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## Hot art, cold market

by [Katrina Strickland](#)

It didn't take long for news of the proposed merger of Tim Olsen's and Rex Irwin's Sydney galleries to get around this week. The word spread like wildfire in Sydney's small – and it has to be said, often bitchy – contemporary art world.

Why on earth would two prominent gallerists want to lose their individual identities and put at risk their hard-earned brands? What exactly is going on?

"I was gobsmacked," says Brisbane art dealer Bruce Heiser. "If you have two galleries of that calibre and reputation talking of merging, it just shows how precarious the market is at the moment. What it tells you is that no one is immune."

Some reckon the unlikely coupling won't last a minute, that Irwin's patrician style will not sit easily with Olsen's more free-wheeling approach. Both have very senior, very experienced staff; which of those would run the combined joint? How would they split costs and commissions? How would their clients and artists – Irwin's older and more conservative, Olsen's younger, trendier – react?

For their part, Olsen and Irwin stress that no deal has yet been done, that at this stage they are simply talking about operating under the one roof from 2013 – that roof being atop Olsen's Jersey Road, Woollahra gallery. The details of any deal have yet to be nussed out.

If they can work together, and art-world sceptics think that's a big if, there may be more merit to a proposed merger than meets the competitor's eye. Irwin would bring gravitas to Olsen's stable, something the son of artist John Olsen has long felt unfairly eludes him; while Olsen would introduce a younger clientele to blue-chip Irwin artists such as Fred Williams, Cressida Campbell and Gwyn Hanssen Pigott.

Irwin could mind the shop – both dealers like the term "shopkeepers" – while Olsen pursues opportunities at art fairs around the globe.

Regardless of if or how it pans out, what their talks say loud and clear is that the local commercial art scene is in great flux. If Irwin's 36 years of operation in Queen Street, Woollahra, once Sydney's prime art and antiques strip, could be over, well, anything's possible.

The number of galleries closing or changing the way they operate has certainly ratcheted up this year. It's as if many stuck it out for the first few years of the economic downturn and now, sensing it won't get better any time soon, have conceded they can no longer sustain running a physical space. As leases come up for renewal, they are

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taking the chance to get out.

Four long-standing Perth galleries will close by year's end, and a growing number on the east coast, including those run by Barry Keldoulis, Iain Dawson, Karen Woodbury and Tristian Koenig, have or will relinquish shopfronts in favour of trading online and through pop-up shows and art fairs.

After 14 years on the main drag, Broome's Short Street Gallery will operate mostly by appointment out of its off-Broadway storeroom and studio from 2013. It will rent out its main gallery space to other comers, holding only a handful of its own exhibitions there each year.

Stuart Purves of Australian Galleries has closed one of his two Sydney galleries and a Melbourne storeroom, shedding more than 20 of his artists in the process. Olsen has just told seven of his artists to seek representation elsewhere and would ideally like to get down to about 15 blue-chip artists, from more than 50 a few years ago.

Bill Nuttall of Niagara Galleries in Melbourne plans to hold four exhibitions next year, down from his norm of a dozen. He too is reviewing the 48 artists in his stable.

"We're all trying to re-evaluate what is the best way to run your gallery into the future," Nuttall says. "It's only in Australia that galleries are locked into doing a brand new show every month. Many overseas galleries don't do 12 different solo shows each year; they do about four and in between they do art fairs and show new work by the artists they handle in the stockroom."

It is easy to blame economic uncertainty for the changes afoot, and, while that plays a big part, it is not the only thing going on.

Some galleries specialised in the kind of work that doesn't sell well in a downturn – cutting edge, trendy, or highly investment oriented. Others, particularly in indigenous art, have been hit by a market-wide oversupply of poor quality work, the federal government's 5 per cent resale royalty and the tightening of rules around superannuation funds buying art which has seen that segment of the market all but dry up. Others still want the flexibility to attend offshore fairs, thereby expanding their client pool beyond the too small Australian market.

