



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

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

Reference: Australia's Indigenous visual arts and craft sector

WEDNESDAY, 21 FEBRUARY 2007

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

Wednesday, 21 February 2007

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

Substitute members: Senator Crossin for Senator Lundy, Senator Moore for Senator Wortley

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

Senators in attendance: Senators Crossin, Ian Macdonald, Moore, Parry, Siewert and Webber

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.

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Committee met at 9.07 am

CHAIR (Senator Ian Macdonald)—Ladies and gentlemen, I declare open this public hearing of the Senate Standing Committee on Environment, Communication, Information Technology and the Arts inquiry into Australia's Indigenous visual arts and crafts sector. Today, the committee will conduct the fourth of its public hearings of this inquiry, and a further hearing is to be held in Sydney this Friday.

These are public proceedings. The committee may agree to a request to have evidence heard in camera or may determine that certain evidence should be heard in camera. I want to mention to all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. This is a parliamentary committee and the rules of parliament apply. It is unlawful for anyone to threaten or disadvantage a witness on account of the evidence given to a committee, and such action may be taken by the Senate to be 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 on which the objection is to be taken and the committee will determine whether it insists on an answer, having regard to the ground on which it is claimed. If the committee determines that the question should be answered, a witness may request that answers be given in camera. Such request may of course be also made at any other time.

[9.09 am]

SCHOLES, Mr Luke Alexander, Assistant Manager, Papunya Tula Artists Pty Ltd

SWEENEY, Mr Paul, Manager, Papunya Tula Artists Pty Ltd

CHAIR—Welcome. Thank you, gentlemen, for joining us and for giving us the benefit of your thoughts. We do have your submission, which is incorporated in the record. I invite you to make an opening statement or explain your submission a little. The committee will then ask you some questions.

Mr Sweeney—I have prepared a short piece as a follow-up to my original submission on behalf of the Papunya Tula Artists. Firstly, I would just like to apologise on behalf of Bobby West Tjupurrula, the company chairman, who is unable to attend. He rang me this morning from Kiwirrkura. At the moment, he is about 700 kilometres west, unfortunately.

I am sure that, by now, you have all had the opportunity to consider the submission put forward by me on behalf of the Papunya Tula Artists and that, hopefully, this was enlightening and informative. Things have heated up somewhat and the debate has gathered momentum since the inquiry was first launched, which I feel is a good thing in that it has brought the discussion forward and has promoted honest debate from all parties concerned. Having had time to consider other submissions and having gathered feedback from those who have been reading them has been very interesting from our perspective.

There is little doubt in my mind that the Aboriginal art industry is in desperate need of scrutiny and that changes are needed to safeguard its future. Until now, through the efforts of the artists and art centre workers in representative galleries, the work has been presented in the best possible way and has rightfully been accepted by the international art-buying public in the highest regard as fine, contemporary art.

This momentous achievement, however, is currently at stake as mass production and market flooding has, in some cases, become the norm. Problematic paintings are being purchased and sold without anyone realising, just as long as the demand and supply continues. Worst examples of this are to be seen on the online auction site, eBay, where works by relatives of well-known painters are flagrantly being passed off as the real thing. Of course, the purchaser should be aware of such risks but, in their haste to acquire signature works by noted artists, some consumers are at times blind to the fact that they could be buying a fake.

Artists and their families are simply responding to a seemingly insatiable demand for their work. This is done with absolutely no concern, as people are completely unaware of any legal repercussions. The adage ‘make hay while the sun shines’ has never been more appropriate. It is, undoubtedly, as a consequence of the unbridled success of the industry that these damaging actions occur. Cash flows are being generated largely on the part of the dealer and, at the end of the day, artists have nothing to show for it. The cycle of boom and bust has never been better illustrated.

Anyone who argues that this is a beneficial form of economic freedom needs to step out from behind their office desk and see firsthand for themselves what it is like for someone to single-handedly support six, eight or 10 people in a day by day, hand-to-mouth existence. This working lifestyle is not being adopted through choice; it is, for some artists, quite simply the only one that exists.

Given that the Aboriginal art industry is at times a fast-paced and frenetic business, the race to reveal the next star artist is never ending. So, too, is the pursuit of acquiring work by the known artists I have detailed some of the negative impacts of this in my submission, some of which are, in reality, frankly, catastrophic. These effects are some of the industry's alarm bells which have been ringing loudly for a considerable time. Others relate to the previously mentioned and so-called problematic paintings. In some cases, commercial gallery owners are selling work that, to the best of their knowledge, is being done by artists who are clearly not the creators of the work. With this in mind, I would argue that in some cases where exploitation exists it is not confined to the artist but is also experienced by the purchaser, who is third or fourth in line.

In closing, I would hope that, during the inquiry, people at the centre of it are not lost in the midst of the debate. We are all responsible for improving the opportunities that can be offered to Aboriginal artists, the industry and its image, all of which have suffered in recent years.

CHAIR—Thank you, Mr Sweeney. Mr Scholes, do you want to add to that?

Mr Scholes—No.

Senator MOORE—Good morning, gentlemen. Thank you for your submission and also for the issues that you have raised for us. I would like to know a little bit about what you think the inquiry can achieve. You have gone to the effort of putting something in to us and you have said that it is important. What are you and the people that you represent hoping that this inquiry can achieve?

Mr Sweeney—My submission made a pretty clear reference to the different levels of activity that are going on. There are people who are obviously a bit more serious about their future in the industry than others. At the same time there are people who are blowing in for the short term and who are just hoping to make a quick buck and get out and do whatever else they want to do. But there are certainly people who are more committed to the industry than others. It is the people who do not have a genuine commitment to the industry who are having the most damaging effects on the industry. It is on that level that I would like to see some change made. I am not going to pretend to have the answers. I am identifying the problems for you. I would not hazard a guess at how much money is being spent on paintings that are not actually what they are. I think that if there were some way of correcting that, that would be a good start.

Senator MOORE—I know that other senators will take up the issue of regulation, because your recommendation is that there needs to be some form of regulation.

Mr Sweeney—I could not begin to imagine how that could happen because at the moment it is so loose and unwieldy that you would need to have someone on the ground, in places like Alice Springs, closely monitoring it. We all appreciate what you are doing, travelling around and gathering information firsthand, but at the end of the day there is only so much that we can say

to you to try and convince you of what the situation is actually like. It is a different story to be there every day and to experience it and to see things firsthand.

Senator MOORE—In your opening statement you said that things had heated up. What does that mean?

Mr Sweeney—I meant that there is more discussion. It is on people's lips obviously as the times approach to this point. There has been an increased amount of discussion on the topic.

Senator MOORE—And people know about the inquiry?

Mr Sweeney—Yes.

Senator MOORE—It is always an issue for us.

Mr Sweeney—Yes. I can give you a pretty good example. We have a fairly successful website, which is accessed by people around the world.

Senator MOORE—Yes, a good one.

Mr Sweeney—It is certainly not our primary point of sale but it is certainly something that keeps us busy. A gentleman from America—not the gentleman who made his own submission but another one whom I have never met before—in doing some basic research was expressing interest in opening up a business. He found the website through his basic information-gathering process on the internet. He read through many of the submissions and then emailed me and said how informative it was to be able to access that information. That indicated to me that it has been quite a useful educational tool in that sense. I have actually referred the website to many people since then. Instead of me going through the half-hour, 45-minute conversation that we so often have, which are necessary and we are happy to do, it has been quite beneficial to be able to direct people to that website. People can browse and go through it. There are discussions there from both sides of the topic—or three or four sides, however many there are, and there are many. It is an open forum where people can read and make their own choices and decisions.

Senator MOORE—So it is useful in that way anyway.

Mr Sweeney—Yes.

Senator MOORE—Do you get any funding for your area?

Mr Sweeney—No.

Senator MOORE—Your submission states the kind of income you get and that you have also funded a new arts centre. The infrastructure issues are coming up but your own area has been able to fund a new centre out of your own activities?

Mr Sweeney—That is right.

Senator MOORE—Have you ever had funding?

Mr Sweeney—Yes. I have been working there for 10 years now, and I think—

Senator MOORE—That is unusual in itself, isn't it, Mr Sweeney, to have one person there for 10 years?

Mr Sweeney—It is. I need to be counselled on that!

Senator MOORE—That is another inquiry, Mr Sweeney! So you have been there for 10 years and in that time, for some years you received NACISS funding or whatever that was called. Over that 10-year period, you would have seen the transition from the funding models.

Mr Sweeney—Yes. I started out as a field worker in 1995. I took some time off, which is why the figures do not quite match up with 2007. I think it would have been in 1997 or 1998 that we applied for and were granted a vehicle, but certainly there has been nothing since then.

Senator MOORE—Have you applied since then?

Mr Sweeney—No.

Senator MOORE—You haven't, because you have been able to keep going?

Mr Sweeney—We have become someone who funds other things.

Senator MOORE—And you have been there a long time? You are one of the oldest in the country, are you not?

Mr Sweeney—Yes.

Senator MOORE—Of course, not you personally—I am using the pronoun to refer to the whole company.

Mr Sweeney—Thirty-six years this year.

Senator MOORE—Before I pass on to others, I have a particular interest in the interaction with Centrelink. We have heard that there have been issues with communities and Centrelink, working out how it all works and just how that communication is done. In your community, is there a relationship with Centrelink, and how does it work?

Mr Sweeney—There is. It is not in the way that you may think it is, though. We do not actually have any employment or training arrangement with Centrelink.

Senator MOORE—You don't have CDEP?

Mr Sweeney—No. One level that we did interact with Centrelink on was quite a few years ago—a cross-reference was performed by Centrelink, which itemised the shareholders of the company because they are listed with the Australian Securities and Investments Commission. Those people who were listed as shareholders were automatically deemed as being someone

who was not eligible for Centrelink benefits because, quite conveniently, Centrelink, who obviously had access to the company's financials, did their maths and to their satisfaction came to the conclusion that each person was receiving a rather large proportion of the company's annual turnover, which of course is not true. For that to have happened, we would have had to basically dissolve the whole company and sold everything.

So there was a process there for a while where people who were shareholders of the company who were eligible and who did receive a dividend each year were taken off the Centrelink benefits list, but the problem was, in some cases, they were not practising artists. So we had situations where, for example, a 70 or 80-year-old plus woman from Papunya who was the widow of one of the shareholders, who had inherited his shares and had no other income apart from her pension, was suddenly struck off Centrelink because Centrelink had determined that she was getting this absurd figure each year. There was a bit of toing and froing there. Things did finally get resolved in a satisfactory way. We now receive a letter from Centrelink—in fact, we got one last week—at the same time each year seeking any changes that may have occurred since the last correspondence and also requesting a copy of our financials, which we submit each year.

Senator MOORE—Does that come to you or to the individual people?

Mr Sweeney—It comes to the company.

Senator MOORE—Do the individuals receive that correspondence as well, so you can balance that up?

Mr Sweeney—They did originally, which was just the most ridiculous thing I had ever experienced. People were receiving letters in the field and those letters were worded to the effect that you no longer will receive your pension after 50 years of it or something. They staggered up to the arts centre with this piece of paper and bemused look on their face, asking, 'What's this all about?' That was very awkward for us and we had a few very lengthy, involved telephone conversations with Centrelink in Darwin and eventually it sorted itself out. People were reinstated who were not actually generating an income from painting—they were shareholders—but they were not receiving payments from painting.

Senator MOORE—Chair, I could go on for days on this—I will not, but we may talk later, Mr Sweeney, on that point. Thank you.

Senator WEBBER—I might just follow up on some of that, but not all of it. I was not at the committee's hearings in either Kununurra or Darwin, so people will have to forgive me if I go over old ground. Just following up from that relating to the work that you did on that, it seems to me therefore that the arts centre model is a lot more complex in terms of the role it has in the community than just purely around the art as such, if you are being the liaison person with Centrelink and what have you; you obviously take on a lot more than just the purely commercial business?

Mr Sweeney—There would be nothing more beneficial to each of you than to stick with us for a week and go out and have a look at what happens.

Senator MOORE—We would love to, Mr Sweeney.

Mr Sweeney—As I was saying, we could sit here and describe it over and over, and no doubt people from arts centres have done that and people today will do it again. But at the end of the day there is nothing really that will be more convincing than to just be there and to watch it all. Community life, for a start, is obviously vastly different to that in our own community and one's job description tends to become a non-existent document, because you are doing things for people who have sometimes nothing to do with the arts centre and it is nothing to do with your job but it just part of being a community. It is just par for the course of being involved or working with an arts centre.

Senator WEBBER—You say in your submission that the arts centre model is the way to go in terms of the general model of looking after the future. What is it exactly about that model that you think should be entrenched in the way forward?

Mr Sweeney—Probably the most obvious things would be the benefits that an arts centre is able to return to a community and, again, that is a discussion that could go on for hours and it is one that would certainly be well answered by you visiting one and seeing firsthand what goes on because, as I was saying, a lot of it does not involve painting. Community arts centres are spiritual and cultural safes. They are places where people go and feel comfortable and interact and they are, in most cases, the hub of the community. Certainly, in the communities where we work, the arts centres are the main activity by far. What they offer is varied and far reaching.

The fundamental difference would be if you were to consider the opposite end of the spectrum and people were to enter into direct agreements or to work solely with individuals or an individual—that may be beneficial to some people. That has happened successfully; I do not discredit that for a moment. In my experience, I think the arts centre model has a lot more to offer in broader terms: the security, the development of artists, the day-to-day facilitating of things in the community, and that is an important issue, because the general trend at the moment is that many people are leaving the community more often and for extended periods. This suits some people, but if you were to be in Alice Springs for a while you would be able to detail the downside of those actions. There are lots of different things. People do not move on their own. There are large groups of people that move.

Senator WEBBER—From my perspective, it is important to get on the record exactly what it is about the model. I am from Western Australia and I spend a fair bit of time out of Perth, although life does revolve around Perth because that it is the only way to get anywhere efficiently. But in dealing with communities in Western Australia, the reason that it is important to get the model on the record, is that so much of that sustainability is around the people. I think that it is really important that we actually work out what the model is so that the community and the infrastructure are sustainable so that, even if after 10 long years, Mr Sweeney, you decide that it is time for a new challenge, we know the model that is effective rather than the person that is effective.

Mr Sweeney—It is interesting, because there are different models available. In some cases they have all worked. Being privately owned, we are different to most. We are a proprietary limited company. There are 49 different shareholders who actually own the company. We call ourselves community based because we came from the ground out there. This thing is still, in no

uncertain terms, a community run operation with the community's interest at heart. We have an absolute obligation and commitment to anything that is going on in the community. If we are approached to assist with anything within the community, we will do that. I believe you spoke to the Jirrawun artists at the Kimberley. That is a different structure as well—successful. And those that are funded through umbrella organisations and are essentially community owned are different again and they have proved successful. So I do not think there is a particular model that you could pinpoint as a reference. But certainly the success lies in the product, and that is going to determine whether or not it is going to survive. Papunya Tula Artists has been very fortunate in that there is a great deal of natural talent in the area where we work. In conjunction with that, a lot of hard work has been done by the artists and people who have worked at the company over the years to develop that. But, basically, it comes back to a very good product which compares well on the market.

CHAIR—I am very interested in your company and how you have operated without government funding for—

Mr Sweeney—It is not exactly mine, as much as I would like to own it.

CHAIR—You are the CEO or the managing director. But it does interest me. From your submission and from other submissions that we have received, I understand some of the difficulties and the problems and the sense of community and the Aboriginal culture of looking after family. We can never fully understand it as someone who lives there does—as you do and as your shareholders do—but we try to do that. But you are not an arts centre in itself. I think you said within your group there are other arts centres funded by the Commonwealth government. How do you interact with them?

Mr Sweeney—I am not exactly sure what I was referring to. Did you mean the neighbouring communities?

CHAIR—Let's go back to basics. How do you actually operate? Does the company, which I appreciate is owned by the artists—although I assume by only some of the artists and there are others that are not shareholders—buy the artwork from the artist, add on a margin for costs and then on sell? How do you operate?

Mr Sweeney—That is basically right. There is an account within the company which is put aside to purchase the works. Currently, we have five field officers who travel to and from the community on a regular basis. We have studios in two communities. We certainly have accommodation in one and almost two. We are about to organise accommodation in another one. Materials and everything are obviously purchased by the company and transported to the studios. The materials are put together by the field officers. The raw or the prepared canvas, if you like, is given to the artist. There are no financial transactions there. This is where it is beneficial to people who do not have a share in the company. It is open to anybody who wants to trial.

CHAIR—If anything I ask you is commercial-in-confidence or is sensitive commercially and you do not want to answer it publicly, just let us know.

Mr Sweeney—That is fine.

CHAIR—Do you sell the artist's work on commission or on consignment?

Mr Sweeney—Yes, on consignment. I will just finish. I will briefly run through the basics of the production. Preferably, paintings are done in the field. We find that the best work is done in the community. People do come into town from time to time. To some extent, we are able to facilitate them. Generally speaking, paintings are done in the field. Paintings are paid for on completion, through an account, which is obviously owned by the company. So, essentially, paintings are being bought with the company's own money. Paintings are then catalogued and transcribed as details that are taken down in the field come back to town. We sort them, price them and from there they could go anywhere: they could go on the wall, they could go on the internet or they could be consigned interstate to an exhibition.

CHAIR—How do you say to an artist, 'I have this painting and now I am going to pay you. It is worth X?' Who makes the decision on how much that painting is worth in the field?

Mr Sweeney—That is determined by the field officer, in accordance with a pricing schedule that we use.

CHAIR—What factors do you take into account?

Mr Sweeney—They are many and varied to go with the artist's standing within the industry, the size of the work, the quality of the work and things of that nature. I should point out that that is not necessarily the finished price. If the painting comes to town and is viewed by us when we sort it and we realise that the quality is such that it would make it possible for us to put further payments to the artist on top of that, we would do that. We quite often do that. Each artist has a loan account which fluctuates. People are granted use of an account to take an advance, if necessary.

