Industry Paper


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Abstract
Melbourne has long positioned itself as the cultural capital of Australia. The achievement of this goal is dependent not only on the successful importation of artistic work from abroad, but also the development of strong arts industries and artistic practices at home. A strong non-profit independent visual art sector that supports emerging artists and innovative art practice is an essential bedrock for the sector’s future health and vitality. This article provides a snapshot of the Victorian independent visual arts sector within the broader visual arts industry during the period 2009 and 2012, noting the number and location of independent visual arts organisations during this time and the services they offered for emerging artists. The analysis shows that independent visual arts organisations during this time were balancing a fine line between aspiring to serve, support and promote emerging artists and new art, and managing their operations in a financially sustainable way.

Biography
Christine Tipton is currently the Business and Grants Manager, Collections, Research and Exhibitions at Museum Victoria. Her research interests include organisational sustainability, government policy and models of industry support in the Australian arts and cultural sector. This article was adapted from an independent research project completed during her Masters of Arts and Cultural Management at the University of Melbourne.

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Introduction
Melbourne has long positioned itself as the cultural capital of Australia. The achievement of this goal is dependent not only on the successful importation of artistic work from abroad, but also the development of strong arts industries and artistic practices at home.

The emerging career phase is of particular importance for visual artists as it is during this time that they are most vulnerable, being early in their artistic development, inexperienced in their understanding of the industry and without an established audience base for their work. Financial and time constraints were brought to the forefront of industry discussions as two of the most significant artistic career barriers for emerging artists by the 2010 Australia Council for the Arts surveys, Do you really expect to get paid? by David Throsby and Anita Zednik, and What's your other job? by Cunningham et al. While there is no standardised career path for emerging visual artists, the vast majority will, after completion of their training, spend a period of time working and exhibiting in the independent art sector (Blessi, Sacco, & Pilati, 2011, pp. 142-6). This is due to the fact that the independent art sector, as opposed to the commercial and public art sectors, can offer emerging artists increased access, greater artistic freedom and career control, in addition to business skill and audience development opportunities.

A strong non-profit independent visual art sector that supports emerging artists and innovative art practice is an essential bedrock for the sector's future health and vitality. However, as small non-profit entities, independent visual arts organisations often face a high level of uncertainty and instability that limits their ability to meet emerging artists’ career development needs. Indeed, the 2002 Commonwealth Government-commissioned Report of the Contemporary Visual Arts and Craft Inquiry and the subsequent Visual Arts and Craft Strategy Evaluation Report 2004-2009 released by the Australia Council for the Arts in 2010 identified financial sustainability as a key issue for the Australian independent visual art sector restricting the potential benefits flow to emerging artists.

This article provides a snapshot of the Victorian independent visual arts sector within the broader visual arts industry during the period 2009 and 2012, noting the number and location of independent visual arts organisations during this time and the services they offered for emerging artists.

Methodology
In order to undertake this industry review, quantitative and qualitative data were collated from Art Almanac listings of professional visual arts organisations over three financial years (FY09/10 to FY11/12), and in turn, the listed organisations’ websites and social media pages. The Art Almanac listings provided a robust base dataset for industry analysis as a result of the uniformity of the structure and purpose of their listings (professional visual arts organisation exhibition listings by state metropolitan and regional areas), the regularity of their edition publishing (eleven editions per year), and the consistency of industry practice to list in Art Almanac as a base level of
marketing during this period. Listed organisations’ websites and social media pages provided additional information to enrich the Art Almanac listing data to enable classification of the organisations by sector and analysis of service provision in the industry.¹

For the purposes of the industry review, listed professional visual arts organisations were categorised into three separate sectors – the commercial art sector, the independent art sector and the public sector. The commercial art sector was defined by its for-profit intent, including organisations such as commercial art galleries and art auction houses. In contrast, the independent art sector was defined by its non-profit intent, including organisations such as non-commercial galleries and artist-run initiatives. The public sector was differentiated from the commercial and independent art sectors, comprised predominantly of government-funded non-profit institutions such as museums and visual arts event organisations characterised by their strategic focus on public value.


Industry Size and Sector Composition
The industry analysis found that the overall size and sector composition breakdown of the Victorian professional visual arts industry remained relatively stable over the three financial year period (FY09/10 to FY11/12), with subtle but positive growth in the independent and public art sectors. As displayed in Figure 1, the commercial sector is the largest grouping of visual arts organisations comprising 56%, followed by the independent sector (28%) and then the public sector (17%). Over the three year period there was a 3% growth across the industry, with growth in the independent arts sectors of 12% and in the public sector of 9% offsetting a decline in the commercial sector (-3%).

Figure 1: Number of Professional Visual Arts Organisations Listed in Art Almanac by Sector Classification

However, while the overall size and sector composition of the Victorian professional visual arts industry was relatively stable over these three financial years, organisational sustainability was still a concern for the industry during this period.

