

Infrastructure, Transport, Regional Development, Communications and the Arts

Committee Inquiries Question on Notice

Public Accounts and Audit

Inquiry into Probity and Ethics in the Australian Public Sector

IQ23-000141

Division/Agency: DIV - Office for the Arts

Hansard Reference: Spoken, Page No. 32-33 (21 September 2023)

Topic: Artbank - Reporting on Video Piracy

Peta Murphy MP asked:

Ms MURPHY: The ANAO report talks about what I can only describe as pirating videos within Artbank. Purchasing video artwork and making copies of it and leasing it out to clients as if it's the original work for years, and then it being discovered. I don't know whether they're your words, Ms Rodriguez, but a memo was saying that this—I'll find the word in the report—nefarious activity won't go on. Was that reported?

Mr Smith: I would need to take that on notice, but I think the department's position—

Ms MURPHY: Really? You've come here to give evidence about the ANAO report. This is in the ANAO report. And you don't know whether that was ever reported?

Mr Smith: I would need to go back. That's an historical aspect. What I can say about that is the current policy of Artbank is that there is one master copy and one copy.

...

Ms MURPHY: If the policy was changed in 2019 it's because Artbank knew that it had pirated copies of artwork. Was that ever reported?

Mr Smith: I will need to go back. That refers to things going back to—

Ms MURPHY: To 2019.

...

Ms MURPHY: The quote is that all the rogue copies will be got back from the client, will be returned. My question—and this is the last time I'll ask it; you can take it on notice: in 2019, which is not that long ago, was that ever reported?

Mr Smith: It sort of goes back to 2012. We need to look at that.

Answer:

The multi-user leasing and duplicate copying of the video artworks could reasonably be implied based on a broad interpretation of the licence terms under the relevant Acquisition Agreements. On that basis, it was not reported.

From 2019, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts amended its practice in relation to the treatment of video artworks to reflect industry best practice, which have evolved with this artform. In addition, Artbank's Preservation Policy has been amended to reflect Artbank's current operational practice of storing a master file on its server, and making only one display copy for loan to clients. Duplicate display copies that had been produced up until 2019 have been destroyed

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and removed from Artbank's assets register, and will be formally endorsed at Artbank's October 2023 Governance Committee meeting.

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IQ23-000142

Division/Agency: DIV - Office for the Arts

Hansard Reference: Spoken, Page No. 34-35 (21 September 2023)

Topic: Artbank - Procurement Documentation

Peta Murphy MP asked:

Ms MURPHY: Have you asked why there's no documentation about any of this?

Ms Rodriguez: I haven't, and I'd have to take that on notice because I haven't looked at the records for those individual acquisitions in the collection management system.

...

Ms MURPHY: When I ask about any reports about probity—the procurement rules apply to Artbank; correct?

Mr Smith: Yes, that's correct.

Ms MURPHY: With the one example I just asked about—about the 34 pieces of artwork coming from the same gallery—there are no documents. There are no documents about it. That's a breach of the procurement rules. Why has that not been reported up to the secretary of the department?

Mr Smith: I can answer questions around the process that we put in place to make sure all those acquisitions are documented, including value-for-money consideration. Depending on when that event happened and depending on the nature of that, if there were breaches, they should have been reported at that time.

Senator REYNOLDS: But they weren't. They weren't identified or reported; correct?

Mr Smith: I would have to take on notice whether they were actually reported at that time.

Answer:

As outlined in ANAO Audit report paragraph 3.14, there are acquisition agreements in relation to each individual artwork acquired, and each individual artwork was within the then director's delegation at that time. However, noting the ANAO report that the aggregate procurement for the artworks was above the delegation, this should have been reported through the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' standard processes at that time.

The department changed its processes in 2019 to require all acquisitions to be approved by the relevant Assistant Secretary. The department has further strengthened its documentation requirements to better reflect the Commonwealth Procurement Rules including an explicit value for money consideration for all its acquisitions.

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IQ23-000143

Division/Agency: DIV - Office for the Arts

Hansard Reference: Spoken, Page No. 36 (21 September 2023)

Topic: Artbank - Unactioned Recommendation from 2006 Report

Senator Linda Reynolds asked:

Senator REYNOLDS: On that line, then, the chair noted that there was a similar recommendation from the ANAO in 2006. Was the department aware of that, and were you taking measures to make sure that they were implemented?

Mr Smith: I've actually gone back and looked at the 2006 report, and there are definitely some actions where the department or Artbank, depending on which department it was in at the time, agreed to implement a number of changes. Some of those changes have been implemented and some clearly were not implemented. They have been picked up again in this audit.

Senator REYNOLDS: Can you take on notice for us what ones were and what ones weren't actioned?

Mr Smith: I certainly can. Though I do believe that, unless I'm mistaken, Artbank has moved departments a few times as well.

Answer:

Of the seven recommendations from the 2006 audit, Artbank has now implemented six. Artbank acknowledges that Recommendation No. 1 (to review the Artbank Charter) was not actioned. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is actioning this recommendation as part of its response to Recommendation 1 of the current ANAO performance audit of Artbank – review of the Artbank Charter will be part of the strategic review and development of an overarching strategic plan for Artbank. The Governance Committee will provide oversight of the implementation of actions and they will be reported through the department's Internal Audit Committee.

Information on implemented process for Recommendations 2 to 7 is detailed below:

2006 ANAO Recommendation No.2 (Para 3.10)

The ANAO recommends that Artbank develops focused and documented acquisition criteria based on Artbank's collection needs and endorsed policy direction. The acquisition criteria should also be publicly available.

