Western Australian Auditor General’s Report

Management of the State Art Collection

Report 9: May 2018
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MANAGEMENT OF THE STATE ART COLLECTION

This report has been prepared for submission to Parliament under the provisions of section 25 of the Auditor General Act 2006.

Performance audits are an integral part of the overall audit program. They seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

The audit objective was to determine whether AGWA effectively manages the State Art Collection, and its availability to the public.

I wish to acknowledge the staff at the Art Gallery of Western Australia for their cooperation with this audit.

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ACTING AUDITOR GENERAL
17 May 2018
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Auditor General’s overview

For over 120 years the Art Gallery of Western Australia (AGWA) has housed, cared for, and displayed many of our State’s cultural treasures. Over time, AGWA has successfully grown the State Art Collection to now include many important works by both Australian and international artists. These works provide a unique link to our history, help to encourage connections between people and stimulate new ways of thinking.

At the heart of AGWA’s work is conservation of the art works and presentation of world class art displays. But, AGWA faces significant challenges in this work. Not least of these is a shortage of storage space in which to house the art works, and the lack of a strategic approach to conservation.

Other challenges arise from the geographic vastness of the state and in how AGWA increases opportunities for all Western Australians, irrespective of where they live, to engage with the State Art Collection.

I have focused on making practical recommendations to help improve AGWA’s processes, make the best of its resources, and deliver on its objectives. While fixing the issues will not be easy in a time of restrained government spending, the AGWA staff we met showed a dedication and passion to finding ways to address the issues.
Executive summary

Introduction

This report provides an assessment of the management of the State Art Collection (the Collection) and efforts to increase access by the public.

We focused on the Art Gallery of Western Australia (AGWA), and its approaches to building and maintaining the Collection. We looked at how art is stored and conserved, as well as AGWA’s display programs.

Background

AGWA is responsible for building, maintaining and displaying the Collection for the people of Western Australia. It was formed under the Art Gallery Act 1959, and is part of the Department of Local Government, Sport and Cultural Industries.

The broad direction for arts in Western Australia is outlined in the Strategic Directions Framework 2015-2030. This includes a focus on increasing the access to high quality arts and cultural experiences for all Western Australians. Delivering programs that connect with, educate and entertain the public is a strategic objective for AGWA.

The Collection is kept almost entirely at the AGWA building in the Perth Cultural Centre and consists of almost 18,000 works from Western Australian, Australian and international artists. It includes works such as paintings, sculptures and audio-visual pieces, with a focus on Western Australian art, as well as 20th century paintings and sculpture. In June 2016, the total Collection was valued at almost $300 million.

Like many galleries, the lack of artwork storage space is an ongoing issue for AGWA. Similar issues have been identified in other Australian galleries. Nonetheless, the Collection has continued to grow, with 473 pieces added from July 2014 to June 2017. AGWA follows international guidelines in storing and caring for its artwork.

Artworks can need conservation treatments ranging from minor dusting and cleaning to major restoration projects. Not all of these conservation issues pose an immediate threat to the artwork under the controlled environmental conditions of the gallery (for example, cleaning). However, works that are unstable are at a higher risk of deteriorating. AGWA’s conservation team is responsible for assessing the condition of artworks, identifying any maintenance issues, and administering treatments.

Detailed records on artworks are kept in a database, and paper records for each artwork are stored by artist, in artist files. Together the database and artist files provide AGWA with knowledge of the Collection as well as capturing historic information that may be useful in valuations and future research.

AGWA engages with the public and visitors to Western Australia in a number of ways. It is open to the public 6 days a week, and provides a range of free displays as well as a number of short term (loaned) exhibitions, talks, guided tours, special events for members, and educational programs.

AGWA aims to display 5% of the Collection each year. To reflect the focus on Western Australia, AGWA tries to include at least 20% works from Western Australian artists in displays.

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2 This included $4.3 million in purchases, and donated artworks valued at $1.5 million.

Audit conclusion

AGWA struggles to balance its responsibilities to grow and also preserve the State’s $300 million art collection. A significant shortage of appropriate storage space places artworks at risk of damage from not being stored in line with industry standards, and limits access to the Collection for conservation work and public engagement.

A large number of artworks in storage do not receive the conservation attention they need to preserve their value. AGWA does not have a plan to ensure all artworks are conserved, with conservation almost entirely focused on the small part of the Collection going on display each year. Establishing a plan is particularly important given the limited resources AGWA has available to carry out this work.

