

VISUAL ARTS BOARD

POLICY DISCUSSION PAPER ON
CONTEMPORARY ART SPACES

OCTOBER 1985

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ASSISTANCE FOR CONTEMPORARY ART SPACES

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INTRODUCTION

Through its Program of Assistance for Contemporary Art Spaces and Organisations, the VAB has provided assistance towards Contemporary Art Spaces located in capital cities, Contemporary Arts Organisations which serve a national function and, to a very limited degree, Artist-Run Spaces. The definition and role of a CAS is outlined subsequently in this paper.

Grants under this program are not available for public galleries in other categories such as State, Regional, non-State, local Government or educational institutions, nor are they available for organisations operated for financial or commercial gain.

In collaboration with State Arts Funding Agencies, the Visual Arts Board has provided general purpose grants to Contemporary Art Spaces over the past ten years, during which time a wide range of such spaces has been established. In order to more effectively implement its program of assistance for future years, the VAB has recognised the need to establish a more reliable and rational set of principles for funding on a competitive basis in this area. To this end, the VAB undertook a comprehensive review of its program of assistance for Contemporary Art Spaces during 1984.

A detailed report, prepared by VAB Project Officer, Karilyn Brown and Financial Services Officer John Aquino, was considered at the VAB March 1985 Policy Meeting. As a result of further and extensive analysis by the VAB of the issues raised and recommendations contained in the Report, the following policy document, which incorporates guidelines and criteria for the future funding of Contemporary Art Spaces, has been compiled.

CONTEMPORARY ART SPACES

PURPOSE

The purpose of the VAB program of assistance for CAS is to assist in making contemporary visual art more accessible to the public by helping a limited number of organisations establish active environments for presentation and discussion of contemporary visual art in major centres.

The VAB's current policy of assisting only one CAS in capital cities is determined by the limitation of funds at present available to this program. Under such circumstances, the VAB is guided by the principle of ensuring that one CAS be resourced adequately in order for it to professionally and properly undertake its role and functions. However, it is possible that over a period of time, funding priorities may shift from one organisation to another, more appropriate one, in any centre.

Only under exceptional circumstances will the VAB consider providing simultaneous general operating grants to more than one CAS in a major centre.

It is not the policy of the VAB to initiate the establishment of a funded CAS in each capital city. The establishment of a CAS must be based upon lengthy and comprehensive community consultation which can demonstrate community need and must take into consideration the activities of other facilities and resources in order to demonstrate that it does not duplicate the operation of another organisation within the area of influence. Even with favourable circumstances, the establishment of a CAS would depend on the endorsement of funding bodies and their ability to assist financially.

CRITERIA

1. Role of CAS: The VAB views the primary function of a CAS to be the co-ordination of a program of activities which will address the concerns and issues associated with contemporary visual arts practice. As the nature of those concerns and issues changes over a period of time, so too will the concerns of a CAS. It is the responsibility of a CAS to keep abreast of current art practice, particularly through support for emerging artists and experimental work, to be responsive to the needs of its arts community and to undertake activities in an initiatory capacity. In this respect, the VAB will not provide general purpose grants for on-going administration

costs associated with exhibition or activity programs which may duplicate those more appropriately undertaken by State, Regional and/or commercial galleries, nor will it provide assistance towards the establishment of a collection of artworks.

CAS must have genuine public access and should provide, in addition to a regular program of exhibitions of a broad range of contemporary media, a forum for special events, lectures and discussions on visual art, and a focus for the dissemination of information on the visual arts.

2. Grants under this program are not available for public galleries in other categories such as State, Regional, non-State, local government or educational institutions, nor are they available to organisations operated for financial or commercial gain.

3. Legal Status: In line with Australia Council guidelines, CAS must be incorporated as either a company limited by guarantee under the Companies Code or an incorporated association under relevant State legislation. Such incorporation will ensure that CAS are properly constituted and operating in a responsible and legal manner. Copies of an organisation's constitution and memoranda of articles of association should be supplied to the VAB, and CAS should notify the VAB in advance of any proposed changes to its constitution.

4. Open Membership: In line with Australia Council guidelines, properly constituted CAS must provide for open membership and for proper managerial structures. The public must have easy access to CAS membership and participation in CAS activities. Membership fees should be reasonable, and tiered according to the financial status of membership categories, i.e, unemployed, students, artists, institutions, etc.

5. Boards of Management: The constitutions of CAS must allow for a fair and democratic election of the Boards of Management by membership. Where an organisation receives 100% subsidy through Government sources all Board directors must be elected by a majority of members voting by secret ballot in a general meeting. Where subsidy is received from both private sector and Government sources, the number of Board directors elected by a majority of members, should be in proportion to the Government's subsidy contribution.