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Artbank has a publicly accessible Acquisition Policy outlining the criteria on which potential acquisitions are assessed, prior to accession. The Acquisition Criteria were initially set within the Charter, however, were developed into a standalone policy in 2008 after the 2006 ANAO Audit.

The current version has been available on Artbank's website since 2019, which is available at: <https://www.artbank.gov.au/sites/default/files/2020-04/Artbank%20-%20Acquisition%20Policy.pdf>. The Acquisition policy will be further reviewed as part of the strategic review and development of an overarching strategic plan for Artbank.

2006 ANAO Recommendation No.3 (Para 3.20)

The ANAO recommends that, in order to improve the transparency and accountability of the acquisition of artwork, Artbank should:

- (a) document the reasons that artworks are selected for acquisition against the acquisition criteria. Similarly, submissions by artists should have a documented assessment against the acquisition criteria; and*
- (b) report purchases over \$10 000 in AusTender.*

From 2008, artworks with a purchase value over \$6,000 were presented to the Artbank Advisory Board for endorsement of purchase, outlining assessment against the Acquisition Criteria. In 2011, the threshold changed to works valued at \$10,000 and over to align with the AusTender reporting requirements.

In 2019, this process changed: every work, regardless of value, has an acquisition proposal submitted to the relevant SES delegate for approval. Each proposal details key information to inform a decision for purchase, which now includes assessment against the criteria and a value for money assessment.

Consistent with Commonwealth Procurement Rules, all purchases (including artworks) of \$10,000 or more are required to be reported on AusTender.

Recent system and process changes have strengthened reporting practices and compliance, with any unreported transactions above \$10,000 to be reported to the department's procurement team for reporting and recording as breaches.

2006 ANAO Recommendation No.4 (Para 3.29)

The ANAO recommends that Artbank, as an art supports programme, could consider alternative acquisition strategies to engage directly with artists. This could include, for example, acquisitions arising from a set period for submissions, an annual round similar to the Artbank Canada approach and/or a competition.

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In response to this recommendation, Artbank developed and implemented the Artbank Roadshow. Artists were invited to submit artworks for consideration before they were assessed by Artbank Curators and Art Consultants. Artists whose works shortlisted to phase two were invited to meet with Artbank staff directly to present their proposals in person. These Roadshows were held in Regional and Capital Cities across Australia.

Roadshow ceased in 2021 due to COVID restrictions, as well as cost and resourcing implications.

In 2022, Artbank commenced Artbank Unpacked. The objective of these sessions is to directly engage with artists, galleries and the general public and to provide information about Artbank's processes, including acquisition of artworks, Artbank's leasing scheme and ongoing support of Australian Contemporary Artists. These sessions are a regular fixture on Artbank's public programming calendar and are hosted in all states and territories. As stated at the hearing Artbank is willing to consider alternate procurement methods to supplement its processes.

2006 ANAO Recommendation No.5 (Para 4.24)

The ANAO recommends that Department of Communications, Information Technology and the Arts develop a consistent departmental framework to classify significant artworks (cultural assets) and to govern their deaccessioning.

The deaccessioning of artworks has been consistent with the disposal of asset Accountable Authority Instruction's set by each department in which Artbank has been a section. In 2011, the deaccession processes was included in the Acquisition and Deaccession Policy document, and deaccessions required endorsement by the Advisory Board.

In 2019, Artbank Governance Committee endorsed the current version of Artbank's Deaccession Policy, which is available to view on the Artbank website at:

<https://www.artbank.gov.au/sites/default/files/2020-04/Artbank%20-%20Deaccession%20Policy.pdf>.

The Deaccession policy will be further reviewed as part of the strategic review and development of an overarching strategic plan for Artbank.

2006 ANAO Recommendation No.6 (Para 5.10)

The ANAO recommends that Artbank use survey work to assess client satisfaction, such as regular, independent client surveys every two to three years.

Artbank conducted a client survey at the beginning of 2023. Survey results can be found at **Attachment A**. This was considered an informative tool. Further surveys are planned to occur every three years.

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2006 ANAO Recommendation No.7 (Para 5.36)

The ANAO recommends that Artbank considers implementing a collection database on the Internet, using the images that Artbank has permission to reproduce.

Following the 2006 audit, Artbank commenced research and development options for an online database as part of the Artbank website. The Artbank website was upgraded to include a digital catalogue of all artworks in 2011. This enabled the Artbank collection to be accessed online for the first time. This functionality has evolved and improved, with images and leasing availability linked directly to Artbank's Collection Management system – KeEMu.

Attachments:

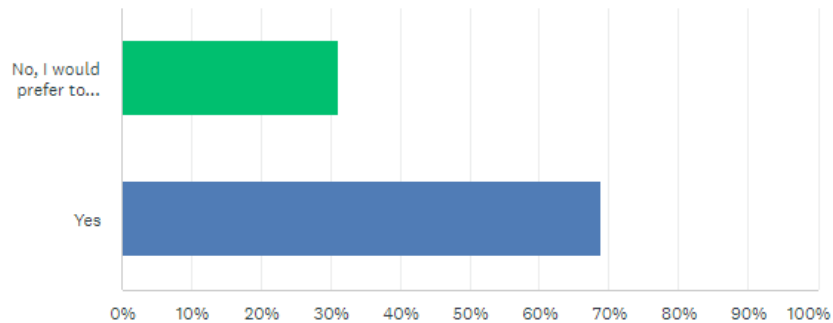
A: Artbank Client Survey Results

Q1



Are you happy to you tell us your name, or the name of your organisation?

