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SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE
ARTS

Reference: Australia's Indigenous visual arts and craft sector

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**SENATE STANDING COMMITTEE ON
ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS**

Tuesday, 10 April 2007

Members: Senator Eggleston (*Chair*), Senator Bartlett (*Deputy Chair*), Senators Kemp, Lundy, Ian Macdonald, Ronaldson, Webber and Wortley

Substitute members: Senator Crossin for Senator Lundy

Participating members: Senators Adams, Allison, Bernardi, Boswell, Bob Brown, George Campbell, Carr, Chapman, Conroy, Crossin, Chris Evans, Faulkner, Ferguson, Fielding, Fierravanti-Wells, Forshaw, Hefferman, Hogg, Humphries, Joyce, Lightfoot, Ludwig, Marshall, McGauran, McLucas, Milne, Moore, Nash, Nettle, O'Brien, Payne, Robert Ray, Siewert, Stott Despoja, Watson and Wong

Senators in attendance: Senators Crossin, Eggleston, Kemp, Ian Macdonald, Moore and Siewert

Terms of reference for the inquiry:

To inquire into and report on:

Australia's Indigenous visual arts and craft sector, with particular reference to:

- a. the current size and scale of Australia's Indigenous visual arts and craft sector;
- b. the economic, social and cultural benefits of the sector;
- c. the overall financial, cultural and artistic sustainability of the sector;
- d. the current and likely future priority infrastructure needs of the sector;
- e. opportunities for strategies and mechanisms that the sector could adopt to improve its practices, capacity and sustainability, including to deal with unscrupulous or unethical conduct;
- f. opportunities for existing government support programs for Indigenous visual arts and crafts to be more effectively targeted to improve the sector's capacity and future sustainability; and
- g. future opportunities for further growth of Australia's Indigenous visual arts and craft sector, including through further developing international markets.

WITNESSES

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Committee met at 12.18 pm

CHAIR (Senator Eggleston)—I declare open this public hearing of the Senate Standing Committee on the Environment, Communications, Information Technology and the Arts in relation to its inquiry into Australia's Indigenous visual arts and craft sector. Today the committee will conduct its sixth public hearing for this inquiry. The committee's proceedings today will follow the program as circulated.

These are public proceedings. The committee may also agree to a request to have evidence heard in camera or may determine that certain evidence should be heard in camera. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to the committee. If a witness objects to answering a question, the witness should state the ground upon which the objection is to be taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may, of course, also be made at any other time.

[12.20 pm]

WARDROP, Dr Martin, Vice President, Australian Indigenous Art Trade Association

Evidence was taken via teleconference—

CHAIR—With the formalities over, I welcome everyone here today and I welcome Dr Martin Wardrop, Vice President of Art Trade, who is appearing by teleconference. The committee has received your submission as submission 19. Do you wish to make any amendments or alterations to your submission?

Dr Wardrop—Just briefly, if I might. Our submission and a supplementary submission outlined the code of ethics which the Australian Indigenous Art Trade Association uses with its members and some of the issues associated with having our members conform to that and enforcement. But one of the points we made in our submission—

CHAIR—Would you like to make an opening statement?

Dr Wardrop—A qualification to our submission is the nub of what I would like to make.

CHAIR—Please make an opening statement for five minutes or so and then the senators will question you.

Dr Wardrop—All right then. I will also come to the point about the modification to our submission.

CHAIR—I am sorry, you were modifying your submission, were you? It was a bit hard to hear you.

Dr Wardrop—I am sorry, yes, the system can be difficult. In our submission we make a particular point in relation to licensing and accreditation. I would like to enlarge upon that and make a qualification about the submission we made. In other words, instead of supporting only a voluntary licensing system we would also say we would be willing to consider supporting a tighter regulatory scheme. I would like to talk briefly about that in my opening comments.

CHAIR—Go ahead then, Dr Wardrop.

Dr Wardrop—Overall Art Trade's view is that the market for Indigenous visual arts is operating fairly well. There are definitely some problems, but the system overall is bringing strong economic and cultural benefits to the artists and their communities. There are, though, problems in certain areas, and we believe both the industry and the government have a role to improve those. Some of the things which we touched on in our submission included education for both buyers—the demand pull end, you might say—and the artists, as the makers of the work. We see a need for more consistent documentation of artworks, including better in some cases, and also, perhaps most importantly, improved ethical standards by some dealers or operators active in the Indigenous visual arts market.

We think that some of these actions can be taken voluntary by galleries, dealers and art centres, but the improvement of the ethical standards in our view requires some involvement by government. We certainly support the preparation of a commercial code of conduct for the industry and we are working with NAVA as a member of its reference group in preparing that commercial code of conduct. The question then becomes: how enforceable is a code of conduct? While we believe that most galleries and dealers would implement the code fairly willingly, there will be some who will just not do so in practice.

In our submission we said that we primarily supported a voluntary system of registration for anybody who is active in the Indigenous visual arts market. Having had further discussion with members of our board, we can certainly see in the submissions and discussion which your committee has already had that a sound case can be made for at least a little more government intervention in relation to the operation of the market.

So, while we are not unequivocally supporting a more regulatory approach, we are saying that, as a group of people active in Indigenous art trade, we would be willing to support the licensing of dealers in Indigenous art whose turnover exceeds, say, \$50,000 a year, with a requirement that anybody active in that way would be required to register and sign a commitment to a minimum set of ethical standards and practices derived from the commercial code of conduct being developed by NAVA. As I say, this is a shift in our position, saying that we think there may be a degree of enforcement needed in the form of both registration and licensing. We are still unsure about accreditation—that is, formal auditing on a regular basis of the performance against those commitments—but that certainly could be looked at as well. So the shift in our position is to have a willingness to support a greater degree of enforcing the code of practice, and there are models available in quite a few industries for doing that.

Apart from those questions on the code of practice and enforcement, we very much would support development of some voluntary standards for documenting the works—improving to a more consistent way the way in which details of paintings and artworks are recorded and then made available to buyers—although we do not really see a need for government to mandate any particular system, particularly not one of the more highly technology based systems such as microdots or DNA. That is really a question for the marketplace, in our view, given that there are several suppliers out there starting to compete to offer such services.

Just to round off, I would say that we very much support the operation and work of the arts centres. They are much more than places where artists produce artworks. They are very much cultural centres as well. They deserve continuing solid support to maintain their viability, and in our view that requires a significant increase in their operating grants from government, for both capital and operational purposes. I think at that point I should close my comments.

CHAIR—Thank you very much, Dr Wardrop. You have raised some very interesting issues. Your association has been involved with the reference group for the development of NAVA's proposed code of conduct for the industry. You seem to have shifted from the idea of a voluntary code to something that perhaps needs to have a little bit of enforcement, as you put it. You mentioned that there were models in other industries for industry codes. Can you give us a few examples of other industries where this applies? There is also in my mind a general question about whether regulation should apply to this market at all. Why should it not be a freer market, philosophically speaking?

Dr Wardrop—Within Art Trade we have conducted the discussions first at the philosophic level, and our view is that, overall, we would like to see the market operating freely, without regulation. There are plenty of activities in the market where that is possible. The argument for intervention is one which has been well aired to the committee—that is, there is an information failure, you might say, in a policy sense, in that the buyers are not fully informed about the practices in the market. There is certainly an information failure in that the producers of the artworks, the artists, often are not informed either of the details of the way the market operates or of their rights, and that is probably the main thing. In many cases—not all—this results in an imbalance in the power in the marketplace between the sellers and the buyers. We hesitated over whether intervention was needed, because it matters on the degree of the imbalance. Overall, we think it operates pretty well, especially when you have the arts centres operating as intermediaries or ethical dealers—and there are plenty of those as well. So they can operate as intermediaries for balancing it.

But there have been consistent reports of problems. We believe that they exist. Like the committee, we have had difficulty putting our fingers on specific examples for discussion in public. In enforcing its own code of conduct, Art Trade had investigated a number of issues but we have never taken any formal action in the sense of, say, sacking a member. There are provisions in our constitution for doing that. We have investigated some issues that have been brought to our attention and have done our best to sort them out. Philosophically, we believe that there is a case for modest intervention.

It seems to me that there are three levels at which you could intervene. You could intervene by having a voluntary code and then asking anybody operating in the market to register their commitment to that code. You could then go one step further and require licensing of anybody, which would mean both a commitment to standards in the code and some sort of monitoring or enforcement measure. A further step could be to have an accreditation process, in which you would have an independent body that audits those commitments. We tend to position ourselves at the middle to lower level. We do not believe that the problem is so great that accreditation is warranted. We are unsure as to whether both a formal voluntary code and licensing are necessary. But we have seen the problems in our own organisation with enforcing a voluntary system. Therefore, we are willing support a light-handed approach to both registration and licensing.

As an example to point to that is close to what I have outlined, in South Australia I understand that tourism operators can both register and be accredited, but we are talking about a registration process here in which—and this is my understanding of the process—you simply put your name down as a registered operator. You then have an opportunity to be licensed according to your commitment to a manual, which you work through, about procedures. So if we were to try and extrapolate that across Indigenous visual arts, the voluntary code which is being produced could in a sense become the manual of good practice. If you then had not so much a formal audit body but a body to which complaints could be directed and which could test the standing of a registered dealer, you would test them on their performance against the detail in the voluntary code. All participants in the industry could volunteer to commit to the code. You could try to bring as much market pressure to bear as possible to require dealers with a turnover above \$50,000 to be both registered and

licensed. If you went to the next step, you could require them to be so via legislation. I realise that there are various issues associated with legislation, whether it is Commonwealth or state legislation.

CHAIR—The last bit is the last thing that I would like to ask you about. Who in your view should administer this, a federal body or a state or territory body?

Dr Wardrop—That is a very tricky question. I understand that constitutionally consumer affairs and practices involving consumers and trade are state or territory matters. It seems to me that either you could have the Commonwealth establish a model which it then asks the states and territories to produce matching legislation for or alternatively it could ask the states and territories to refer their powers or responsibilities to the Commonwealth to carry out. That would give a consistent process of licensing and, if decided on, accreditation.

It appears to me that there are difficulties with either path. When you look at where the bulk of the art that is currently produced—which would be in Western Australia, the Northern Territory, South Australia and to a lesser extent, Queensland, although there are many active Indigenous artists also in New South Wales and Victoria—you will see the larger number of galleries, particularly the ones at the higher end, tend to be in the eastern or southern states. I hope I am not offending people in the Territory. You have different characteristics of the market in the different states and territories and therefore different issues. Do we have a preference? I am not aware of it. It would, I think, depend on the level of commitment that you could gain. I suspect that it may be easier to start by having discussions between the Commonwealth and the states and territories to try to agree upon an overall model and then encourage particular states and territories to kick off the operation. Initially, that would obviously be the Northern Territory, Western Australia and Queensland.

Senator CROSSIN—Can you give me a bit of a background about what exactly Art Trade do? Whom do they represent and what sort of business do you have?