AGWA needs to improve its records about the State assets for which it is accountable. It cannot be certain of the location or condition of all works in the Collection, as its database is poorly documented, key records are incomplete and inconsistently maintained, and it has not done a stocktake since 2010.

AGWA has taken steps to attract visitors to the gallery through its exhibitions, education programs and social media campaigns. But, these efforts focus on attracting visitors to the Perth gallery, with little opportunity for regional Western Australians to view artworks in person or online.

Key findings

Artworks are at risk of damage or loss due to insufficient storage and conservation, and incomplete records

- AGWA does not have sufficient space to store all its artworks to industry standards. This increases the risk of damage to the works.

- Although works receive conservation treatment before being displayed, AGWA does not have a plan in place to ensure the artworks in storage get the maintenance they need. It may take years before artwork at significant risk of deterioration is maintained. Ninety-nine unstable artworks were identified as being in need of treatment more than 7 years ago. Treating artworks is important to maintain their value, particularly if they are unstable.

- AGWA has not completed a full stocktake since 2010 and has not established good processes to ensure its Collection records are complete and accurate. AGWA risks items being lost or misplaced if the records are incomplete.

AGWA needs to broaden access to the Collection, particularly in the regions

- Visitor numbers are still 20% short of the 2012-13 peak, despite success in 2016-17 from implementing a range of exhibitions, activities, and initiatives.

- AGWA does market research, monitors exhibit numbers and occasionally evaluates exhibits. However, this information could be better used to increase AGWA’s understanding of what interests the public, and increase engagement with the Collection.

- Only a small part of the Collection is available online, and AGWA has not developed a strategic approach to increasing access to the Collection for people living outside the Perth metropolitan area. Better use of avenues such as regional loans, and online display, may help increase access to the Collection for all Western Australians.
Recommendations

1. By the end of December 2018, AGWA should explore options to resolve the ongoing lack of storage space, including:
   a. documenting its consideration of storage solutions for all new acquisitions
   b. considering if storage should be added as a criterion for removing artworks from the Collection.

2. By the end of June 2019, to further its objective of making artworks accessible, AGWA should:
   a. develop and start implementing a plan to display artworks in alternative locations and online
   b. assess the success of all programs and exhibits
   c. use the results of market research, assessments and post project reviews in planning future programs.

3. By the end of June 2019, to manage and monitor the location and condition of the Collection, AGWA should:
   a. develop and implement standardised processes for its recordkeeping systems
   b. implement regular stocktakes of the entire Collection
   c. develop and deliver a conservation treatment plan for all of the Collection.
The Art Gallery of Western Australia (AGWA) holds the State’s premier collection of historic and contemporary art and is an important heritage asset. The State Art Collection has been developed, cared for, and shared with the community for over 120 years. Continuing this work at the highest level remains core to AGWA’s mission. AGWA considers that its management of the Collection has been effective given the complexity of the task and the resources available.

AGWA accepts the findings on improving the care and management of the Collection and broadening access, including through displaying art works at other suitable locations and online.

AGWA’s original storage capacity was intended to be sufficient for about twenty years from the completion of the Main Building in 1979. More capacity was created in existing storage areas by improved organisation in 1997 and additional storage was created in the upper level of the Centenary Galleries in 2006 and in the Main Building in 2014. While these measures have helped deal with storage demands, AGWA recognises the critical need for additional storage. AGWA welcomes the support for a definite date for the resolution of the ongoing storage problem. AGWA is continuing to work with the Department of Local Government, Sport and Cultural Industries (DLGSC), including portfolio cultural agencies, and the State Government on achieving a speedy offsite storage solution. AGWA agrees that storage considerations should be considered as part of any acquisition or de-accessioning but storage should only be a secondary and never the primary consideration in de-accessioning an art work.

AGWA is committed to providing the broadest possible access to the Collection and accepts as recommended that regular research on community needs and program assessments will support more effective programs.

Currently AGWA is working with DLGSC and Art of the Move on a three-year pilot program to make Western Australian culture more widely accessible within Western Australia and attract visitors, by touring more high quality visual arts exhibitions. This includes providing advice, professional development, expertise and meaningful life-long learning opportunities to regional communities.