Answered: 45 Skipped: 0



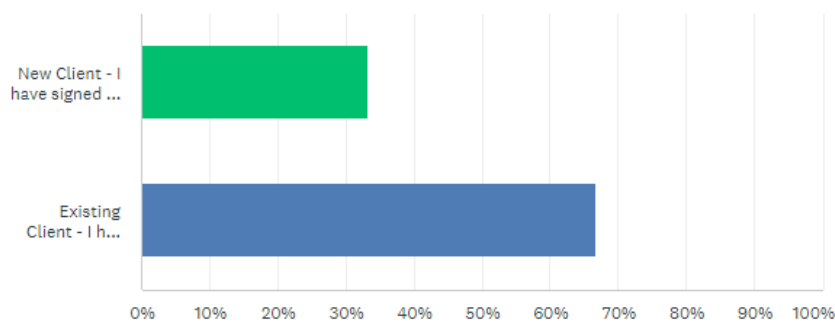
ANSWER CHOICES		RESPONSES	
No, I would prefer to remain anonymous		31.11%	14
Yes	Responses	68.89%	31
TOTAL			45

Q2



Are you a new or existing client of Artbank?

Answered: 12 Skipped: 33



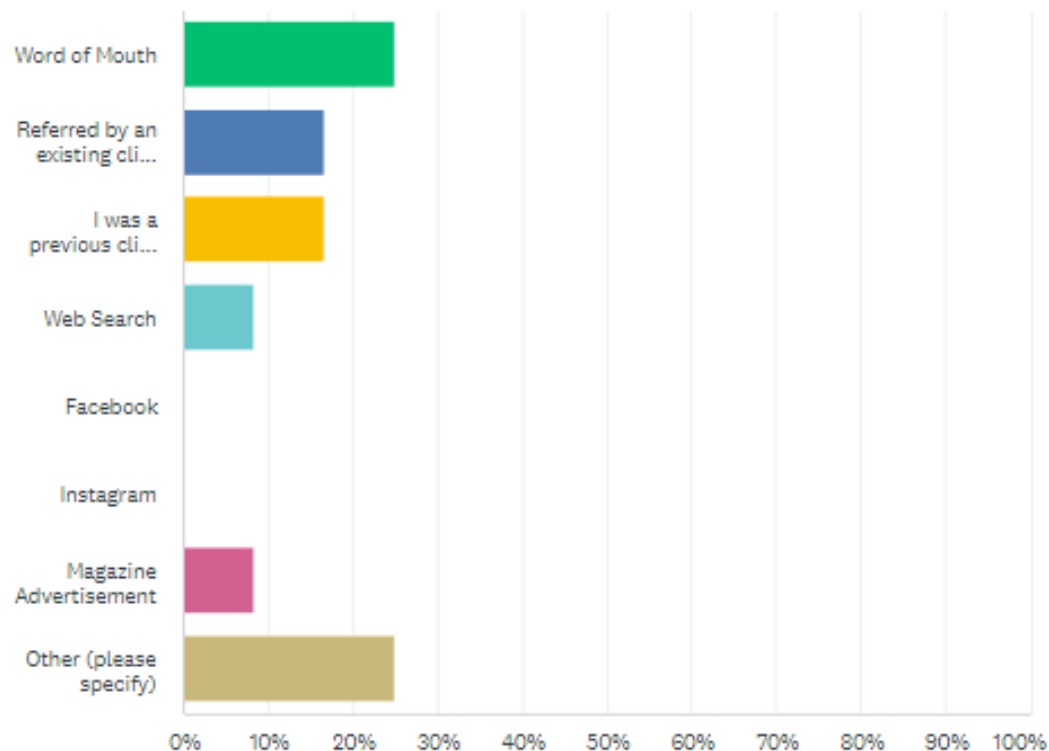
ANSWER CHOICES		RESPONSES	
New Client - I have signed a new Artbank agreement within the last 12 months		33.33%	4
Existing Client - I have renewed my agreement or recently changed my art selection with Artbank		66.67%	8
TOTAL			12

Q3



How did you hear about Artbank?