One measure of sustainability was considered to be the maintenance of an Art Almanac listing. An analysis of this measure demonstrated that the apparent stability of overall figures disguises a balance in the outflow and inflow of organisations in the industry. This movement is demonstrated graphically in Figure 2. The industry was characterised by high volatility with organisational turnover between 14% and 19% each year. Forty of the 294 organisations from FY09/10 stopped listing gallery and exhibition activity in
FY10/11. This decrease in numbers was counter-balanced by 59 new organisations starting to list. The following year, 55 of the organisations from FY10/11 stopped their listings, while 46 new organisations began listing. The 95 organisations that stopped listing represented 24% of the total 392 organisations who listed during the three financial year period. Evidence of ongoing operations could only be found for 36% of the 95 in December 2012.

Figure 2: Turnover in the Number of Professional Visual Arts Organisations Listed in Art Almanac

The independent art sector had comparatively lower turnover (12-20% each year) than the commercial art sector (16-23% each year) but higher turnover than the public sector (3-8% each year). As previously mentioned, the independent art sector had regular growth over the period. While 12% of organisations in the sector (9 of 78) stopped listing in FY10/11 in addition to 17% (15 of 86) in FY11/12, these were replaced by higher numbers of new organisation listings (17 and 16 in FY10/11 and FY11/12 respectively). Twenty-two per cent of independent art organisations (24 of 108) who were active during the three financial year period stopped their listings and half of this number had closed their operations only six months after the end of FY11/12.

While the inflow and outflow of organisations and positive growth over the period provided a certain dynamism of creative energy and change to the independent art sector, it was also concerning. This is due not only to the fact that it revealed issues with sustainability of the organisational business models, but because the closure of these organisations also resulted in the shutting down of their websites and social media pages. Given that these digital resources are generally the primary, and potentially only, public records of the organisations’ exhibitions, programs and artists’ works, their disappearance is a significant loss to the visual arts industry and our ability to access information regarding contemporary Victorian artistic practice.

Industry Location Profile
Unsurprisingly visual arts organisations were strongly concentrated in the metropolitan areas with growth over the three year period most pronounced in the inner metropolitan areas. Seventy-seven per cent of the sector was located in metropolitan areas, with the number of visual arts organisations in inner Melbourne increasing by 23%. The increasingly metropolitan-focussed profile was even more pronounced when the location of organisations in the independent visual art sector were isolated. The number
of independent visual arts organisations in metropolitan areas increased by 19% (64 to 76) suggesting improved access to this area of the sector for artists living just outside the central city areas. In contrast, regional Victoria saw independent visual arts organisation numbers decrease from 14 to 11 during the period.

Organisational turnover across the broader industry was not strongly correlated with location, however organisations in inner Melbourne appeared to be at higher risk of closure. Inner Melbourne had the highest average annual levels of organisational turnover during the three year period with 20% of organisations stopping their listings. Regional Victoria had an average of 17% organisational turnover, and Melbourne city and outer Melbourne had an average of 13%.

Industry Service Provision to Early Career Artists

The industry analysis demonstrated that the Victorian independent visual art sector showed strong industry leadership over the three financial year period in terms of providing unrepresented early career artist access to career development service offerings. However, further analysis revealed that the scope of these services was predominantly restrained to open submission exhibition programs with a focus on early career artists.

Open submission exhibition programs were the most common service for unrepresented artists with 139 organisation offerings (35% of the total 392 listed organisations). The 81 independent visual arts organisation-based programs accounted for 58% of the total industry offerings, despite the sector making up only 28% of the visual arts industry. Moreover 77% of the programs offered by the independent art sector specifically targeted early career artists, and 75% had a programming focus on new and innovative art forms. Ninety-five per cent of independent visual arts organisations’ open submission exhibition programs were offered with marketing support. Their marketing efforts were most commonly focussed on building audiences in the general public (74%), establishing collaborative and artistic networks (72%), and visual arts industry networks (73%). Forty-four per cent of their programs included artwork sales.

Other less common accessible career development service offerings for non-represented artists included business skill development, artistic skill development, studio space and artist-in-residency programs. These programs were almost exclusively offered by the independent art sector, however only a minority of organisations were thus engaged. Artistic skill development and studio space programs were the most common offered by 16% and 13% of independent visual arts organisations respectively. Only 6% offered business skill development and artist-in-residency programs.

Upon investigation of the location profile of the independent visual arts organisations offering open access career development services to unrepresented artists, a clear concentration of activities in metropolitan Melbourne becomes apparent.

Eighty-five per cent of the independent art sector’s open submission exhibition programs were located in metropolitan areas. These programs were highly concentrated in the inner city areas with 36 located in Melbourne city, 26 in inner Melbourne, and only 6 in outer Melbourne. Furthermore, the stated focuses of programs in metropolitan areas were vastly different from those in regional areas. In metropolitan areas, 86% of the programs had a stated focus on emerging artists and 83% on new and innovative art forms. In comparison, only 25% of regional offerings had a programming focus on emerging artists, and only 35% were focussed on new and innovative art forms.

