

Art market more gloom than boom

» ANDREW TAYLOR

Blame it on the resale royalties scheme, changes to superannuation, the end of the mining boom or pre-election jitters – but most people believe the Australian art market is in the doldrums.

However, auction results for this year suggest the market is healthier than the doomsayers claim, according to a leading art consultant.

Writing on the Australian Art Sales Digest website, Jane Raffan blamed the poor results achieved at last month's Sotheby's Australia auction of Australian art on the lacklustre selection of works on sale, not the market or "some rehashed phantom jitter".

"[The] catalogue was small and, for the most part, uninteresting," she said. "In a market that is over-represented by major firms, one cannot afford to rest on one's laurels, or brand cachet.

"That cachet continues to pull in television cameras, as it did on the night, but it won't sell an overpriced, middling-quality work."

An accredited valuer with the federal government's Cultural Gifts Program, Ms Raffan said the predicted outcome of the election had not changed since a date was first set at the start of the year by then prime minister Julia Gillard.

"There has been a series of strong and outstanding sales since then and the market has witnessed at least 15 major auctions with clearances by value at 85 per cent or above," she said.

Ms Raffan said the doomsday scenario did not explain why Deutscher and Hackett sold \$6.89 million worth of art,

achieving a clearance rate of 92 per cent by value and 74 per cent by lot, one day after the Sotheby's auction.

The highlight was the sale of Bridget Riley's small monochromatic picture *Off* for \$984,000, including buyer's premium.

However, Ms Raffan said changes to rules to make it more difficult for self-managed super funds to buy art had pushed buyers out of the market.