CHAIR—We heard evidence elsewhere and we had some in the submissions today, which referred to 60-40. It is not very accurate, because it depends. Sixty or 40 of what? The industry average that we have gleaned is that the artist gets about 60 per cent and there is about 40 per cent on-costs, which the first agent—in this case, your company or the art centre—takes to run it. I do not want to go into finer detail, but is that in the ballpark?

Mr Sweeney—Is that between the art centre and the artist or between the art centre and the market?

CHAIR—On what you pay the artist, what is the mark-up on that when you sell the product?

Mr Sweeney—There is no rule. There are no set margins. It depends on the saleability of the product. You cannot just approach a painting and treat it like a carpet or something in terms of square feet and therefore determine a figure. There would be paintings that are bought by the company that would be sold sometimes at a loss. They would be paintings by young people or by people who are still developing or who may not quite have that spark, but we are able to support those people and to keep them practising and trying. For others, who obviously have a reputation that dictates a set pricing standard, we can assume fairly accurately what that painting will be worth, and that would be a larger margin.

CHAIR—For a recognised artist, you would say the instant you saw it, ‘That’s worth \$10,000 in the eastern states.’

Mr Sweeney—Yes.

CHAIR—Would you pay that person \$6,000 or is it not quite that simple?

Mr Sweeney—No. It would not be that high. If we consign something to an eastern capital gallery, it would go out at a wholesale price, which would be 20 per cent off. There is obviously a GST component in there as well, which lowers it.

CHAIR—I do not want to go into too much detail; I am just trying to get a concept. So out of what your company takes—and I do not mean that pejoratively—you then make a profit. You pay wages, and you have got a relatively big staff by comparison. You put a lot of money into the community—you have mentioned some of it and I am sure there is a lot more than that—and you pay your shareholders a dividend as well. Just putting all that together, you must do pretty well, as a company, which is a credit to you.

Mr Sweeney—I was not joking when I said I would like to own it! It is a very successful company and that is a measure of what we are able to achieve in realising projects and things that people in the community want to see.

CHAIR—I note your comment that, if carpetbaggers come in and pick out the eyes from your artists, it is not only going to affect the company; it is going to affect the community. I accept that. It seems to me that you have got a very good operation going. I love the fact that you are not getting any government money—and it was apparently a historical dispute years ago that forced you out on your own. At the same time, you are doing that community development work, and I acknowledge very clearly that the art centres do that community development work. It is not just an art area; it is a community development area as well. But you seem to be doing the same and you are doing it all without a cent of government money. Why isn’t your model the right model for everyone?

Mr Sweeney—Experienced as I am with Papunya Tula Artists, I have not really had anything to do with any other art centres, so I do not know exactly how they would operate under the same structure.

CHAIR—Do you have an internal training system, not just for artists but for people who frame, pack and manage paintings? Do you have your own training system or do you get government assistance for training?

Mr Sweeney—No. That is all just done by passing on information and knowledge amongst our own staff, basically. We train ourselves, and at the moment our goal is to obviously keep our staff, which is a problem, but also to educate and train each staff member so they are able to multi-task and do everything that is asked of them, and that is a lot. Again, you would have a greater understanding if you were to just stand to one side and watch it. But, in the course of one day, you might begin your day 700 kilometres west, dealing on the ground, as it were, and in the same day you might be sitting in Alice Springs in an office talking to a curator of a state gallery.

CHAIR—A lot of us want to ask questions, so I have to keep moving. Are there any federally funded art centres within the geographic area of the people who are associated with the company?

Mr Sweeney—Yes, there are.

CHAIR—How do you interact with them? Are you in competition?

Mr Sweeney—No, there is no competition. We are supportive when we can be.

CHAIR—But, if they are buying a painting, you are not buying it, so that affects your profits.

Mr Sweeney—It does not really happen. The community that we go to which is furthest away is a place called Kiwirrkura, which is about 700 kilometres west from here; it is actually in Western Australia. People from that community have a very close association with Balgo. In fact, they are closer to Balgo than they are to Alice Springs. Balgo, of course, has a very successful art centre. Some of those people, when they travel to Balgo, paint through Warlayirti Artists, and that is great. I encourage that. I think it is a good thing for people to be able to travel and practice their skills and generate an income while they are travelling.

CHAIR—Thank you for that information and for your submission. I was very keen to work out how you operate. I invite Senator Parry to ask some questions.

Senator PARRY—Thank you for your submission. You mentioned a few things I want to clarify. On the first page, you estimated that the Aboriginal art industry is worth \$500 million annually. We have not been able to gain similar evidence from other art centres and other people we have received evidence from. If possible, can you explain how you arrive at that figure? I am not doubting it; I just want to know the methodology behind it.

Mr Sweeney—It sounds incredibly high to me. But that came from Michael Reid in Sydney. People like Michael who are at that end of the market obviously see a lot more of the high end—the very expensive works—than we do. I questioned it and rang Michael and said, ‘Do you think it’s really that high?’ He said, ‘Yes, I think it is.’ That would, of course, encompass everything: the complete secondary market sales at various auction houses—some of them are having two or three sales a year—right down to the art centre turnover through direct retail sales. It sounded high to me, but it was a quote that I was willing to go with.

Senator PARRY—It is the first time I have heard that on the record; it is good to have. I want to talk quickly about a few items on the financial side of your business, because we are trying to get a comparison around Australia as to how the market sits financially. Following on from the chair’s question about margins, I want to absolutely clarify this: regarding the margins that you have, when you on-sell a piece of art to a dealer or to a gallery, does the artist get a consigned figure or has the artist already had that painting purchased?

Mr Sweeney—The artist is paid on completion of the painting.

Senator PARRY—Full stop? So there is no further remuneration?

Mr Sweeney—There is. That is what I was explaining before. The journey, if you like, of a painting does not end at the point of sale from the artist to the art centre.

Senator PARRY—I heard your previous explanation. So you can give a top-up payment back to the artist if you wish?

Mr Sweeney—Yes.

Senator PARRY—Are all the 49 shareholders artists?

Mr Sweeney—No.

Senator PARRY—Could you give me a percentage of how many shareholders would be artists?

Mr Sweeney—Probably about 75 per cent. Of course, it was originally 100 per cent. But, at the time that the company was established and the original shareholders became shareholders, many of those men—they were essentially all men at the beginning; it was primarily a men's company when it was formed in 1972—were quite elderly and many passed away not long after the company was formed, and that obviously still continues to this day. When a man passes away the shares are redistributed to the widow, if she is surviving; if not, they go to next of kin, preferably someone who is a practicing artist. This is all in accordance with the constitution, I might add.

So ideally, we are attempting to keep the company in the hands of the painters, but it is not possible and we cannot change that. It is majority owned by painters and it always will be. We have had situations where an original shareholder has died, those shares have been transferred to his widows, she has painted for quite a while, and then died and the shares are then passed onto perhaps a son or a daughter who has become an emerging painter. That is an ideal scenario—the shares remaining with the family and the careers are being fostered.

Senator PARRY—Thank you, that explains it a bit more. So it is top-up payments plus you could be a shareholder as well?

Mr Sweeney—Yes.

Senator PARRY—I want to move into some other areas, like exploitation, that you mentioned in your submission. We have taken evidence about exploitation in a few different places. Do you have firsthand knowledge of payment for artworks by other means such as second-hand motor vehicles, drugs and even prostitution services?

Mr Sweeney—There is certainly a lot of hearsay.

Senator PARRY—That is why I am asking about direct knowledge.

Mr Sweeney—I have not stood beside someone who has offered that.

Senator PARRY—The second bow to the evidence trail: Has someone indicated to you that they have received remuneration other than cash?

Mr Sweeney—Yes.

Senator PARRY—We appreciate that it can only be an estimation, but could you estimate whether that could occur in less or more than five per cent of artworks sold?

Mr Sweeney—I think it would less. Obviously instances like that are going to gain a lot of attention. As quickly as I have seen an explosion of people entering the industry and setting themselves up as art dealers, I have just as quickly seen a correction of some kind. Because of the amount of publicity the industry has gained, people are very careful now about what they do, which is a good thing. This is what I was alluding to—the mere fact that this thing is happening is a positive.

Senator PARRY—That is right.

Mr Sweeney—I think some positives have come out of the fact that it is out there on the table and people are talking about it.

Senator PARRY—Are you indicating that it is, most likely, less than five per cent of incidences?

Mr Sweeney—Yes—certainly the practice of people trading vehicles for a painting. That would be the most common element of your question. As for drugs and prostitution, so many things about this industry would not surprise me; I would not doubt it. I do not think it goes on everyday. I cannot believe that it goes on everyday. I have heard that it has happened. I do not think it would be very often but certainly the practice of trading vehicles for paintings would be—

Senator PARRY—The most prevalent.

Mr Sweeney—Yes, that would be the most common instance.

Senator PARRY—So gathering from your evidence that you are giving us now do you believe this is decreasing, not increasing?

Mr Sweeney—I think it is. People have been forced in some way to tidy up their act. I do not know that I would necessarily endorse those same businesses, in some cases. I am not about to discredit any particular business but some are more organised and offer a better service than others. One thing I made a point of in my submission was that there is a great variation in the level of organisation. Some people are trying very hard to participate in the industry and are trying to accommodate and treat artists as they should be; others are not.

Senator PARRY—To your knowledge, would the worst area of exploitation occur with what I would term ‘fly-by-nighters’? We have heard the term carpetbaggers but would it be fly-by-nighters?

Mr Sweeney—It would be. I do not use the term ‘carpetbagger’. It is a generic term which has been basically applied to everybody who is not an arts centre, and I do not think that is accurate. As I said in my opening speech, the worst case examples are the people who are getting their work through whatever means—the next day it is on eBay. It is a disgrace. That is what is damaging the industry. It has taken until now to produce this high-end product, which is basically being flogged at the moment. The success of the industry is being abused by some members.

Senator PARRY—Thank you.

Senator SIEWERT—In your submission you talk about regulation and I think you touched on it when you were talking to Senator Moore. If I properly interpreted what you said, you were looking for the inquiry to come up with some answers.

Mr Sweeney—Maybe not you.

Senator SIEWERT—I take the point, but I would like to ask you a bit more about that. You make comments about art centres, and other submissions have made comments about dealers. If I read your submission right, you talk about a system of accreditation or licensing. Do you mean that to apply to art centres?

Mr Sweeney—No. That would be to anybody within the industry. It is a difficult one. Hopefully, I have worded it in a way that I am not 100 per cent sold on that idea. It is something that could be considered. How you introduce that monitor, I have no idea. I would have to give up my current job and take it up full-time to work out how to do that. I was thinking about it over the weekend and an ad for a furniture business cropped up on television. At the end of the commercial they made it a point to note that this company was an accredited furniture removalist business who was therefore monitored by the Institute of Furniture Removalists. I thought, ‘You have to be accredited to move a chair from Sydney to Perth and yet millions of dollars are flying around the country virtually completely unmonitored.’ I believe there is room for consideration. I would not know where to start in terms of introducing it but it is something that could be thought about.

Senator SIEWERT—Also dealing with regulation, it has been proposed that there be a certificate of authenticity. I will go with that name, although there is some concern about the name; something like a ‘certificate of provenance’ may be better. At the moment I am aware that it is informal and that most artworks from art centres have some sort of certification with them. But the proposal was that the federal government puts in place a formal system that then enables painters to be tracked and that if you did not have a certificate you would not be able to put a painting up for auction, for example. I have asked most witnesses what they think about that proposal. I will ask you now what you think about that proposal?

Mr Sweeney—It is an interesting one. We have one and it is still in its original 1973 format. It adds considerable weight to the provenance of the work. The document that is generated by us and provided with the painting at the point of sale has details that obviously relate directly to our database at work. Catalogue number, artists’ names, size of the work and the detail that relates to the painting exist in the handwritten notes which are filed. We have the original handwritten notes, we have a computer-generated certificate and we have the product itself that are all bound

by a group of numbers and letters. This works very well and is probably why it remains unchanged for so long.

Quite often, people who have acquired or have owned works from as far back as 25 years ago for some reason lose their documents or need a replacement. They come to us and, for a very small fee, we will re-issue the document. On doing some basic research we just confirm that what we are being asked to supply relates directly to the painting in question. People are generally asked to supply a photograph of the painting with their request. A couple of phone calls are made just to confirm everything is right, then the document flies out. That is the supporting reference to that painting which is bound through the course of that painting's life. As it changes hands, that certificate travels with it. That is not to say that the odd person out there is not generating their own certificates, which has happened.

Senator SIEWERT—If this proposal were regulatory, it would make that illegal. People might still do it but it then becomes an offence that carries with it fines or whatever and that would discourage people doing that. Would that sort of national system, if it were a formal system, be worth the effort?

Mr Sweeney—A unified certificate of provenance? I do not think so. Art centres have their own certificates of provenance. I do not see any reason to introduce something that covers every painting from every art centres and that has a similar or the same format. Off the top of my head, I could go away and think about that for some time but I do not think so.

CHAIR—But a code of conduct relating to certificates of provenance, or whatever they are called, which has a legislative backing so that it is then an offence if someone fraudulently copies or forges your certificate? I think that is what you are getting at, Ruth?

Senator SIEWERT—That could be an easier form.

Mr Sweeney—I would welcome that. It seems unusual to me that it is not already an offence.

CHAIR—It probably is under the Trade Practices Act.

Senator SIEWERT—The other point that has been raised with us is that the Trade Practices Act does not seem to have been used or applied at all in this sector. Have you had any experience with anybody taking complaints through that process?

Mr Sweeney—No.

Senator SIEWERT—We have heard evidence that relates to carpetbagging. It has been put to us by a number of communities that the permit system is useful for communities to help keep people out. Have you had experience with that?

Mr Sweeney—I have had experience with that. I think it would be detrimental to the art industry if the permit system were scrapped. In my experience—and this is going back to when I was a field officer—the permit system has been ignored somewhat, even while it has been in place. People have worked out ways to get around it. In some cases they just ignore it completely. It does not take much to ask around and find out where someone lives and then start

setting up a deal. Alternatively, people have worked their way around it by means of being invited, if you like, by certain community individuals. But at the end of the day, for those who are not quite that brazen there is still a process for them to go through, which I think is beneficial to the arts industry.

I am in the process of drafting something to contribute to the Central Land Council's gathering of information on their presentation. To suggest that it is going to be beneficial to communities to throw open the doors and allow people to just drive out—I cannot see how that is going to be beneficial at all. I think it would have quite drastic consequences.

Senator SIEWERT—Thank you.

Senator CROSSIN—My apologies for being late. I only flew down from Darwin this morning. Being local you might appreciate what that means. I want to pick up on this national licensing and accrediting question that Senator Siewert asked you. As I understand it, at the moment you have Desart here and ANKAAA in the Top End but is there a national body that you can network through or liaise with?

Mr Sweeney—We do not have a lot to do with Desart and ANKAAA. We are a member and we do receive bulletins and industry-related information. We did access their Networking the Nation program which was very good. That was a program that obviously helped in remote communities, probably more so than in ours so far as them setting up their websites and getting their information technology up to scratch. In comparison to most other art centres, we probably do not refer very often to those places at all. Obviously, we are in the loop with any information that is being passed on. Our position has been that their time and resources are stretched and are better spent servicing places that need their help more than we do.

Senator CROSSIN—You talk about a national body that might license furniture removalists, and we also have a national licensing system for motor traders, for example. You cannot buy a car, new or second-hand, from someone who is not licensed. Surely, it must be possible to have a national licensing system for art centres or art operators in this industry.

Mr Sweeney—That is similar to the issue of accreditation. It is something that is worth considering. I am not about to jump in and back it 100 per cent. What that licensing or accreditation would be based on is something that would be very contentious, and it would be very long and involved to determine who was eligible and what would restrict people from being approved, accredited or licensed. There are, of course, various organisations that have been established: the Australian Commercial Galleries Association and Art Trade, which are separate entities but have their own codes of practice. The Australian Commercial Galleries Association is not purely an Aboriginal art trader; it trades in non-Indigenous art as well. I am not completely sold on something being set up to nationally license dealers in the Aboriginal art industry, but it is certainly worth looking into. What would be difficult would be breaking it down into what the terms of reference were and what made people eligible to be licensed through that system.

Senator CROSSIN—I want to ask you about two other issues. One is about staff. We heard from the Maningrida Art Centre yesterday. They are having difficulty employing an assistant arts director for their arts centre because the maximum that they can offer that person is \$50,000 and out there in the market people are getting much more than that. How do you survive attracting

staff? Is it because the business is doing so well? What ideas have you got that we might consider in terms of any recommendations that might address some of the issues about attracting good-quality staff, staff who might have not only an artistic sense but also business acumen?

Mr Sweeney—I spent a bit of time considering that in preparing my submission. From Papunya Tula's point of view—and I would be quite happy to throw this over to Luke for comment afterwards—there is obviously serious history with the Papunya Tula artists. People who have experience or knowledge of the industry are aware of that. Over its long history it has been fortunate to attract people who have not necessarily wanted to work there for the money, to put it bluntly. Of the many people who have worked there over the years—and there have been many; they are not all silly enough to stay for 10 years like me—most people have been drawn to it because they wanted to work there. It is a great privilege and an honour to work alongside many of the artists and the people whom we work with every day.

Attracting people to the job is difficult. It is very hard work, particularly in remote locations. That is not something, you would know, that simply applies to the arts industry. It applies to employing anybody on a community, keeping them happy, paying them well, housing them well and offering them whatever incentives that it takes to keep good employees there. Community positions turn over at a ridiculous rate. Across the board: in clinics, education, offices and essential services—all of those things—staff are coming and going constantly. I have learnt that it retards the progress of the place when somebody stays for six months, nine months or even a year and comes and goes pretty quickly. Various programs are introduced, and before you know it someone is going and you have to go through that whole recruitment process again.