Provision of additional career development services to unrepresented artists was found to be even more concentrated in metropolitan areas, in particular Melbourne city and inner Melbourne. All of the business skill development programs offered by
independent visual arts organisations were available in these two areas, as were 82% of the artistic skill development programs. Studio space and artist-in-residency programs were slightly more geographically spread, however metropolitan areas still accounted for 86% of the total sector offerings in both instances.

While this concentration of independent sector accessible career development activities in metropolitan areas is not unexpected given the broader location profile of the sector, it does have implications for emerging artist lifestyle choices by providing career imperatives for them to be living in metropolitan as opposed to regional areas. This in turn increases their likely living expenses, providing increased financial pressure in the early stages of their career.

Furthermore, participation in independent visual arts organisations’ open access programs, while extremely valuable for artist career development, invariably came with associated out-of-pocket expenses for artists. While less commonly than in the commercial sector, 67% of independent visual arts organisations charged space hire and marketing support fees for participation, and 33% charged artwork sales commissions. A notable 4% paid artist fees, however this was stated by the organisations to be made possible due to grant funding. The less common career development services generally required fees for participation, with 89% of studio space programs and 50% of artist-in-residency programs publishing associated costs. Costs of artistic and business skill development programs were less common, with only 42% noting the associated fees. Other commonly noted costs of participation included artist prize competition entry fees and membership fees for independent visual arts organisations operations structured as associations (19% of the sector).

Unfortunately, independent visual arts organisations that chose not to have fees for participation were shown to be at greater risk of closure than those that did. Organisation turnover statistics during the analysis period reduced significantly when the inclusion of fees for services were included in the business model. In particular, exhibition fees, art sales commissions, program enrolment fees and membership fees had a notable impact on reducing the likelihood of closure. Thirty-two per cent of independent visual arts organisations who did not charge exhibition fees stopped their listings during the period, in comparison to 15% of those who did. Twenty-four per cent of organisations who did not take a commission on art sales stopped their listings during the period, versus 17% of those that did. Twenty-five per cent of organisations that did not bring in program enrolment fees for artistic or business skill development courses stopped their listings, in contrast to 9% of those that did. Twenty-five per cent of organisations who did not charge annual membership fees stopped their listings, in comparison to 15% that did. And, tellingly, 39% of organisations who did not overtly state any costs of participation stopped their listings during the period, in comparison to 14% who included at least one type of fee for service in their operations.

Conclusion

The industry analysis clearly established the existence of a vibrant independent visual art sector during the 2009-2012 period in Victoria working to provide emerging artists the support they required and promote new, innovative art practice. The independent art sector was by far the greatest supporter for emerging artists within the industry during the period, providing easy access to open submission exhibition programs with strong thematic focuses on presenting new art by new artists, and to a lesser extent, access to other career development programs such as business and artistic skill development courses, artist-in-residency programs, and studio spaces.

The independent art sector, like the Victorian visual arts industry as a whole, demonstrated itself to be of a stable size during the analysis period. While the commercial art sector represented more than half of the broader industry, the independent art sector maintained a strong secondary, and slowly growing, foothold. The sector was found to be highly focused in metropolitan Melbourne, with only a minority presence in regional Victoria. It was also characterised by its high volatility,
with an outflow of organisations unable to sustain their exhibition programs and an
inflow of new organisations to the market. The high organisational turnover in the sector
clearly demonstrated that issues of financial and organisational sustainability were a
continuing concern. Given the small, non-profit and creative nature of these
organisations, some organisational turnover in the sector is to be expected and indeed
potentially beneficial in terms of maintaining the vibrancy of the sector’s outputs.
However, high levels of organisational turnover also represent a loss to the sector both
in terms of artistic production and presentation in the future, and recording and
safeguarding of past artistic achievement.

Independent visual arts organisations were shown in the analysis to be balancing a fine
line between aspiring to serve, support and promote emerging artists and new art, and
managing their operations in a financially sustainable way. While participation in the
services offered by the sector was noted in the majority of instances to come with out-of
pocket expenses for emerging artists, there were visible efforts to keep such costs to a
minimum. On the other hand, organisations that did not factor regular revenue streams
into their business models appeared to be at significantly higher risk of closure. Finding
a sustainable balance between creative and business imperatives presents a key
challenge for the sector in the future.

Endnotes
i. Interestingly, should this type of analysis be undertaken again in the future, data
collection would be significantly more challenging due to a divergence in sector
marketing practices. This comes as a result of increased competition in the Australian
art exhibition advertising market and the revolutionary uptake and success of social
media as a primary marketing tool.

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