The responsibilities of a Board of Management must encompass the active participation in and proper management of all financial, business and artistic affairs of the organisation, in consultation with the organisation's Director.

Under the Companies Code, directors and officers of non-profit organisations are expected not only to act honestly but also to use a reasonable degree of care, diligence and skill in carrying out their duties. It is therefore in the interests of CAS Boards of Management to have a good understanding of their legal responsibilities under the provisions of the Companies Code. In this respect, CAS must ensure that at all times members with professional expertise, particularly in financial and accounting matters, are active participants of Boards of Management.

Under normal circumstances it is not considered appropriate for members of Boards of Management to be included in exhibitions and other related activities directly organised by their CAS where remuneration is involved.

6. Directors: CAS must have full-time Directors with appropriate professional experience appointed following public advertisement. The terms of employment for Directors should be formulated by Boards of Management.

In consultation with the Board of Management, the responsibilities of a Director should encompass the active participation in and proper management of all artistic, financial and business affairs of the organisation. Thus, Directors should be acquainted with proper accounting and management procedures.

The duties of a Director, may include not only the overall co-ordination and administration of all aspects of the organisations activities, but also involvement, as a representative of the organisation, in outside committees, review panels, and other relevant professional activities. However, the prime responsibility of a Director must be to the implementation of the CAS Board's policies and to day to day operations of the CAS.

In this respect, any proposal by a Director for what can be identified as an outside professional activity which will entail a substantial commitment on the part of a CAS Director and where the resources of the CAS will be used, should be initially assessed and approved by the CAS Board of Management.

Where a Director is in receipt of remuneration for outside professional activity and will be required to take leave of his/her Directorial duties, such leave must be taken without pay. Arrangements should then be made by the CAS Board of Management to appoint an Acting Director. Where it is the CAS Administrative Assistant appointed to Acting Director, a higher duties salary should be provided.

7. Assistant Director: Where the position of Assistant Director exists, it is to assist the Director in the duties outlined above, and the terms of employment should be formulated by Boards of Management.

8. Contracts: CAS should provide for proper contractual arrangements appropriate to the various activities undertaken, e.g., exhibitions, artist in residence projects, access to the CAS facilities, guest curators, etc.

9. Sale of Work: As organisation in receipt of substantial public funding, CAS should not be involved in the marketing or sale of those works exhibited and/or handled by them. The selling of work puts the integrity of a CAS exhibition program at risk and places the CAS in conflict with the concerns of commercial galleries which are not eligible for government subsidy. CAS are also discouraged from participating as a point of liaison for sale of work. Any involvement should, therefore, be one of referral only.

An area of CAS activity which would be exempt from this condition of grant would be that of publication and magazine sales. Such areas of activity should be self-supporting.

10. Accounting Procedures: It is essential CAS use professionally qualified accountants to prepare financial reports on a regular basis. All CAS are required to establish an adequate and appropriate accounting system using the "accruals" convention of accounting. Directors and Boards of Management should liaise with CAS accountants at initial and on-going stages of program planning, and in the preparation of budgets, reports, applications, etc.

11. Reports: In order that general operating grants to CAS be fully acquitted, CAS are required to provide the VAB with interim financial reports, audited annual accounts, a written artistic report and examples of catalogues and other promotional material relating to the activities funded within 3 months following the completion of a calendar year. In addition, 15 copies of catalogues and other promotional material relating to the activities funded, including newsletters, should be forwarded to the VAB throughout the year. Such material will be distributed to all VAB members so that they receive on-going and updated information concerning CAS activities and programs.

12. Acknowledgement: CAS must ensure that the assistance of the VAB of the Australia Council is publically acknowledged at all times.

ASSISTANCE

1. General Operating Grant: Assistance in the form of a general operating grant is provided on a calendar year basis towards the following costs:
 - wages and salaries (including artists fees and curators fees)
 - exhibitions/lectures/workshops
 - publicity and promotion
 - general administration

The VAB's contribution to general operating costs is based on the fixed costs of a CAS. That is, those costs which must be incurred by a CAS in order for it to professionally and properly undertake its main activity. (Main activity does not include special or one-off projects.)

2. Plateau Funding: The VAB is extremely limited in its capacity to assist towards any growth and development (that is, additional permanent positions and/or activities) proposed to be undertaken by CAS in main activity areas. CAS are encouraged, therefore, to seek alternative sources of funding for growth and development expenditure.

Nevertheless, the VAB recognises that aspects of some CAS main activity operations have been limited in the past, particularly in the area of wage and salary levels. In this respect the VAB will endeavour to assist any CAS to achieve an adequate financial base for its main activity. It is recognised that such an endeavour may not be immediately achievable given the budget limitations of Government funds available to the VAB.