Answered: 12 Skipped: 33



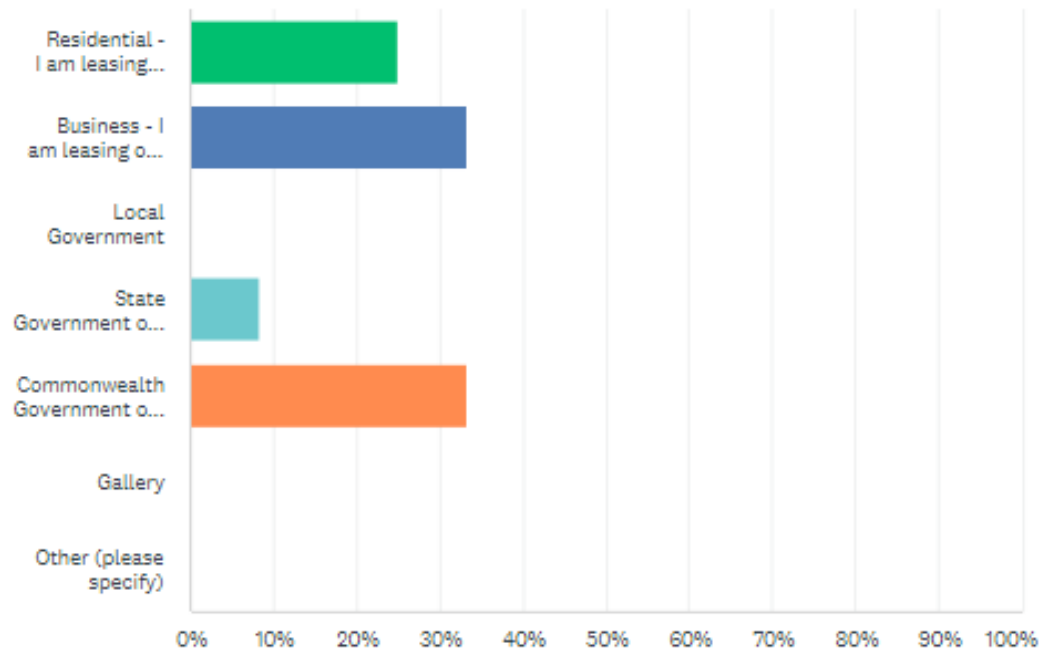
ANSWER CHOICES	RESPONSES	
Word of Mouth	25.00%	3
Referred by an existing client of Artbank	16.67%	2
I was a previous client of Artbank	16.67%	2
Web Search	8.33%	1
Facebook	0.00%	0
Instagram	0.00%	0
Magazine Advertisement	8.33%	1
Other (please specify)	Responses 25.00%	3
Total Respondents: 12		

Q4



Are you a residential client or leasing on behalf of an organisation?

Answered: 12 Skipped: 33



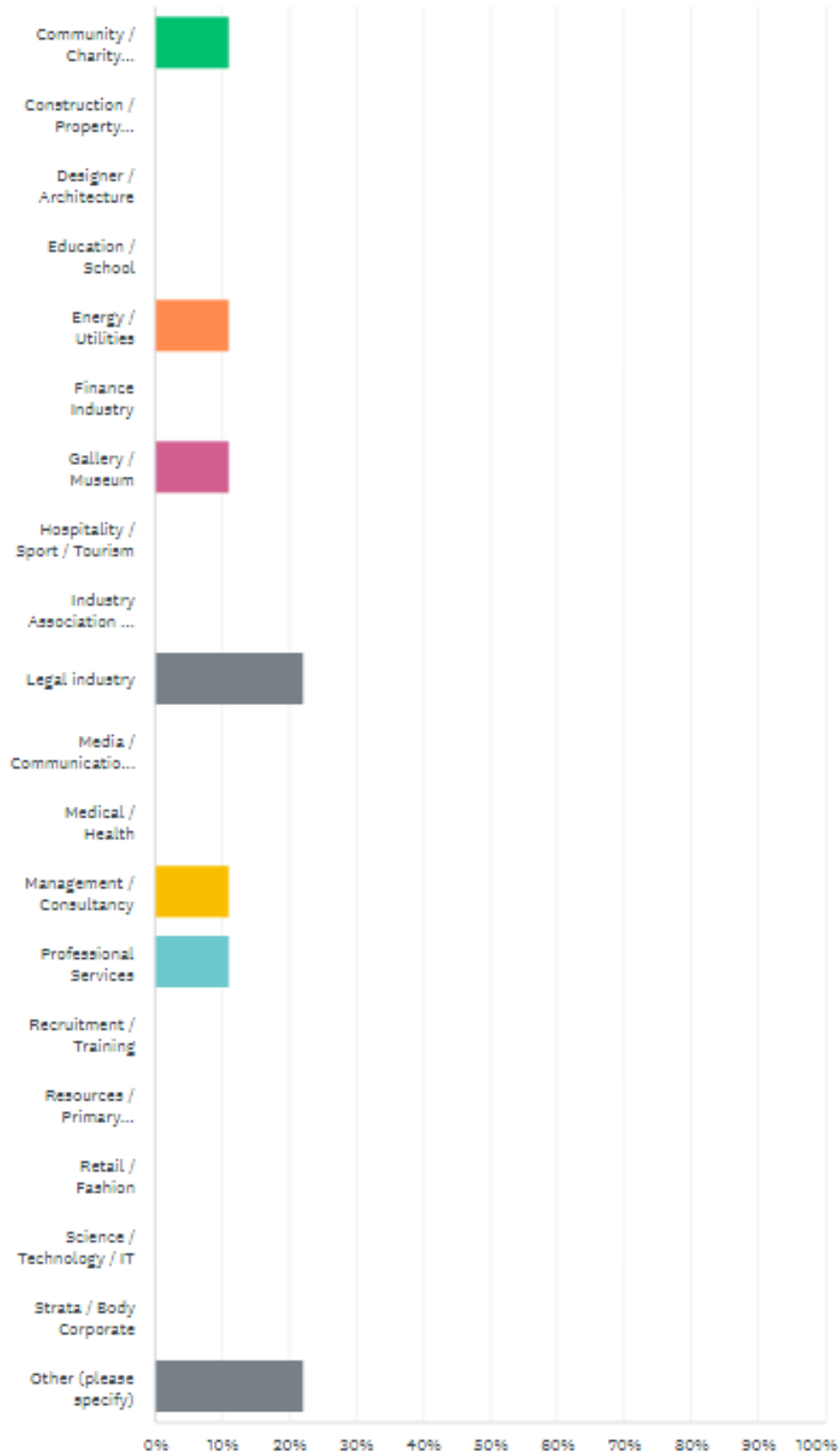
ANSWER CHOICES		RESPONSES	
Residential - I am leasing art for my home		25.00%	3
Business - I am leasing on behalf of a privately owned business		33.33%	4
Local Government		0.00%	0
State Government or Agency		8.33%	1
Commonwealth Government or Agency		33.33%	4
Gallery		0.00%	0
Other (please specify)	Responses	0.00%	0
TOTAL			12

Q5



What best describes the type of business you represent?