Dr Wardrop—It was formed in 1998 by quite a wide range of people interested mainly in Aboriginal art; therefore, Indigenous visual arts. In 1998 there was quite a cross-section of dealers, buyers, art centres and sellers who all came together at a meeting. I was not present at the meeting, so I only know that by second-hand account. The organisation formed in 1998. Currently, it has 27 members, with about three being considered. They are primarily dealers. We do not have any art centres, although we have good cooperative friendly relations with Desart and ANKAAA. As vice-president of Art Trade I have been working to try to encourage some of the art centres to join us, but the art centres naturally see their representative bodies as Desart and ANKAAA. Nevertheless, there is a common interest between us. Our members are galleries. There are a few private individuals who deal in Aboriginal art and a couple of other organisations but, essentially, it is galleries and dealers.

Senator CROSSIN—What is your role in representing those people?

Dr Wardrop—Our role is to carry out functions such as I do now: to present the views of a group of people active in the marketplace particularly to governments. We also have an annual meeting at which we discuss issues in the Indigenous visual arts market. Otherwise, we have not been particularly active in other respects. You could say that, primarily, we are a representative and lobby group.

Senator CROSSIN—How do we know who your 27 members are; is that on your website?

Dr Wardrop—Yes, it is. I will mention my own role. I became involved four years ago. I have an entirely online business, so I am an unusual person in that regard. I work primarily with community art centres—you could say acting as their marketing agent on the internet—but I offer works for sale on behalf of, as I said, mainly arts centres. I am therefore fairly familiar with the issues in the online world. I joined Art Trade because I was concerned about some of the practices which I saw emerging in the online world and out of a desire, on my own part, to contribute to improving the ethical standards of the market.

Senator CROSSIN—One of the issues that we are confronted with is whether people, such as the people you represent, are licensed, whether there should be a mandatory national licensing scheme accompanied by a code of conduct that is either voluntary or mandatory. What is the response to a licensing scheme for dealers?

Dr Wardrop—Originally our view was that we would have preferred a voluntary scheme, because we were not sure that the extent of the problem was so great that it involved a mandatory scheme. Having had a further discussion with our board, read the evidence and contributions to the work of the committee, and gauged the apparent level of concern over these practices, we think that it would give greater confidence to all the people working in this area to have an improved system of accountability. That is where we see a code of ethics, voluntary for anybody taking part in whatever scale of operation. We would now be willing to support a

compulsory licensing scheme for anybody with a significant turnover, say in the order of \$50,000 a year, in buying and selling Indigenous art. We believe that, for operators of a more significant scale, it is important that they be required to show that they are keeping their commitments to that voluntary code. So we still think there is room for smaller operators to be voluntarily registered but also that a licensing scheme has some value in building confidence in the marketplace.

Senator CROSSIN—Can you tell me a bit about your experience with the online trade? We have heard and seen evidence, particularly in Central Australia, where Indigenous people paint out of a need to survive and that drives the price they get for their painting, essentially. What are some of the answers then to stop that sort of prolific sale of those works through the internet? Would some sort of identification or national registration tag of works be of benefit? For example, how do I know when I click on an online site that I am (a) buying something that is genuine and (b) not buying something that is inflated in price?

Dr Wardrop—You will not know the latter unless you contact the seller and satisfy yourself, as much as you can, by talking to them. It is a very tricky area. I encounter this quite a bit because, as I said, I have an online business. I have no connection with the great bazaar out there in the form of eBay. I think, to be honest, that is the primary problem—although, as in any area of commerce, there are varying degrees of credibility for other operators with websites and so on. All I can say is that, for instance, if you wanted to satisfy yourself or otherwise about my business then you would look at the website and you would see the level of care and effort taken there, how long I have been in business, the sort of support I provide by way of information about the works I sell, and what commitments I make about where they have come from. I regularly have people asking me what proportion of the sale price goes to the artist, and I am quite happy to explain that. I do have a certain wry feeling—not many other industries are asked that question; but I understand why: it is because when people are buying an Indigenous painting or other artwork they feel a strong connection with it. They often feel as though they are buying a connection to the culture as well as buying an object of beauty and so they do feel some concern as to whether the maker of that is being fairly treated. And so the chain is very clear.

In the case of my business, as I said, overwhelmingly the works which I sell come with the direct involvement of the community art centre. I am acting as their agent. I have seen changes. For instance, the Papunya community had a community owned art gallery called Warumpi Arts. I used to work with them. There were some quite well-known artists who sold through Warumpi, and I used to list their works on my site to sell on commission—in other words, if I completed a sale, I took a commission for the process. Warumpi collapsed I think about two years ago, and those artists have not been able to find consistent representation for selling their work. You find them selling on eBay in various ways. I have seen wildly fluctuating prices for their work. Another effect has been that it has dragged down the prices for their work because it has diminished confidence.

In the end, it is about informing the buyers. That is why in our submission we really argue about the need for long-term, consistent informing of any buyers to do with Indigenous art and informing the artists also about their rights and interests—that this long-term activity to sell quickly, whatever your circumstances, will ultimately undermine your reputation and pull down your prices. It is desperately hard for someone who is short of money.

Senator CROSSIN—Your submission quite comprehensively and thoroughly suggests about six areas in which government and arts industry representatives could work together to improve an overall framework of operation not only for artists but also for dealers. I suspect there has been a fair bit of consultation and work has been put into these six areas. Do you think this is an area where perhaps the Australia Council or DCITA are lacking in driving the agenda?

Dr Wardrop—No, I would not be critical of them. I have had plenty of discussions with DCITA, the Australia Council, NAVA and others, both in the interests of Art Trade itself and because they reached out to us to talk to us, so it has been a two-way traffic. It is a difficult area. These issues have been around for some years and both of those bodies have been working away. DCITA have been increasing the funding for arts centres. I still do not think it is enough. They produced a directory of Indigenous visual arts, which is a useful document but obviously it needs to be kept up to date. If I have any criticism—it is not so much a criticism but an observation—it is that this is a difficult area which requires long-term work on all of these issues. There is no one single problem that can be fixed quickly. Licensing, for instance, will not fix any one problem. You have to work from the chain connecting the buyer right back to the artist and all of the people who are working in between because they all have different roles to play. So, no, I would not be critical of those organisations, but there is more that they can do.

Senator CROSSIN—Dr Wardrop, do you see somebody in particular driving some of these ideas or are you saying DCITA are actually doing it but they are not driving it or they are doing the best they can? Who do you see is taking control and having some plan of action to implement these sorts of things?

Dr Wardrop—I think it will be a combination of DCITA, the Australia Council, NAVA and certainly the various state and territory bodies that are related to the interests of buyers or consumers. That will be the rationale for providing more information. It might come through the arts area. But you also need work coming through the area: ‘Is it fair advice that buyers are receiving?’—just seeing it as a commercial issue. I think that a spectrum of things are needed.

Senator IAN MACDONALD—Dr Wardrop, I share what I detect from your submission to be your dilemma over licensing and more red tape and bureaucracy. Can you clarify for me what you see as the problem that we are trying to solve?

Dr Wardrop—I think that the problem that we are trying to solve is ultimately the imbalance of power between the artists and the buyers. I know that is too general because you cannot manipulate that. Therefore, you have to look at the influences which step in at various points in that relationship. At various points there are different buyers involved. I personally think the most crucial relationship is between the artist and the first sale. Subsequent sales, while they are important to the buyers, are less crucial.

Senator IAN MACDONALD—I will not take that any further but I think that is it—we have to make sure that the artists are not being ripped off. As for the buyers, it seems to me a case of ‘let the buyer beware’. In my view, if they are stupid enough to buy online and get ripped off, that is their problem. Licensing and accreditation, in the way that you explained it might work, would mean horrific bureaucracies and rules. Do you have any thought of what the criteria might be to become a ‘licensed dealer’? Could anyone apply, would you have to sit for a test or should we legislate for honesty, which in the last 2,000 years has always been pretty difficult?

Dr Wardrop—I think NAVA is working on a code of practice. It is extremely detailed and comprehensive. In its current form it would be too detailed to be used in practice, and NAVA and the consultant preparing it are fully aware of that. I believe that you could pare it back to its essence in about half-a-dozen areas—for instance, sourcing of the artwork, relationship with the artists, documenting of the first sale, documenting of the work itself and respecting Indigenous culture and community; in other words, the way in which you go and interact with the community in obtaining the work.

So I think you could pare it back to a minimum set of desirable practices and that your registration would be on the basis that ‘I, Indigenous Arts Corp., wish to be registered as a buyer and seller in this area.’ The licensing question, which is where you test whether you are keeping your commitments, is where you get into the detail. That can vary from the simplest, which is where you would have a complaints process. In other words, there would be no other intervention or checking on it than, if somebody bought a work and then suspected that, for instance, the seller had bought the work for \$100 in the back of a taxi and then sold it for \$2,000 the following day, they would say, ‘I want to complain about this person on the basis that they have breached their commitment to pay the artist in a fair way.’ So you would have an investigative capacity.

Senator IAN MACDONALD—Do you think, if someone was not licensed and then went out and bought a piece of Indigenous art, that they should be taken before the courts and fined or thrown into jail?

Dr Wardrop—No, absolutely not. That is why we put a lot of emphasis on informing the buyers. In general, I agree with ‘buyer beware’, but I do think that a large proportion of the people who are buying Aboriginal art, as I said before, are buying more than just a beautiful object. They see themselves as doing lots of other things as well and would be genuinely concerned if they thought they were contributing to that taxi driver dealing stuff, as it is often characterised.

Senator IAN MACDONALD—I am sorry to again cut you a little short, but we are running out of time. I appreciate that this would be a real off-the-shoulder guesstimate, but would you hazard a guess at what percentage of all Indigenous paintings—and I will use paintings—sold from Australia in a year are the work of an ethical agent or wholesaler or buyer?

Dr Wardrop—I could not start to hazard that guess. As I said, the bulk of my interactions are with art centres and I regard all of them as ethical, without any question. I am simply not active enough in the buying and reselling market.

Senator IAN MACDONALD—If you were chatting at a barbecue tonight, would you say that half of the paintings sold, or a quarter, or a third, or 10 per cent would be through an ethical or legal means? I know you have said you cannot do this, but I am trying to get your barbecue conversation piece.

Dr Wardrop—At the barbecue chat, with perhaps a couple of beers under my belt, I might hazard 10 per cent.

Senator IAN MACDONALD—Ten per cent, yes.

Dr Wardrop—I certainly do not think it is as high as half. My opening comment was that we think that overall the market is operating fairly well, and by that I meant in a fair way.

Senator IAN MACDONALD—I am finished now. I appreciate your group obviously having read the submissions, gleaned information from them and modifying your position. I indicate that we are just taking evidence; the committee is a long way from coming to any conclusion on this. We very much appreciate the way in which you quite clearly had a very serious look at what is happening and made your submissions accordingly. Thank you very much.

Dr Wardrop—Thank you. We have taken your inquiry very seriously. We think the way these issues are being aired and worked through in a systematic and considered way is very valuable. We were a bit alarmed by some of the initial media reports that set off or helped to spark the inquiry, but overall we think that the system is of huge benefit and is a source of pride to the Aboriginal artists and communities.