AGWA, as part of an ongoing project to improve website access, has created a new portal to explore the Collection. The first phase, launched in February 2018, featured a group of Indigenous works from the Collection. The catalogue record text for each art work in the Collection will be available online by June 2019 and works will be digitised and loaded as part of the ongoing program to digitise the Collection. AGWA acknowledges there is scope to improve and standardise Collection recordkeeping. AGWA will formally document the standards for Collection records and the mandatory core dataset required for each art work record.

The first complete stocktake of the Collection was completed over a five-year period using considerable staff resources. AGWA accepts that stocktakes are an important mechanism for proper collection management and control and will work to develop a process by June 2019 to ensure improved control of art works. AGWA also will develop a multi-year project as part of its conservation program to implement a safe tagging and external tracking system for art works.

AGWA will develop a formal conservation plan with priorities based on the information about individual works currently identified in the Collection database. This plan will incorporate conservation display needs to ensure that conservation needs for works in storage are balanced with the conservation requirements for display and access. The plan will include strategies to assess the Collection as part of any valuation or stocktake activities and assessment of Collection categories.
Audit focus and scope

The audit objective was to determine whether AGWA effectively manages the State Art Collection, and its availability to the public.

The specific lines of inquiry were:

1. Does AGWA effectively manage and monitor the State Art Collection?

2. Does AGWA effectively make the State Art Collection available to the public?

The audit focused on artworks held by AGWA, its stores and display programs. We analysed an extract of the AGWA database from July 2014 to June 2017, along with an extract of acquisitions for the same period.

During this audit we:

- reviewed AGWA’s policies and procedures, a 2017 internal audit report, meeting records, acquisition notes, marketing research, and project evaluations
- interviewed AGWA staff involved in conservation, curation, records, stores and marketing
- inspected storage spaces
- sample tested AGWA’s database and paper records.

This was a narrow scope performance audit, conducted under section 18 of the Auditor General Act 2006 and in accordance with Australian Auditing and Assurance Standards. Performance audits primarily focus on the effective management and operation of agency programs and activities. The approximate cost of tabling this report is $164,000.
Audit findings

Artworks are at risk of damage or loss due to insufficient storage and conservation, and poor recordkeeping

An ongoing shortage of storage space limits access to and safe keeping of artworks

AGWA does not have enough storage space to hold the current collection, or a plan to address future storage challenges. It is using temporary areas to store some artworks, increasing risk of damage and impeding staff and public access to artworks.

The lack of storage is an issue faced by other galleries in Australia, and AGWA has been aware of its own lack of suitable storage for at least 6 years. AGWA:

- identified in 2012 that its 5,281 m$^2$ of stores were congested, and that it needed an additional 5,000 m$^2$ to meet storage needs through to 2032
- in 2017 received an internal audit report that identified the shortage as a high risk.

Obtaining artworks without careful consideration of how they will be stored poses the risk that they will not be stored appropriately. It also means the quality of storage for works already in the Collection may be compromised under an increasingly stressed storage system. AGWA’s Risk Register identifies that a lack of space can lead to inappropriate storage, and poor preservation conditions. We acknowledge that growing the collection is a core objective for AGWA. However, AGWA must balance this with its responsibility to preserve the collection.

To increase its storage capacity, AGWA rented off-site storage from 2012 to 2014. However, this was cancelled due to the rental cost. In order to accommodate the returning artworks, AGWA converted a 358 m$^2$ gallery area to storage space but this is now full.

We saw examples of AGWA having used best practice shelving and storage solutions (Figure 1). However, we also saw many examples of overcrowded storage areas and artworks being stored in aisles and walkways (Figure 2). This was particularly so in 2 of AGWA’s major storage areas. We also observed buckets and drip sheets in place to capture leaking water in another storage area.

Figure 1: Best practice storage of paintings
Figure 2: Items stored in front of shelving. Access to artwork on shelving would require moving multiple crates
Case Example – Overcrowding

A main store for paintings, works on paper, and objects holds 2,768 artworks, valued at $36 million.

We observed full storage shelves, and artworks stored in almost every aisle and walkway (Figure 3).

Our review of AGWA’s catalogue shows that 29% of artworks in this store are directly blocked by makeshift storage. Access to many others was also reduced. In some cases, accessing an artwork would need several other items to be moved, requiring multiple staff.