The arts industry is no different. At Papunya Tula Artists we certainly try to make the situation as attractive as possible. Not only do people have the joy of working alongside some of the greatest artists in the country—and that is what appeals to people fundamentally; that is their main interest, in most cases—but we have attempted to improve their conditions as much as possible, which is what is quite exciting about this new arts centre and the renovations to the staff quarters out there. It is going to make things a lot better, hopefully not just for the artists themselves but also for the staff, who will be able to work in a much more comfortable environment. Luke, do you have anything you want to add to that?

Mr Scholes—Yes. The question of staffing is a really interesting one and it refers back to questions that Ruth and Ian have asked today about the model of the arts centre and what is unique about not just Papunya Tula Artists but the arts centre model in general. I understand that staffing for new and emerging art centres throughout particularly the desert regions, where we have a bit to do with staffing, is a really big issue, as is that of wages—and it is all related to funding. We are in a privileged position in which, due to the success of the company over a long period of time, we can afford to look after staff as best we can, but it is not the same in arts centres across the country. The funding of these art centres and the contribution they make to the communities are things that need to be considered.

I came to Papunya Tula Artists over four years ago. My motivation for working in this company is very similar to the motivation of people who go to work for arts centres everywhere. It is really the crux of what makes us different in the industry as compared to private operates, and that is that art centres are not purely profit driven. It is about people. As Paul said many times, it is about people's lives. The care and genuine love we have for the artists and the

families is really what drives Papunya Tula Artists. Like other arts centres, we take a holistic approach to the community, to the artists and to their families. That is really what separates us. It is not all about profit, it is not all about getting the work out and selling it; it is about people's lives and it is about providing employment in remote areas and looking after those people. Staffing at arts centres is very important. It is really what makes arts centres unique within the industry. So, yes, it is an interesting one.

CHAIR—I am sure there are a hundred other questions every one of us would like to ask but we are constrained by time. I thank you for coming and sharing your experiences and your thoughts with us. The committee would like to visit some of these arts centres, but time and distance and travel is always a constraint. How do you get to your place? Geographically, where are you?

Mr Sweeney—On Friday, 16 March, you hire a light plane and you fly to Kintore to celebrate the opening of the new arts centre.

CHAIR—Friday, 16 March?

Mr Sweeney—I could not think of a better opportunity. There will be a very good cross-section of industry figures there, ranging from curators of fake galleries right through to commercial gallery representatives to individuals who have been—

CHAIR—I was not giving you the opportunity for an advertisement. So your means of travel is hiring a light aircraft—

Mr Sweeney—We drive.

CHAIR—How far is that?

Mr Sweeney—Kintore is 500 kilometres west. Kiwirrkura, which is the neighbouring community where there are shareholders, is a much smaller community. It is approximately 200 kilometres further west from Kintore. Kintore is 500 kilometres west; Kiwirrkura is 700 kilometres.

CHAIR—Travelling by road is about 10 hours?

Mr Sweeney—By road it is about seven.

Senator CROSSIN—It is on the Northern Territory-WA border past Uluru.

Mr Sweeney—Kintore is about 40 kilometres on the Northern Territory side.

CHAIR—Is it near Giles?

Mr Sweeney—No, we are north from there.

CHAIR—So light aircraft is the best way of getting around?

Mr Sweeney—Yes.

CHAIR—Thanks for coming all those miles to be with us. We appreciate your work and all the best for the future.

Mr Sweeney—Thank you.

Mr Scholes—Sorry to interrupt. Can I make one final brief statement? It relates to Senator Moore's initial question about what sort of outcome can we get from an inquiry. I am sure that all of you guys are sort of wondering about that on the road as well: what is going to be the outcome and how can it be beneficial? I have thought about this a lot myself and I think it really comes down to education. Exploitation is taking place at both ends of the market. Due to the nature of our work, we are primarily concerned about exploitation of the artists, but at the other end of the market there is a lot of exploitation taking place, all across the country, of works being passed as the hand of one artist when we certainly see that it is not. I think that all we can aim to do—and you guys can aim to do—is educate the market on exactly what is going on.

CHAIR—Thank you very much, Mr Scholes. I will note that in your submission as well and certainly the committee will take that on board.

[10.21 a.m.]

FRANK, Mr Jimmy, Deputy Chair, Desart

OSTER, Mr John, Executive Officer, Desart

TURNER, Mrs Amelia, Artist, Desart

CHAIR—I welcome the three of you. We met with Mr Oster last night. But it is good to have Mrs Turner and Mr Frank with us as well. Thanks for coming along. As I mentioned at the beginning of the session, this is a sitting hearing of a Senate committee, so parliamentary privilege applies to anything you might say. If there is anything you feel the need to talk in secret about, we can go in camera and take the evidence confidentially. Thank you for tabling those brochures for the committee's benefit and certainly the map will be very helpful. If you have an opening statement, please go ahead.

Mr Oster—I will defer to my colleagues for two brief opening statements and then I will make another one myself.

Mr Frank—I would like to send my apologies for our chairperson, Mr Shepherd. He could not make it here today. He is in the desert at Blackstone at the moment. I represent the Barkly region up near Tennant Creek. I am an artist at Nyinkka Nyunyu Cultural Centre. Desart is made up of executive members from all around Central Australia. We discuss all sorts of issues and help arts centres as well and look after artists all around central Australia. Our committee is a very strong one. We support the submission that we sent to the inquiry today.

CHAIR—Thank you very much, Mr Frank.

Mr Oster—I would like to introduce Mrs Turner. Mrs Turner comes here in the capacity of an artist to speak as an artist about this industry.

Mrs Turner—I would like to tell you a little about our arts centre. I am from Irrkerlantye arts centre in Alice. Irrkerlantye art is not about society; it is about education, participation, community support and wellbeing. It belongs to us and it is our community. It also protects our artists from exploitation. Irrkerlantye art has been operating for six years and we have been building it into a strong business and a strong part of the Irrkerlantye Arts and Learning Centre, which also has a creche, adult training and school programs.

The centre is also an intergenerational arts centre where family members of all ages work together. Mothers, grandmothers and children come together there. The older ones pass on their skills in art and their knowledge of culture to the next generation. One language is spoken at the centre. We speak eastern Arrernte. Most of our people are the traditional owners of the land we are on now. There is a strong involvement with guidance through elders and parents at the arts centre. Land and culture and people are together here and people are connected very strongly to the land.

Painting is important because it connects us to the country. Painting is also a work that connects us to the wider community as well. Our arts centres belong to us and protect artists from exploitation. We have done some strong, successful projects at the learning centre. They include some etchings: big ones, little ones that were featured in Sydney and the bush paintings which were put up in a national association's display in Sydney. If you had visited Alice Springs hospital, you would have seen a really big mural in the entrance. That was done by some of our artists as well. We worked to do these projects together. Also, we passed on our culture to each other as we learned together. If our arts centres were not there, some of the people would be just sitting at home. The Irrkerlantye arts centre is a place that we can call our own, as most communities can call their arts centres. It is a place where we can go and work, create activities and learn with families and also connect with wider communities. Such arts centres have been built for the older community and should be supported.

CHAIR—Thanks very much, Mrs Turner, and I thank you and Mr Frank for coming along. It's over to you, John.

Mr Oster—Thank you for this opportunity to address the committee. Desart is the professional association representing 43 Aboriginal owned arts centres in Central Australia. I have been working in this organisation for almost three years. I have come to this position with 10 years experience in this industry. That includes three years as the arts centre manager at Warlayirti Artists, at Balgo, and a further three years as a community administrator at the Mowanjum Aboriginal community, near Derby in Western Australia.

I would like to acknowledge today the presence here of many artists in support of our submission and the discussions of the committee. If there is a common thread in the submissions that have come before the inquiry, it is undoubtedly the important role played by arts centres as Aboriginal owned organisations and the need to support and reinforce these organisations as pivotal players in strengthening the capacity of Aboriginal people in Central Australia. Arts centres especially need additional funding support as well as improvements in infrastructure and governance.

Many submissions have highlighted the success of the Indigenous arts and craft sector. I particularly refer to evidence given by Professor Howard Morphy at an earlier meeting. I have visited and have been closely associated with many remote communities in Northern and Central Australia. My experience is that all the evidence submitted to the inquiry about the benefits of arts centres to communities is absolutely accurate. I believe that this sector is a national phenomenon. We should feel proud about it as a nation. There is a national interest at stake in ensuring that this sector is healthy. This is the one successful national enterprise developed by Indigenous people, and its growth over a period of 30 years or so has been remarkable. Perhaps many of the problems experienced in the industry spring from this quite radical and unbridled growth.

We submit that it is now time to consider measures to promote a more orderly industry development. We seek the assistance of the Commonwealth government and other agencies in achieving that. First and foremost, we believe there is an important case to be made for industry regulation. The National Indigenous Commercial Code of Conduct, which is under development, is an important first step along this path, but it will require national endorsement and compliance.

CHAIR—Who is behind the development of that?

Mr Oster—The project is being managed by the National Association of Visual Arts, the steering committee for the project comprises Desart, ANKAAA and NAVA and there is an industry-wide reference group. We think this code needs to be supported by a raft of regulatory measures that may include dealer licensing. A number of submissions advocate the creation of a national Indigenous arts regulatory or advisory or advocacy body, and we are open to that idea. We submit that unethical conduct presents a serious threat to the sector in terms of buyer confidence and in premeditated undermining of arts centre operations. We note that most of the claims about unethical conduct submitted to the inquiry are unsubstantiated and that this is understandable in this environment. It is difficult to get a handle on the extent of the problem. I believe there are vested interests at play. Large amounts of money are involved and organised criminal activity cannot be ruled out. It is interesting that a number of potential witnesses to this inquiry made it known to us that they felt it was unsafe to make submissions. They felt that their jobs and families would be put at risk. These behaviours need to be met head on.

Most important is the need for genuine Aboriginal empowerment. There is no doubt that artists are empowered through art creation. There needs to be a concerted effort though to match this with a genuine improvement in understanding about governance and organisation management. Most of the arts centre failures that we see—and failure is the exception rather than the rule—can be put down to failure of governance in one form or another.

Some people express a degree of scepticism about funding arts centres. I can state categorically that without these important Aboriginal businesses the vibrant Aboriginal arts industry in Central Australia would soon grind to a halt. Private sector interests may support some individual artists but non-Indigenous people would largely be the beneficiaries and all of the community benefits that are derived from arts centres would be lost. The arts centres that we represent appeal to the government to strengthen its support for what is undoubtedly a national treasure.

CHAIR—Thank you very much, Mr Oster. We will proceed to questions.

Senator SIEWERT—Firstly, I would like to congratulate you on your submission. It covers the issues really well. It brings out some really important issues. There are so many but I will only get a chance to ask about a couple. I was particularly attracted to your idea about changing the concept of sustainability of an arts centre. It actually correlates with a lot of the other evidence that we have heard in our hearing so far: that what arts centres do is not just about selling art; it is also about community development and all the things that you have articulated here. I would like to ask you how that concept is being met by DCITA and other bureaucracies—and I do not mean that in a derogatory sense—that fund arts centres. Do they recognise what you mean by the broader concept of sustainability of an arts centre?

Mr Oster—Is it appropriate for me to say what those concepts are?

Senator SIEWERT—Yes, I think so, because you mentioned the idea in your summary but it is also at the bottom of pages 12 and 13 of your submission. If you want to expand on it I think that would be useful.

Mr Oster—We are trying to take the idea of sustainability to something that is more meaningful in Aboriginal remote communities. Sustainability is always put to us by government in fairly strict economic rationalist terms as a case for saying that at some stage arts centres should be defunded because they are successful. We believe that arts centres can demonstrate their sustainability purely by the fact that they exist and have been able to exist for a long period. They have been able to sustain their performance and their existence.

There are a number of important factors towards that. We think they should have a strong working structure, a governance structure, a committee and a constitution. We think they need stakeholders. There needs to be a group of people who hang together. In this case, it means artists. They need to have a definable product to exist. They need to have a presence in the marketplace so that the works are sold and income is generated. They need to have sound business practice. They need an appropriate infrastructure. Crucially, they need to be able to demonstrate success in gathering support where they need it. That is not always government funding. That might be support from philanthropists or in-kind support from their community. But it means that they are able to draw on a body of support when they need it. This goes to your question, Senator. We have put this up in the first case in an application to DEWR for a business development program in Central Australia. It was met positively. That gives us confidence to take this forward now to other areas.

Senator SIEWERT—Have you discussed it with other centres beyond Desert?

Mr Oster—Do you mean other art centres?

Senator SIEWERT—Yes.

Mr Oster—We discuss these issues continually.

Senator SIEWERT—So it has broad support through the rest of the sector as well?

Mr Oster—Yes. Arguments have been put for many years among our membership about the way we need to view sustainability and that the bottom line is not the only factor that applies on Aboriginal communities. Many of the submissions—and the questions here—are about the varied role of art centres in the community. It comes down to how you can quantify the support they might give to communications and travel in a community or how you can quantify the support for culture or women's activities. They are difficult to quantify but they are genuinely real.

Senator SIEWERT—Yes. The issues that come out very strongly in the inquiry are the crucial importance of having strong art centres and the roles that they carry out in the community. Also, the other issue that has come up—and you have touched on it—is infrastructure or lack of infrastructure. Would it be a correct assumption that the same issue applies for the central desert region—that is, infrastructure and the need for improved funding for infrastructure?

Mr Oster—It is absolutely critical. Most art centres start up as ephemeral community organisations. Hetti Perkins and Brenda Croft in their submissions to you at the last meeting talked about artists firstly not saying, 'We want to be paid for our paintings.' What they say

initially is, 'We want an art centre.' These things spring up out of women's centres or out of a shed. We are talking at Papunya at the moment about starting an art centre group out of a preschool. Infrastructure on communities is very low grade, so artists tend to come together in whatever they can find. Because there has been no dedicated infrastructure program in the industry, that is what they are stuck with. As their group grows and they sell more and gain a greater presence, the facilities are awful. There are no purpose-built art centres in Central Australia apart from a recently constructed building at Warlukurlangu and the new centre being opened at Papunya Tula. There are some centres—two or three in the Pit lands; by that I mean the Pitjantjatjara lands in South Australia that we cover—where some work has been done historically on art centres. But, by and large, these are very poor buildings. As we start to think about renovating and providing better infrastructure, which also impinges on the ability to recruit staff, we come across issues particularly about staff housing. It is really difficult to recruit staff on a low salary, unsupported, as a single worker on a remote community, and not provide a house.

We look at places for funding for these things. There is no dedicated funding program apart from an initiative by DCITA through the NACISS program in the last two years, I believe, where they have dedicated some special initiative funding for these kinds of things. Generally speaking we are not talking about building Taj Mahal destination art centres. There are a few places—Balgo community is one of them—where such a building has been appropriate and has ramped up their business performance extraordinarily. Generally speaking, though, we are talking about properly fitted out sheds. We are talking about kit sheds that can be purchased from Stratco or wherever—a reasonably sized shed that might cost something like \$20,000 to \$40,000, have a decent concrete floor in it, have an air-conditioning system and be fitted out to work for the community. That is the kind of infrastructure, by and large, we are looking for, and we do not see that this should be a particular problem. Shall I leave that one there?

Senator SIEWERT—Yes. That has given us a good understanding and has also built on what we have been hearing from other people. Everybody is saying the same thing. I am aware of time so I would like to sneak one final question in on the code of conduct. You have made a fairly strong argument in your submission about regulation and the need for better regulation and accreditation. If I understand your submission accurately, you are saying the base to start that from is the commercial code of conduct. You were here when Senator Ian Macdonald also asked the question about using that as regulatory, making that a regulatory response so that it can be enforced. Is that how you see the regulation process going from here—that you would use that code of conduct as the basis for regulation?

Mr Oster—We see the code of conduct as a first step. We have had discussions with Arts NT and various other people about how we might progress an accreditation scheme or some form of ramping up better performance and accountability. But if there is to be an accreditation scheme, for instance, there needs to be something to be accredited to. There needs to be a codified set of standards. So we see the development of a code of conduct as the first step that actually sets out what practice should be. By itself it is just a piece of paper. It will need endorsement and it will need some kind of putting into practice.

Senator SIEWERT—Enforceability?

Mr Oster—Enforceability is an element of that, but these things go to other regulatory measures, be they a licensing system for dealers, and we would include licensing of art centres in that. We see that this is a broad industry—a broad church—and we would like to see the whole stretch of that regulated in some way.

Senator PARRY—Mr Oster, you mentioned in your opening statement that ‘organised criminal activity must be met head on’. It is the first time I have heard the term ‘organised criminal activity’.

Mr Oster—There are people on the fringes of this industry and in particular pockets who exhibit behaviours similar to organised crime.

Senator PARRY—Is that concerning the exploitation of purchasing of artworks? Does it extend beyond that?

Mr Oster—It also extends to threatening behaviours. It also extends to the money flow and the dealing in high-value artworks.

Senator PARRY—I noticed on page 20 of your submission, under ‘other behaviours’, the Cultural Gifts Program. Are you referring to that as being part of an organised crime activity?

Mr Oster—No.

Senator PARRY—Could you elaborate then on what you consider to be the money flows of artworks and where that fits in with organised crime? Are we talking about money laundering?

Mr Oster—We are.

Senator PARRY—Okay.

Mr Oster—Do you want me to—

Senator PARRY—As far as you want to elaborate, please do.

Mr Oster—Let us imagine a situation where a person with a known criminal background accesses communities with substantial rolls of cash.

Senator PARRY—Tens of thousands?

Mr Oster—I cannot put a figure on it. I can only give you a reported size—a roll of cash like that—and these are distributed in terms of cash payments and motor vehicles, in terms of gifts. These are unsubstantiated, unreceipted payments. In return, artists are asked to provide artworks. Payment is not allocated to a particular artwork necessarily. Benefits are just distributed widely. The artworks then appear in the mainstream market and are sold for mainstream income that can be channelled into what looks like a legitimate business.

CHAIR—For the record, you mentioned a roll of notes ‘that big’. For the *Hansard* record, is that about eight centimetres by eight centimetres?

Mr Oster—I would have said 10.