Senator MOORE—I am another Queensland senator. The organisation that you are involved with and the Australian Commercial Galleries Association seem to be two professional bodies that have been identified in the industry. Do you have any idea as to what percentage of dealers are members of those groups—of either or both? We have had evidence from a number of dealers and we asked them about this. Some said they are members of a group and others have clearly said they are not. From your perspective in the industry, as these are voluntary organisations, how many people take up the option of becoming a member?

Dr Wardrop—Numerically, you would have to say it is a minority.

Senator MOORE—You have told us on your website that there are 20-odd in the art trade and a few more in the Australian National Gallery's group, but there are many more people who self-identify as dealers, aren't there?

Dr Wardrop—Yes. If you look in the Yellow Pages under Aboriginal art galleries, you will be able to identify hundreds. You can find a lot of online sites as well. There are clearly hundreds. That is why I said that numerically it is a minority. I would also stress that quite a number of members of the Australian Commercial Galleries Association sell no Indigenous art, so numerically perhaps they represent a smaller number, although we acknowledge that there are some very significant members in terms of their size and reputation. A lot of the more significant Aboriginal art galleries—specialists in Indigenous art—are members of one or the other. Even then, you could identify some significant galleries or dealers who are outside of either organisation. Of course, we will try to get them to join us.

Senator MOORE—Does it cost much?

Dr Wardrop—For our organisation, there is an entry fee of, I think, \$250 and an annual fee of \$275. You are required to commit to the code of ethics and the code of practice.

Senator MOORE—That would be tax deductible?

Dr Wardrop—Yes—that would be a normal cost of business.

Senator MOORE—I just want to get some sense of this. You have seen the large number of submissions we received. From a Queensland perspective, there seem to be regional differences in terms of concerns in the industry. From your perspective as a Queensland and as someone who deals in a particular form of the industry, in the online process, do you sense that issues that have been identified in Central Australia—and certainly a lot of the concerns about trading were identified in the Central Australia area—represent regional differences or do you think there are common streams across the country?

Dr Wardrop—Some of the issues are common, but there are clearly some practical differences. If you are in Alice Springs or Darwin, you get a large number of artists coming in from remote areas, to see family or for whatever reason, who find themselves short of money and enter the twilight world of cheap selling. There are large numbers of those. That is why, for instance, eBay has large numbers of things from mainly Central

Australia or the north-west and less from Queensland. In Queensland, the impression I have is that the issues relate more to manufactured objects, such as didgeridoos.

I used to keep some didgeridoos on my website, but I became alarmed at the levels of fraud, which is the only way describe it, in the sense that people were buying works which they believed had been designed and painted by an Aboriginal person and they were not. So I now have nothing to do with didgeridoo selling. There is clearly plenty of authentic supply provided by ethical dealers, but there is also a lot at the other end. So the original variation, I would say, is that I hear less on the east coast about the problems of direct artist poverty—meaning that they sell works way below the market price—and that it is more other sorts of issues on the east coast. That is my personal impression.

Senator MOORE—I only have one other question, Dr Wardrop. It is to do with your impression of the future of the industry. We have had some evidence from people, particularly in the Northern Territory, who sense that the industry is riding for a fall—that it could be at its zenith at the moment and people are making decisions based on market values and international positionings that will not continue. I know it is a wide question, but I am asking people who work in the industry to give some idea about their personal view of the health of the industry economically.

Dr Wardrop—I believe that overall it is healthy at the moment. There are some issues inside the industry in the sense of the artists themselves. In quite a number of the more remote communities the artists who have helped to build the international and national reputation of Indigenous art are very old and frail. So there is this question of: will the next generation of artists come through as strongly? In some communities you can see it happening, it is wonderful to see and it is one of the most exciting things about being involved with Aboriginal art. So you can see that sense of cultural renewal and continuity happening, but will the marketplace enter into that with the same enthusiasm?

I do hear a lot of people asking questions about and really looking for, you might say, the first generation that has come into the marketplace of older artists. I find it hard it hard to speculate. Yes, there are people who have that concern. The reason in particular for our organisation making sure that the activity remains healthy, apart from general ethical reasons, is that there is a commercial interest in it for us. That is the reason for having the buyers informed, so that they do not just think: ‘Oh, it has to be an old Papunya to be bought and be an investment,’ but appreciate the variety and the continuity of cultural practice that is expressed through the paintings.

CHAIR—That has been very helpful evidence, Dr Wardrop. We will have to conclude there, but thank you very much for providing evidence to this committee. We are very grateful that you have done so.

Dr Wardrop—Thank you. I would again like to say how much our organisation appreciates the care and effort that the committee is going to in investigating these questions. We have been impressed by the scope of your inquiries. If I might add one last thing, it is to say that I am not sure how many artists you have had an opportunity to speak with directly, but it would be wonderful, if you have not spoken to too many yet, if you could find one or two more to speak to. The authentic voice of artists is not very much what you are hearing directly through the submissions, although I suspect, through your visits, you may have.

CHAIR—I think quite a few of us have been to the Kimberley, the Northern Territory and Northern Queensland and met artists, but that is quite a good point, Dr Wardrop. Thank you very much.

[1.04 pm]

TUCKER, Mr Brian Harley, Private capacity

CHAIR—Welcome. Thank you for coming along to give evidence to us today. The committee has received your submission as submission 12. Do you wish to make any amendments or alterations to your submission?

Mr Tucker—No, I do not.

CHAIR—Would you like to make an opening statement before we go to questions? We have a time constraint because we all have to go to a memorial service at 1.50, so we will go through to 1.40 with you.

Mr Tucker—I guess my submission, as I stated, was prompted by the hope that this committee's deliberations will result in a fairer and more productive deal for artists generally. What I was trying to do was point out the crucial nature that I see in the operation of the arts centres as a buffer between the buyers on the one hand and the artists on the other.

It is only in this particular industry where such bodies are actually needed. In the wider community artists generally have plenty of access to professional advisers, to lawyers, accountants and others who can make sure that they are getting a reasonable deal. The relationship between the buyer and the seller in the general art market is much more even than it is in this one. We are dealing with artists who, in the main, have limited or no capacity to understand the legal niceties and the financial hurdles that they might have to jump through—to say nothing of the fact that they probably speak little or no English anyway.

The other point I was trying to make was that the arts centres do not just provide protection from a financial point of view; they also provide a very important social role in the communities by providing a place where people can work, where people can congregate, where people can engage with their culture in a safe way. Probably even more importantly from a long-run point of view, they are also the only mechanism by which younger people in the communities are going to be encouraged to follow the culture of their parents and their grandparents. Without the arts centre providing that nurturing environment, many of the young children in communities currently see no future for themselves, apart from following their brothers and sisters and uncles and fathers into substance abuse and suchlike. The arts centre is an opportunity to progress themselves, even if it is only just within the environs of that particular community. That is the point I wanted to make: it is not just a financial issue, it is also a social and cultural issue.

CHAIR—You do put a lot of emphasis on arts centres in your submission. You talk about the need for training for managers. How are arts centre managers appointed at the moment? Is it by the community?

Mr Tucker—The arts centre will advertise for a replacement manager after its other one has left. It will call for applications from people who hopefully will have already worked in an arts centre—not necessarily as a manager, maybe as an assistant. It might be seeking people who have worked in art galleries in the major capital cities. It could be seeking people who have worked in communities in other areas.

They will generally find that there will not be a flood of applications. The applications that they will get will vary from people who do have the skills that they need but will probably want more money than they can afford, through to people who like the idea of working in an arts centre but may have never done so, and therefore they are totally unprepared for the conditions under which they are going to be working and living. But, as a general proposition, the people who they employ will not necessarily be skilled in all of the areas that they need to be skilled in, but they will have enough nous to be able to carry themselves into the job and then they will simply learn on the job as they go.

CHAIR—I gather the arts centres are funded from the local community.

Mr Tucker—No. In most cases, the proportion of income that comes from the local community is probably less than about one per cent of their total income. For 2005-06, I have been looking at 20 arts centres across the Northern Territory to establish where their income is coming from and where the money goes. For example, only about 10 per cent of their income in 2006 actually came from DCITA. Most of their operational moneys come from the sale of works and the commission they earn on the sale of works, projects that they undertake with artists and other grants that they might get, for example, from the Department of Foreign Affairs and Trade to do overseas exhibitions and things like that. A very small amount comes from the community itself and probably only about two or three per cent of the total income comes from the state arts funding bodies.

CHAIR—It is very largely generated from the sale of product.

Mr Tucker—Yes.

CHAIR—What is the case for the federal or state governments getting more involved in financially supported arts centres, and to what degree?

Mr Tucker—I think that the amount of federal government funding for the arts centres actually dropped in 2005 to 2006. As a proportion of their total income, it dropped from about 13 per cent down to just on 10 per cent. That was picked up by an increase in turnover, so the average level of increase in turnover between 2005 to 2006 increased by about 23 per cent and the average turnover for the last year was about \$670,000. So much more of their income is being generated in-house, as it were.

One of the issues that I have is that, if you look at the funding that comes from DCITA across, say, 20 arts centres, what you find is that one arts centre that has a turnover of just over \$1.5 million got exactly the same level of funding as an arts centre that turned over about \$370,000. One that turns over \$200,000 will get the same as one that turns over \$500,000. The average is about \$60,000 per arts centre across those 20 arts centres. What I think is probably needed is for most arts centres to get some more funding in their early years—the first three to five years—to help them get established, because that is the time in which they are not going to be generating very much in the way of commissions but, on the part of the artists, there is still an expectation that some cash is going to be finding its way into their pockets.

I was interested to hear the comment that was made by Senator Crossin a few moments ago that it is an economic issue and cultural issue as far as the artists are concerned and that it is the need for immediate cash that will drive them into town to paint for one of the carpetbaggers, as they call them. It is a need for immediate cash. It is hard to get over that particular issue, so an arts centre that is just starting up that has very limited cash flow is almost bankrolling the artists for the first three years. For an arts centre that has been going for 10 to 15 years and is generating a surplus of \$200,000, quite frankly, I would say: does that arts centre need any government funding? I do know arts centres that have actually not sought government funding simply because it gives them the opportunity to go off and do their own things—there are no grant applications to lodge, no acquittals to supply et cetera.

Senator IAN MACDONALD—There is one in western Alice Springs that does not get any government money and does not want it—but they have been going a long time and they have been very successful.

Mr Tucker—And I know of Warmun in the Kimberley.

CHAIR—I do not want to take up too much time but just to come back to your original point about training of managers, is it possible to make a case for the Commonwealth and state governments funding arts centres specifically to train managers and that could be the government component that goes into the arts centres, or a significant part of it?