Answered: 9 Skipped: 36



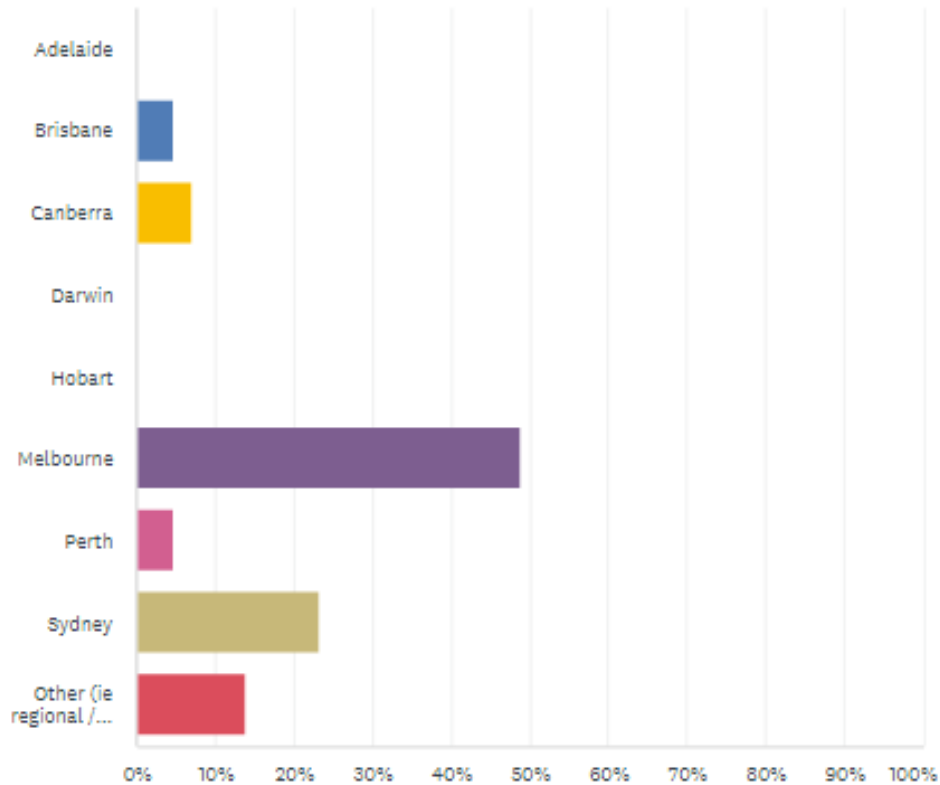
ANSWER CHOICES	RESPONSES	
Community / Charity Organisation	11.11%	1
Construction / Property Development / Real Estate	0.00%	0
Designer / Architecture	0.00%	0
Education / School	0.00%	0
Energy / Utilities	11.11%	1
Finance Industry	0.00%	0
Gallery / Museum	11.11%	1
Hospitality / Sport / Tourism	0.00%	0
Industry Association / Lobbying organisation	0.00%	0
Legal industry	22.22%	2
Media / Communications / Entertainment	0.00%	0
Medical / Health	0.00%	0
Management / Consultancy	11.11%	1
Professional Services	11.11%	1
Recruitment / Training	0.00%	0
Resources / Primary Industry / Agriculture	0.00%	0
Retail / Fashion	0.00%	0
Science / Technology / IT	0.00%	0
Strata / Body Corporate	0.00%	0
Other (please specify)	Responses 22.22%	2
TOTAL		9

Q6



Where is your leased artwork located? If you have multiple Artbank Agreements, you can select several answers.

Answered: 43 Skipped: 2



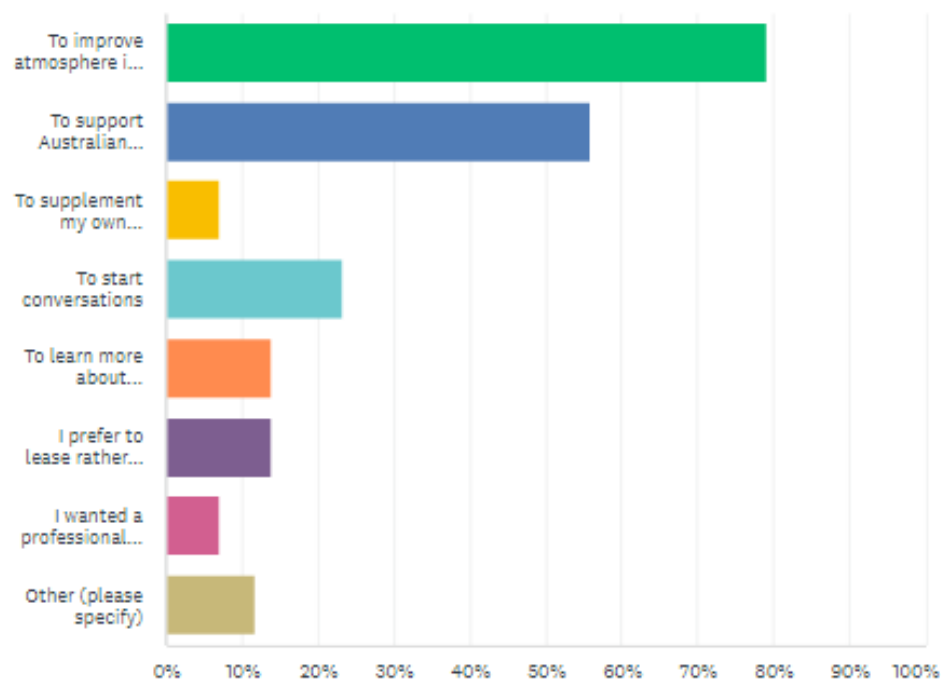
ANSWER CHOICES		RESPONSES	
Adelaide		0.00%	0
Brisbane		4.65%	2
Canberra		6.98%	3
Darwin		0.00%	0
Hobart		0.00%	0
Melbourne		48.84%	21
Perth		4.65%	2
Sydney		23.26%	10
Other (ie regional / overseas)	Responses	13.95%	6
Total Respondents: 43			