Senator PARRY—We will have to measure notes and work out how we can work out a value for that. The phrase ‘organised criminal activity’ indicates criminals working in concert. You mentioned ‘a person with a criminal history’ produced this wad of cash. That in itself is not criminal activity. I am not supporting it one iota, but we have to be very specific; that it is not criminal activity. Do you have any other examples of criminal activity?

Mr Oster—Can I just go back to that. There may be criminal activity, I think—although I am not a lawyer—in the fact that the cash that is distributed comes from unlawful activity and there may be breaches of tax law that are unlawful.

Senator PARRY—We might just want to correct the record. It should probably be alleged unlawful activity—

Mr Oster—I am comfortable with that.

Senator PARRY—because tax laws are not necessarily criminal either, despite what the Commissioner might want to do at times. Under other behaviours—the Cultural Gifts Program I mentioned a moment ago—is this a regular occurrence? Has this been reported to any authority?

Mr Oster—No, it is not a regular occurrence. I think three instances have been reported to us, and I do believe some government authorities have been alerted to it.

Senator PARRY—Do you know which authorities?

Mr Oster—I believe discussions have taken place with the Western Australian Fraud Squad.

Senator PARRY—So WA police basically would be handling that?

Mr Oster—Yes.

Senator PARRY—Thank you. I want to clarify two items. On page 19 you say there are about 20 main dealers operating like this in Alice Springs concerning the carpetbaggers and unethical practice. How many operators in total are there in Alice Springs? Out of these 20 main dealers are any of them members of your organisation?

Mr Oster—First of all, that is an estimate based on details that have been given to us about premises, names of people, estimates we get from artists and anecdotal evidence. None of these are members of our organisation.

Senator PARRY—And the total number in Alice Springs? You have here about 20 who are operating unethically. What is the total volume of the collective of dealers?

Mr Oster—I think we need to be very clear about different layers here. This is very difficult to put a handle on. There are out-and-out crooks who exploit people. There is a network of motels in town that I understand you will receive more submissions about later on. There are backyard dealers who gather together groups of artists and not necessarily operate a legitimate

business in terms of ABNs and other methods of operating what we would call legitimate business and who pay artists in kind. Many of those would say, 'We're completely ethical.' Some of them have gone into the papers in Alice Springs and said: 'We get on fine together. The artists love to come here. I pay them in grog and I buy them some food and we're all happy.' Then there are other forms—people who go to communities and induce artists to leave their communities and come and live in houses in Alice Springs. The layers of this are so varied and the behaviour is so varied that it is such a difficult grey area.

Senator PARRY—You probably heard me ask a previous witness this question. Percentage wise, with carpetbaggers and the unethical conduct, could you estimate whether it would be more or less than five per cent of the total number of dealers?

Mr Oster—Of the total number of dealers and operators in Central Australia?

Senator PARRY—Yes.

Mr Oster—I believe that the art centres that we represent generate something like \$12 million a year. That is substantiated. I would like to talk more about that later. We can estimate that the private non-Indigenous business is something similar. That includes art shops in the mall and tourist shops and all of those sorts of things. Of that private business, I would estimate that half is somehow connected with unethical behaviour.

Senator PARRY—Thank you. That is very clear.

Senator CROSSIN—This is something I pursued yesterday. I am trying to get a handle on how much this industry is worth to this country. We have just heard Mr Sweeney say, with reference to Michael Reid's research, that there is a figure of around \$500 million out there. In your submission you say that this industry is now, if not better, then at least equal to the cattle industry—

Mr Oster—I do not want to make a pejorative assessment of the cattle industry. We do not say we are better than them.

Senator CROSSIN—in Central Australia. You might want to elaborate on that. It is interesting. I do not see this industry getting as much attention as the cattle industry does.

Mr Oster—That is a salient point. I believe I put the figures in the submission. Is that correct?

Senator CROSSIN—Yes, you have.

Mr Oster—Is there a page number I might refer to?

Senator CROSSIN—Yes, it is at the top of your page 9.

Mr Oster—I have drawn this information from the Northern Territory Cattlemen's Association website and various brochures where they promote what I imagine is the best in their industry. Figures extrapolated from that suggest that \$30 million in Central Australia is about the value of the cattle industry. I have just mentioned to Senator Parry that there is a

comparable figure—and I have shown how that comes about—from art sales in Central Australia. More important is the number of people involved, the number of communities and the expanse of this industry. The cattle industry points to employment of 1,600 people across the Territory. We are talking about, in Central Australia, something like 2½ thousand artists.

The interesting point about this is that the cattle industry has a long and valued history. The kinds of infrastructure that are put into this territory to support the cattle industry in terms of roads, saleyards and those kinds of things have a lot of government support. The cattle industry is a national icon. It is something we define our nation by. We put the same case to you for Aboriginal art. We believe that there is a case for greater support for this industry.

Senator CROSSIN—Building on what Senator Parry was talking about in terms of people going into the communities and offering a bundle of money in return for artwork, I am not sure whether that is against the law at this stage. Perhaps we should look at whether somehow that needs to be regulated. A tri-state policing operation has been set up. Do you see perhaps a role for that operation to assist in trying to regulate or somehow monitor what is happening in the art industry?

Mr Oster—It is desperately important that there is a greater police presence on Aboriginal communities, and that does not just have to do with art; it has to do with all sorts of dysfunction on communities. I welcome what has happened at Docker River and Warakurna, where there is now a police presence. There is no doubt that communities become more functional when that is there. One of the things that police get involved in from time to time is permit regulation. They from time to time ask people to show their permits. They have said to us that occasionally there are people of interest on lands. The police are interested in the permit system. We support the retention of the permit system. We think that it is very important. At a meeting on 12 October our executive discussed this and unanimously these Aboriginal people called for the retention of the permit system.

I would point to a number of areas here. People are concerned about the protection of their country. People are concerned about unauthorised people coming to communities without a genuine purpose. The press has been vocal in saying that if there was greater press access to communities it might support various dysfunctional activities. I see plenty of press coverage of Aboriginal community issues. The other telling factor is that opponents of the permit system say that by opening up communities there will be more opportunity for enterprise. Here we have an industry which is based on enterprise that has been very successful working with the permit system. The permit system has not hindered its development.

Senator CROSSIN—I want to ask you about the role of Austrade and what support it provides in promoting import trade missions and exports of your products. We had evidence in Darwin yesterday that that support is moral, but this industry is not quite up there yet as being of huge potential and something that Austrade would back with dollars rather than just ministerial or administrative assistance. What has your experience been with them?

Mr Oster—We have been very encouraged by the interest shown by Austrade, and we have worked closely with the Northern Territory government and Austrade in the inbound trade missions. This is the third year that they will operate. Important connections have been made with international markets. The trade mission that we hosted with Austrade and the Northern

Territory government last year led to direct sales in excess of \$100,000 and the organisation of some seven exhibitions overseas. We also worked with Austrade on a consultancy to develop pathways. One of the difficulties with Austrade moneys is that they have a program where they encourage exports overseas to the tune of \$15,000.

CHAIR—It is called the Export Market Development Grants Scheme.

Mr Oster—Yes. Not many art centres have been able to take this up because the payments are limited to particular categories and the payments are retrospective, so people have to provide cash upfront, which is sometimes difficult.

Senator WEBBER—I am conscious of the time, so I will restrict my questions. In your submission and today you have talked extensively about the permit and licensing systems. I do not think that there is anyone in the committee who does not want to explore methods that we can use to combat exploitation. How do we marry those systems with the exploitation that happens on eBay?

Mr Oster—I do not know.

Senator WEBBER—That seems to be the whole new way of exploiting both consumers and artists.

Mr Oster—eBay is one element; there are many others. It is possible for people to get paintings for very low cost, paid for in kind. There are not many galleries associated with professional associations. There are a plethora of galleries in this country representing Aboriginal art, but by far the minority think it is important to belong to an association and be governed by some code of conduct. There are many galleries out there where artworks of questionable source can get into the mainstream market, become validated and then get into the auction system. We would like to place on record our support for Sotheby's policy of sourcing artworks with art centre provenance. eBay is only one manifestation of this many-headed beast.

Senator WEBBER—It seems to me that that is the way of international exploitation too. We cannot control it.

Senator MOORE—I have many questions but will ask just two. I am interested in the segment in your submission about the development of young people. We have had some evidence in submissions that there is concern about the future of industry without engaging young people and making them involved in the process. I am particularly interested to hear from Mr Frank or Mrs Turner about how you see the future and encouraging young people into art. You may look at some of the other submissions where people have expressed some concern about the future.

Mr Frank—Living in this society now it is so hard for developing our culture. It is very hard to keep our culture going. With the art it is really good. You have stories. You can tell stories through your painting and, as well, learning how to sell—money and stuff like that—through business is very important. But, with our culture, telling stories and passing on a generation of our stories through art is very strong.

Mrs Turner—In the old days when all our people were around, you would have it passed down from generation to generation. We have to maintain that as well in our future now with what is happening. There is a lot of influence on young children as well, so through art that is the way we see it. We maintain our culture and our learning by it being expressed by the older generation.

Senator MOORE—Mr Oster, your submission talks particularly about working with schools and making sure there is interest in that process. You have given us a copy of your very extensive and very useful training manual, where you look at all the elements of training required. But I am particularly interested in how we as a community support young people in maintaining the strength and the community links with the arts. Is there anything that you would like to add to that point?

Mr Oster—I would like to say that this is a very important issue. Every meeting we have with artists mentions a concern about the passing on of culture. We see our old people dying, we see our culture getting weaker and we need to promote the young people. There are problems in the education system and we see levels of numeracy and literacy dropping off. We applaud initiatives like Warlukurlangu Arts Centre at Yuendumu, who have a holiday program. Last year we were involved in a project at Keringke and we will continue to be involved in a project where we have older artists working with younger artists, and younger people developing multimedia material describing culture. We look for opportunities to do this and think that it is crucial in the industry.

Senator MOORE—Has there been any attempt—we asked this question yesterday of your counterparts in the Darwin area—to work with the education department to formalise those relationships?

Mr Oster—The key training organisations we work with tend to be registered training organisations such as Batchelor and CDU, which is post-primary education. We do not have a big presence in primary education.

Senator MOORE—My last question is to do with your advocacy role in terms of how you get your message across to governments across the country. I am interested to know what mechanisms are available to organisations like Desart to fulfil that first point that you have in your vision statement about advocacy for the industry and, in particular, how you work with places like Centrelink—just to keep my theme going.

Mr Oster—The Centrelink issue is fraught. Mr Chairman, I would like to take a couple of minutes on this if I may.

Senator MOORE—You may want to touch on tax as well. I know Senator Parry could not get to that bit in his major list but we had issues about tax as well.

Mr Oster—In the past 18 months there has been a revised strategy apparent from Centrelink. Centrelink has apparently become far more aggressive in seeking out artists and their compliance with Centrelink. We do not have an issue with compliance with the law. We do have an issue with tactics.

Two weeks ago there was a difficult situation here in Alice Springs, where quite aggressive Centrelink investigators turned up at the house of a lady at Amoonguna community some 20 kilometres outside of Alice Springs, flashed their Centrelink ID in the most perfunctory manner and proceeded to question her about her benefits and presented her with evidence that she had an received additional payment. In words that were described to me, these officers were described as cowboys, something out of the Wild West; 'aggressive and intimidating behaviour' were words that were used.

We believe that there are two issues with the government in this benefits area. The first is a Centrelink compliance issue, and we deplore those kinds of tactics. The second, though, is a policy issue about how artists will deal with the benefits that they receive and the payments that they receive.

Senator MOORE—And that links into the taxation issue?

Mr Oster—When the new tax system came in, there were very productive discussions between this industry and the tax office. It resulted in a system where artists were not required to have ABNs, and we believe this is beneficial for artists, arts centres, and the tax office believes it is beneficial for them.

At that time, the tax office committed to an extensive process of training in remote areas, and that has not happened. I believe the same thing should happen with social security payments and the system connected with that. I believe we need to enter into a productive round of negotiations in the same way as we did with the tax office. I believe there needs to be widespread education. We are dealing with people who do not understand English, who cannot read or write, who live in a remote community, who are not aware of bureaucratic processes at all. To ask them to comply with the system, I put to the tax office the argument that this is unconscionable, and I believe we need to address this.

Senator MOORE—In this era of whole-of-government servicing, which we hear so much about, has any government agency engaged with your organisation to look at this kind of developmental process for better practice and communication?

Mr Oster—No, and further, as I passed on my concerns about this to the Centrelink office in Darwin, I encouraged them to engage policy development people in this discussion and said that we were willing to and would love to be involved in this area of discussion. They said they would pass that message on to management of Centrelink and we have heard nothing back from them in about two or three weeks.

Senator MOORE—When was that, Mr Oster?

Mr Oster—I do not have a date.

Senator MOORE—You can let us know out of session about that so we can follow it up. I know that Senator Macdonald and Senator Parry were talking about these issues with the people in Kununurra. There was a suggestion that this could happen through the arts centre network, because various evidence has led to say that increasingly arts centre personnel are being involved with discussions with government agencies about the entitlements of the people that

work with them. Would either of you like to follow up on your own process rather than me wording it?

Senator PARRY—Regarding the hypothetical of having a government-funded officer based in a community arts centre who could assist with taxation issues, some of the Centrelink issues—it would only be a part-time or short involvement—is that a concept worthy of pursuing?

Mr Oster—When I was in Western Australia as the community administrator of Mowanjum community, there was a push by Centrelink to put their officers into communities. It had to do with CDEP and family payments—

Senator PARRY—In particular, though, arts centres. We just want to narrow this down to arts centres.

Mr Oster—I am not sure that it is feasible to put a Centrelink officer into an arts centre. I am not sure an arts centre generating business of \$50,000 gross a year has the number of payments that will be cost effective.

Senator PARRY—Visiting officers—somebody to give advice, not necessarily to process it, but to give advice on taxation matters and even small business matters.

CHAIR—There was a submission made to us by an arts centre in Western Australia that the tax office should be more proactive in a sensitive way in explaining and helping people with tax arrangements and in fact encouraging taxation of artists, because it starts a paper trail that would help stamp out fraud. I am not quite sure what you are saying about the tax. Could you just elaborate for me?

Mr Oster—People speculate about tax compliance in this industry. My point to you is that the tax office has a responsibility to educate people before they can expect compliance. The tax office produces material for people across Australia in Greek, Vietnamese, French and Italian. No material is produced in Australian languages, such as Kukatja and Walmajarri.

CHAIR—So you agree with this other submission that there should be culturally sensitive assistance to explain?

Mr Oster—Yes.

CHAIR—In relation to Centrelink, I should put it on record that I think all Centrelink offices try their very best to do their job in the very best way, and you have mentioned an instance where this does not appear to have happened. Has that been reported?

Mr Oster—It has.

CHAIR—To the minister?

Mr Oster—No, to their supervisor.

CHAIR—It would probably be a good idea to report it to the minister if there are people who are acting in a way that is not appropriate. I am fascinated by the Papunya Tula artists mode of operation. As CEO of the group that looks after many of the art centres, are there areas where that Papunya Tula model could be used? It is contrary to a lot of the submissions we are getting for more government funding, more involvement, more regulation. I am having difficulty in understanding how it works there and why it would not in other areas. In your position, you might be able to indicate why it would not work elsewhere.

Mr Oster—Papunya Tula is a special case. They are an exemplary organisation and considered to be the flagship. I understand the thrust of your question. Papunya Tula started up as a private company but essentially their operations are not dissimilar from art centres. They are run by an Aboriginal board. The thrust of their success, I think, is that they were the first on the ground; they have maintained a connection—not just an historical connection but a cultural connection—with those first Papunya artists who established this industry. They get enormous promotional value out of that. That has led to them developing the capacity to have a gallery here in Alice Springs, where they are upfront and out there and it is beautifully presented and wonderfully managed. But essentially, the process of producing artwork by artists, getting that into the system, making payments and then putting them onto the market is really the same in Papunya Tula as in any other art centre, with one essential difference: Papunya Tula has been able to develop enough cash flow to pay their artists upfront.

We see more and more of this in art centres in the Top End. There are a number of well-established centres there that are able to buy the works off the artists and there is an immediate cash benefit to the artists. In Central Australia, the rule of thumb is that art centres do not have that capacity and need to take the work from artists on consignment, and that means there are delays, and it might take a year for the work to sell. It goes to an exhibition here and it returns and artists need to wait for their money. And so anyone who can come along with an immediate cash benefit, even if it is a minimal cash benefit, has some advantage.

CHAIR—Thanks for that. I am trying to reconcile those. Obviously, they have good staff—and enough staff—and they are building art centres, but they are doing so without a cent of government assistance. I realise it is horses for courses. Thank you for that explanation; it helps clarify it for me. Finally, like other members, particularly Senator Parry, I am concerned about your suggestion both in your opening statement and at page 19 of your submission about the involvement of organised crime. This is more than a question—it is perhaps a plea to you and anyone else: if there is any evidence of organised crime—in a mafia sense, if I can put it that way—the committee would appreciate anyone reporting that to the committee, perhaps even anonymously, even if it is only anecdotal. I chair the Parliamentary Joint Committee on the Australian Crime Commission. As you know, the Australian Crime Commission is currently doing an investigation into paedophilia in many communities. If there is organised crime, which is the bailiwick of the Australian Crime Commission, it would be useful to pass that information on to them, which I am sure the committee would be happy to do. If you, your organisation or anyone in the community has anecdotal or other evidence, I would urge them to report it to the committee so that we can pass it on to the Crime Commission and perhaps get them more closely involved if it is organised crime in the technical sense.

Mr Oster—Chair, I would like to make a closing statement going to the matter of why this industry should be funded. The Australian public may well look at this industry and say, ‘This is

an enormous success story and we see galleries making profits, so why should there be funding for this industry?' We continually make the case for more funding, and I would like to make the case to you now. We believe this is a national issue and a national icon. We believe the nation is defined by it, even if only in a small way, and we see that this is an investment in the future. It is an investment in Aboriginal communities and the way Aboriginal people are included in this nation. To draw an analogy, the education system comes to mind.

