

**Senate Standing Committee on Environment, Communications and the Arts
Legislation Committee**

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

Outcome:	5	Question No:	112
Program:	5.1		
Division/Agency:	Arts Division		
Topic:	Resale royalty education campaign		
Hansard Page ECA:	151 (25/5/10)		

Senator FISHER asked:

Ms Bean—The minister under the legislation. It is CAL, or the Copyright Agency Limited, that was the successful tenderer. Since their success was announced in April, CAL has directly contacted over 200 commercial galleries to advise them of their obligations. They have convened an advisory panel of artists and art market professionals to develop a code of practice for the scheme and they have begun rolling out their education program, which includes seminars to advise the sector of the scheme's requirements. They will take place over the coming months in all capital cities and a number of regional centres. They have also put fact sheets for artists and art market professionals on their website.

Senator FISHER—Can we have copies? I guess they are publicly available.

Ms Bean—They are on the web. We can certainly perhaps provide you with the link.

Senator FISHER—Can you tell me the address where I can access it? By email after the hearing is fine, if you prefer.

Ms Bean—Okay. They place the fact sheets on their website about the rights and obligations of both artists and art market professionals.

Senator FISHER—Have they held information sessions?

Ms Bean—They have started rolling seminars out.

Senator FISHER—Where and when?

Ms Bean—As I said, over the coming months they will be in all capital cities and in a number of regional centres. I do not have with me the details of ones that have already been held, but we could certainly see what we could do about getting hold of the program for you.

Senator FISHER—That would be good ...

Answers:

The Copyright Agency Limited (CAL) provides fact sheets and frequently asked questions for artists and art market professionals on its resale royalty website at www.resaleroyalty.org.au.

CAL's schedule of seminars and workshops in relation to the resale royalty scheme is listed on CAL's website at www.copyright.com.au. As part of its contractual arrangement with the Department of the Environment, Water, Heritage and the Arts, CAL will continue to provide information sessions for artists and art market professionals. Dates for these sessions will be confirmed and listed on CAL's website in the future.

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Budget Estimates, May 2010

Outcome:	5	Question No:	113
Program:	5.1		
Division/Agency:	Arts Division		
Topic:	Resale royalty – UK and France		
Hansard Page ECA:	152 (25/5/10)		

Senator FISHER asked:

Ms Bean—I may have given you a misleading impression. I do not know that it was an actual review in the sense of the Strong review of orchestras or something like that, but there has certainly been information gathered and collected in the UK as an issuative process. As information has become available that was fed into our work.

Senator FISHER—Does that really enable you to say that their scheme has had little impact on the UK operators?

Ms Bean—Certainly, the CEO of Viscopy who was previously running one of the main organisations in the UK that was delivering the resale royalty did say at the House of Reps inquiry into the bill that her view was that there had not been any significant impact.

Senator FISHER—So we are going on the view of one person now?

Ms Bean—No, I am using that as an illustration. Basically, the volumes went up and the prices went up.

Senator FISHER—All right. If that is indeed the outcome then, to the extent that you can show us documentary evidence of that, it is a good thing. I would welcome it. So could you on notice provide us with that?

Ms Bean—We will certainly see what we can provide you with.

Senator FISHER—Now for France. I have the same question. What is the impact on industry in France?

Ms Bean—I do not know. I do not have that information with me. We can certainly look to see what we have and provide you with some on notice.

Senator FISHER—All right, thank you. In France as I understand it royalties flow into the hands of a handful of artists—is that right?

Ms Bean—I do not know. I do not have any information about the French scheme.

Answers:

In January 2008 the United Kingdom Intellectual Property Office commissioned a study into the impact of the introduction of the Artist's Resale Right in the United Kingdom. The resulting report, *A Study Into the Effect on the UK Market of the Introduction of the Artist's Resale Right*, by Katy Graddy, Noah Horowitz and Stefan Szymanski, concluded that:

- “[t]here is no evidence that the [Artist's Resale Right] ARR has diverted business away from the UK, where the size of the market has grown as fast, if not faster, than the art market in jurisdictions where ARR is not currently payable” (at page 2); and
- “[t]here is no evidence that ARR has reduced prices, as prices have appreciated substantially for art eligible for ARR, and faster than in markets where ARR is not currently payable” (at page 2).