Q7



Why did you choose to lease artworks from us?

Answered: 43 Skipped: 2



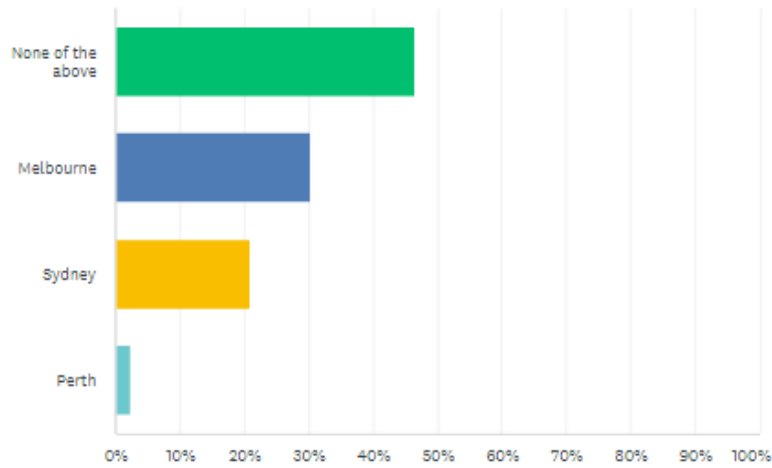
ANSWER CHOICES	RESPONSES	
To improve atmosphere in the home or office	79.07%	34
To support Australian artists	55.81%	24
To supplement my own collection	6.98%	3
To start conversations	23.26%	10
To learn more about Australian art	13.95%	6
I prefer to lease rather than buy	13.95%	6
I wanted a professional art consulting service	6.98%	3
Other (please specify)	Responses 11.63%	5
Total Respondents: 43		

Q8



Have you visited any of the Artbank collection stores?

Answered: 43 Skipped: 2



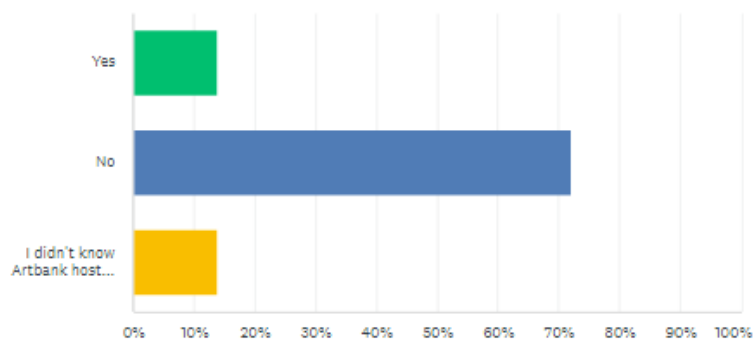
ANSWER CHOICES	RESPONSES	
None of the above	46.51%	20
Melbourne	30.23%	13
Sydney	20.93%	9
Perth	2.33%	1
Total Respondents: 43		

Q9



Have you attended an in-person event or program hosted by Artbank in the last 12 months?

Answered: 43 Skipped: 2



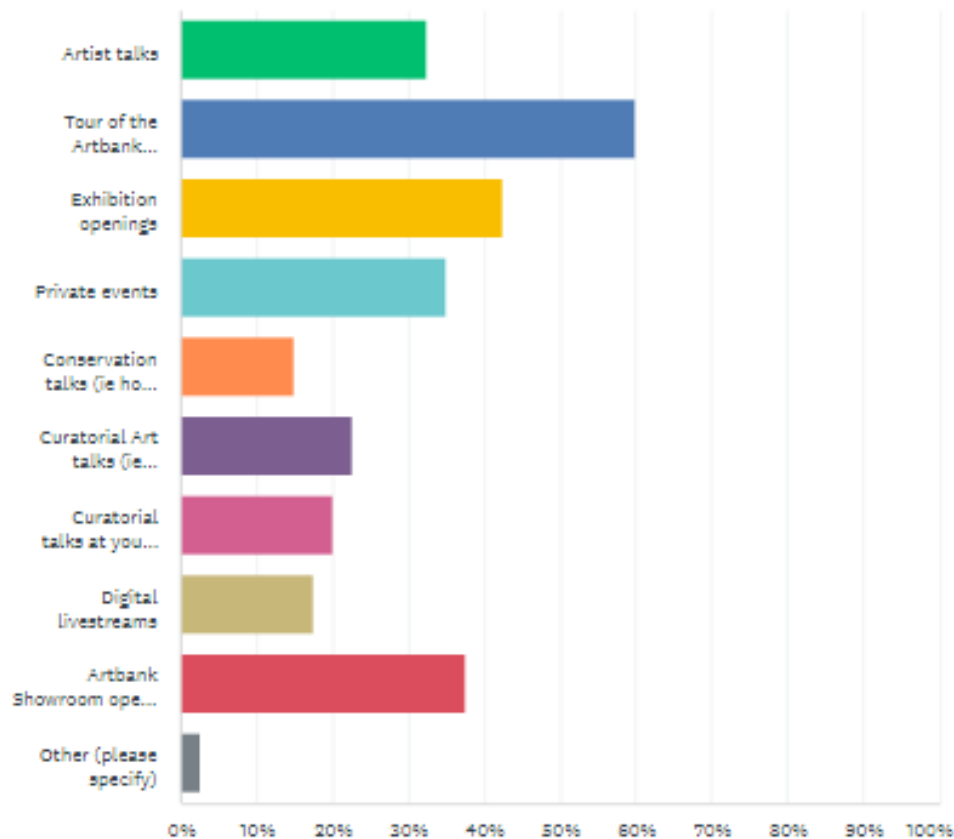
ANSWER CHOICES	RESPONSES	
Yes	13.95%	6
No	72.09%	31
I didn't know Artbank hosted events or programs	13.95%	6
TOTAL		43