CHAIR—I do not want to cut you off, but I see that you have mentioned this in your submission.

Mr Oster—I would like to highlight this. The education system is funded for those very reasons. I would like to get this down to cases and figures and put it on the record. We estimate that there are sales of \$12 million in Central Australian art centres. If we are looking for an average figure for an arts centre, we would like to take Papunya Tula and Balgo out of that because they are not funded and they are extraordinary cases. If we are looking at run of the mill art centres, we have \$5 million in income distributed among 41 art centres. This comes to an average gross sales income of \$122,000 per year. The commission that comes to those art centres for running costs, at an average of 40 per cent, means that the net income of those art centres is \$48,800 per year. Those art centres need to find a salary of, say, \$45,000 to \$50,000. They need to run a motor vehicle—having found one from somewhere else—which costs \$8,000 to \$10,000. Art supplies cost possibly \$25,000 a year. Insurance is \$4,000 and phone and internet connections, which are vital, cost, say, \$5,000. The base costs are in the order of \$94,000 and the net income is \$48,000. I think these figures are instructive, and they apply to people in the most abject poverty. We have a national icon that is being produced in ghettos, and there is international scrutiny of this. I refer you to Isabelle de Beaumont's submission to the inquiry. I put that to you for consideration.

CHAIR—Thank you very much for that nice, concise conclusion. The committee understands, from evidence, that the art centres are far more than art centres. They are really community development centres, and that justifies government funding. Mr Oster, Mr Frank and Mrs Turner, thank you for your attendance.

Proceedings suspended from 11.26 am to 11.56 am

ALFONSO, Mrs Cecilia, Manager, Warlukurlangu Artists

BROWN, Ms Joy Nagala, Artist from Nyirripi, Warlukurlangu Artists

BROWN, Ms Mary Napangardi, Artist from Nyirripi, Warlukurlangu Artists

MARTIN, Ms Andrea Nungarrayi, Artist, Cultural Liaison Office, Warlukurlangu Artists

MARTIN, Ms Valerie Napaljarri, Artist, Warlukurlangu Artists

MORALES-SEGOVIA, Ms Gloria Angelica, Assistant Manager, Warlukurlangu Artists

PRICE, Mrs Bess Nungarrayi, Artist, Warlukurlangu Artists

CHAIR—I call this hearing of the Senate inquiry into Indigenous arts and crafts to order. We welcome to the table today representatives of the Warlukurlangu Artists. Thank you all very much for coming along. This is an inquiry of a Senate committee so the rules of the Senate apply, so there is parliamentary privilege to anything that is said here. I remind witnesses that if there is something that you would like to say that is confidential or needs to be said in secret, we are very happy to consider a request to appear in camera, which means we would clear the room and just have the witnesses here with the committee. Would any of you like to make an opening statement and tell us a little about yourselves and then we will ask you some questions?

Mrs Alfonso—I want to start by inviting everybody to come out and visit an art centre. We get a lot of visitors in Yuendumu. I think it is an absolutely crucial part of the inquiry, that people do go out and see what it is like working in a community, otherwise you are getting only half the picture.

CHAIR—Tell us where you are and how you get there, for us easterners.

Mrs Alfonso—I live in Yuendumu, an Aboriginal settlement 300 kilometres north-west of Alice Springs. You take the Stuart Highway north and turn left up the Tanami. It is about a three-hour drive. I have been managing the art centre for five years. I manage it with Gloria, who is my assistant manager. She has been there for about three-and-a-half years. During the last five years, when we have been working at the art centre, the business has grown a lot; the number of artists that we service has grown, and Gloria and I are really proud of what we have been able to achieve out there. I want to stress the fact that this is only a small part of the story and that the main reason for the art centre's success is the artists themselves and the work that they do. They work very hard for their own art centre.

We are very lucky with the people we have. A few are here today and you can ask them directly. We did not prepare a submission, but we are happy to describe the work that we do and how we experience living in a community, which is an integral part of that. Aboriginal communities are very disadvantaged, and art centres provide meaningful and culturally appropriate work in these places. I am here to really put forward the case for supporting art centres. As a model, I think that they are one of the few examples of businesses that can survive

in that environment. As a consequence of that, they teach Aboriginal people how to engage in the wider community. One of the main problems that we have is how to get Aboriginal people to work. That is not the problem of an arts centre. I am out there dealing with that on a daily basis, but for me it is really the government's problem. It is a big problem—how to get people to engage economically and in the wider society. Aboriginal people want to work. My experience in the arts centre is that we cannot meet the demand for canvas. Painting is work and we cannot meet the demand for that.

The thing that the art centres ensure is that people are trained and that they are treated with respect and not abused. Because so many of the artists that we deal with are not literate and English is their second language, they are really open to exploitation. The art centre ensures that they are dealt with in an ethical way and that they are paid properly for the work that they do.

Personally—and I can only speak for myself—I think that, if people engage in illegal activity in this industry, they should be accountable just like in any other industry and you have to put safeguards in place. If criminal activity is taking place, people should pay the price for that. But, just like in any other industry, you are not going to regulate every activity. What is important is that art centres are adequately supported to counterbalance a lot of those activities that are taking place. Gloria and I are going to speak together. One of the things that I want to say is that we have a lot of artists here, and maybe Andrea, who has been working with the art centre for 20 years, can talk a little bit about her experience.

Because Papunya Tula plugged their opening, I am going to plug my exhibition on Saturday in Sydney. I am taking Mary and Joy to Sydney on Saturday for an opening at Gallery Gondwana at three o'clock for the first show of Nyirripi work. Nyirripi is a community that is 160 kilometres from Yuendumu. They have never had a proper arts centre, but they are from the same family as the mob in Yuendumu. I have two artists here today. We have a program and we have been funded to the tune of \$20,000 to support Nyirripi and to take painting activity up there. We are very proud that we have the first show opening. Maybe you can ask those artists what it feels like for them to live in a very remote place where there is nothing to do. They all want to paint because the work speaks for itself and the demand for the canvas speaks for itself. It is really nice that you can speak to the people directly. Andrea, would you like to talk about the arts centre?

Ms A Martin—I have been working in the arts centre for a long time. I have been trained as a coordinator and have been doing all the stories, writing cheques to artists, teaching our young people to be artists and training them to stretch canvas and mix paints. I have been doing some overseas work for an exhibition taking art from Warlukurlangu, and then I come back and tell artists how people overseas feel about their work. Art has travelled overseas. We have been talking about art over there, and our young people get trained.

CHAIR—You are very nervous. We are always very nervous when we speak, too, so we know how you feel. But you are doing very well.

Ms A Martin—I have been to different art conferences around Australia, sharing my experience with artists, art coordinators and assistant managers, talking about our arts centres.

CHAIR—Thank you very much. Does anyone else want to say something before we ask some questions?

Ms Morales-Segovia—The arts centre in Yuendumu services more than 300 artists in the community. We service probably 50 artists a day. We issue about 10 to 20 canvases a day. Last year, we did about 3,000 canvases. Last year there were about 20 young people who started coming to work at the arts centre—not just painting but working. We give them different activities to do. One of Andrea's roles is to help us translate and to teach people how to do priming, stretching and cataloguing. Andrea is the one who does quite a lot of their stories. A really important part of the arts centre is to keep their tradition and the tjukurpa going—their dreamings and their stories.

The arts centre has been operating for 20 years and we have done bush trips to the country to get that connection again with the country. That is also represented in the paintings. Every painting has a story and all of them are recorded. We have a certificate of authentication for every painting—I have one here. We keep records of every painting that has been produced in the art centre for the last 20 years and the South Australian Museum also keeps a copy of the records, so, if something happens to the copies that we have at the arts centre, we have back-up copies. We are continuing to develop that. We are also trying to get biographies of every artist who has worked at the arts centre. That is quite difficult considering we have more than 400 artists.

Regarding infrastructure, we have worked really hard to develop what we have at the moment, which is a very good arts centre, with its production and gallery space. We have a shed that does not have air conditioning, and at this point you cannot really work there for more than two hours because you lose about five kilograms in weight every time! So you cannot really have people there. One of the issues that is so important in communities is to have that infrastructure to help people work. I cannot bring young people to work in a shed that does not have air conditioning. It is inhumane. But we are trying to do something to improve that, so we are putting money aside to put in electricity infrastructure and all of these things.

At the moment, the people from Nyirripi have asked us to help them because they have seen the success of the arts centre in Yuendumu. They want to build their own arts centre, but at the moment we cannot help them. We can only provide canvases. We need to do a daily or a weekly trip or whatever to give them canvases, and we pay for their canvases that we give them.

But it is not the same as being in Yuendumu because, being in Yuendumu, the artists come to the art centre. They can come every single day. They get breakfast and lunch, and they get the paints there. Not being able to do that is quite difficult. Not having a place to work is also very difficult. When we went to Nyirripi, we sat in different areas to work with the artists and give them feedback about the work they are producing.

The art centre is not there just for the art. We also do quite a lot of community programs and projects. We ran an adult health program and an eye program. We have taken quite a lot of people to have eye surgery because waiting for them to do it through the normal processes—many of them are quite old—is very difficult. That is one of the things that John Oster mentioned: the art centre being there and being able to do a lot more things than just producing the art. It is helping the community to get somewhere.

CHAIR—Thanks very much for that. We have lots of question to ask. We might direct our questions generally to Mrs Alfonso, but, if it is more appropriate for someone else to answer them, you might pass them on to whoever you think is the most appropriate to answer.

Senator PARRY—I want to clarify a couple of things about the size of your art centre, your funding arrangements and payment arrangements. Is it correct that you are governed by 600 members?

Mrs Alfonso—We have a governing committee of 12 to 14 members, but we have an open membership system in the community. Anybody in the community can come and ask us for canvas, and we are obligated to give them canvas sooner or later. Obviously, there are physical restraints as to how much canvas we can stretch and prepare and how much we can document and sell. But it is open membership to anybody in the community. The figure of 600 includes young people. We run children's cultural maintenance programs during the weekend, during the school holidays. It now includes Nyirripi. In the last few years we have paid 300 to 400 people a year out of the art centre who have somehow engaged with us and got some economic return. We are the largest community in the central desert. Also, after Papunya Tula, we are one of the oldest. We were incorporated in 1986 and the art centre had been going for a couple of years before that, so it has a long history.

Senator PARRY—You say you pay between 300 and 400 artists per year. Do you receive their artwork on consignment and then pay them a percentage, or do you pay them outright, or do you have multiple methods?

Mrs Alfonso—As soon as somebody receives a canvas, we catalogue that canvas with a canvas number, and people are allowed to get an advance on that painting. According to whatever size canvas we give out, we advance up to 40 per cent of the estimated wholesale value of the work.

Senator PARRY—This is before you even see the artwork complete?

Mrs Alfonso—Yes. What we try and do is keep a little bit. We pay in advance before we even see the work, up to about two-thirds of 40 per cent.

Senator PARRY—But how do you know what that work will be worth?

Mrs Alfonso—Because we operate on volume, and we have about 10 artists whose work is considered to be very collectable. For the rest, over the five-year period that we have been there, Gloria and I have devised a system where the rest of the artists' work is done at a standard rate, based on size. Basically, for the collectable artists, we have reached a point where we know what we can turn their work over for at a wholesale price or a direct price.

For the rest of the artists, we are there to give a fair return, but we are also there to provide meaningful activity in a place of chronic unemployment and give people something to do that they enjoy doing. So, when we are dealing with such a large quantity of canvas, the important thing is not to maximise the return on every painting but to move the canvas so that we can give another canvas to that artist to keep the production—

Senator PARRY—The volume going.

Mrs Alfonso—The volume going. The more canvas people get, the more practice they get, the better the work becomes overall. We give a lot of canvas to very young people. One of the most important roles of the art centres—and this is what differentiates us from private dealers—is that, because we are obligated to give everybody a go, we give out a lot of canvas to young people and we are nurturing the next generation of artists; whereas what happens with the private dealers is that they come and they only pick out your top earners, and they take them away, threatening the viability of the whole enterprise. They do not really do very much to nurture the next generation of artists.

Senator PARRY—Thank you for that. That has explained that. You mentioned that you got funding of \$20,000 for an exhibition.

Mrs Alfonso—Not for an exhibition; to service Nyirripi, which is a nearby community.

Senator PARRY—Who provides that \$20,000?

Mrs Alfonso—DCITA.

Senator PARRY—What other funding do you get? You have government funding through the normal arrangements with art centres?

Mrs Alfonso—I think it has had pretty much an uninterrupted history of getting DCITA or ATSYS funding. We get \$60,000 a year for operational funding from DCITA.

Senator PARRY—And the rest is out of your percentage of sales revenue?

Mrs Alfonso—Everything else is self-funded.

Senator PARRY—Thank you. You mentioned in your opening statement the Aboriginal artists being treated respectfully and that they are open to exploitation. What evidence of exploitation have you witnessed or do you know or understand about?

Mrs Alfonso—Gloria wants to mention something about that.

Ms Morales-Segovia—Talking about exploitation, there is one artist there. He is very old, and through the work of the art centre he has become quite successful at the moment. One day he came to the art centre and he asked me, ‘Can you ask the man to give me the money?’ I asked, ‘Which man? Which money?’ He said, ‘I painted these canvases, three canvases, and he took them, and he hasn’t given me the money.’ I asked, ‘Who is the man?’ He did not know, because the man had not given him a name or anything. He just probably offered him money. I tried to explain to him that, if I do not have a name, if I do not have somebody to tell me who that person is, I cannot chase up the money. That is the kind of thing that has happened with old people. They do not have—

Senator PARRY—Has this happened a lot? How often does this happen?

Ms Morales-Segovia—In the four years I have been there, I have seen it quite a lot—quite regularly, I would say. For somebody whose painting is selling for quite a bit of money, not getting anything or getting \$100—I would call that exploitation.

Senator PARRY—Yes. Have you seen other forms of exploitation where maybe not money is used but drugs or prostitution services are provided for paintings?

Mrs Alfonso—No. We are running a big business and a very professional business in an extreme environment. I feel, and I think Gloria feels the same way, that you cannot do everything. We definitely do not follow artists around. We have never personally seen it. I have only ever heard second-hand advice. I know other art coordinators who have been physically threatened, and I have heard it directly from them, but, no, I have never personally witnessed it. We are very busy.

Senator PARRY—Why were the other art centre directors personally threatened? Do you know what the reason was?

Mrs Alfonso—My understanding is that there was a private dealer who wanted to take her artists and who went to a meeting—she was having a governance training meeting—and started handing out money to the artists to try and lure them away. When she objected, he physically threatened her.

Senator PARRY—Was that a one-off issue, or is that a common occurrence?

Mrs Alfonso—That is the most recent story that I have heard, and I know her personally.

Senator PARRY—Thank you. In the interests of time I will stop there, Chair.

Senator CROSSIN—Thanks for coming and making the trip in. I want you to tell us about how your art centre and the work that you do connects with the petrol-sniffing program and the work that is happening out at Mount Theo, and the way you may interact with that program and with those youth. Is there some way in which your arts program has something to do with those petrol-sniffing endeavours?

Mrs Alfonso—Not officially. Because the art centre is successful at the moment, we have been very involved in the fundraising for the pool and we have also pledged to financially support some of the ongoing pool costs. That is a project that is being managed by the petrol-sniffing program. We have had a few young artists who, for various reasons, have ended up going to Mount Theo. We provide art materials for them to use to paint while they are at Mount Theo drying out or rehabilitating. Whenever Mount Theo does bush out trips with young people, we provide art materials so they can paint. When any other organisation needs art materials for any reason we always help them out. It is really an unofficial relationship. They are there to do their job and we are there to do our job, but there is a lot of overlap, obviously. I think that, because of the large number of artists and the systems that we have put into place, we are successful in engaging with a very large number of young people. One of the reasons that people petrol sniff is basically boredom, and we give people something to do.

Ms V Martin—How far is Mount Theo from Yuendumu?

Ms Morales-Segovia—128 kilometres.

Ms V Martin—North or north-west?

Ms Morales-Segovia—North-west.

Ms V Martin—It is really hard and they get bored. That is why some of the canvas or boards are sent out there or they come and collect it. It is something for them to do out there. There are not many programs at the moment, and most of the youth programs from Mount Theo are actually happening at Yuendumu, so out there they get bored out there. They just look at the hills and everything. But they do go out sometimes and do it. It is really good. Some of the young people are involved in the arts, which is great.

Senator CROSSIN—I have certainly been out there and Senator Moore has been out there. We were involved in the petrol-sniffing inquiry last year. We know exactly where and what you are talking about.

Ms Morales-Segovia—One of the young guys who is there has painted a bit, so on Friday, I think it was, we sent him four canvases plus paint so that he could paint while he was there. For us, it is very difficult to give feedback about the work, so we sent him the paintings he has done before that were good so that he then had an example of what to do and to follow up. We try to connect—

Senator CROSSIN—So it is informal support, but it is still there?

Ms V Martin—Yes, it is support from the Warlukurlangu. We support the young kids as well, which is really good, to get into colleges and the cultural side. At Warlukurlangu, the artists are involved, like when there are school excursions, which is really great.

Senator CROSSIN—Mrs Alfonso, when you stretch the canvas or prepare the canvas, is that something that you are teaching the artists to do as well? Is it part of a training component for artists?

Mrs Alfonso—Absolutely. We have a regular group of young people who come to the art centre and Gloria and Andrea spend a lot of their time training young people. We have a lot of photos up on our website, which you are welcome to look at.

Senator CROSSIN—Have you got broadband out there yet at Yuendumu?

Mrs Alfonso—Yes. We are the first community to get broadband, so that helps us a lot. We also have a new website. We have a completely open policy of employing locals at the art centre. Through our meeting process, all of the Aboriginal people at Yuendumu have clearly expressed the desire for the art centre to train young people. We never turn anybody away. So whenever a young person comes and says, 'I want to work,' we always take them on. There is always too much to do, so now we have people who are turning up regularly and we basically train them in any aspect that they show an interest in.