Mr Tucker—There is a good case to be made for training, but the problem is the training probably needs to be undertaken before they actually get to the arts centre. Once they get to the arts centre they are probably going to be working 12 hours a day, six days a week, and the time to engage in even online training is going to be limited. It would be nice if some of the state tertiary institutions could establish some form of certificate of arts centre administration or something like that, so that people who had a mind that this was an industry that they wanted to get into—or even young Indigenous people who decided that they wanted to get into this industry—could find a course of training that would be geared specifically to the role that they will be undertaking and that would cover everything from financial issues and computers to photography and database management.

CHAIR—It is a very interesting idea.

Senator CROSSIN—It looks like you have had quite a bit to do with my part of the world, the Top End in the Northern Territory.

Mr Tucker—It is a lovely part of the world.

Senator CROSSIN—I want to get you to talk a little bit more about your emphasis on it being an economic focus here. I think you are right; in your opening statement you said that this inquiry will grind to a halt if we do not look at a better outcome for artists at the end of the day. So the economics of this, in terms of support for emerging artists and/or to try and break that cycle of painting for a dependency, is an issue. I suppose it is a fine line, because all artists paint to make money. But from my point of view, a lot of the Indigenous artists I come across are painting to get whatever amount of money they can rather than the value of the work they have created.

Mr Tucker—That is absolutely right. I think immediate needs dictate immediate demands. So for an artist who has no money left on their EFTPOS card, \$20 is enough. If they need \$20, whether it is to put diesel in their vehicle or whatever, that is all they need. I was in Darwin a couple of years ago, and an artist was waiting to get into a gallery. The owner of the gallery was actually in Jabiru for the day, and I told her: 'Look, I'm sorry; he's not going to be here today. He's down at Jabiru.' And she said she needed some money and he had told her that he would buy a painting from her, which he probably had not. But she needed money because she needed to fly back to the Tiwi Islands that afternoon. She said to me, 'Maybe you buy painting?' and I said, 'Maybe I will.' I said, 'How big's the painting?' because I had to carry it back home, and she said, 'About this big.' I said, 'How much?' and she said, 'Two hundred dollars.' So I said, 'Let's have a look at this painting.'

We went to her flat across the road, and as we walked up the stairs she said, 'Oh, maybe painting just this big'—not as big. She said, 'Two hundred dollars too much?' and I said, 'No, let's have a look at it first.' So we went upstairs and had a look at it. It was not a very big painting, and it was just a fairly basic ochre. But she needed \$200 to get to the Tiwi Islands that afternoon. She might have been able to get, through a dealer or a gallery, \$400 or \$500. But right now she needed \$200 to get to Tiwi. So I gave her the \$500 anyway, because that was what it was worth. People in town who need money to get by on will simply paint for whatever they can get. Usually tourists and others, and dealers to a certain extent—though not a large extent—will give them whatever they ask for. Sometimes they will even beat them down below that.

But out on the community it is a different scenario. I have often commented that there are artists in Central Australia who earn \$100,000 a year out on those communities. If an artist in Brisbane or Canberra was earning \$100,000 a year, they would have an investment property somewhere; they would have a new car every two or three years and they would have a nice place to live and so on.

Out in the community that person will have nothing, but the whole community will have benefited from the \$100,000. I see it as a very classic case of redistribution of wealth out in the communities. With the artists who are earning reasonably large amounts of money, the income is simply distributed right through the community via mothers and fathers, aunts and uncles, sons and daughters et cetera. At the end of the day, it is to do with money but it is also very much to do with culture. One of the concerns I have is that, if there were no intervening arts centres to stand between buyers and the producers of work, within a very short period of time you would find there would probably be no Indigenous art industry because, with very few exceptions, the artists in demand at the moment are very old, very frail and dying. Unless you have some process by which young people in the communities are going to be encouraged to take up painting and follow what their mothers and fathers and grandmothers and grandfathers are doing, you will not have a continuing pool of young artists, because the dealers on their own will not be bothered about supporting someone who is not going to generate income for them right now.

Senator CROSSIN—Arts centres are known to be perhaps one of the main hubs of communities and predominantly are the really successful centres in a community. What do you put that down to? Do you think that arts centre managers not only have a good arts background but a business background, or do you think it is an area of communities that is naturally going to make money?

Mr Tucker—No, I do not think it is. I know of one arts centre where the arts centre manager has been the lifeblood of the women in that community. She has supported those women over 10 years, but the arts centre itself is almost bankrupt because she has not devoted the same time and skill to marketing and to the financial management of the arts centre itself. A successful arts centre manager can successfully walk a tightrope between meeting the demands of the community and the fiscal demands of the arts centre itself. As I said—

Senator CROSSIN—So should government play a role in it?

Mr Tucker—I think government should play a role in monitoring the performance of arts centres. I would probably be a bit surprised to find that the arts centre I just referred to has not had someone step in and say, 'What's going on here?' Certainly the figures speak for themselves in terms of its performance. But there are arts centres that are just starting off. They are basically encouraging the people in the community to come in and to start painting again—not just painting; also carving, weaving and sculpture. There is a whole range of genres happening particularly in Central Australia where artists realise there is a lot of competition for dots on canvas and that they need to be looking at other art forms to succeed in.

Senator KEMP—First of all, I would like to congratulate you on your submission. I found it very wide ranging and extremely helpful. We appreciate the amount of time you have obviously spent on this.

Mr Tucker—Believe it or not, I spent half an hour. I sat down one night and—

Senator KEMP—You do well—I would say years of experience and years of research to be able to produce something like that. One of the dilemmas I think governments have is that everyone wants to see what they can do, how they can be helpful, how they can deal with some of the issues in the industry and how they can further develop the industry. The dilemma you have, of course, is: what can you do that will be productive and avoid the things governments sometimes do which are not helpful or in fact have adverse effects? This may be difficult for you but I would like your views on best practice. Could you point us to an arts centre that you would say embodies a lot of aspects of best practice in the way the centre is managed, how it pays its artists and how it markets itself? Could you draw our attention to the particular features you feel are very useful.

Mr Tucker—I will mention two which are almost at the opposite ends of the scale, as it were. The first is an arts centre that is on the road between Ayers Rock and Kalgoorlie in a place called Warakurna, which is near the old Giles weather station. So it is a fair bit out there. When I first went out to Warakurna as the auditor, the first thing that the arts centre manager did was put me in the troopy and to take me around to visit all of the committee members. At that time there was actually sorry business happening, so she had to stop outside the camp and say: ‘Look, there is a man here from Brisbane who is here to look after the money story and make sure that everything is right. Can I bring him in and introduce him to you?’ They did, which was just fantastic. But the point that I was particularly impressed with was that the arts centre manager was telling the committee members: ‘This person’—me—‘is here to look after your interests. He is here to make sure that I do not fiddle the books, that I do not do anything improper and that your interests are being looked after.’ She was actually starting that whole governance process right from day one.

That arts centre committee know exactly what their obligations and responsibilities are. An arts centre that has a successful committee will be a successful arts centre. It gets no government funding. It is basically generating all its income from turnover. It is just across the border in Western Australia. It, I predict, will be a good arts centre.

The arts centre manager has some experience—not a great deal—in the art market, but she has a good eye for colour and design and she has a good eye for what the market is looking for. She will gently nudge those artists—‘Why don’t you try this colour or why don’t you try that colour?’—because she knows that at the end of the day the success and the continuance of that arts centre depends on selling works of art. At the same time she is also heavily involved in looking after the interests of the women: they are fed, she looks after their medical needs when there is no-one else around, and generally takes care of the wellbeing of the artists.

The other arts centre that I think is extremely well run is Waringarri Arts in Kununurra. It is successful for two reasons. First of all, it has been going for a long time. It has had a long history of very successful painters—people who work in ochre—so it has established markets. It is able to capitalise on the reputation of its artists and it knows where the best exhibitions should be held. At the same time the arts centre manager also takes very great and personal care of the artists themselves. Cathy would take the artists into town every two or three days if they have to have eye drops at the local clinic. She makes sure that they are healthy, that they are fed, that they are in a safe environment but also that they are making money from the sale of the works and they are not being ripped off in any way.

I think that it is that balance between the need to be a den mother or a den father and a marketing manager that pinpoints a successful arts centre. I guess the difficulty is in finding people out there who can actually possess or develop those two sets of what might be called opposite skills.

Senator KEMP—You would see some merit, I assume, if, as part of a training arrangement, people who are proposing to become arts centre managers could work with people of the quality you are referring to?

Mr Tucker—Absolutely; that is right. There is nothing like on-the-job training in that sense. And I think that many people in Brisbane, Sydney, Melbourne and elsewhere who think they might like to work in an Aboriginal community do not realise just how difficult that is. It is probably going to be a dry community, so there is going to be no glass of red wine with dinner. The food that they buy will be from the local store, and it could be anywhere up to a week old by the time it gets there. The pay is fairly minimal. In 2005, the average salary of an arts centre manager was \$52,000 a year; that had crept up to \$53,200 in 2006. So you certainly would not be going into this line of work to make a fortune. You would do it because you wanted to spend a career in the Indigenous arts industry, and working on an arts centre is a good way of getting the necessary experience and making the necessary contacts.

Senator KEMP—One of the interesting things that you drew our attention to is that many of the artists are very old and frail and so will not be with us for a long time, and you speculated on the need to bring on

younger artists. Could I get you to expand on how we could best do that? What sort of program could a government, if it were so disposed, offer to bring on young artists?

Mr Tucker—One way might be to have online art training. The young people out in the communities might not have very many skills, but one skill they do have, which is probably common to all people of about five years and older, is the ability to navigate computers extremely efficiently. I would think that if there were basic courses in art, for example, online, that would be extremely attractive to those young people.

What I am hoping to be able to do in the future is to set up some sort of mechanism by which young people from these communities will be able to travel to anywhere from Alice Springs to Cairns to Sydney to Melbourne to undertake courses in visual arts at the institutions in those cities. If there is one thing that Aboriginal people love it is travel, and the amount of money spent each year on travel by artists is quite enormous. Last year the average arts centre travel bill was about \$23,000. Artists love nothing more than to go to an exhibition in, say, Sydney or Melbourne.

What I would like to do—and I have talked about this to a few people—is to find a way of getting a bunch of young Aboriginal kids from a remote community, putting them on a bus and taking them down to Adelaide for WOMADelaide, or to Sydney for the Biennale, or across to Brisbane for Out of the Box. I think getting those young people exposed to art in a big city, for example, could be the sort of incentive they need, the motivation that they need, to take this one step further. If we can generate that interest and we can have, within the arts centres, processes by which they can learn their craft alongside their peers and also in a more formal way, I think that would be a good thing. But I do believe that we have to be building up a pool of artists to take the place of the older people when they pass away.

Senator MOORE—As Senator Kemp has said, you have given us a very detailed submission about your years of experience—particularly from the auditing perspective, which I think is beyond value when you are actually dealing with the money and the books to see what happens. How do you get that experience into DCITA? Do they talk to you?

Mr Tucker—Only when they have a query, or when the deadline for lodging audited financial statements has passed by three weeks and they are on the phone to say, ‘We’re withholding any further payments until we have received your grant acquittal,’ and things like that. The comment may be a bit unkind, but for people who are sitting at a desk in a capital city it is all too easy to forget that the people working in these communities do not necessarily attach the same sort of urgency as they do to filling out a grant acquittal.

