 1,700 grants each year to artists and arts organisations across the country in the fields of Aboriginal and Torres State Island arts, community cultural development, dance, literature, music, new media arts, theatre and visual arts and craft. It's also by its charter required to perform an advocacy role, as I have mentioned, to government on behalf of artists. Australia's major performing arts companies are supported through funding partnerships with the Australia Council and the state governments.

In addition, the Australia Council supports strategies to develop new audiences for the arts as well as new markets both here and internationally -- "here" being there. The council conducts arts research and policy development and regularly advises governments and industry on issues affecting Australian artists such as taxation and insurance.

The freedom involved in such arrangements is balanced by a tradition of good governance. Like with the National Gallery accountability to the taxpaying community is ensured through legislated financial reporting requirements and related auditing arrangements, scrutiny by Parliamentary communities, and a reliance on a culture of high ethical standards among civil servants and members of governing boards.

I would like to return now to the issue of achieving an integrated coordinated approach. The inquiry's financial recommendations proposed a reengineering of previous funding

arrangements, particularly in respect to greater collaboration and coordination between state and territory and commonwealth funding agency. This coordination is managed at the highest policy level by the Cultural Ministers Council to which I alluded earlier. The Cultural Ministers Council provides a forum for cooperation and coordination between the Australian government and state, territory and New Zealand governments on matters relating to the development of the arts and culture in Australia. The council is comprised of ministers with responsibility for the arts from each government.

The contemporary arts organisations and craft and design organisations, three-party, three-year agreements for almost all organisations have been developed between the state and territory agencies and the Australia Council for the Arts, and they commenced at the beginning of 2005. All of these funded organisations developed strategic business plans for that initial 2005/2007 three-year period. That is a three-year, three-party signed agreement.

This has been a significant policy breakthrough in that greater collaborative and coordinated funding arrangements were sought and this has been achieved by there now being these -- and the technical term is tripartite triennial agreements. The benefit for the sector is that they have one process for their funding, one timetable, one reporting mechanism and a funding certainty for a three-year period. All of the organisations and activities are operating models that require governments to give certainty either by funding or by legislation. The funding requirements are of both a capital and recurrent nature. There is no point having wonderful buildings if you can't afford to turn on the lights. Similarly, a vibrant, cultural community needs vibrant buildings to attract audiences to that culture and to give visibility to the artists and arts administrators creating that vibrant culture in the first place.

An example of all these types of institutions suggest

that this is an ecosystem with mutually dependent parts and which needs to exist in harmony, in balance. There is not a lot of point in having a fine National Gallery if there is no support in place to get artists their first exhibitions after art school. If there is no commercial sector artists will have to live elsewhere to get by. If curators don't have the certainty of recurrent operational funding for exhibitions, career paths are shortened.

A whole-of-sector approach needs to be adopted in making the most of the creative possibilities. Possibly the most valuable thing that can be done about contemporary art is for the sector to operate independently and cooperatively.

The purpose of describing this in some detail is to give an up-to-date context of one of the real significant things that we can do about contemporary art and that is to get government ministers and their departments enthusiastically engaged in the sector and to encourage them to take long-term views.

I would urge arts organisations to invite regularly and often ministry representatives to their premises to see and discuss their programs. And I would urge cultural [ministry](#) representatives to accept those invitations.

I share the observation that those individuals and organisations that are best at adapting to bureaucratic processes are often not necessarily the best artists or organisations. To achieve this the sector needs to be cohesive and united and to articulate its case clearly.

While recognising that there are social, cultural and historical differences between Australia and the countries in the region, I believe that a judicious adoption of some of these initiatives, concepts and approaches could provide solid foundations for a thriving visual arts sector. There is a clear prospect that over time a balanced government funding approach to the whole sector will substantially assist in the development of a healthy and vibrant visual arts sectors.



In turn, that health and vitality will spill over with substantial benefits for the economy and society as a whole. Thank you.