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The full study is available online at <http://www.ipso.gov.uk/study-droitdesuite.pdf>.

In France, the resale royalty right ('droit de suite') was first introduced in 1920. Given the length of time the scheme has been in place, the Department of the Environment, Water, Heritage and the Arts does not have detailed analysis about the impact of the scheme's introduction in that jurisdiction. The Department also does not have information about the number of artists to whom royalties have been paid under the French scheme.

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Outcome:	5	Question No:	114
Program:	5.1		
Division/Agency:	Arts Division		
Topic:	Resale royalty – impact in Australia		
Hansard Page ECA:	152-153 (25/5/10)		

Senator FISHER asked:

Senator FISHER—Okay. What research was done into the implications in terms of costs of our scheme on businesses here?

Ms Bean—There was certainly modelling done on different aspects of the scheme. This is all a couple of years old now and I cannot actually remember in detail what was looked at but we can take it on notice.

Senator FISHER—Thank you. Given the speculation and the airing in the press about the concerns and potential complaints about the program that would be helpful. In respect of complaints raised in the press reports has the government been formally notified about those? For example an article in the *Sun-Herald* on 2 May said:

... art dealer Denis Savill said: “We have not received one bit of official paper. We know nothing about how it will be implemented.”

Ms Bean—To my knowledge we have not received anything formal from Mr Savill either directly to the department or to my knowledge to the minister but I will certainly check it for you.

Answers:

During the legislation’s development the Department of the Environment, Water, Heritage and the Arts assessed the cost to business of the scheme’s introduction. The Department concluded that the bulk of compliance costs would arise in relation to establishing reporting systems to comply with the scheme, and that the ongoing cost of reporting under the legislation would be minimal.

In 2008 the Department commissioned Access Economics to analyse the potential impact of a resale royalty scheme for visual artists. The report concluded that a single, flat rate of royalty with a relatively high exemption threshold and no cap on royalty payable would minimise the scheme’s impact on the art market.

The Department has no record that Mr Savill has made formal representations in relation to the resale royalty scheme either to the Minister for Environment Protection, Heritage and the Arts or the Department.

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Budget Estimates, May 2010

Outcome:	5	Question No:	115
Program:	5.1		
Division/Agency:	Arts Division		
Topic:	Arts Programs		
Hansard Page ECA:	Written Question on Notice		

Senator FISHER asked:

For each of the programs below:

- a. What is the total funding for this program in 2009/10; 2010/11; 2011/12; 2012/13; and 2013/14?
 - i. If funded by multiple governments, what is the Federal Government's funding contribution?
 - ii. If funded by multiple federal government departments, what is the DEWHA funding contribution?
- b. What is the number of staff positions allocated to this program?
- c. What Budget line item(s) is this program funded under?

PROGRAMS

Contemporary Music Touring Program

Playing Australia

Visions of Australia

Contemporary Touring Initiative

Festivals Australia

Regional Arts Fund

National Arts and Crafts Industry Support program

Australian Business Arts Foundation (AbaF)

Register of Cultural Organisations

Cultural Gifts Program

Art Indemnity Australia

Bundanon Trust

Australian Ballet School (ABS)

Australian National Academy of Music (ANAM)

Australian Youth Orchestra (AYO)

Flying Fruit Fly Circus (FFFC)

National Aboriginal and Islander Skills Development Association (NAISDA)

National Institute of Circus Arts (NICA)

National Institute of Dramatic Art (NIDA)

Australian International Cultural Council

Artbank

Culture Portal

Collections Australia Network

Indigenous Languages and Records Program

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Indigenous Culture Support Program
Return of Indigenous Cultural Property Program
Indigenous Remote Radio Replacement
Connect Australia - Backing Indigenous Ability

Answer:

Please see [Attachment A](#).