Having said that, I have always found the DCITA ICC people I have dealt with forgiving, I guess, if you can give them good enough reasons. Some will not be, but often they will be if you can explain—for example, that there has been a lot of sorry business going on and the arts centre manager just has not had the time, the bookkeeper is 1,000 kilometres away and there were things that needed to go backwards and forwards to get the figures finally resolved, which does make it a little difficult.

Senator MOORE—That is with your auditor’s hat on.

Mr Tucker—Yes.

Senator MOORE—In terms of the kinds of things you have put in your submission and in discussion with us about your observations about the quality of arts centre managers and what they need for support, which is a threshold issue, what support must be provided to ensure people have the ability to do their jobs well? Has DCITA asked you what you think should happen from your observations and from the work that you have done?

Mr Tucker—No; maybe they are not aware of it.

Senator MOORE—I am fascinated. The issue of support for arts centres is one which has come up consistently. We have the funding debate and that is on one level but there are also the personnel issues—numbers, where they are, what they are trained in and the various government programs around and how people access them. From your understanding, what programs are around to provide training and support for arts centre managers?

Mr Tucker—I do not think there are any formal ones at all really, certainly none that I have been able to find.

Senator MOORE—And none that you have been asked to pay for? In your audited statements, there is no line—

Mr Tucker—No, most of the professional development that happens for the arts centre managers is maybe attending a conference or something. Again, the problem is that when you are working 5½ or six days a week and you are at the beck and call of the artists seven days a week, you do not have a lot of time to go away and contemplate, reflect and engage in that sort of professional development. I do not think that they actually miss it. They get so bogged down with what they are doing on a day-to-day basis. If, for example, there is something they cannot work out from a bookkeeping or accounting sense then they will send me an email or they will phone me and we will talk through the issues and get them on track. One of the things which I have in mind for when I retire is to become a sort of a mentor to these people as far as the financial stuff and the bookkeeping stuff is concerned so that they can take control of it. At the moment, they are very much at the mercy of bookkeepers, and bookkeepers know that they are in short supply. The laws of supply and demand make sure that bookkeepers are becoming even wealthier than accountants.

Senator IAN MACDONALD—You mentioned at the beginning that the communities provide one per cent. What do you mean by that?

Mr Tucker—What I have been doing for all of the arts centres is tabulating their income, where it has come from, their expenses and where it goes. I did that for the financial years to 30 June 2005 and 30 June 2006. For 2005, out of total income of \$552,000—this is on average—the community council had an average of \$504.

Senator IAN MACDONALD—That is paid out of their own funds to the arts centre?

Mr Tucker—That is right. In 2006 it was \$321 out of total income of—

Senator IAN MACDONALD—I was not aware that they were contributing anything, which is why I asked.

Mr Tucker—What I suspect is that there were probably one or two centres that might have got to \$2,000 or something like that.

Senator IAN MACDONALD—We have run out of time, unfortunately. I want to say in concluding that I am very envious of your shirt. Is that made by Indigenous people?

Mr Tucker—This came from Warlukurlangu Artists at Yuendumu and the sarong came from the Tiwi Islands.

CHAIR—Unfortunately, we have a tight time constraint, and we regret that, but thank you very much for appearing. You are welcome to come back at 3.30 when we resume. Do you wish Mr Tucker to reappear as a witness, Senator Moore, for a short period?

Senator MOORE—Actually, I would.

Senator KEMP—It might be helpful if Mr Tucker felt free to make any comments on the evidence which has been put to us. I do not know whether you feel yourself in a position to do that, Mr Tucker, but with your experience I think that would be very interesting.

Mr Tucker—Okay. Thank you.

CHAIR—We will see you back here at 3.30, Mr Tucker. I am sorry about the time constraint.

Proceedings suspended from 1.39 pm to 3.36 pm

CHAIR—We will resume. Senator Moore?

Senator MOORE—Can I put on record that we have with us in the public area today Sam Watson, the Indigenous playwright and poet from Queensland, and his partner, Cathy. I would just like to say hello and put on record their attendance here today. They are Queenslanders—what can I say! Welcome.

Mr Tucker, we were talking before about the fact that you do audits on a range of arts centres, and you have obviously studied many across the country. We have been trying to find out how that knowledge is then shared. The whole area has changed departments, with DCITA taking it on from ATSIC. How do you build the knowledge and learn from what is going on? I had asked you about the various things that you do in audit—management, bookkeeping, viability of arts centres—that you have to do to complete the audit.

Mr Tucker—Yes.

Senator MOORE—Once you have completed that and put it through to the department, do you get feedback? Are there further questions about things and further post-audit sessions where you can look at the learnings that you have had?

Mr Tucker—That does not happen on a regular basis. It would only tend to happen if the arts centre were in difficulty or if the audit report had been qualified in any way or if the management letter that accompanied the audit report had indicated deficiencies or areas in which the arts centre—either the management or the governing committee—had issues that they needed to address from a functional point of view. But I would not have any ongoing communication with any of the funding bodies, whether it is the Australia Council, DCITA, Arts NT or anybody else, once the audit has been completed. There may well be discussions that take place between the funding body and the arts centre itself, but rarely would that happen through me, unless there were some serious issue that needed to be addressed.

Senator MOORE—The other point we have heard much evidence about has been the capital funding requirements of arts centres and the fact that many places are confused by the various processes they have to go through to seek funding and by the range of different methods to seek funding. An ongoing concern raised by witnesses that have come forward to this committee is the lack of access to capital funding—that is a real gap. Has that come out in the discussions you have had when you are doing your audits?

Mr Tucker—With the arts centres it is an issue, yes. I think most of the arts centres that I deal with on a regular basis have become perhaps somewhat resigned to the general lack of capital funding. I think they put that down simply to having a small pot of money and a large number of applicants. Sometimes you do have to wonder where it goes. I can think of one arts centre, Kayili arts, in Patjarr in the Gibson Desert, where quite an amazing cultural centre has been built beside the airport and has actually never been used; meanwhile, the arts centre operates in a beaten down converted donga and put-together buildings. I think there are probably cases to be made of money that has been spent that probably should never have been spent in the first place. I think there are also cases where a very small amount of capital funding can lead to quite extraordinary results, even if it is nothing more than simply air conditioning an existing arts centre building or providing some sort of insulation against the heat in summer and things like that. Capital moneys could probably be better spent in some areas than in others. One issue that I also mention in my submission concerns housing, which in small communities has the potential to be a serious issue. It may well be that an arts centre can justify and needs further staff but there are simply no houses in the community in which they can be housed. That is not really a DCITA problem; of course, that is a problem for the community and the entities that actually fund the community. Nevertheless, it is an infrastructure issue.

Senator MOORE—We have heard evidence that people in positions of authority have come into various communities and started dealing in artworks. There is an ongoing issue with people getting involved in such business transactions not through mainstream processes. If you have read the transcript, you will know there has been some fairly confronting evidence from the Alice Springs inquiry on that. In a job like yours, would you have had the opportunity to be involved in buying and selling art?

Mr Tucker—I would probably have had the opportunity, but had I taken that opportunity, first of all, I would have lost any credibility that I might have had as an auditor and I would have compromised that position impossibly. The other thing I think and hope is that had I put that suggestion to the arts centre managers I would actually have been rebuffed. On both counts, it could have happened but it would be an extremely remote possibility.

Senator MOORE—Was there anything in your contract that said you could not do it?

Mr Tucker—The contract is completely silent on that sort of issue. My contract is simply a standard contract between the auditor and the members of a community in terms of what I am required to do from an audit perspective. Certainly I know of senior people in communities, white and otherwise, who deal with art—in the same way that I mentioned earlier: someone needs cash and someone has cash, and a piece of work changes hands for far less than its market value.

Senator IAN MACDONALD—While we were in Kununurra, a number of people from the arts centres suggested to us that we should be involving the tax man more. It seemed like a strange suggestion to me. Their thought was that, if Indigenous artists knew better how the tax system worked, it might not only mean that they could get more revenue but also be one way of getting credibility, a prudential sort of check, into the system.

Mr Tucker—I am a member of the Indigenous tax advisory panel of the Australian Taxation Office, which talks to the ATO officers about this very issue, and I have said, almost from day one, that income tax as a concept is something that will actually pass a generation by and the tax office almost has to regard one generation of taxpayers as having been lost to the system.

The problem that you have is in trying to establish a very Western European piece of legislation in a community and a group of people who have absolutely no concept. As I mentioned earlier in my discussions, I know of Indigenous artists who could earn easily \$100,000 a year, and in normal society they would pay somewhat over \$30,000 in income tax. But the problem you have is that, from a cash point of view, that \$100,000 has now been distributed to pretty much everyone in the community. It is circulated through the store and it is circulated through other businesses and through individuals. If the particular artist were required to lodge a tax return and pay \$30,000 in tax, (a) there would actually be no money there to pay the tax and (b) there would be nothing that the tax office could resort to in the collection process short of garnisheeing—

Senator IAN MACDONALD—It really was not about raising revenue. I mentioned that, but it really was not about that. It was more, as I recall, getting them involved in the system and that system providing a prudential line of authority for the artist and the painting, and to make sure that those who were buying them were on some sort of record on the way through. It was a suggestion by the art centres, not by the tax department wanting money.

Mr Tucker—I have my doubts as to whether that would happen in practice, because I think that for someone who is dealing in cash—and it would be interesting if the tax office were to do an audit on the so-called carpetbaggers to find out what supporting records they had—

Senator IAN MACDONALD—That was part of it.

Mr Tucker—because they would probably have none—the tax legislation provides that you can claim a deduction for costs when, under the circumstances, it would be reasonable to expect that no documentation would have been obtainable. So there is always that sort of fallback position. Whether the ATO would accept that line of argument when someone was paying \$10,000 in cash for paintings is another question. I think that sooner or later the issue of taxation will have to surface in this particular industry. My question is how you would actually manage it. If you were to do it in any way, it would have to be done almost in a pay-as-you-go type situation.

Senator IAN MACDONALD—What about GST? Is GST paid on paintings? I am not sure.

Mr Tucker—It depends on how they are sold—whether they are sold by what is called consignment or whether they are sold on a commission basis. If they are sold on a consignment basis then eventually there is going to be GST on the selling price when the ultimate seller is registered for GST. But, given that very few Aboriginal artists would be registered for GST, there would be very little GST actually being paid to the artists. I would venture that it is probably next to nothing. There may well be GST paid on the ultimate selling price, but that depends on whether the ultimate seller is a dealer or whether the ultimate seller is still deemed to be the artist and you simply have a chain of people taking commissions from the artist on that continuing process of sale.

Senator IAN MACDONALD—You obviously have a great interest in this. Could I ask you to have a look at the transcript of some earlier evidence? Can anyone on the committee help me with who it was who was talking about that?

Senator MOORE—It was the Kununurra people. It starts with a 'J'.