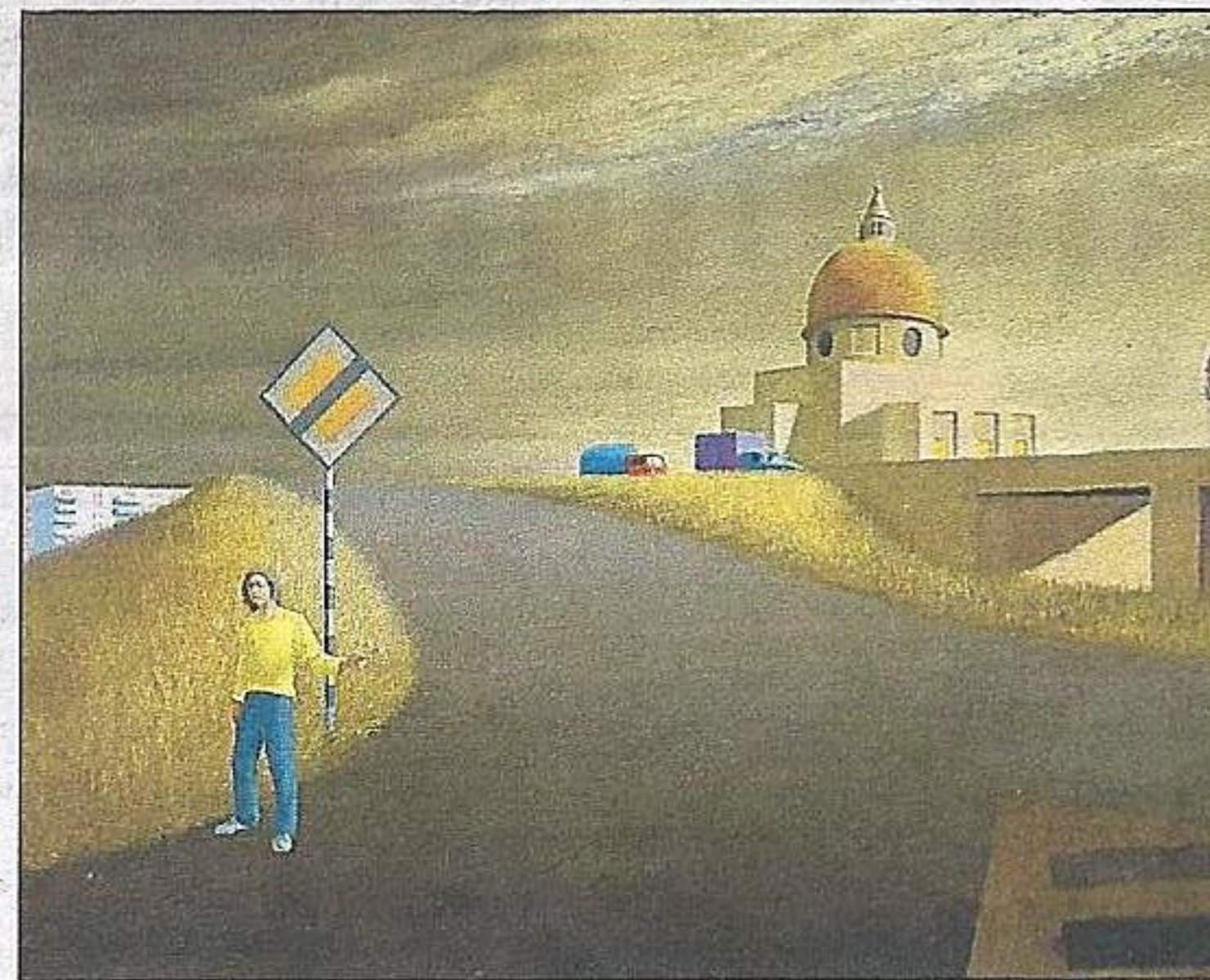
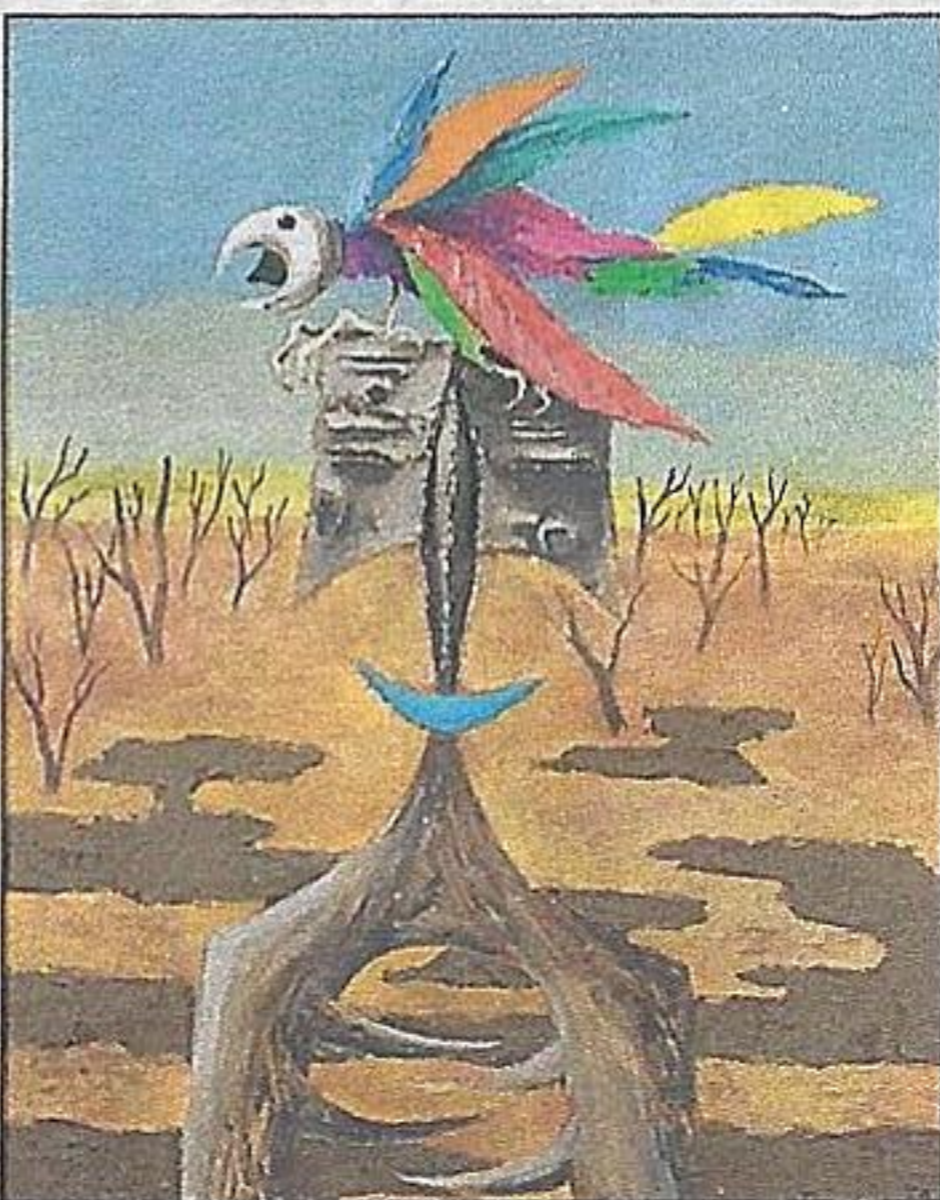
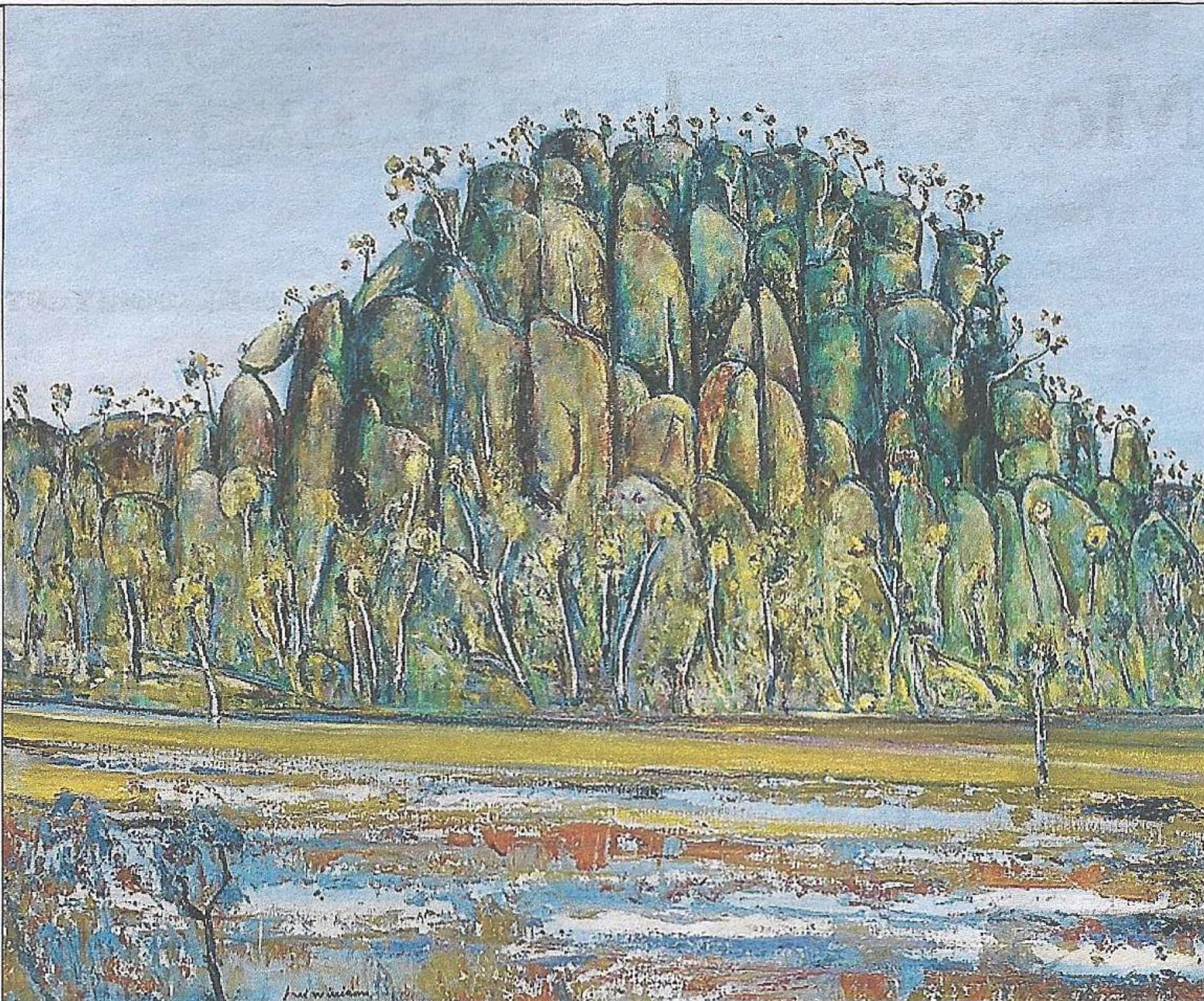
"The indigenous art market, in particular, is being strangled by a series of legislative and regulatory imposts, including the resale royalty," she said.

Art consultant David Hulme said there had been a reduction in buyers in the past five years, with intense competition between auction houses for high-quality artworks. "With less buyers around, it doesn't matter how much you bring down the reserves and estimates," he said. "If there are still fewer buyers, paintings will still fail to sell."

Mr Hulme said the year had started off well with the Laverty collection of mainly Aboriginal art and the Grundy collection of Australian art, both auctioned by Bonhams.

"We are close to \$80 million so far for this year so it would, of course, be good to see another \$30 million added to this by the end of 2013," he said. "Being realistic, we may be looking at another \$100 million year, which is at least consistent and maintaining the status quo."

The next major art sales in Sydney will be Lawson Menzies' quarterly fine art auction and Bonhams' auction of important Australian and Aboriginal art, both in November.



Auctioned:
(Clockwise from main)
Hanging Rock by Fred Williams, *The Hitch-Hiker* by Jeffrey Smart and *Attacked* by Parrot 2 by Albert Tucker. Photos: Sotheby's