Sydney dealer Martin Browne is one who doesn't buy that last argument. "In my view this repeated mantra is rubbish," Browne says. "The only people who are making these claims are gallerists who, for whatever reason, have failed to keep their physical galleries open and are now trying to put a positive spin on their failure."

Browne, who moved from Potts Point to bigger premises in Paddington last year, sees artists as the prime losers out of all this.

"There is no doubt an online presence and attendance at art fairs is increasingly important, [but] the reality is that without a central 'bricks and mortar' physical gallery presence where people can see artworks in the flesh – both in exhibitions and stockrooms – there is no core around which a presence can be built," he says.

"And I'm not just talking about collectors and curators having a space to come and experience work. In truth, it is even more important to artists. No artist wants to spend a year slaving away in a studio, just to send his or her work out into the world through an online exhibition or a three-day presence at an art fair."

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Perhaps the most intriguing part of all this change is that there are artists who are still selling very well. There's a hollowing-out of the middle, but a group of contemporary, living artists appear almost recession proof.

Lucy Culliton's exhibition of flowers in bottles at The Hughes Gallery in Sydney's Surry Hills sold out within an 1½ hours of opening in April – that's 72 small works, priced between \$4000 and \$16,000, all snapped up. Brisbane dealer Jan Murphy already has a waiting list for works from painter Ben Quilty's upcoming show in Adelaide and after the artist appeared on the ABC's *Australian Story* inquiries went into overdrive.

Stuart Purves sold nearly \$1 million worth of William Robinson works last month and, in the same few weeks, Philip Bacon in Brisbane sold out his Philip Wolfhagen show, grossing nearly \$400,000 from 17 paintings priced from \$8500 through to \$60,000.

Sydney dealer Michael Reid defines the market today as "surgically precise". "Work is either absolutely wanted, and snapped up, or not bought despite encouragement," he says.

"There's no room to discuss anything with anyone either, they either want it or they don't."

The Hughes Gallery's Evan Hughes has put his mind to what is making the difference. It's easy to say "quality" – and that's the pat response many gallery owners give – but harder to break it down further. He nevertheless tries.

"Artists with a track record have been doing far better in this recession than perhaps in years gone by, they're still selling," Hughes says. "Collectors are less inclined to take a punt on the unknown. There's a trend towards blue chip, and by that I don't mean the John Bracks and Brett Whiteley's – they're in a different category because they're high-risk asset outlays – but I mean mid-career, blue-chip, living artists."

Price is also playing a part. Hughes says of the gallery's recent Joe Furlonger show, the works that sold fastest were the smaller ones, priced under \$10,000. "People are more than willing to spend under \$15,000 buying art, because it's still pleasurable, but all that speculative buying has vanished."

At Outstation gallery in Darwin last month, an exhibition of jewel-like paintings from Tjala Arts of Amata, a community in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands of South Australia, attracted a big buzz. All but two of 19 paintings sold, priced from \$1500 to \$19,000.

It wasn't a one-off, either. Tjala artists now produce enough work for eight shows a year, at different galleries, with emerging painters fetching \$3000 to \$4000 a work and established ones up to \$20,000. "Our sales have been up for four years in a row," Tjala Arts manager Skye O'Meara says. "We'll hit almost \$1 million in sales this financial year. Four years ago they would have been half that."

Back in Sydney, Sullivan & Strumpf report a sellout of Tony Albert's recent show and good sales of Ex de Medici's highly political work at Melbourne Art Fair.

Irwin says the idea of recession-proof artists – his Cressida Campbell, Nicholas Harding and Fred Williams fall into that category – is "almost true", adding ruefully "and I wish we had eight of them".

"But in the end, even they're affected, it takes a little bit more time for people to buy

things," he says. "They also worry, they think it is bound to eventually affect them. When the market is uncertain it also affects the production of work, artists aren't as driven to produce madly if they're not selling."

*The Australian Financial Review*

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