Senator IAN MACDONALD—Jirrawun.

Mr Tucker—Jirrawun?

Senator IAN MACDONALD—Yes. They raised it. I wonder if you would not mind having a look at their evidence in the transcript and perhaps dropping us a one-paragraph note saying whether you agree or disagree. You seem to be the right person at the right time to have a—

Mr Tucker—Absolutely. What he is probably getting at is that it is the commencement of a money trail. I agree with that; I think a money trail is important because it helps to establish the authenticity of the work behind it. My only question is whether the money trail is going to be sufficiently enforceable under income tax law. There are tax provisions that would allow that money trail to disappear.

CHAIR—If there are no other questions, that might wrap it up, Mr Tucker. Thank you very much for staying here and being willing to answer additional questions. Your evidence has been very useful.

[3.50 pm]

ALLAN, Ms Lyn, General Manager, Indigenous Arts and Training, Department of Communications, Information Technology and the Arts

BEAN, Ms Lynn, Acting Deputy Secretary, Arts and Sports, Department of Communications, Information Technology and the Arts

CHAIR—Welcome. I think this is third occasion we have had you with us—you gave us a preliminary briefing, then you appeared before the committee and now you are here to be quizzed about issues that we want to have clarified, basically. One of the issues that has been raised this afternoon in terms of art centres is the idea of training managers and perhaps setting up TAFE courses in which people could be trained as managers for Indigenous arts centres. Do you have any comment to make about that sort of idea? Is there any program like that which exists which might support that idea? Is there any funding that might support such a program?

Ms Bean—I am not aware of any specific programs. Obviously, there are various business skills training programs of a generic kind. I am not aware of any specific ones for Indigenous arts centres.

Ms Allan—I have heard of a couple of individual courses within individual arts centres. I cannot think of them off the top of my head. But it is not systemic training, which is what you were talking about earlier.

CHAIR—The idea was for a TAFE course, in fact.

Ms Allan—I do not know of a specific one.

Ms Bean—There is certainly a need to train workers. Whether a formal TAFE course is the right direction is hard for me to say off the top of my head. For example, you have what is quite a small market. You are talking about maybe 300 people running arts centres across the country. They come from all parts of the country. Whether a TAFE course is the right delivery mechanism—

CHAIR—Yes. That is a good point. It is a very small number of people. But the comment has been made that a lot of the people who are managers do not necessarily have the understanding of art or the management skills required to make sure that these arts centres work in a successful fashion.

Ms Bean—There is certainly a great variety in the skills across the different coordinators and workers in the arts centres. Some people are extremely good and extremely skilled and have professional backgrounds and some kind of business or art qualification. Then there are others who basically learn on the job. Even within that group you would find that someone who has been there for five weeks has a different set of skills than someone who has been there for five years. Whether you can advance the on-the-job knowledge by a structured training course is the real question.

Senator IAN MACDONALD—My reading of a lot of the evidence that we have been given is that the arts centres are only partly arts centres. They are very substantially community centres which look after people's employment and provide health services and a range of other services. The suggestion that has come through from a few of the witnesses, as I read it, is that this is probably not an area that should be funded by the arts and sports department but perhaps by the Indigenous affairs department. Perhaps that is a policy issue that you should not comment on, but I wonder if you have had any thoughts on it or whether you have heard that before. Has it been suggested? Do you ever have any corporate thoughts on the funding of arts centres because they do more than just assist Indigenous artists?

Ms Bean—They certainly do. That varies, too, from very community oriented centres to centres in which 90 per cent of the focus is on the art and there is a bit of side work in the community. Arts centres get money from a lot of different sources already; they are not just funded through this portfolio. In a sense, I think that is a positive because it means there are other opportunities, depending on what the arts centre is focusing on. Restricting a funding source to a single source is more likely to be problematic than having a variety of sources.

Senator IAN MACDONALD—Do you think the funding and administrative arrangements are appropriately with your department as opposed to you people going over and joining—

Ms Bean—It is a difficult question for me to answer. That is a matter for the government, obviously. I certainly think that what DCITA brings to it are an expertise in the arts and a focus on the arts. I am not saying

that they are the entire focus, but it would seem slightly strange to me to have an arts centre that has no arts expertise involved in the decision-making process.

Senator IAN MACDONALD—You heard me asking the previous witness about the tax office. Do you have a view on that which was proposed, as you heard, by Jirrawun? I think it was Arnold Bloch Leibler who were assisting that arts centre.

Ms Bean—I certainly agree with the previous witness that there are cultural difficulties in, as I think the previous witness explained it, imposing a Western European system—

Senator IAN MACDONALD—I accept that. But, as I said, this was not really a suggestion made to build the revenue. I have forgotten the detail—it was a couple of months ago now—but there was a very persuasive argument, and a surprising argument to me, in that the people representing the arts centre were saying, ‘If you did this it would make things better.’ I think it was more for the paper trail.

Ms Bean—If that were to be a matter for serious consideration, the tax office, which I suppose it would be more than anyone else, would need to consider possible unintended consequences of doing that and the imposition on the communities. Also—and I am really thinking off the top of my head here—I wonder whether there would be an issue, in that if someone is doing the wrong thing why are they going to do the right thing in tax terms? What I am saying, I guess, is that if you have a carpetbagger who is engaging in some kind of rort in the system, why would he or she then behave—

Senator IAN MACDONALD—Because there is a paper trail if someone has included it in a tax return. But I guess you have answered my question. My question really was: do you have a corporate view? There is also the issue that the tax laws, and all law, are there to be obeyed by everybody.

Ms Bean—Absolutely.

Senator IAN MACDONALD—But, as I said, it was not brought up in that instance, and I do not raise it in that tone either. I raise it in the tone that it was thought that it may help—

Ms Bean—It is certainly not something that we have turned our minds to, and I think it is quite a complicated question. It would need very careful working through of all the issues.

Senator IAN MACDONALD—As I asked of the previous witness, I wonder if you could have a look at the submission made by Arnold Bloch Leibler on behalf of the Jirrawun, I think it was, and see whether you think it is something the department should perhaps have a close look at.

Ms Bean—Yes, we certainly can look at it.

Senator IAN MACDONALD—Thank you.

Senator CROSSIN—I wanted to start by asking you if there is any evidence you might have read during the hearings that DCITA particularly wanted to respond to or if there were any issues raised that you wanted to have a right of reply to or put a comment on the record about.

Ms Bean—There is nothing that I specifically want to respond to.

Ms Allan—No, not off the top of my head.

Senator CROSSIN—We heard today from Art Trade and in their submission to us they provided—and they are not the only people to have done so—six areas where they think there could be greater whole-of-government initiatives in the Indigenous arts area, predominantly led by the Commonwealth government. It would need business and state and territory governments onside. Have you had a look at some of those initiatives and can you provide us with an update about where DCITA might be taking the lead in coordinating some activities in the Indigenous arts industry?

Ms Bean—It is probably best for Ms Allan to answer that.

Ms Allan—There are a lot of submissions—would you mind running through each of them?

Senator CROSSIN—Art Trade talk about six initiatives they think this committee ought to look at where state and territory governments, the Commonwealth government and business could work together, which are: buyers being better informed; information for artists in a culturally appropriate form; a code of ethical conduct; guidelines for direct dealings with artists; documentation of authenticity; and greater support for arts centres.

Ms Allan—A number of those things are already being addressed in projects currently under way. I know you have heard about the code of conduct that NAVA is working on with a consultant that the Australia Council has funded. That covers a number of those areas. I am sorry, Senator, could you go back to—

Senator CROSSIN—Has DCITA thought about whether there is a need to produce an education kit for artists so that they are better informed about the market and how they operate in the market or have you thought about producing leaflets for tourists or buyers of Indigenous art so that they are aware of some of the pitfalls of buying art that is not authentic?

Ms Allan—A leaflet already exists. ANKAAA, Desart and the Northern Territory government put out a leaflet last year. I am sure you have seen it before.

Senator CROSSIN—I am just wondering about DCITA's role in it.

Ms Allan—DCITA specifically?

Senator CROSSIN—Yes.

Ms Allan—No, we have not thought about doing an additional one specifically on that or an education kit for artists, although we have supported in the past some that have been done through arts support agencies or organisations. There have been a number of different projects over many years. The Arts Law Centre did one called 'Artists in the Black' which was for artists. The difficulty with remote arts centres and Indigenous artists working out there is getting the right format so that it is appropriate. Often education kits would be quite different to what we would see as an education kit that would work in the city. It would work quite differently. Those examples that you have given we have not quite thought of in that way, but we have certainly thought about how we can increase access to information about artists' rights and responsibilities.

Senator CROSSIN—Was the Desart and ANKAAA leaflet funded by you or did they just do that on their own initiative?

Ms Allan—The one on how to buy Indigenous art?

Senator CROSSIN—Yes.

Ms Allan—That was a Northern Territory government funded initiative.

Senator CROSSIN—So you have not looked at perhaps picking that up and making it a national initiative and even funding arts centres to create their own leaflets that might have a particular focus on their region?

Ms Allan—Not specifically. That leaflet is quite widely distributed—it is not limited to the NT, I do not think. Desart obviously has borders that go further than that. We have not looked at that specifically, no.

Senator CROSSIN—The code of conduct is not being driven by DCITA, is it? You are just a participating member in that?

Ms Allan—That is right.

Senator CROSSIN—Where is that at from your point of view?

Ms Bean—As I understand it, NAVA is working with the consultant in drafting the code. We would expect to see a draft when—

Ms Allan—We have seen a draft.

Senator CROSSIN—Do you have a view that it should be compulsory?

Ms Bean—I think it would be quite unusual to go straight in with the compulsory code. As I understand it—and I am not a consumer protection expert—the normal practice is to have a voluntary code and then if that fails you would then move towards formal regulation.

Senator CROSSIN—You would not think of linking it to funding—for example, in order to get Commonwealth funding, you have to sign up to the code of conduct?

Ms Bean—As I understand it, it is not really directed at the bodies that we fund. It is directed at dealers and the market.

Ms Allan—It is very broad. The draft that we have seen covers a number of areas. So it might be tricky for us to ask arts centres to sign up to the whole thing. I think it depends on how the final draft looks, exactly what is covered and what is in it and how far it goes as to whether it would be appropriate. That is something that we would have to consider at the time when we had a final draft in front of us and whether it would be appropriate.

Senator CROSSIN—Does your department conduct any of its own research into this area—for example, the need to have any kind of authenticity label? Have you conducted any research on whether that is appropriate or acceptable or whether people in the industry believe that ought to happen? I am not talking about the authenticity of it; I am talking about whether you yourself have done any independent research on the many issues we have discovered in this inquiry.

Senator MOORE—Do you have that capacity? Do you have a reason to—

Ms Bean—We have some limited research capacity, but it is very limited. Indeed, our research is just starting to look at essentially what it should be doing and trying to work out a program of things that can be done, so we have not up to this point.