Attachment A

Program	DEWHA funding contribution (\$m) ¹					Staff ²	Budget line item ³
	2009-10	2010-11	2011-12	2012-13	2013-14		
Contemporary Music Touring Program	0.250	0.400	0.000	0.000	0.000	1	Cultural Development Program
Playing Australia	6.295	6.392	6.512	6.763	7.014	2.1	Cultural Development Program
Visions of Australia	2.101	2.133	2.173	2.256	2.342	1.8	Cultural Development Program
Contemporary Touring Initiative	0.527	0.534	0.546	0.567	0.588	0.2	Cultural Development Program
Festivals Australia	1.092	1.109	1.130	1.172	1.217	1	Cultural Development Program
Regional Arts Fund	2.921	2.967	3.023	3.138	3.256	0.6	Cultural Development Program
National Arts and Crafts Industry Support program	10.343	10.407	10.545	10.892	8.548	9.7	Indigenous – Art, Culture & Language
Australia Business Arts Foundation (AbaF) ⁴	2.145	1.645	1.645	0.046	0.048	0.75	Cultural Development Program
Register of Cultural Organisations ⁵	0.000	0.000	0.000	0.000	0.000	1.75	Program 5.1 departmental
Cultural Gifts Program ⁵	0.000	0.000	0.000	0.000	0.000	2	Program 5.1 departmental
Art Indemnity Australia	1.300	0.000	0.000	0.000	0.000	0.3	Other
Bundanon Trust	1.550	1.555	1.572	1.614	1.659	0.6	Cultural Development Program
Australian Ballet School (ABS)	1.254	1.257	1.270	1.303	1.235	0.4	Cultural Development Program
Australian National Academy of Music (ANAM)	2.593	2.600	2.629	2.702	2.777	0.4	Cultural Development Program
Australian Youth Orchestra (AYO) ⁶	2.075	1.643	1.660	2.039	1.531	0.3	Cultural Development Program
Flying Fruit Fly Circus (FFFC) ⁷	0.178	0.178	0.181	0.186	0.190	0.4	Cultural Development Program
National Aboriginal and Islander Skills Development Association (NAISDA) ⁸	1.352	6.389	1.377	1.419	1.462	0.5	Cultural Development Program
National Institute of Circus Arts (NICA)	2.012	2.017	2.041	2.097	2.155	0.4	Cultural Development Program
National Institute of Dramatic Art (NIDA)	6.725	6.740	6.806	6.966	6.130	0.4	Cultural Development Program
Australian International Cultural Council ⁹	0.000	0.000	0.000	0.000	0.000	0	
Artbank ¹⁰	0.000	0.000	0.000	0.000	0.000	13.9	Art Rental Special Account
Culture Portal	0.265	0.000	0.000	0.000	0.000	2.5	Cultural Development Program

Program	DEWHA funding contribution (\$m) ¹					Staff ²	Budget line item ³
	2009-10	2010-11	2011-12	2012-13	2013-14		
Collections Australia Network	0.240	0.000	0.000	0.000	0.000	0.5	Cultural Development Program
Maintenance of Indigenous Languages and Records program	9.309	9.428	9.668	9.942	10.192	8.9	Indigenous – Art, Culture & Language
Indigenous Culture Support program	7.230	7.263	7.296	7.501	7.691	8.9	Indigenous – Art, Culture & Language
Return of Indigenous Cultural Property (RICP) Program ¹¹	0.817	0.826	0.836	0.836	0.836	1.5	Return of Indigenous Cultural Property Special Account
Indigenous Remote Radio Replacement ¹²	0.000	0.000	0.000	0.000	0.000	0	Connect Australia – Backing Indigenous Ability
Connect Australia – Backing Indigenous Ability ¹³	15.235	0.000	0.000	0.000	0.000	1.5	Connect Australia – Backing Indigenous Ability