Q10



What type of future program or event would you like to attend?

Answered: 40 Skipped: 5



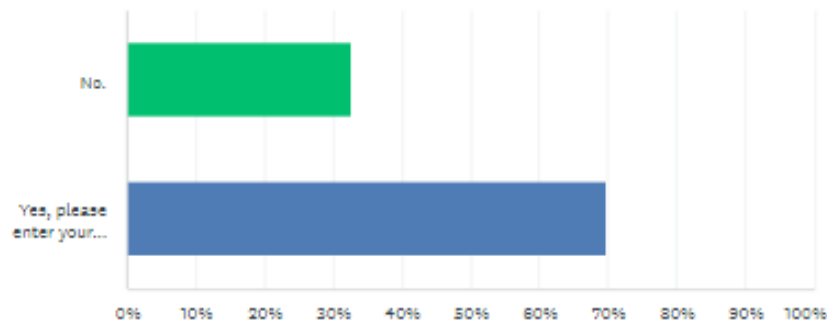
ANSWER CHOICES	RESPONSES	
Artist talks	32.50%	13
Tour of the Artbank collection	60.00%	24
Exhibition openings	42.50%	17
Private events	35.00%	14
Conservation talks (ie how to care for your collection)	15.00%	6
Curatorial Art talks (ie general information about collecting Australian contemporary art)	22.50%	9
Curatorial talks at your premises (ie learning more about the artworks you lease)	20.00%	8
Digital livestreams	17.50%	7
Artbank Showroom open day or night	37.50%	15
Other (please specify)	Responses 2.50%	1
Total Respondents: 40		

Q11



Would you like to receive information about Artbank events or programs?

Answered: 43 Skipped: 2



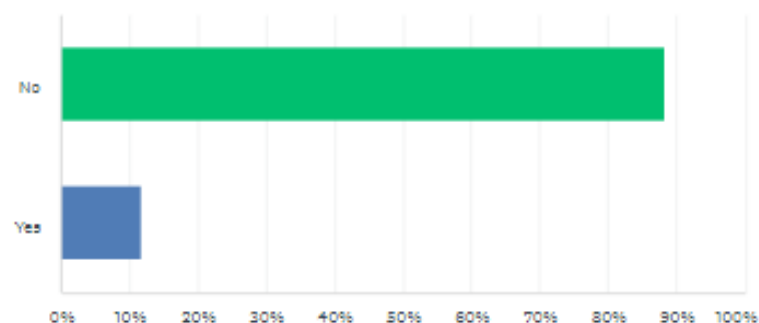
ANSWER CHOICES		RESPONSES	
No.		32.56%	14
Yes, please enter your email address below.	Responses	69.77%	30
Total Respondents: 43			

Q12



If you currently have artwork information labels at your premises - do you have any feedback or suggestions?

Answered: 43 Skipped: 2



ANSWER CHOICES		RESPONSES	
No		88.37%	38
Yes	Responses	11.63%	5
TOTAL			43

Q13



How would you rate Artbank's service overall?

Answered: 43 Skipped: 2

4.5★
average rating



	POOR	LESS THAN GOOD	GOOD	GREAT	EXCELLENT	TOTAL	WEIGHTED AVERAGE
☆	2.33% 1	2.33% 1	2.33% 1	30.23% 13	62.79% 27	43	4.49

Q14



How would you rate your experience with our website?

Answered: 42 Skipped: 3

3.9★
average rating



	POOR	LESS THAN GOOD	GOOD	GREAT	EXCELLENT	TOTAL	WEIGHTED AVERAGE
☆	4.76% 2	4.76% 2	14.29% 6	45.24% 19	30.95% 13	42	3.93

Q15



How likely are you to recommend Artbank to friends or colleagues?