Senator CROSSIN—Let me just go to the authenticity issue. We have IdenteArt appearing before us tomorrow and I think the Melbourne City Council have introduced some sort of authentic label so people can be aware of what they are buying. Are you aware of, say, the IdenteArt proposal? Is it something you would support or encourage?

Ms Bean—I am certainly aware of that proposal. It is one of a number. The arts centres have their own certificates of authenticity et cetera.

Senator CROSSIN—This goes beyond the certificate, though, doesn't it? IdenteArt is like a microchip. It is a bit more than just authenticity. I guess it would complement a certificate of authenticity.

Ms Bean—The first question I have is whether that would be effective in the same way that you can fake an authenticity certificate. You can fake a microchip, I would imagine.

Senator CROSSIN—Is that a reason to not have it, though?

Ms Bean—It is not necessarily a reason to not have it, but it is certainly a reason to look carefully at it and look carefully at the system. Firstly, is that what people want? Secondly, can you have one national system? If you have a national system it would necessarily be complex to administer, and it is not entirely clear to me how you would distinguish between the fine art end and the tourist art end. What I am saying is that, whilst the concept seems relatively straightforward, there are a number of underlying issues that need to be worked through.

Senator CROSSIN—Is DCITA looking at what those issues might be?

Ms Bean—Not at this stage. We have not had an awful lot of pressure on us to look at that issue.

Ms Allan—Regarding IdenteArt specifically, we have had one approach by the person who developed it to tell us about it, and that was over a year ago. Apart from that, that is all.

Senator CROSSIN—I am sorry, but during this inquiry I am really trying get a handle on exactly what your department does in taking any leadership role or regarding initiatives in the arts industry area with Indigenous people. I know you fund a whole range of projects, capital works and art centres, but is there any particular area in which you believe you might be taking a lead or initiating something in the Indigenous arts area?

Ms Bean—In the Indigenous arts area there is a wide range of players with a wide range of interests. It is a collaborative approach. We work with other agencies, governments and the sector. Bear in mind that we have had this program for only two years. We have been in the process of revising the actual guidelines for the programs to get the programs working properly. To us, that seemed to be the No. 1 priority.

Senator CROSSIN—Do you mean having inherited them from ATSIC?

Ms Bean—Yes.

Senator CROSSIN—Reviewing the guidelines in consultation with whom—the NIC?

Ms Bean—With the NIC, the peak bodies, various art centres, the Australia Council, various state organisations—

Senator CROSSIN—So it has taken two years to do that?

Ms Bean—Yes—bearing in mind that we have three programs.

Senator IAN MACDONALD—I think you have done very well in two years, knowing how government departments work.

Senator CROSSIN—It is actually three years. ATSIC has been abolished for three years.

Senator KEMP—Thank you for the very helpful submission from DCITA. I suspect that one of the proposals that will come out of this committee will be to look at increased funding for art centres. I notice that the figures that you have given suggest that just under \$6 million for the centres comes through the NACIS program. I think you received requests for \$14 million—is that right—and you were able to fund just under \$6 million?

Ms Allan—Yes.

Senator KEMP—I know this is very difficult, but could you give us some idea of the quality of the submissions that you were not able to fund?

Ms Bean—There were certainly a large number of submissions of good quality that we were not able to fund and we were not in a position to give a large number of organisations everything they asked for.

Senator KEMP—So in the submission the view of the department is that, given this program and the demands on it, the demands have outstripped the supply of funding. That is not unusual with a government program. Given the fact that we will hopefully think in terms of increased support for art centres, the committee would be quite interested to get a feeling about just how much would be appropriate in the short and medium terms. That is a difficult question for you, I suspect.

Ms Bean—It is a difficult question.

Senator KEMP—Nonetheless, it will be a key issue before the committee.

Ms Bean—As the previous witness said, there is certainly pent-up demand for capital works and there is demand for ongoing or recurrent funding.

Senator KEMP—The capital works would be principally for the building of new art centres and associated accommodation—that sort of thing?

Ms Bean—It is not just building new arts centres. It can be refurbishment or improvement in conditions, such as air conditioning, or improvement of the kitchen facilities or painting facilities. Storage is another issue—maintaining the artworks in a reasonable condition until they can be marketed.

Senator KEMP—That is certainly helpful. Would you say that there probably needs to be some additional priority given to capital works in these centres? I do not want to put words in your mouth.

Ms Allan—I think the secretary is very strongly of that view. You can see for yourself when you go to some of the places. There are some very good arts centres that have had injections of capital funding, and there are others that are frankly dreadful.

Senator KEMP—They are. I have seen them. They are in desperate need of some capital funding. I think the other issue Senator Macdonald touched on—and I think it has come through in the evidence that we have had today—is the critical importance of the manager of the arts centre. The driving force, whatever you call him or her, is the coordinator and it is a key role they play. I think all of us have been around and seen some that are quite outstanding and have been amazed at what they have been able to achieve whereas others obviously struggle more. The training of these people seems to me to be a somewhat crucial issue. I suspect a lot of the training is on-the-job training. The best training for many people is to actually work on site with top-flight administrators. I suspect—and I do not know whether there is anything more the department would like to add—another proposal which may well come out of this committee is to look at the sort of training which can be made available to see if we can lift the quality of those who are in charge of the coordination and administration of these centres.

Ms Bean—I think that there are two issues in that: firstly, getting the right people to go to arts centres in the first place and how they are trained—or not, as the case may be; and, secondly, developing them once they are there.

Senator KEMP—I guess also the support which you provide.

Ms Bean—And supporting them. I think that, for people who are already there, there could well be opportunities to accelerate their learning, if you like. There may be ways to compress what might take someone five years of just learning on the job.

Senator KEMP—The third issue that has come up is one that Mr Tucker, the gentleman who was giving evidence before you, pointed out to us: many of the artists are older people and sometimes frail. He drew our attention to his view of the need to have some better training of younger Indigenous people to help bring them

on. To me, at face, that seems to be sensible, though it will be very complex to see how the government can sensibly support better training for Indigenous artists, particularly younger Indigenous artists.

Ms Bean—I do not know that anyone would disagree with the concept. I think there are again a number of issues in there. The first is how you get the young people interested and the second is the cultural issues. Obviously certain stories and certain designs et cetera can only be passed in a culturally appropriate way and to certain people. The next issue would be what learning system is used. Developing a culturally appropriate learning system is a complex task.

Senator KEMP—Mr Chairman, I do not want to put the department to any greater work, as they have obviously done quite a bit already in this area. Having worked closely with them, I commend them for the commitment that they have in this area, but I wondered if the department could just take on board whether there was anything they could add for us on the training of arts centre coordinators and on the training or bringing on of younger Indigenous artists. I think that would be a bit of a help. I would also appreciate any thoughts that they may have on the unmet demand, particularly in the capital area. I am not talking of a significant submission, but, to be quite frank, a few thoughts from the department may be a help in those areas as well in considering the recommendations that we should make.

Ms Bean—We will certainly take that on notice, Senator.

Senator SIEWERT—I would like to go back to the issue that Senator Macdonald raised. The evidence we have heard so far shows that arts centres are valued for their contribution to the cultural life and health of the community. So they play a fairly central role beyond just selling art. Have you had discussions with OIPC about the role arts centres play in the health of a community?

Ms Bean—Yes.

Senator SIEWERT—We have also just been talking increased funding. Are you potentially sourcing funding from other sources beyond your pie?

Ms Bean—First of all, it is not just OIPC; there are other agencies involved in delivering services to Indigenous communities that are relevant. For example, there are the Department of Health and Ageing, the Department of Employment and Workplace Relations and even the Attorney-General's Department, through its diversionary justice program. A significant number of agencies operate on the basis of competitive grants, and it would be for the centres themselves to put in submissions for those. Beyond that, we do participate in the SRA process. That is essentially the vehicle for multiple, different sources of funding going to one project or one entity. We have had some arts centre SRAs and some cultural centre SRAs, I suppose, that might have an arts centre component.

Senator SIEWERT—What sorts of things would be in an SRA around an arts centre?

Ms Allan—We do not have many with arts centres, but there are a couple. It might be to build something; for example, we were just talking about the infrastructure needs. It might be to improve the building, storage, capacity or whatever. I am trying to think of a specific example and how it was worded. An arts centre might get contributions from a number of different departments, and that would then enable it to make a leap in its production operations.

Senator SIEWERT—Is it appropriate to ask for an example of an SRA?

CHAIR—I think so; I am not sure. I think you can go ahead.

Senator SIEWERT—Could you supply the committee with a copy?

Ms Allan—We can find out.

Ms Bean—We can certainly take it on notice.

Senator SIEWERT—Also, could you let us know how many SRAs have actually been committed to arts centres?

Ms Bean—Yes; we might have provided that, but we will certainly provide it again.

Senator SIEWERT—I recall that we touched on this previously, so you may have and I have not checked it. Under which funding program does the funding come from for the SRAs you have signed?

Ms Bean—We have had SRAs under both NACIS and the Indigenous Culture Support program.

Senator SIEWERT—I was interested in your comments that there are also other organisations that provide funding for Aboriginal issues. I thought the Office of Indigenous Policy Coordination was supposed to be

helping supply the whole-of-government approach. So I am interested that you then have to go around to the other agencies instead of going to the OIPC.

Ms Bean—Sorry, perhaps I misled you there. It is not a case of us going cap in hand to the department of health, for example, and saying, ‘Hey, can you give us some money for X?’ The way the system works is that there are solution brokers in each Indigenous coordination centre, and they work with all of the agencies—not just necessarily the agencies that are represented in the ICC, but with any agency that has a relevant interest. So they do bring it together, and we are a player in that group.

Senator SIEWERT—If you have supplied it, just tell me and I will chase it, but could you tell us how many arts centres you are aware of that are funded through the process that you have just described to us—that is, the community goes to the ICC and negotiates a funding package.

Ms Bean—That would be an SRA.

Senator SIEWERT—So if we double-check—if you have already given it to us or if you give it to us—the number of SRAs that have been signed that will tell us how many of those packages have been negotiated.

Ms Bean—Yes.

Senator SIEWERT—I will wait until you provide that info. Are the OIPC, when you have dealt with them, aware of or looking at arts centres as being able to contribute to the health of communities?

Ms Bean—We have certainly had discussions about that. I cannot say what OIPC is thinking of at this time.

Senator SIEWERT—I appreciate that. You have had discussions about that?

Ms Bean—Yes.

Senator SIEWERT—I will work out how that has resulted in arts centre funding when I see the number of SRAs signed. Thank you for that. Other evidence that we have received has talked about how policy changes to the permit system and CDEP have come out as two key issues that arts centres are saying will have a potentially detrimental impact on the arts centres. Have you looked at that? Have you done any review of those, or has there been a review of those potential policy decisions on arts centres?

Ms Bean—Certainly in the context of CDEP that is ongoing.

Senator SIEWERT—So you have not completed that?

Ms Bean—No.

Senator SIEWERT—I presume, therefore, that you cannot provide us with your opinion. We have heard a variety of opinions all basically saying the same thing—that is, it is going to have an impact.

Ms Bean—That is very difficult for me.