AGWA staff told us that overcrowding sometimes made it difficult to locate items for conservation and display.

![Figure 3: Artworks stored in the aisle of a main store](image)

Temporary storage places artworks at risk of damage and loss of value. We observed that AGWA had taken steps to prevent damage and loss of value to artworks in temporary storage, such as using wedges to lift items off the floor (Figure 3). While helpful, these efforts do not offer artworks the same protection as storing to industry standards.

AGWA’s processes require storage to be considered as part of all proposals to purchase or accept an artwork for the Collection. Verbal discussions on storage are held during the acquisition process. But, these considerations are not documented in proposals presented to the board, or minutes of board decisions. Between 1 July 2014 and 30 June 2017, AGWA gained 473 artworks despite already crowded stores. We reviewed a small sample (9) of acquisition proposals from this period. None of the proposals considered storage.

AGWA has not removed any artworks from the Collection in the past 3 years. While its policy for the removal of works is based on international best practice, it does not take into account AGWA’s storage issues. Currently, an artwork can only be removed if it is heavily damaged, found to be a forgery or doesn’t contribute meaningfully to the Collection.

**Some artworks are at risk of deterioration because AGWA is not delivering timely conservation treatments**

AGWA does not have a plan to deliver all needed conservation treatments, to limit artwork deterioration and loss of value. Over $17 million in artworks need treatment, with the majority identified more than 4 years ago. Unstable artworks are at highest risk, as they are likely to deteriorate and lose value without treatment.

The records database shows approximately 4.4% (785) of artworks need conservation treatment. Nearly 40% of these, valued at $8.8 million, were listed more than 7 years ago (Figure 4). The database shows 163 artworks, valued at almost $4.4 million, are identified as unstable. Of these, 34 (valued at around $1 million) have needed treatment for between 3 and 7 years, and a further 99 (valued at around $2.6 million) for more than 7 years.
Currently, conservation work is done almost exclusively on artworks selected for display. This approach cannot effectively meet the conservation needs of the wider Collection, as most works are not displayed. At the time of writing, only about 2.4% of the Collection was on display, but AGWA’s internal target is 5% each year. AGWA informed us that it did not meet this target in 2016-17 as a lighting refit reduced display space.

AGWA has acknowledged the need for a plan to ensure all artworks receive care. Since 2014-15, its operating plans have included the development of annual conservation plans, however, these have not been done.

**No stocktakes and poor recordkeeping means that AGWA cannot be certain of the condition or location of artworks**

AGWA has not systematically confirmed the location of artworks since 2010, and does not have good controls around the management of its database and paper records. If processes are not improved artworks, records and corporate knowledge may be lost.

**Stocktakes are not done**

AGWA cannot be certain of the condition or location of artworks in the records database as it has not conducted a stocktake since 2010, even though:

- Treasury Instruction 406 requires the verification of assets at least once every 3 years
- AGWA listed regular stocktakes as actions in its 2015-16 and 2016-17 operational plans
- this issue was raised in its 2017 internal audit.

The last stocktake, completed in 2010, took 5 years to finish as each artwork had to be physically sighted. The work was done by 2 staff members working 1 day a week. This process is inefficient and limits AGWA’s ability to periodically confirm the location and condition of artworks.

In 2012, AGWA explored a technological solution, using a scanning system that integrated with the database. While AGWA approved the purchase of this system, quoted at $34,850, the system was not adopted due to implementation costs of $15,147. Adoption of such a system would allow stocktakes to be completed in weeks rather than years.

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**Figure 4. Number and value of artworks awaiting treatment, at 19 October 2017**

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Unstable artworks
Recordkeeping processes are poor, leading to missing information

We found that individual records were incomplete, increasing the risk of lost asset records and corporate knowledge. We reviewed data for the 600 works added to the database between 2014 and 2017 and found that only 28% of mandatory fields were always completed. Generally, the other fields were missing only small amounts of data. However, details on the funding source were missing for 49% of the artworks, which means AGWA would need to consult paper files to track information. The incomplete data is likely due to a lack of standardised processes for data input.

Fields that contain important information, such as artwork location and condition, are not mandatory. Of the 600 artworks added to the database since 2014, we found 10 did not have a location recorded, and 235 did not have a condition report. Making these fields mandatory would increase AGWA’s understanding of the Collection.