Ms V Martin—If they see their mother or aunty painting, the young kids want to get on board too, so they all come and paint. It is really great for young people to learn their culture, their dreaming and all that, as Mrs Turner stated. It is great to learn from people who have passed away and to get all that knowledge about the dreamings and the art.

Senator CROSSIN—Who is heading off to Sydney?

Mrs Alfonso—I am going there with Mary and Joy.

Senator CROSSIN—Mary and Joy, you are both from Nyirripi?

Ms M Brown—Yes.

Senator CROSSIN—Tell us about your journey from painting in Nyirripi. To be honest, I reckon hardly anybody in Sydney would know where that is. It must be pretty exciting to know that you are going to go to Sydney and have your works on display there.

Ms J Brown—Yes, this is my first trip to Sydney.

Senator CROSSIN—How many pieces of work are you taking?

Mrs Alfonso—We have already sent the exhibition. It is an all-Nyirripi show. Joy is the star of that show. She has about 10 paintings in the exhibition. It is a mixed group show, so they are going as representatives for all the Nyirripi. We take artists to exhibitions as much as we can, because we have to be on site to do the work; there is nobody else there to do it. To broaden the artists' knowledge base and their understanding of the marketplace, we try to show them how their work is marketed and sold.

Senator CROSSIN—So just Joy and Mary are going? No-one else in the broader family is going?

Mrs Alfonso—No, it is expensive to travel.

Senator CROSSIN—Yes, that is true.

Ms V Martin—Some of the older people do not understand English very much and it is hard for them to use that language, so it is great for young people to go along as well and interpret.

Senator CROSSIN—Do not forget to speak some of your language there and try to teach those Sydneysiders a few tricks as well. That is terrific. I suppose the message in terms of art centres would be that they do not just provide art. You talk about artists working. We tend to forget that. We think about orchestras in the big city centres as being full-time employed professionals, but I think the community misses the concept that artists on communities are actually performing the work.

Mrs Alfonso—They are employed. If art centres are not supported, the government is going to have to find another way to engage. I do not understand why the bucket remains so small when art centres provide such a wide range of services. Governments always find money for other

things. They are always trying to reinvent the wheel and find new, flash schemes when there is something staring them in the face that has a proven track record of being effective. It is not the only model but it is a proven and effective model.

Senator CROSSIN—I think the figure we have been given by DCITA shows that there is about \$1 million a year nationally for infrastructure initiatives, art centres and marketing initiatives. By comparison, I think the government's response to national orchestra funding last year was \$84 million.

Mrs Alfonso—It is crazy. As a successful art centre, I had some consultants out recently. I really wanted to say: 'There is a \$5 million bucket and there are more and more art centres that need funding all the time, so how would you solve this problem?' I said that we obviously needed more money in the bucket. There is a push now to defund the art centres that are successful. That does not take into account that, despite our success, we are very fragile businesses. We rely on about six artists who get paid 50 per cent overall. They pay for the younger artists to paint, so they are investing in their own future.

Senator CROSSIN—That is a very good point to make.

Mrs Alfonso—That is right. As an art centre, we have invested in our infrastructure. The artists at Yuendumu are very proud of the fact that they put money into the new building. With the work thing, some of those older artists turn up every day—even before we open the doors. If we open at eight, there are people sitting outside waiting for us to open the gates to let them in. Then they sit there every single day, and they are very old. The artists are not supporting six or eight people. My top artist is supporting maybe 50 people. I saw thing on Bob Marley, and he used to support 4,000 people. That reminded me of Yuendumu and the situation that those old people are in. They are under a lot of pressure. It is frightening to think of the responsibility that they have. So I would disagree, because I would say that Judy Watson, who is my top artist, supports 50 people. She has many children, grandchildren, great-grandchildren and great great-grandchildren, and all of them look to this one old woman. As far as Centrelink goes, she does not get to keep the money. This is an old woman who does not understand and you are trying to corner her and get her to pay tax when she does not really get to keep the money. All of the money goes back into the economy anyway and exponentially grows in terms of what it brings into the Territory and into Australia. Further, people are paying taxes on what she creates as soon as it leaves her control.

We have a real problem in that these people do not speak English. They do not understand. You are going to threaten a fantastic industry. They do not pay tax, but you cannot make those people pay tax. They are never going to understand. The answer to that is education. People here are not literate. I have been at Yuendumu for five years and I have seen a whole generation of kids come out of that school illiterate because of the nonfunctioning of that school, which I find very distressing. At the end of the day, I have to say that the fact that these people are supported is very small rent to pay for the real estate that Australia has. Australia can afford to wait and educate these people. It is going to take time. First contact for some of these areas was only recently. You cannot undo an economic system that is thousands and thousands of years old and expect them to pick up a new one overnight.

Mrs Price—I am one of the artists from Yuendumu. I have been involved with the Warlukurlangu since it started its operation 26 years ago. I believe that these art centres out in the communities are a big asset to our people because, like Cecilia said, they generate income for our people. They do not just provide paint, canvases and other material; they are places where old people can go and sit and be together. They are places in the community where people know that they can feel safe. The staff at the arts centres provide other stuff as well. The staff provide transport to go and buy food and they pick up these old people and take them from the arts centres back to where their camps are.

The other thing the arts centre provides for these old people is an opportunity to go back to the country that they are painting about. A lot of the older artists, with the elaborate paintings that they do, do not know how to explain to the wider world what they are painting and what it is all about. The arts centre gives them an opportunity to take people out to their country to show them: 'This is what I'm painting about. I'm not just painting dots here, dots there and squiggles here.' Painting means a lot to us because this is the way we have been brought up. It is good for them to go out and visit the country which they left and which they would never have had a chance to go back and visit. Warlukurlangu has provided that since it has been operating. Like I said, it is a big asset for the whole community. The young'uns are able to sit with their grandparents and mums and dads and learn from them. It is important for them in order to survive this ever-changing life that we are bound by.

The old people out there do not understand, they do not even know, what the government is going to do to their lives. They do not realise the impact that it is going to have. They just sit and paint and that is it. They look forward to doing that and it gives them a big thrill to visit cities where people can admire their paintings. This is their whole life. These arts centres, especially out in the communities, are the only thing that keeps them going.

CHAIR—Thanks very much for that.

Senator WEBBER—I just need to get my head around this—Mrs Alfonso, you were saying there are six to 10 artists of note but 400 to 600 people a year—

Mrs Alfonso—About 300 to 400 people a year painting.

Senator WEBBER—So if there is any predatory behaviour and people come in and try and take one of your six or 10 artists of note it threatens the viability of—

Mrs Alfonso—It can destabilise the whole arts centre.

Senator WEBBER—the other 550 members of the community.

Mrs Alfonso—Yes, and the profits that they bring into the whole organisation pay for everybody else to do their artwork.

Senator WEBBER—And that is the philosophy of the community—that that is their priority and that is the way they want to continue.

Mrs Alfonso—Yes, it is a cooperative. But it is a cooperative that runs on tight business principles so we can service the maximum number of people.

Senator WEBBER—What happens to a community if it does not have an arts centre—if all of a sudden we take it away?

Mrs Alfonso—You should ask Joy that—what she has been doing and what happens when there is no arts centre.

Mrs Price—If there is no arts centre all these carpetbaggers come in and manipulate these artists into selling their whole lives away. They do not consider their interests in becoming artists at all.

Senator WEBBER—So the carpetbaggers come in, but does it also mean that the young people lose interest in learning how to do art?

Ms V Martin—Yes. It is lucky to have arts centres out in the communities. But if the carpetbaggers come in they just take the paintings and rip them off. What is left? What are they going to give them? Nothing. It is lucky for the young kids to have an arts centre.

Mrs Alfonso—There is no form of employment. Arts centres are a form of employment.

Senator WEBBER—They are a form of employment but also a form of community activity and cohesiveness?

Mrs Alfonso—Yes.

Senator MOORE—Time is killing us again, so there will be many questions that we just will not be able to ask. Your website is great, and having that access for the wider community is very strong. You rely on the sale to get more income into the community. Can you give us any idea of how many people visit and see the new building and the artwork? How many people access your website? How many galleries are there that know the area and come and work with the arts centre and say, ‘We want to take these artists’ work away’? I know that is difficult, but we are trying to trace the economic viability of the processes.

Mrs Alfonso—We have about 30 galleries that we do business with on a regular basis—30 galleries and outlets. Because we have such large volume, we market our work appropriately, depending on the quality of the artwork. There is some that is very highly collectible. Then there are the emerging artists and so we sell to a lot of tourist outlets. We have very high quality at that level. So I would easily say that we have about 30 outlets.

Senator MOORE—And they have developed a relationship with the arts centre over the years?

Mrs Alfonso—Yes. We are always looking for new markets. We have some people overseas. We have a regular exhibition program. We have places like Walkatjara that sell to tourists and then we have exhibitions at Alcaston Gallery and Gallery Gondwana where we put more

collectible work and we might get exhibitions. So we have more than one way of marketing our work.

Senator MOORE—Can you survive without government funding?

Mrs Alfonso—In the short term we probably are viable without government funding, but we would have to cut back on a lot of the other programs that we provide because we would have to focus more strongly on making money. So some of our social services and training programs would have to be cut back.

Senator MOORE—It is one of those ever-confusing questions. I think we had evidence yesterday about people being punished for success.

Mrs Alfonso—That is right. Where is the motivation for arts centres to improve and to become more accountable? As soon as you start doing well, you get penalised.

Senator MOORE—If we could get it off-record, Mrs Alfonso, could you send us some information about the program that you are taking to Sydney and some background to that particular exercise? I know it is giving you more work to do at a time when you are very busy, but I think it is really important for us as a committee to understand that this was special funding for a special exhibition, and what you had to do to get that—

Mrs Alfonso—It was actually funding for a program; it was not particularly for the exhibition. We are funding ourselves to go to Sydney. But that \$20,000 means that we can hire another part-time person to do trips out to Nyirripi. The incentive for the artist was, as I said to them, that if you do good work we will have a show and you can go to Sydney and see your show and to see what happens with the work. So it is an ongoing program for the whole year; we are committed to taking canvas and giving people some income and something to do out at Nyirripi.

Senator MOORE—So that is \$20,000 for one year—

Mrs Alfonso—Yes.

Senator MOORE—that you got as special funding. Then, at the end of that year, do you have to give a review to the funding department about what you did?

Mrs Alfonso—We have to do reporting and we have to apply for more funding.

Senator MOORE—Right—to see whether it can be ongoing. And it may or may not be continued?

Mrs Alfonso—Yes.

Senator MOORE—How do you get your voice into the system? I am really interested to know, when you are working in the area, how you interrelate with the funding agencies. For instance, the things you have told us today: how do you get those on record to people like the Department of Communications, Information Technology and the Arts?

Mrs Alfonso—How do I communicate to them the activities of the arts centre?

Senator MOORE—Yes.

Mrs Alfonso—I have been very fortunate for the five years that I have been there; I have had very good and supportive field officers. So I have had very good relationships with my field officers.

Senator MOORE—Are they the Darwin based field officers?

Mrs Alfonso—No, they are Alice Springs based. Other people complain but I have had very good relationships with them. They have supported me. They supported me with a new building. I think there is a recognition that the arts centre is working very well. And they have done everything that they can to help.

Senator MOORE—Do you get annual funding?

Mrs Alfonso—We get annual funding.

Senator MOORE—A lot of people have suggested triennial funding. What is your view, as an experienced receiver of funding, about the advantages or disadvantages of getting triennial funding as opposed to annual funding?

Mrs Alfonso—I think that people underestimate the amount of bureaucracy, the amount of my time that is taken up by seeking funding and complying with the funding conditions, and the amount of money that it takes. I get \$60,000, but with all the financial reporting that I have to do and the annual writing of a group business plan it costs a lot of money to comply with that. So anything that can be done to streamline the system and make it so that less money goes into complying with the program the better, and I am all for accountability. That way, that energy could go into helping to build up a night centre at Nyirripi. We have a lot of energy, but it is about what that energy is used for. So I think that triannual funding for arts centres such as ours would mean that we could focus more on our core business.

CHAIR—I assure you that more regulation means more bureaucracy and more form filling, but I take your point about the three-year funding. I think that point has come through very clearly to the committee. Thank you for providing this certificate of authenticity—I forget the terminology that was used for it. Have you ever had any knowledge of this being forged and attached to paintings that are not genuine?

Ms Morales-Segovia—I have not heard of that, but it would be really difficult to forge one from our place because we have a manual book. As Cecilia was saying, as soon as a painting is issued to somebody, it is written down in the book. That information goes into the computer. When the painting is returned, it is photographed. There is a catalogue number behind the painting. There is a photograph of the artist that we have put in, there is a photograph of the painting and there is an understory associated with it with a catalogue number. If it were forged, we could easily say: ‘You need to have that number that is in our book. The number is with us for that specific painting’—and we have recorded practically every single painting that has been done in the art centre since 1986.

CHAIR—So you would encourage secondary buyers of artwork to make a phone call or contact you by email to check that?

Ms Morales-Segovia—Sometimes people have a painting that they say that they have purchased at the art centre. There is a catalogue number and we can trace that. We say, ‘Send us the image of the painting that you have,’ and we look if that is the painting that relates to the one that we have in our records. So people can track whether the painting belonged to the art centre.

CHAIR—Repeating my suggestion, you would certainly urge downstream buyers to check with you on any painting that has your certificate, because that way you can confirm to the secondary buyer that it is genuine?

Ms Morales-Segovia—Yes.

CHAIR—I think we need to look at schemes like that to try and educate the downstream buyers to make sure they are getting a genuine product, which in turn helps the original artists and future artists.

Ms Morales-Segovia—Yes, but there is a problem with that. The art centre can provide canvases for some people but we cannot keep up with the demand for canvases. There are many people asking for a canvas and sometimes we say that we do not have any more and they need to go away. That person can go to the shop and buy a piece of canvas, paint it and then sell it. That is an original piece. The problem is that it does not have that piece of paper. But it does not mean that it is not an Aboriginal work of art made by that particular person. It is good to have art centres that can provide that kind of information but Andrea, at some time, could go home and say: ‘They did not give me canvas at the art centre. I need to get some money. I will go and buy a canvas at the shop and paint it and sell it.’ She is entitled to do that.

CHAIR—But doesn’t that encourage the carpetbaggers? I am not suggesting Andrea would do it. One of the things that has come through the inquiry is the absolute necessity to sell through an organisation such as an arts centre or one of the reputable private dealers so that you make it harder for the carpetbaggers to come in and do the wrong things.

Ms Morales-Segovia—Yes, but if an arts centre has limited funds and there are a limited number of people to stretch canvas and so on to give to everybody that comes in, what is going to happen with the other people that are painting?

Senator MOORE—Does the community shop sell canvas?

Ms Morales-Segovia—Yes.

Senator MOORE—So it is readily available in the community?

Ms Morales-Segovia—Yes.

Senator MOORE—And all the stretching—the frames and all that?

Mrs Alfonso—The problem is that you have to have arts centres as a way of continuously educating people, even about the value of their art work. The problem is with Aboriginal people not understanding the value of their art work. It can mean that a top artist underprices their art work because they are unaware and they do not understand the market mechanism. You can also have artists whose work is no good and they think that they should be getting paid more. The fact is that you have to have arts centres as a way of educating and as a strong alternative. But you cannot force Aboriginal people to only deal through arts centres. Even as a manager of an arts centre, I would never say that. For Aboriginal people sometimes art is the only tradeable commodity that they have. People will do a private canvas and they will trade it at the truck stop for fuel. That is why I was so against the microchipping. People are saying you can microchip paintings, but if an Aboriginal artist is doing his own private business and does not have access to microchipping, are you going to tell me that he is not producing authentic Aboriginal paintings?

CHAIR—I am finding it very difficult to reconcile these views. The scenario you are describing is a great free-market way of doing things, but the evidence we have heard is that it opens up the individual artist to exploitation for, as you say, a tankful of fuel for a painting that is perhaps worth the whole car, not just a tankful of fuel for that car.

Mrs Alfonso—Yes, but you have to educate people.

Ms Morales-Segovia—That it is why it is important, so that they know the value of their work, so if they are going to sell it to somebody else they can say, ‘This is how much I want for that piece.’

CHAIR—But I thought you were saying that some of your artists do not have the experience, the education, to demand that. In fact, we got some evidence that someone sold a painting and was told they would get some money and the money never turned up and they did not know who it was—

Mrs Alfonso—Exactly. He was exploited. He was taken advantage of because he is an old, illiterate man.

Ms Morales-Segovia—We go back to the point of education. It is important to educate future generations and have people like Andrea working there. They can continue to educate people about the value of their work and what is important. At this point the top artists are quite a lot of the artists who work through the arts centre so that they have a fair return.

CHAIR—As there are no further questions, I thank you again very much for coming along, particularly those of you—which is all of you, I guess—who have come from a long way away. We very much appreciate your input. I know I speak on behalf of all the committee in wishing the two of you going to the exhibition all the very best. We hope it is a great exhibition and that it is something that you get a lot out of.

Proceedings suspended from 12.54 pm to 1.28 pm

KOZELUH, Mr Narayan, Art Coordinator, Artists of Ampilatwatja

ACTING CHAIR (Senator Parry)—I call the committee to order. In the absence of Senator Ian Macdonald, I will be acting chair this afternoon. I welcome the representative of the Artists of Ampilatwatja, Mr Kozeluh. Thank you for coming along today. The committee has received your submission as No. 20. Do you wish to make any amendments or alterations?

Mr Kozeluh—No.

ACTING CHAIR—Would you like to make a brief opening statement, and then we will move into questions?