Senator SIEWERT—I appreciate that. I want to go back to the issue of value of the sector. I know that we had a discussion about it previously, but is it fair to say—and the secretariat has done quite a comprehensive briefing paper while trying to collect all of the different bits of information about values of the sector—that the key piece of work that we are relying on is still the 2002 Altman and others review? That seems to be the most comprehensive analysis of the value of the sector. In your opinion, is that probably the most useful piece of work about the value of the sector that we can rely on?

Ms Allan—I do not know of another one since then that has been more comprehensive and is more up-to-date. I think you would have to take that in conjunction with other bits and pieces, like the stuff from Sotheby’s and other auction houses that look at different segments of the market. But I do not know of another one that is better.

Senator MOORE—Ms Bean, I want to talk a bit about training as well, particularly on governance stuff. When we had you here last time, we talked about the focus being on governance and that, in line with a whole-of-government approach, that was a key issue for the department: to ensure that governance was understood and appropriate government mechanisms were put in place. We have heard statements about the need for training. Are you aware of any governance elements of training? That is more like business management as opposed to running a centre—it is that second side, of how effectively you are a business manager for arts centres.

Ms Bean—For Indigenous communities?

Senator MOORE—Yes, for Indigenous communities. It is a double whammy: it is the arts centre staff but it is also their boards—

Ms Bean—Correct.

Senator MOORE—because I think that the managing boards of arts centres are very important, not only for their links with community but also for the way the department spells out what its hopes are for an effective arts centre. So it is not just the staff, some of whom come in from outside; it is also their relationship with their board. So have you, as a department, looked at specific governance training for those people?

Ms Bean—There certainly is governance training. That tends to come from OIPC and DEWR. Perhaps the best thing we could do would be to take that on notice.

Senator MOORE—That would be good. We have had some evidence—though it is hard for people to be absolutely open—that if everybody is not trained together or to the same extent there is confusion about roles and so on. There is also confusion about exactly who is responsible for providing it, because it is under the heading of art but it could actually have other focuses. So, even within the arts centre process, it would probably come from OIPC or DEWR.

Ms Bean—Yes, on the basis that it is a community organisation.

Senator MOORE—Right; we will follow up with those. And is it the responsibility of the people themselves to claim it or are they advised that they need it? You may not have been in the room when I was asking Mr Tucker questions about the kinds of information that an auditor finds when auditing an arts centre or a community or any agency. The kinds of things they find are often extremely valuable in terms of what the next step should be, and I was trying to see whether there was a link between the intensive auditing work that people like him do and what you do, in the kind of governing department that looks after the art component—how you all talk and learn and point out what should happen next.

Ms Bean—I suppose we tend to work with the arts centres. So we would work with the staff and the board, rather than with people employed—there is a stepping between, if you like—or a contractor. We certainly monitor our funded organisations carefully, and we will work with organisations where there are gaps. It would be open to one of our regional people when they are working with an organisation to suggest that there is an opportunity for some governance training and they might want to consider taking advantage of it.

Senator MOORE—My worry is, from my observation of Indigenous politics over many years, that often we wait for it to be in crisis—that we identify that something is wrong only when it has gone really wrong. My understanding of the change in approach is that we are asking how we could effectively work across all the areas of government to try and identify the gaps earlier, so that we will not be mopping up after something has imploded but identifying the need beforehand. I know that is a long-winded way of saying it, but that is a kind of synopsis of what Peter Shergold put forward as the brave new world.

Ms Bean—My understanding is that at least the DEWR training and some of the work being done by Indigenous Business Australia is directed at exactly that, but—

Senator MOORE—In a proactive way?

Ms Bean—Yes, but—

Senator MOORE—So do you have a role in that?

Ms Bean—An indirect role, but only in a discussion sense and in the sense of knowing about it, rather than actually delivering it.

Senator MOORE—Another area of cross-responsibility is housing. We have heard regularly in this and other inquiries about the linkage between housing, staff retention, staff attraction and community development. Does your department have any role in housing?

Ms Bean—The difficulty with the housing issue is that my understanding is that Indigenous housing programs are focused on housing for Indigenous people rather than housing for workers who come into the community. Having said that, we have certainly funded one or two staff houses with NACIS money and with the special initiative money. We are aware that it is an issue but, again, it is a capacity of the program issue to actually find that sort of—

Senator MOORE—Do you see that as core business?

Ms Bean—We see it as within the criteria.

Senator MOORE—I see it as within the criteria. I will not name any communities because that is too hard, but when looking at the development of an arts program within a community, if it is seen that the attraction of

an arts centre manager with skills is dependent on a house does that become a DCITA issue or does it then go back to OIPC or state government?

Ms Bean—In the very few cases where we have funded staff housing that has been exactly the situation.

Senator MOORE—Does that also fall into the discussion you are having with Senator Kemp about very good submissions with great need not being able to be funded?

Ms Bean—They may well be in there. I cannot think of any off the top of my head—

Senator MOORE—In terms of a whole submission that would come through to X community that could be something you just cannot afford. The last area is urban arts centres. We have not had a chance for too much consideration, but it has come up from time to time that when people think about arts centres they have in mind somewhere remote. In fact, when I think of arts centres I think of places outside of Brisbane, such as Palm Island, which do not have an effective process in place. Are there different criteria for urban centres as opposed to those for remote centres, or is it just that everyone is treated the same and people have to put their own significance in their submission?

Ms Bean—They do not have different criteria.

Senator MOORE—Is there a weighting?

Ms Bean—Do you mean that you get points for being remote?

Ms Allan—No, not specifically. Although I guess very remote centres, which did not have access to many other sources of support, may seem to be in greater need and would have a stronger argument for getting support sometimes—not always; it depends on how they meet the conditions across all the criteria.

Senator MOORE—How many of the current list of arts centres have Indigenous arts centre managers?

Ms Allan—There are a couple. The number is not zero but I cannot tell you off the top of my head. We can find that out.

Senator MOORE—Is that a career development option that is talked about with Indigenous people as being one form of employment that would be suitable?

Ms Allan—It has been talked about in the past.

Senator MOORE—We seem to have met many genuinely European arts centre managers—not just Australian people who are not Indigenous—which is great. It fascinates me.

Ms Allan—Encouraging Indigenous people and specifically local people, if possible, to be trained up to manage arts centres has been one of the aims of the program for some time. It is seen as a long-term aim. We are not really anticipating that it could be something that could be met, realistically, instantly. I think it needs to be looked at over the long term.

Senator MOORE—Going to the next step beyond that: as you know, at our first hearing there were people who were Indigenous curators at major galleries. Is it something that DCITA would fund to assist with the quite expensive and long-term training that would go into becoming an Indigenous curator?

Ms Bean—No.

Senator MOORE—There are no special scholarships or programs for that?

Ms Bean—No.

Ms Allan—Not in DCITA. That would be in Education.

Senator MOORE—Is that raised in the various cross-departmental meetings? Does that come up?

Ms Bean—I have not participated in discussions about that.

Senator MOORE—We had significant evidence from the curators' network, and there were extremely highly regarded Indigenous members in that group. But they said to bring more up was quite an expensive business, and where do you get funding?

CHAIR—I would like to ask you about authentication systems. Do you have any views about how that kind of thing might be implemented or whether it could be done under your umbrella in some way? Is it up to individual communities to develop their own authentication system, or is it for state jurisdictions to do so? I just want you to make a general comment.

Ms Bean—It has been an issue for a number of years, since back in the late nineties when there was a project for a national authenticity label. The current systems that are around have not been developed by

government. I suppose the question is: would a government-imposed system actually work, or is better that the systems come from the community, where you have got community buy-in? And even if you can authenticate the art, does that address the underlying issues about exploitation or whether the artists were treated and remunerated fairly? It shows that it is a genuine piece by that artist, but it does not necessarily go anywhere near price.

And then, of course, if you implement it as a business system or private sector system you are looking at a commercial decision from arts centres to buy into it. That would be a judgement for the community, and then of course you have got issues about the coverage and therefore what value it has. There has certainly been a fair bit of work done on this. There was some work done in Western Australia last year, I think. Is that right?

Ms Allan—By UWA?

Ms Bean—Yes.

Ms Allan—That was more along the lines of forensic science. It was looking at authenticating artwork by chemically analysing the ochres et cetera in the paint to see where they came from rather than a system of provenance, if you know what I mean.

CHAIR—Did you say that was done by UWA?

Ms Allan—Yes. I cannot tell you the name of the professor. Researchers at the university were working on it; they are probably still working on that.

CHAIR—It is a highly technical way of doing things.

Ms Allan—I think they made a submission.

CHAIR—I believe that both Canada and New Zealand have some sort of government-administered labelling system of Indigenous art. I wonder whether you are able to comment on those systems in any way.

Ms Allan—I do not know enough about those two systems to comment from our perspective.

CHAIR—Is it possible that you could have a look and provide us with a note about it?

Ms Allan—Yes.

CHAIR—The other issue that has arisen that I might just ask you about, and which I probably know the answer to but which I am interested in your point of view on, is the resale royalties issue. I understand that that has been looked at fairly comprehensively.

Ms Bean—It has.

CHAIR—I wonder whether you would like to make a comment about it?

Ms Bean—That is actually the responsibility of the Attorney-General's Department.

CHAIR—Fair enough.

Ms Bean—What I can say is that there was some work done for a discussion paper that was released before the last election, so it was when we still had some responsibility for intellectual property policy. On the models that were used in the research paper, there was limited benefit to Indigenous artists.

CHAIR—Yes, I understand.

Senator KEMP—It was a very comprehensive discussion paper and I can confirm that it did influence the mind of government on this issue. I think one of features was that, if the purpose of resale royalties was to direct funds to Indigenous artists, there were far more effective ways to do it. In fact, from memory, surprisingly few actually benefited from the various models and schemes that were put forward. The government was very keen to see how effective this would be in funnelling money to Indigenous artists, and the answer was: not very effective at all. I do not think anyone has come up with an alternative argument. What in fact happened was that, rather than going down the retail royalties track, we provided additional money—\$1 million from memory—to arts centres on top of what we were currently funding. This is an issue which has had a lot of attention. If the committee wants to turn its mind to it, I would have no objection to that, but it has had a lot of attention.

CHAIR—I was just looking to get some comment on *Hansard* as part of the record of this inquiry.

Ms Bean—We did provide the committee with a copy of that discussion paper.

CHAIR—Yes, that has already been tabled.

Senator SIEWERT—We do have the list of SRAs that you supplied. Thank you. There is a column missing—how much the value of each one was. Is it possible to find that out?

Ms Allan—We will find out for you.

Senator SIEWERT—Thank you.

Senator MOORE—I have one question on notice. We asked earlier about your research capacity and you said that you were working on it. Can we find out what the research capacity is—your staffing level and that kind of stuff?

Ms Bean—Certainly.

Senator MOORE—It is a constant discussion I have with FaCSIA about how much they have for research.

CHAIR—There being no further questions, we thank Ms Bean and Ms Allan for being here.

Committee adjourned at 4.48 pm