In addition to the database, we found inconsistencies in the contents of the paper artist file records. AGWA keeps considerable historical and purchasing information in artist files, and inconsistent filing could lead to the loss of important information. While purchasing processes require proposals, approvals and conservation reports to be kept, there is no guidance on which other documents should be stored in artist files. We reviewed a small number (12) of recent files and found that while proposals were kept for all, some approvals and conservation reports were missing.

AGWA needs to do more to enable access to the Collection, particularly in the regions

Initiatives are in place to encourage visits to AGWA

In support of its strategic goal to increase access to high quality art for all Western Australians, AGWA has developed an exhibition program to 2020, and uses multiple approaches to encourage visitors to view the Collection. These include designing exhibitions that present the Collection in a meaningful and informative way, and using programs and promotion to attract visitors.

Results from AGWA’s market research indicate that in 2016-17 the exhibition program was successful in attracting more visitors, with a rise in younger audiences.

AGWA’s current approach is based on the reorganisation of the Collection exhibition spaces into the ‘Five Pathways, Many Journeys’ layout. This presents the Collection in themed areas that contain art from different historic periods, along with a gallery dedicated to Aboriginal artists. The approach is intended to make it easier for visitors to understand and navigate the Collection. It is supported by a tours program and an exhibition guidebook.

AGWA raises its profile in a number of ways including:

- operating social media accounts on Facebook, Instagram and twitter
- monthly e-newsletter (‘Artmail’)
- educational material tailored for school students
- providing interviews with artists and curators through an online blog (since October 2017)
- modernising its image through rebranding under the ‘See things differently’ logo (Figure 5) and operating a series of modern culture exhibitions.

- since 2017, working to present more unseen works in Collection exhibitions.

**Data from programs could be better used to attract future visitors**

AGWA captures information on the number of visitors but the data is not specific to the Collection as it includes attendance to temporary exhibitions and events. As a result, AGWA does not report specifically on the use of the Collection, or how satisfied visitors are with it. Further, internal exhibition reviews are not completed, and information on visitor engagement is not well used for future planning.

Attendance data, including visits to the gallery and the website, and visitor satisfaction survey results are included in AGWA’s annual report. Current key performance indicators do not distinguish between the Collection and exhibits of works on loan. Gallery visitor and satisfaction information show that visitor satisfaction has remained steady at 93-94%, while visitor numbers have decreased substantially from 2012-13 to 2015-16 (Figure 6). The number of visitors did increase in 2016-17, but were still nearly 20% short of 2012-13.

![Figure 6. Number of visits to AGWA in person and website hits since 2012-13 (sourced from AGWA annual reports)](image)

AGWA uses external market research to collect information on who is visiting and what motivated them to do so. However, this information is not used when planning future projects. We viewed 3 project scope documents from 2016-17. None discussed the themes identified in the research or how the proposed project would help AGWA engage with the public. Better consideration of research could help AGWA focus on projects that build upon strengths, or address gaps, in public engagement.

AGWA sets performance targets for new exhibitions, for example on visitor numbers and media coverage. However, performance is not actually assessed because AGWA does not routinely evaluate exhibitions. From 2014 to 2017, AGWA held 62 exhibitions. Only 1 was evaluated. AGWA cannot be sure its exhibitions are successfully meeting performance targets or broader objectives.
AGWA offers limited opportunities for regional and online audiences to access the Collection

The Collection is maintained for the benefit of all Western Australians and many exhibitions are freely available for people to view. However, people in regional areas have to travel to Perth in order to view most of the Collection, as only part of it is viewable online. AGWA does not have a formal plan to present more of the Collection on its website, or to display Collection artworks in regional areas.

AGWA recognises that it should provide better access to the Collection for people in regional areas. Since at least 2015-16, AGWA has committed to developing a regional gallery loans plan, however, this has not occurred. A regional loans plan could substantially increase access to the Collection for many Western Australians outside the metropolitan area.

AGWA has been presenting Collection artworks online since 2015-16. But, despite all new acquisitions being digitised, AGWA does not have a plan in place to make more of the Collection available. Online presentation of artworks is an alternative way for AGWA to engage with people that cannot visit in person. It would also help increase access to items not on display, as only 2.4% of the Collection was displayed last year.

We acknowledge that other resources, such as curator interviews and exhibition catalogues, are available online and offer some Collection information. These give some insights into AGWA exhibitions and programs.
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