Although there are some areas of CAS expenditure for which it could be argued that parity of funding across all CAS could exist, the VAB recognises that there are significant differences in the needs, concerns and activities of the various CAS, in both administrative and artistic terms. Such differences will be taken into account by the VAB when reviewing and identifying the core areas of expenditure by CAS.

Once the VAB considers an appropriate plateau has been reached and providing the organisation continues to fulfil VAB policy guidelines, the annual general operating grant to a CAS would thereafter be indexed to take account of CPI changes. This would be subject to the VAB receiving adequate funding itself.

A process of liaison and negotiation between the VAB and State Arts Funding Agencies over the proposed program and budgets of CAS has been established and will continue to be actively pursued wherever possible on an annual basis when analysing funding applications.

3. Artists Fees: The VAB's policy for payment of artists fees as a condition of grant is based on the Exhibition Fees Schedule prepared by the Artworkers Union and VAB in 1984, and provision for payment of artists fees was incorporated in the VAB's CAS grant approvals for 1984 and 1985. The VAB recognises, however, the difficulty for CAS to definitively state required amounts for artists fees at the time of making applications for general operating grants.

The VAB proposes, therefore, to provide CAS with a fixed annual grant for artists fees based on 15 exhibitions per year. It is, therefore, advisable that CAS take the fixed annual grant for artists fees into consideration when planning exhibition programs and appropriate artists fees, allowing for some exhibition program flexibility, pending any exhibition alterations or withdrawals.

It should be noted that the VAB defines the overall exhibition area of a CAS as one exhibition venue. For instance, where a CAS mounts 2 separate exhibitions at the same time, the artist fee should be allocated proportionately, e.g., 50% per exhibition.

In providing a fixed annual grant for artists fees for CAS, the following conditions of grant apply:

a Artists fees should not be allocated to:

- uncurated and open membership exhibitions
- undergraduate and full time postgraduate students
- overseas artists

b Separate and detailed artistic and financial records of artist fee payments must be maintained and such accounts and reports must be forwarded to the VAB with other annual artistic and financial reports for acquittal.

Where a CAS does not expend in full the artists fee grant provided, all unspent monies must be carried forward to the following year. The VAB's artists fees grant for that year would then be adjusted accordingly.

4. Curator's Fees: CAS can provide the opportunity for emerging curators to work in collaboration with CAS Directors, to develop and expand their curatorial skills. CAS can also provide more established curators with the opportunity to develop innovative and challenging exhibition concepts within a contemporary framework.

In wishing to provide some assistance towards the development of curatorial skills through CAS, the VAB will provide funds for up to 3 guest curators per year.

Funding allocations will be based on the experience and qualifications of proposed guest curators, but will not be higher than the current artist's fee level.

CAS must provide the VAB with the names of proposed guest curators and details of the exhibition proposals at the time of making application for general operating grants.

5. Special Projects: CAS in receipt of general operating grants for twelve months operation are not precluded from making applications for special project assistance under other VAB programs, and such applications are dealt with on merit, e.g. Artist in Residence, Critics in Residence, Artist in Community, Publications, Overseas Visitors, etc.

Whilst financial constraints and/or project merit may preclude any support for special projects in any given year, the VAB is unable to provide funding to any more than a maximum of three special projects per year.

6. Capital Expenditure: Assistance is not available for the purchase of real property or construction of buildings or for the purchase of major items of equipment.

7. Deficits: Assistance is not available for the funding of deficits. Future general operating grants to CAS will automatically cease once the accumulated deficit exceeds 20% of the level of operating expenditure for the last year of funding.

8. Accumulation of Surpluses: In 1980, the Australia Council adopted a policy on the accumulation of surpluses by subsidised organisations. It was resolved that arts organisations be "encouraged to build up accumulated funds to 20% of annual operating expenditure up to the above percentage the Boards of the Australia Council will take no action to reduce the level of subsidy on account of the size of the reserves".

9. Conditional Forward Commitments: In the past, funding for CAS was seen as seeding grants for a three year period only. The VAB has agreed to discontinue this policy in order to enable CAS to program activities with a greater sense of security and to operate with the confidence of knowing that they are trading at all times within the provisions of Company Law. However, although there is no commitment to continue funding a CAS under a general operating grant, it is hoped that while an established CAS continues to fulfil policy guidelines and objectives as developed and set out by the VAB following periodical review, it can expect to receive at least 80% of the previous years funding, provided the VAB is funded to at least the same level in the following year.
10. Termination of Grants: General operating grants to CAS will not be summarily terminated. All general operating grant recipients will be given at least one year's advance warning of the VAB's intention to either withdraw funding or to consider this action. This will enable the organisation to wind down its operation in an orderly manner, or to implement reforms necessary to ensure continuation of funding, or to investigate alternative funding options.