Mr Kozeluh—I thank the committee for giving me this opportunity to be able to express my feelings on this issue. I want to point out that I am speaking from my own personal point of view; I am not really speaking for the artists. Frankly, when I look at all the issues involved in this business, I always come up with the same thing: it is community based arts centres that are going to be the answer to all the problems—strong, well-funded community based art centres with good educational facilities to teach people how to run them and look after them. It is not going to be easy; it is going to be difficult and it will take a long time. But I think that is the answer to all the problems that we look at today.

ACTING CHAIR—Thank you. In one of your comments you argue that Aboriginal people must bear a share of the responsibility for the dysfunction in the art business. Would you expound that and explain your views.

Mr Kozeluh—There are lots of reasons for that. One is the quality of the art. For us to be able to sell our art effectively and to really do well, our artists need to paint to their highest standard. Once they do a painting that is good enough, say, to go into the Telstra award and be selected, from that day onwards they have a lot of pressure on them to keep up the standard of that work. But it seems to me that, no matter how much I have discussed this issue, the standard of the work always becomes less. I do not know the reason for this. I think there are some cultural reasons for it. But, no matter how much I talk about it at our arts centre, I do not seem to be able to get it across to people that it is their destiny and that they are in control of it—not me or anybody else. They are in control of it by being able to paint to their highest standard.

ACTING CHAIR—In your experience, do you think that the commercialisation and the need to produce volume has the consequence of reducing quality?

Mr Kozeluh—I definitely think the reason this has come about is that money is in the middle of it. I come from an art background, but when you start to mix money and profit and those kinds of things into it something else happens to them. In all the years I have worked out there the biggest enjoyment and the biggest successes we have had have not been measured so much in money but in cultural things: artists have gone out and visited the wider world and seen that people do appreciate their culture and do appreciate them for who they are. They have an opportunity to discuss things and to realise issues that are happening around them. I see the kinds of benefits that has given them when they come back to the communities. In all of these

years that is about the only thing of value that I see I have done. All the hundreds of thousands of dollars that we have brought into the community seem to have vanished and meant nothing, but these things have meant a lot. Whenever we focus on the culture and what is important and how that will strengthen the communities, these things have meant a lot.

Having that approach to the art business has always made it strong. Our difficulty is that we have always had people come in and break us and attack us, and because I am the only white art coordinator out there I am often the target. I feel personally that a lot of this has been directed at us because we deliver a better payment to the artists than a lot of other people do, and they see that as a bit of a threat.

ACTING CHAIR—When you say you deliver a better payment, do you mean a better financial payment?

Mr Kozeluh—Yes.

ACTING CHAIR—Are you prepared to describe what payment you deliver, or what formula or model you use?

Mr Kozeluh—Yes. For instance, if one of our senior artists comes in with a painting and it is a certain size, say, 1.80 metres by 1.36 metres, we might sell that painting for \$6,000. Out of that \$6,000, \$4,000 would go back to the artist and \$2,000 would go back into the business. That is how we have always run it. The accountants have said to us that that is very difficult because, of course, we have never, ever got any money left over. Everything goes back to the artists.

One of the things I have noticed is that when you set a precedent in a community it is very difficult to break it, so how you start is important. It is important that you start well, because, if you do not start well, in the end you get so many difficult problems that you have to try and resolve and fix that it becomes too weighty and too hard to do.

ACTING CHAIR—That is in business in general, I think.

Mr Kozeluh—Yes. But in communities it is especially hard. It takes a few years before you start to be listened to, before you start to be seen and heard, and to get a good rapport with everybody and start to learn about how the community runs. That is why I think that having art coordinators who last a bit longer in communities is a good thing.

ACTING CHAIR—Good. Thank you. Senator Moore.

Senator MOORE—I have a couple of questions. I will just continue on where you were coming from. You said that ‘they’ are unhappy with you. Who are ‘they’? In your previous answer, you said that you felt you were the only white coordinator there and that ‘they’ were attacking you. In that sense—and I know it is a big question—who are ‘they’?

Mr Kozeluh—The Central Land Council were one of them. I have some affidavits at home that went to the government and were shelved, pushed away and tucked away, because no-one wants to see these affidavits. They really reveal how the Central Land Council want to go in and bully sometimes, against the wishes of the artists. But they can kind of use me, saying that I am

the one that is driving this. So it is me they turn around, because I am the one who is most vulnerable really. They cannot turn around and get at anybody else out there.

And you have community workers who come out there. They often come from cities. They have an idea about how things should be, and they seem to come out with a lot of aggression. We have to weather it. Whenever there is a change of community adviser, for the first six months we often have to weather a lot of tough, difficult things that we do not deserve.

I think we had some problems with Desart when we first started as well. We were funded by them. When they collapsed, the powers that be decided that they were going to use whatever method they could to resolve that collapse. But, at the end of the day, I think our artists suffered financially for it. They were never apologised to for it. That seems to have been wanted to be swept under the carpet. I know I keep bringing it up, and people hate me for it, but I say to them, 'It's really important to go back to these guys and admit that that was a mistake and that we are sorry for it, you know, and that we can move on from here.' But until that is done the resentments lie out there and fester and become so difficult that they are insurmountable.

Senator MOORE—Have you been there since 1999?

Mr Kozeluh—Yes.

Senator MOORE—Your submission starts with the process when the arts centre was formed in 1999 and you have been there since the start.

Mr Kozeluh—Yes. There was an art coordinator, Cassie, who was there for the first six months, and then the ladies came and asked me to work for them.

Senator MOORE—You refer to 'the ladies' through your submission. Are all the artists in that community women?

Mr Kozeluh—I would say that 99 per cent of them are, yes. The men—

Senator MOORE—Is there any reason for that?

Mr Kozeluh—I think that, yes, there is, because in the early days that art movement in the Utopia region started with women dyeing T-shirts—

Senator MOORE—That is right, yes.

Mr Kozeluh—and making money. So often the old men have said to me, 'That's women's business, painting; it's really not our business,' so they do not feel included in it, although they do paint.

Senator MOORE—And you work with them as well?

Mr Kozeluh—Yes. We have been trying to resurrect more cultural things, like the making of weapons and artefacts and things like that.

Senator MOORE—You mentioned that, yes—the gender differentiation in the community. The way your submission reads is that you have the women who are continuing with the work they have done for a while, but you have a particular program with the weapons and sculpture—wood and stuff.

Mr Kozeluh—Yes, we have had a few programs where we made boomerangs and spears and woomeras. We included the school out at Ampilatwatja and all of the young children came along and there were many stories about how their grandfathers were initiated and stuff. It kind of incorporates the whole community into the art business. I see that the men really enjoyed that form of art business. There is not a lot of money in it, but the value of it was great when it came to the interaction between the younger generation and the older generation.

Senator MOORE—And your arts centre gets government funding through DCITA?

Mr Kozeluh—No, this is more or less my last day as an arts coordinator.

Senator MOORE—I got that impression from your submission—‘Sadly having reached my end,’ a rather negative tone; you are finishing up?

Mr Kozeluh—Yes, I have tried to get people to take my place. I have tried to get some funding out there. I have tried many things. I was told about this years ago. I was very friendly with Senator Richard Alston, and Richard visited me often and we had many conversations—the same with Brian Kennedy. They more or less told me years ago that this committee was going to be needed and how tough this business was.

Senator MOORE—In the area that you worked in until very recently, there is an existing arts centre but it has not received funding—is that right?

Mr Kozeluh—No, we have never had an arts centre. We have had a building that we call an arts centre.

Senator MOORE—Your submission refers to an arts centre, but it is not an arts centre as we know, funded through DCITA. That is very important to know, because I read the submission as though the arts centre was in that community in the sense that we know, but it is not.

Mr Kozeluh—No, we have been self-funded now for years.

Senator MOORE—Good—not good, but it makes it clearer; I had misread the submission, because I thought we were dealing with a community arts centre. You have not received government funding and you have been working in building up the kind of awareness, the training that you have mentioned. Do you have any idea why that is? Did you apply for DCITA funding?

Mr Kozeluh—Our artists decided to refuse funding.

Senator MOORE—That was through ATSIC—

Mr Kozeluh—Yes, that is because ATSIC wanted to get rid of me. At the end of the day, all of the things that we said about ATSIC were proven.

Senator MOORE—We will not get into a debate, Mr Kozeluh, although we could have a long debate on that one. In terms of process, you say in your submission that you did not get ATSIC funding, and that is clear, but when ATSIC was—

Mr Kozeluh—We did have ATSIC funding, but we turned it down.

Senator MOORE—You rejected it?

Mr Kozeluh—Yes.

Senator MOORE—When ATSIC was wound down and the funding was moved to another department, did you then apply for funding with the new department without the legacy of the ATSIC concerns you had?

Mr Kozeluh—No, because we were actually doing quite well.

Senator MOORE—So you did not need it then?

Mr Kozeluh—In fact we had opened Sandover Art and we were starting to incorporate a lot of the Urapuntja artists into our arts centre. It was at this point that the Central Land Council came in and disturbed us.

Senator MOORE—That would have been about 2006?

Mr Kozeluh—It was 2005, I think.

Senator MOORE—You had issues in the community with ATSIC, and you have had issues with the land council and now you are leaving—is that right?

Mr Kozeluh—Yes.

Senator MOORE—What is happening to the arts community in the area now that you are going?

Mr Kozeluh—There are a lot of private interests in the Utopia region. They are everywhere. I know every single one of them. Those artists will just be absorbed by those interests.

Senator MOORE—Absorbed well?

Mr Kozeluh—No, they will not be. This is the end of what I think was promising to be an arts centre with very good potential for that region. There are over 400 artists in that region. Some of the most famous Indigenous women artists come from that region. We talk about arts centres out there; there has never been a real effort out there to try to do something, except earlier on. I am not quite sure, but I have always suspected that it is because of all the private interests out there

that we have always struggled. Of course, all of those private interests do not want an arts centre out there; they never have.

Senator MOORE—What exists there today in the area that you worked in and that the submission refers to? In terms of arts development and arts activity, what exists there today? It is not clear from your submission.

Mr Kozeluh—There is nothing there today—nothing. People are just painting now and having their paintings picked up by whomever—I guess you would call them carpetbaggers.

ACTING CHAIR—Is this part and parcel of the reason why you are moving out? Is that competition—

Mr Kozeluh—Frankly, if you have your heart in it and you really love it, you would think you should be able to thrive in a job like this. But all you can ever do is just survive. At the end of the day, I can say to myself that I had a desire to do something really good on the community and produce something. Papunya Tula has given such a good example of what can be done. I wanted to do the same kind of model out there. At the present moment, I feel like I have not achieved that and, in fact, all of the hard work, anguish and difficulties that we have faced have come to nothing. It has been really difficult for me to walk away. I am not somebody who likes losing. I want to stay in and win. But, at the end of the day, I think I have to say to myself, ‘What is the chance of success here?’ I think it is slim. I think I have to look after myself now.

Senator MOORE—So in terms of what you want this committee to know and do, your submission talks about your concerns—is there any message for us as to what action should be taken?

Mr Kozeluh—Frankly, I think that, when you see something that is working really well, you should go in there and they are the things that you should fund. When you seek information you should seek the information from the community itself and really not from all of the so-called experts. I think that going out into the community itself, meeting the people and talking to them is the way to go. It is their livelihood that we are talking about. I always feel uncomfortable sitting here talking about somebody else’s ‘only chance’. I wish that people would go out and talk to the source. Without the source and the base in the communities, if they are not looked after, how is the rest of the art business going to survive and work? We seem to always be wanting to put our resources into the infrastructure and on the outside to make that look really good, yet the inside becomes dysfunctional. How is the outside going to work if the inside is dysfunctional? I often feel, with some of the information that I read that people say comes out of the communities, that these people have never been on a community and do not know very much about what they are talking about.

Senator MOORE—Your submission particularly mentions the Rothwell article in October 2006. It got a bit of publicity. What in particular were you concerned about with the Agathon Gallery?

Mr Kozeluh—Once again, it is a focus on money. If you go out into the communities, you will see that we have about, I suppose, 25 senior artists. If you were to just concentrate on those 25 senior artists, the other 100 artists out there get nothing. In fact, those 25 artists, even though

they might be doing really well, at the end of the day their main interest too is in their younger people. So they end up feeling dissatisfied and it does not work.

Senator MOORE—And you think that people like the Agathon Gallery are doing that—concentrating on the well-known, successful artists?

Mr Kozeluh—Yes, of course. It is just an interest in making money. He thinks that that is the answer. It is not the answer. When things like that start to happen, they undermine all of the arts centres. Everybody wants to have a look at how Agathon Gallery is going to do it. They say: ‘Maybe that is a better way to go. Maybe we’ll make more money.’

Senator MOORE—We had evidence the day before yesterday from someone in the business who said that perhaps it was time to review the whole way it operated, on the basis that perhaps there was too much focus on production, earning capacity and making money. From your perspective, having worked in the area and obviously been very disappointed with things that have happened, can you tell us what you think would be the definition of a thriving, successful arts centre? If you had your way, what would you do and what would be the attributes of something that you think is working?

Mr Kozeluh—First off, just to have adequate facilities out there.

Senator MOORE—Who would fund them?

Mr Kozeluh—Arts centres provide gathering places for people in the communities. They are a kind of focal point. So I see the ideal arts centre as one that has a division that men can go to and a division that women can go to, so it is sensitive to those issues, and that has the full involvement of the people who live in the community, work there, own and are part of it, instead of having the responsibility continually being put back onto people like me. For instance, if the government decide, ‘We want Aboriginal communities to be Aboriginal corporations; we want them to run their businesses through an Aboriginal corporation and they cannot get funding until they become a corporation,’ we become a corporation. There are a lot of responsibilities in being a corporation, but all of our artists are not aware of that, so it is given to me to educate these guys about their responsibility of running their own corporation. I am supposed to know all about running an Aboriginal corporation as well as an arts centre.

These guys out there do not want to take any of that responsibility. The more that I try to get them to do it, the more they want to throw it at me—and, frankly, I am not surprised. If I could get out of the bureaucracy I would too. They have an opportunity to do it by just saying no, and they do that. So it is all given over to me and suddenly I have to make sure that this Aboriginal corporation is run properly. I have to do things that I think are not strictly legal as a public officer. Everything, as far as corporations go, has to be done in a legal manner, but I feel as though out on the communities we have to do it in a way that just gets us by. Often, that will be me taking responsibility for artists by doing something that I should not do, that should be their responsibility. You can say, ‘Well, then, I will make this decision for this day,’ but at the end of the day you get worn down until it is easier to just sign the piece of paper because no-one wants to have a meeting or you will say as the public officer, ‘I’ll decide who is going to be this or that,’ and I will check that out with everybody and they will just go, ‘Oh, yeah, right, you just do

it; we don't want to know about that.' That is what I mean when I say that these guys have to take more responsibility for themselves.

Senator MOORE—I think I sense where you are coming from.

ACTING CHAIR—As there are no further questions, thank you very much, Mr Kozeluh, for your evidence and for sharing your personal thoughts.

Senator MOORE—And good luck.

ACTING CHAIR—Yes, good luck.

[1.54 pm]

JENNINGS, Mr Timothy Ronald, Private capacity

ACTING CHAIR—Welcome, Mr Jennings, from the Mbantua Gallery. Thank you for coming today. The committee has received your submission, which is marked as submission No. 24. Before we commence, do you wish to make any amendment or alteration to your submission?

Mr Jennings—No.

ACTING CHAIR—You have an opportunity now to make any opening remarks or brief comments, if you wish to, and then we will proceed to questions.

Mr Jennings—Not really. Basically, I am here to give my version of how, in my case, private enterprise works very well. I am open to any questions you would like to ask me.

ACTING CHAIR—Would you like to explain the size of your gallery and the number of artists who work with you in your gallery?

Mr Jennings—The physical size of the gallery?

ACTING CHAIR—The number of artists and the volume of art, the throughput.

Mr Jennings—It is around the 200 mark. A lot of them do not paint on a regular basis, but a lot do. So we probably have about 200 artists on our books.

ACTING CHAIR—I notice that in your submission you clearly articulate the methods of payment, and your method of payment is by consignment.

Mr Jennings—No.

ACTING CHAIR—You do not do any consignment at all?

Mr Jennings—We do not do anything on consignment. We pay up-front.

ACTING CHAIR—You go through the methodology of how you ascertain what to pay. If you do not pay by consignment, how do you work out the value of a piece of art? We have asked this question of a number of witnesses. It is something that intrigues the committee. How do you establish the value of a piece of art, if you do not do it on consignment?

Mr Jennings—From 20 years of experience. Probably 29 out of 30 of our paintings are sold wholesale. Usually, I look at a piece on the basis of how much I could sell it for—well, I sort of know—in a wholesale situation. That is the way I normally address it, firstly.

ACTING CHAIR—Okay. Senator Crossin.

Senator CROSSIN—If you can sell a painting for \$1,000, how much would an artist get out of that?

Mr Jennings—It depends on the artist. It depends on a number of things, really. Some paintings do not sell, so I have to look at it from a business point of view. I respect the comments by the last witness, Narayan Kozeluh, that the artist gets 60 per cent and the art gallery gets 40 per cent. However, he also said there is nothing to show after nine years. I have to look at it as a business as well, a business where we can grow and also put something back into the community. I look for a win-win-win situation—that is, for the artist at the time, for us and for the consumer. I try to keep a balance and think in terms of business. I have to think of the market. Sometimes we have paintings for a number of years before we sell them, and sometimes we do not sell them at all. That has to be taken into account. Also, in the market that we sell to—the wholesale market—we compete against lots of other wholesalers, so we have to have a competitive price at which we can sell the paintings.

I also keep in mind that I want to keep the artists painting. Our artists want to paint all the time, so they want us to be there on a regular basis. They are always asking for canvas and we go out to them on a regular basis. We need to be there to support that as well. So we look at being able to turn over paintings to our wholesale customers and also to the general public in a retail way as well, but we have a lot of competition on the retail side.

Senator CROSSIN—Do you deal mainly with people in the Utopia community and region?

Mr Jennings—We specialise in Utopia.

Senator CROSSIN—You also say that your overheads are about \$4,000 every day. Are the overheads at your gallery \$28,000 a week?