1. Reflects program funds.
2. Reflects estimate of Full Time Equivalent DEWHA staff involved in administering each program in 2009-10 (noting staff may work across multiple programs and activities).
3. References Programs as disclosed on pages 65 and 67 of DEWHA's 2010-11 Portfolio Budget Statement.
4. 2009-10 allocation reflects \$1.645m in operating funding and \$0.5m for Business Skills for Visual Artists.
5. Nil DEWHA program funds. DEWHA administration costs associated with this program are met from program 5.1 departmental.
6. In addition to DEWHA's funding contribution above, in 2009-10 the AYO also received \$0.150m from Austrade's Export Market Development Grants Scheme towards its 2010 international tour to China and Europe.
7. In addition to DEWHA's funding contribution above, the Australia Council will also provide triennial funding of \$0.100 million over three calendar years (2010, 2011 and 2012) to the FFFC. The FFFC has also received project funding from the Australia Council of \$0.012 million in 2009 and \$0.041 million in 2010.
8. In addition to DEWHA's funding contribution above, NAISDA students also receive Abstudy. Abstudy funding is provided to them via NAISDA and is paid by calendar year. Funding varies according to student enrolment numbers. NAISDA also receives funding through three DEEWR Programs, Indigenous Tutorial Assistance Scheme (ITAS), Supplementary Recurrent Assistance (SRA) and STEP (Implementation of an Indigenous Employment Strategy). ITAS and SRA funding are linked to student enrolments. In 2010, NAISDA will also receive \$0.250m funding from through the VET Infrastructure for Indigenous People Program (VIIP). The funding for this program is Commonwealth sourced capital funding through the Australian National Training Authority, but is managed through the NSW Department of Education and Training.
9. Australian International Cultural Council is a DFAT program.
10. Artbank's operations are self-funded.
11. The Australian Government is aware that some, but not all, of the states and territories contribute funding to the RICP program, according to bi-annual calendar year funding agreements. A break down of state and territories bi-annual funding per financial year is not reported to the Australian Government.
12. Indigenous Remote Radio Replacement terminated at the end of 2008-09. It was a component of Connect Australia – Backing Indigenous Ability.
13. The 2010-11 Budget provided \$15.235m in 2010-11 to continue National Indigenous Television (NITV). In 2009-10 funding for NITV was reported under *Connect Australia – Backing Indigenous Ability*. In 2010-11 it is reported under *Indigenous – Broadcasting*.

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Outcome:	5	Question No:	116
Program:	5.1		
Division/Agency:	Culture Division		
Topic:	Cultural Development Program		
Hansard Page ECA:	Written Question on Notice		

Senator FISHER asked:

1. Please detail which companies and funds received funding from the Cultural Development Program in 2009-10 and how much each received.
2. Please detail which companies and funds will receive funding from the Cultural Development Program in 2010-11 and how much each will receive.

Answer:

- 1-2. Funds allocated from the Cultural Development Program in 2009-10 and 2010-11 are at Attachment A.

Attachment A

	2009-10 \$m	2010-11 \$m
<i>Cultural Development Program (CDP)</i>	56.865	60.420
AusFilm	1.448	1.470
Australia Business Arts Foundation (ABAF)	1.645	1.645
Australian Ballet School (ABS)	1.254	1.257
Australian Children's Television Foundation (ACTF)	2.704	2.712
Australian National Academy of Music (ANAM)	2.593	2.600
Australian Youth Orchestra (AYO)	2.075	1.643
Bundanon Trust	1.550	1.555
Business Skills for Visual Artists	0.500	0.000
Collections Australia Network (CAN formerly Australian Museums On-Line - AMOL)	0.240	0.000
Contemporary Music Touring Program	0.250	0.400
Cultural Ministers Council (CMC)	0.196	0.196
Culture and Recreation Portal (CARP)	0.265	0.000
Distributed National Collection (DNC)	0.617	0.617
Festivals Australia	1.092	1.109
Film Australia	11.240	11.487
Flying Fruit Fly Circus (FFFC)	0.178	0.178
National Aboriginal and Islander Skills Development Association (NAISDA)	1.352	1.360
National Aboriginal and Islander Skills Development Association (NAISDA) - capital works upgrade	0.000	5.029
National Collections Program (NCP)	0.300	0.000
National Institute of Circus Art (NICA)	2.012	2.017
National Institute of Dramatic Art (NIDA)	6.725	6.740
Playing Australia	6.295	6.392
Regional Arts Fund	2.921	2.967
Resale Royalty Rights for Visual Artists Scheme	0.750	0.500
Visions of Australia: The National Touring Exhibitions Program	2.101	2.133
Visual Arts and Crafts Strategy	6.316	6.413
Cairns Indigenous Art Fair	0.019	0.000
The Oak Tree Foundation Inc - South African Zulu Choir Tour	0.010	0.000
Jewish Museum of Australia	0.200	0.000
Surf Life Saving Australia	0.007	0.000
Unallocated	0.010	0.000