Answered: 43 Skipped: 2

4.3★
average rating



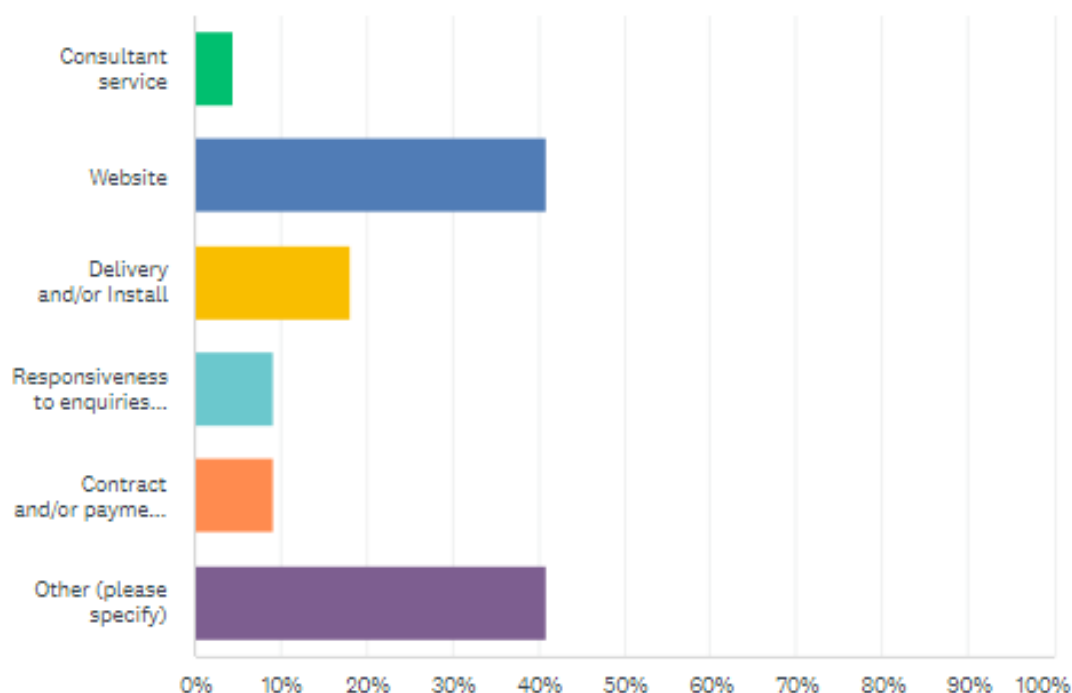
	I WOULDN'T RECOMMEND ARTBANK	NOT- LIKELY	LIKELY	VERY- LIKELY	DEFINITELY	TOTAL	WEIGHTED AVERAGE
☆	2.33% 1	2.33% 1	9.30% 4	39.53% 17	46.51% 20	43	4.26

Q16



Are there any areas that could be improved?

Answered: 22 Skipped: 23



ANSWER CHOICES	RESPONSES	
Consultant service	4.55%	1
Website	40.91%	9
Delivery and/or Install	18.18%	4
Responsiveness to enquiries or issues	9.09%	2
Contract and/or payment service	9.09%	2
Other (please specify)	Responses 40.91%	9
Total Respondents: 22		

Q17



Is there anything you would like to add? Including feedback on your experience or suggestions for improvement.

Answered: 11 Skipped: 34

overseas shipping processes/efficiencies could be improved

08/03/2023 10:53 pm

Susie and the team at Melbourne Artbank are exceptional! Much of the joy of having the art in our office has been related to our experience of selecting and curating the works with Susie, and the delivery and hanging team.

08/03/2023 11:58 am

Website thumbnails are a tad small and artist and art information is patchy

08/03/2023 08:49 am

Thanks

08/03/2023 07:04 am

A lot of the works display as available on the website when they are not. It would be good to have the status of the artwork on the website as current as you can possibly have it.

07/03/2023 04:19 pm

Our experience with artbank was consistently excellent. Our only feedback is about the website. It was glitchy at times and the images were really high resolution (not usually a criticism) which made them difficult to share.

27/02/2023 11:53 am

no further comment

23/02/2023 03:50 pm

I enjoy that the artwork can be changed up and that we are supporting local artists

23/02/2023 03:07 pm

Great experience, very professional service all round, including installation

23/02/2023 03:04 pm

no issues - very positive.

23/02/2023 01:49 pm

the website is okay if you know what you're looking for; a little unresponsive to queries via the website - I had to speak directly with a consultant who was already assisting the floor I rent space from with art

23/02/2023 01:18 pm

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IQ23-000144

Division/Agency: DIV - Office for the Arts

Hansard Reference: Spoken, Page No. 41 (21 September 2023)

Topic: Department's View of Ethical Behaviour

Peta Murphy MP asked:

Ms MURPHY: What is the department's view on what ethical behaviour is? Does it have to have malintent, in the department's view, for it to be unethical behaviour?

Mr Smith: I would need to take that on notice. I'm here from the Office for the Arts. I would need to converse with the area that's responsible for the broader integrity framework of the department.

...

Ms MURPHY: Maybe you'd like to take on notice, then, my question of what the department's view of what is ethical is and what the Office for the Arts's view of what is ethical is.

Mr Smith: It will, frankly, be the same, because Office for the Arts is part of the department.

Ms MURPHY: That's fine. You can give the same answer on notice.

Answer:

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has a focus on developing a pro-integrity culture, of which maintaining the highest standard of ethical behaviour is integral. The Australian Public Service Commission's definition of integrity has been adopted by the department, that is 'The pursuit of high standards of professionalism, which in turn means doing the right thing at the right time to deliver the best outcomes for Australia sought by the government of the day.' Consistent with this definition, the department has developed an integrity strategy and framework that drives ethical behaviour. As a result, the department is focusing on enhancing its pro-integrity culture by uplifting staff capability, highlighting systems to support decision making, monitoring and compliance functions, and proactive risk mitigation.