Mr Jennings—Yes.

Senator CROSSIN—How is that broken down?

Mr Jennings—Off the cuff, we have about 18 staff so there are a lot of salaries. We travel overseas to promote the art and the culture. We had two teams go to the United States last year for three weeks. We also had an art historian go to England last year and represent our artists. We paid for that. We do get some money back through the Export Market Development Grants Scheme. Our gallery is pretty big and there is rent. It just adds up.

Senator CROSSIN—Are the 18 staff purely employed in the gallery to work with artists?

Mr Jennings—Yes, and we have a field and research department. We had a photographer who has left us at the moment because I do not have enough time to work with him. We have a wholesale manager, a number of staff on the floor, a maintenance man who also does framing, and an accountant who runs the finance section. He has two staff members. I have a PA. It adds up.

Senator CROSSIN—Do the artists get training? Are there resources available to work with the younger artists in the community?

Mr Jennings—We are not an arts centre and we are not based in Utopia, although we get 99 per cent of our art out there. We travel out basically every fortnight and deliver canvas and paint to the artists in the different outstations. We have a chat and all sorts of things. Our field and research officer spends more time with them and tries to get the stories of all the paintings and the dreamings. We try to keep them very accurate. We have up-to-date profiles on all the artists; we feel that is really important. We also record a lot of the history. Over the 20 years that we have been dealing with Utopia we have recorded a lot of the history. We keep up to date with families.

Senator CROSSIN—Do you issue an authentication certificate with each piece of work you sell?

Mr Jennings—Everything that is catalogued with an MB number. That is basically anything that is larger than one foot by one foot.

Senator CROSSIN—What about stuff that is not catalogued? Is there stuff that is not catalogued? Does everything that you sell have a certificate of authentication?

Mr Jennings—No; everything with an MB catalogue number on the back.

Senator CROSSIN—Which would be what sort of stuff?

Mr Jennings—MB is short for Mbantua, and then we have a catalogue number. Anything that is small—that is, less than one foot by one foot—we do not catalogue and do not provide a certificate. The reason is that we get a lot of them and it is not feasible to do it.

Senator CROSSIN—Who provides feedback to your artists about quality or colour combination?

Mr Jennings—We do; me in particular, and our field and research officer.

Senator CROSSIN—Is there a capacity to encourage young artists to come through?

Mr Jennings—Absolutely. We nurture the young artists all the time. We do that with the young ones by providing lots of smaller canvases and paints and encouraging them to put down a design and see how they go.

Senator CROSSIN—Tell me about the work that happens overseas. You say that you believe government could do more to assist with the promotion of art overseas. The trips that you have made have been with the assistance of Austrade?

Mr Jennings—Yes.

Senator CROSSIN—In what way?

Mr Jennings—Austrade have been pretty helpful. The way they could help a lot more is in creating awareness among the public or in a potential market that we—that is, everybody that is involved in Aboriginal art in Australia—can approach. For example, there are 300 million Americans. They do not really know anything about Aboriginal art. That is a potentially huge market. We go over there and take rolls of paintings and do talks on Aboriginal culture as well as on the art. We individually talk about each piece to a group or people in their home who often invite other people around. Most people do not know anything about Aboriginal art—nothing. People that we normally set up with are people who have visited us here and, as a result, have loved the art. We have gone across and tried to promote it.

There could be more of an awareness made by the federal government—in particular, about the quality and the uniqueness of our art, adding the culture into it as well, with the art being a bridge to the culture so that there is a learning sequence too. So you are not just buying a painting but a painting by somebody who has a completely different culture. Twenty years ago, people did not want to know about it, but because of the art movement happening there is a real interest in the culture as well. If we could promote the two and advertise it more then that awareness would be there. I think that would be terrific for the whole Aboriginal art market in Australia—not only in the United States, but in Europe and even China.

Senator CROSSIN—Finally, I want to ask you about the value of the industry. A lot of submissions say that no-one has actually put a value on the industry. This morning we heard that people have probably costed it at now being equivalent to the cattle industry in Central Australia. Can I ask what your annual turnover or flow-through is?

Mr Jennings—Our turnover for the last financial year was a little over \$2½ million.

Senator CROSSIN—What would you have paid to artists out of that?

Mr Jennings—I think it was around \$750,000.

Senator CROSSIN—Have you thought about how much the industry is worth as a gross domestic product?

Mr Jennings—I do not have any idea, to be quite honest. But I might add to those figures that I gave you that our expenses were \$1.7 million, I think. So it is not cheap. I have our net profit; our accountant gave me the figure before I came here. It was 11.6 per cent. So there are a lot of costs involved in this.

Senator CROSSIN—Thank you.

ACTING CHAIR—Senator Moore.

Senator MOORE—Thank you for your submission, Mr Jennings. I read that you had to do it quickly while you were involved in the business overseas, so we appreciate it. You talked about the possibilities of gluts in the markets and concerns about more and more arts centres being created and that some of them might fail. You talked in a very straight business sense about that. Could you share with us your views as someone who is not in an arts centre but is in the business

and understands why that could occur. What kinds of dangers would there be in having more and more arts centres and in the way they operate?

Mr Jennings—There are dangers but there are also advantages. It could go the other way. Say, if war broke out, for instance, there would be a downturn in the economy. People would not spend as much and, of course, art is really a luxury. I would think that could really slow things down in markets. And, of course, travel would not happen as much either. It is quite possible that a world war could happen. I hope to not be a pessimist here, but that could happen and art would be one of the first things off the agenda because it is a luxury.

Senator MOORE—In terms of the statement in your submission that you are concerned about more and more art centres being opened up, what is your worry about that?

Mr Jennings—If that occurred and the markets overseas were not targeted more, then there would be a glut here in Australia. As I said before, a lot of the art that we get now does not sell, not because it is of a low quality but because we have not got as many buyers as we would like. They can shop around a lot more. If there were more art centres opened, then that problem would grow. There would be more art and I think a lot of it would not get sold unless we could target overseas markets. As I said before, there are 300 million Americans. They spend when they know what it is about. I will give you an example. In San Diego in October, we went to the home of a friend of mine who lives over there. I got to know him through art and he is really well off. He invited a number of friends of his over there to come and listen to me and Josh van Haaren, our manager, talk and exhibit some art. We were hoping that we might be able to sell some as well. One of the people there who was interested in the art had just bought himself a \$13 million house. I was thinking to myself, ‘There’s a fair chance you’ll buy something here.’

Senator MOORE—He had some walls to fill!

Mr Jennings—We sold \$300 worth that night. There were a number of other people at that event—CEOs of companies and that—because they did not know much about the art. I think if they knew more about the art then we would have sold a lot more art. That was just a needle in a haystack example. There is lots of it over there and I think we should target it.

Senator MOORE—That is your point about education programs and promotion programs in the discussion you had with Senator Crossin about promotion. You have talked in your submission about the different ways of payment and different processes. You deal with arts centres. Do you have arts centres who are clients of yours from which you actually purchase art?

Mr Jennings—No.

Senator MOORE—You don’t?

Mr Jennings—No. There is not an arts centre in Utopia.

Senator MOORE—Do you buy anything from arts centres in any other part of the area?

Mr Jennings—No. We specialise just in Utopia.

Senator MOORE—Yes.

Mr Jennings—We have a couple of other artists that paint for us but not many.

Senator MOORE—You have given us details in your submission about the way your business operates in Alice Springs. Do you have a general store in Alice Springs as well?

Mr Jennings—We do, yes.

Senator MOORE—Do they work together or are they separate?

Mr Jennings—They are actually separate companies. We have had the store since 1987, I think.

Senator MOORE—That is a while.

Mr Jennings—When I bought that it had a little art section in it. I think I might have mentioned that.

Senator MOORE—Yes, you did.

Mr Jennings—It was very small, but it grew from there.

Senator MOORE—Forgive me, I walked up and down but I do not know the area well enough. I know they are separate companies, but are the store and the art gallery collocated?

Mr Jennings—No.

Senator MOORE—They are separate.

Mr Jennings—It is at 55 Gap Road. It is a tiny little place.

Senator MOORE—That does not help me at all, Mr Jennings; I do apologise.

Mr Jennings—It has murals all over it.

Senator MOORE—I will find it. So you have had the store since 1987, which is a business. How long have you been involved in art?

Mr Jennings—Since then, because of that small section.

Senator MOORE—At the same time.

Mr Jennings—It grew from there.

Senator MOORE—And it was such a boom time to get into it at that stage. That would have been great.

Mr Jennings—Yes, it was. It was good. It was slow; it was not just overnight. A lot of people would bring in pieces for me. I really did not have the market for it, but I would usually buy it off them anyway—little carvings and things.

Senator MOORE—That is like anything. You build a business and get your credibility. You spelt out really clearly how you negotiate with artists. You are very straight and talk really clearly in your submission about what it is worth and that people have the chance to negotiate with you. I think that is business. Is there any way that people can actually work with you and then get stuff from the store?

Mr Jennings—Yes, they can.

Senator MOORE—Can you spell out to us how that works? If you have a piece of art that you want to buy from Utopia and you have your store business, is there kind of a transfer? Do you book it up? How does it work?

Mr Jennings—We get a lot of comment that perhaps it should not be done, but unless you actually go and involve yourself in it and understand the people you might find it hard to comprehend—especially if you do not have experience with traditional Aboriginal people. We have the two businesses, and they are run completely separately. Our artists, if they come into town and they want some shopping, groceries or whatever, they can go down and they can book up some. We have limits for them. Then, sometime afterwards, they have to repay it—naturally, because it is a business.

Senator MOORE—So it is like an account.

Mr Jennings—Yes, like a credit card in some ways, and we all use credit cards. Their payments are normally a fair bit more than the art—unless they get special advances from us for various reasons, and that happens all the time. I get asked for money non-stop. Then I have a rule where it is half and half. So if I go out to the bush and I am going to pay \$500, for example, and they have got \$300 booked up, then the agreement is that they will get \$250 cash and \$250 off their account. I do not just take it all off. That is basically the way it works.

Senator MOORE—Mr Jennings, you have been working in this area for a long time, so you would know the people. Can the people you are dealing with document this? Can they read and write?

Mr Jennings—A lot of them cannot.

Senator MOORE—When I get my credit card account, it terrifies me most of the time but at least I can see the figure. Are you confident that, if you are dealing with me as an artist, I would understand that you are paying me for my art?

Mr Jennings—Absolutely. The way we set it up is we have a manager and a supervisor down there in the store, in Mbantua store. I have not worked there for 10 years. We have our accountant who is an extremely ethical man. He is an elder in the senior church, he is chairman of Yipperinye school, which is an Aboriginal school just up the road. He oversees a lot of that,

and we also have a staff member who keeps the records up to date. You could manipulate it if you wanted to; I am not saying that you could not. You can do that anywhere.

Senator MOORE—But I would have a card down there that said ‘Claire Moore’, and I would have a record there that I would be able to find, or someone would be able to see it if I did not understand it. It would have ‘painting’ on one side and ‘purchases’ on the other, so I could trace my credit history. Is that right?

Mr Jennings—The card is handwritten at the moment—we are about to put in those scanners—in receipt books, and any artist or their family can have a look at it. They write it down and then there will be a payment, so you can see that it is paid off. So that there are no mistakes made, my daughter sends down faxes and she checks them off individually to make sure that everything is done right.

Senator MOORE—That is in Utopia.

Mr Jennings—Yes, for our artists. It is pretty foolproof, but nothing is 100 per cent foolproof.

Senator MOORE—My pet question is about how all this system interacts with Centrelink. You have got this detailed record of the toing and froing with individual people in the community. Have you ever been asked by Centrelink or the tax office to verify payments?

Mr Jennings—No. But they do sign a tax invoice. We get them to sign a tax invoice, and I do not think they need to have an ABN up to \$50,000.

Senator MOORE—But you have never been asked to verify anything or to process?

Mr Jennings—The taxation side of things has been in many people’s thoughts for many years. I am sure that it has been in your thoughts too—it is a big problem.

Senator MOORE—It is a huge issue. You have given us details about your business. Do you have people who are permanently located at Utopia?

Mr Jennings—No.

Senator MOORE—So your businesses are located in Alice and operate out on Alice but you regularly travel and have visiting services to Utopia to work with the artists out there?

Mr Jennings—That is what we do.

Senator MOORE—And sometimes you bring the artists down to Alice Springs, or do they choose to come down of their own—

Mr Jennings—Not very much. They will come into the store, but occasionally we will have them paint, if they want to, in the town, but not very often.

Senator MOORE—But that is of their volition—they choose to come to Alice Springs?

Mr Jennings—Absolutely.

ACTING CHAIR—Following up on that, in lieu of payment you have a credit system for your artists. Do they have the choice to take cash and not go onto the credit system at your shop?

Mr Jennings—I am pretty easy to get on with—

ACTING CHAIR—Was that a yes or a no? Do they have a choice?

Mr Jennings—It is not just a yes or no. They have an agreement with us that if they do want to do some shopping in town they pay us back. I will ask them and, if it is just to go and blow it at the casino or something like that, the answer is no, they have to pay that half and half.

ACTING CHAIR—No, you have missed the point of the question. Do they have a choice not to go onto your credit system and to have cash only?

Mr Jennings—Absolutely. A lot of them do.

ACTING CHAIR—Do you encourage them to use the credit system?

Mr Jennings—I leave it up to them. I allow them to have credit because if I say no and they agree with no, an hour later they might come back and change their mind because of family pressures and so on. They might say, ‘We need some groceries to get home,’ or whatever. It is strictly up to them. But I put limits on their books so that the manager down there knows the strict limit that they cannot go over.

ACTING CHAIR—What percentage of your artists would be on the credit system and what percentage would not wish to be on the credit system?

Mr Jennings—I honestly could not tell you, but I do pay a lot of straight-out cash to those who are not on the credit system. A lot of them do have a card there so that if they want to they can—it is completely up to them. If they come into the store and see the manager, he can check the card and say, ‘Yes, you are okay with that.’

ACTING CHAIR—How do you determine the limit for each artist?

Mr Jennings—I try to keep it low so that they do not get themselves into trouble having too much debt. Basically, it is on whether they are high-profile artists, medium-profile artists or learners.

Senator MOORE—What is the age of the youngest artists that you work with? You can take that on notice.

Mr Jennings—Thirteen or 14 maybe.

Senator MOORE—You have got them that young? You know your artists very well; you have been working with them for a long time: what are their ages? Generally, in terms of the

future of the industry—and I have been asking this question regularly—we have so many highly regarded elderly artists, but what happens next?

Mr Jennings—Most of our artists are women—

Senator MOORE—That is part of the Utopia thing, isn't it? There are a lot of women painting, aren't there?

Mr Jennings—Yes, they do like to paint. We have a lot in their 20s and early teens coming along. They do paint and they enjoy painting. We also still have a lot of older women in their 50s and 60s who love it. It is really good.

Senator MOORE—And your best sellers, the ones who are most marketable?

Mr Jennings—Our best seller was Minnie Pwerle without a doubt. She passed away a year ago. Barbara Weir is a very good seller and some of the Morton ladies—

Senator MOORE—I have seen some of their work—are these mainly older women?

Mr Jennings—No, they would be in their early 40s or late 30s.

Senator MOORE—That is the kind of picture that I am trying to get. When you see the beautiful work on the wall and you see a name, often you do not know exactly the age of the artist, so thank you.

Mr Jennings—I would like to add a couple of other things that perhaps you are not aware of. I do not think I put them in here.

Senator MOORE—There are many things that we are not aware of!

Mr Jennings—We have actually set up a foundation. It is called the Mbantua Gallery Foundation. We started getting that in order about two years ago. We have an application in front of the taxation department now to try and have it tax exempt. It has a number of objectives. We want to hire a sports officer to work amongst the outstations out there on a full-time basis. We want to raise \$1 million for that and invest it so that that sports officer job will live forever—it will live off the interest of, say, 10 per cent. I am also working at the moment with a doctor, Simon Quigley, and we are putting together a number of exhibitions because we want to build a swimming pool out there. He is going to approach the NT government to see if they will do a \$2 for \$1 deal. We think it will cost about \$1 million. So we have got a job ahead of us.

Senator MOORE—Is he a medical doctor?

Mr Jennings—Yes, he is a medical doctor. There are lots of reasons—which I will not go into now—why we want to do it. We also have a cricket academy sponsored by Mbantua Gallery. It is for non-Indigenous and Indigenous kids here in Alice Springs. It is coached by me, so the kids might not turn out to be test cricketers—but they might make the level below!

Senator WEBBER—Senator Moore says we need some new bowlers, so keep going!

Mr Jennings—Yes, we do need some new bowlers. That has been in existence for about six months. We actually had Rod Marsh come down last Friday and address the kids. Also, for the last two years, we have paid a one per cent royalty back to the artists for any of their work that is sold retail. We do that every six months. You have probably heard of the secondary market with royalties.

Senator MOORE—A few submissions have concentrated on that. There have been mixed views. How do you see it working?

Mr Jennings—I am not sure how it will work with auctions, but from our point of view it works very well. Every six months we write out a cheque. Everything is documented. We have a record of all the retail sales, so each person gets a one per cent bonus cheque.

Senator MOORE—So there is the negotiation process you have itemised in your submission and, once you have bought that painting and brought it in and it is on-sold, you actually send a cheque back to the artist of one per cent.

Mr Jennings—Not then; after six months. That would be an administrative nightmare.

Senator MOORE—I was just wondering how it worked exactly.

Mr Jennings—Every six months our finance department will print out a list of how much art has been sold for each artist and then work out one per cent of that as a bonus cheque for them. We do that every six months.

Senator MOORE—You just have a review every six months?

Mr Jennings—Yes. So those are just a couple of examples of how private enterprise can put back into the communities, which we want to do.

ACTING CHAIR—Thank you for your evidence, Mr Jennings. We have no further witnesses giving direct evidence. We will be seeking evidence from further witnesses in a different manner. I thank everyone for their attendance.

Committee adjourned at 2.38 pm