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Outcome:	5	Question No:	117
Program:	5.1		
Division/Agency:	Culture Division		
Topic:	NITV		
Hansard Page ECA:	Written Question on Notice		

Senator TROETH asked:

On 16 April Ministers Garrett, Macklin and Conroy issued a media release titled "\$15 million investment in the continuation of NITV". In that release they announced "the Government will also start a review into the investment in the Indigenous broadcasting and media sector to be coordinated by the Department of Environment, Water, Heritage and the Arts".

1. Can the Department / Minister confirm the following:
 - a. The terms of reference, scope and the timing of the Review;
 - b. How will the Review be constituted;
 - c. Who is chairing the Review;
 - d. The membership of the Review;
 - e. The proposed consultation methods of the Review;
 - f. The critical path and reporting timelines for the Review?
2. Can the Department / Minister confirm that consultation with the Department of Broadband, Communications and the Digital Economy will be included in the Review?

Answers:

1.
 - a. The terms of reference for the review (Attachment A) were developed in consultation with the Indigenous broadcasting and media sector and announced on 8 July 2010. The review will be completed by 31 December 2010.
 - b. The review is being undertaken by an independent reviewer and a panel of two experts.
 - c. Mr Neville Stevens AO will Chair the Review.
 - d. Mr Stevens will be supported by an expert panel comprising Mr Laurie Patton and Ms Kerryne Liddle.
 - e. On 19 July 2010, an issues paper was released calling for submissions. Submissions close on 20 August 2010. Following this, face-to-face public consultations will also be conducted by the review team.
 - f. Submissions close 20 August 2010. Public consultation process will be conducted September - October 2010. A final report will be provided to government by 31 December 2010.

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2. An interdepartmental steering committee comprising senior officers from the Department of the Environment, Water, Heritage and the Arts, the Department of Broadband, Communications and the Digital Economy, the Department of Families, Communities, Housing and Indigenous Affairs and the Australian Communications and Media Association has been established to oversee the review.

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Attachment A

**The National Review of Government Investment into the Indigenous
Broadcasting and Media Sector**

TERMS OF REFERENCE

Terms of reference

The review will:

- consider the specific policy and cultural outcomes for Indigenous Australians to be realised through the Australian Government's investment in Indigenous broadcasting and media;
- consider and make recommendations on the most efficient, effective and appropriate form of the Australian Government's investment;
- consider the impact of media convergence on the Indigenous broadcasting and media sector; the carriage of Indigenous broadcasting and media on new digital platforms, including terrestrial services, broadband enabled platforms and the new Government-funded satellite service;
- identify the contribution of Indigenous broadcasting to *Closing the Gap*;
- assess future options for funding the delivery of Indigenous broadcasting and media in light of future challenges and opportunities and uncertainty about the sustainability of existing funding models and taking into account regional cultural and language requirements;
- develop a robust performance framework for the Indigenous broadcasting and media sector; and
- assess options for the most efficient, effective and appropriate arrangements within the Australian Government for the administration of Indigenous broadcasting and media.