

Chapter 2

The size and scale of Australia's Indigenous visual arts and craft sector

2.1 The Indigenous visual arts and craft sector has been growing at a considerable rate for many years. It is now a dominant element of the arts in Australia, and is recognised as such internationally.

2.2 This chapter outlines the data available, both past and present, on the size and scale of the Indigenous arts and craft sector. The fact that Indigenous art is not only an industry but also an integral part of a culture makes it difficult to define what should be measured as the 'size' or the 'scale' of the sector. This is most relevant when considering the magnitude of the role of art centres. As the following data suggest, art centres represent a minority of the total trade, however they provide development and opportunities for new artists, as well as community, cultural (and often other) services that commercial dealers and city galleries do not. Assessments of the size of the sector are also affected by a wide range of factors as to what is included within the definition of Indigenous art and craft.¹

Previous analyses of the scale of Australia's Indigenous visual arts

2.3 The first significant analysis of the Indigenous visual arts and craft sector as an industry was undertaken by Timothy Pascoe and completed in 1981.² That report found that:

- Indigenous people received around \$1 million, or 40 per cent of the approximately \$2.5 million in sales for 1979-80, with most production taking place in the Northern Territory;
- there were around 5000 producers Australia-wide;
- 'at sixty producing communities identified, income from the sale of artefacts amounted to about 5 per cent of total cash income';
- around 80 to 90 per cent of production ended up overseas; and
- most production was of 'tourist art' or 'ethnographic art', with only a sixth of all sales being 'fine art'.³

1 Viscopy, *Submission 44A*, p. 6; Ananguku Arts and Culture Aboriginal Corporation, *Submission 45*, p. 2.

2 T. Pascoe, *Improving Focus and Efficiency in the Marketing of Aboriginal Artefacts*, Report to the Australia Council and Aboriginal Arts and Crafts Ltd, June 1981.

3 Altman Review, pp 22–23, citing results of Pascoe study.

2.4 Other papers published around that time indicated that the market was growing steadily, while expressing concerns about its future.⁴ Figures from Aboriginal Arts and Crafts Pty Ltd, which at that time held a significant proportion of the total market, showed their sales had grown more than a hundred-fold from 1971 to 1981.⁵

2.5 The Altman Review in 1989 attempted some estimate of the size of the Indigenous visual arts sector, but pointed out a 'total absence of industry statistics'.⁶ That review made the following estimates:

- Indigenous people received just over \$7 million per annum from sales of their art;
- using a number of assumptions, a conservative estimate of the retail market was \$18.5 million;
- the number of producers was around 5000;
- only a few hundred artists earned more than \$5000 per annum from their works, and the income earned varied hugely from artist to artist, and from place to place;
- it was extremely rare for an Indigenous artist to earn a living income from art alone; and
- income from the arts was growing rapidly in real terms.⁷

2.6 Desart's major 1999 research project was based on surveys of 39 'government supported community art centres in remote Australia'.⁸ The researchers estimated there were 4500 artists working through the surveyed centres.⁹

2.7 In 1998, the Australian Bureau of Statistics (ABS) released its first report based on a survey of commercial art galleries. All commercial galleries, including Indigenous art centres, were surveyed for this work; however direct sales by artists, sales by auction, and sales by businesses for which art sales were not the primary

4 Jon Altman, 'The Structure and Future of Artefact Production for Market Exchange in North-central Arnhem Land', in P Loveday and P Cooke (eds), *Aboriginal Arts and Crafts and the Market*, North Australia Research Unit, ANU, Darwin, 1983, pp 7–19; Nicholas Peterson, 'Aboriginal Arts and Crafts Pty Ltd: A Brief History', in P Loveday and P Cooke (eds), *Aboriginal Arts and Crafts and the Market*, North Australia Research Unit, ANU, Darwin, 1983, pp 60–65; Peter Cooke, 'The Craft Adviser's Role in the Battle Against Headless Crocodiles', in P Loveday and P Cooke (eds), *Aboriginal Arts and Crafts and the Market*, North Australia Research Unit, ANU, Darwin, 1983, pp 66–70.

5 Nicholas Peterson, 'Aboriginal Arts and Crafts Pty Ltd: A Brief History', in P Loveday and P Cooke (eds), *Aboriginal Arts and Crafts and the Market*, North Australia Research Unit, ANU, Darwin, 1983, p. 61.

6 Altman Review, p. 12.

7 Altman Review, pp 33–35, 40, 70.

8 Felicity Wright, *The Art and Craft Centre Story*, vol. 1, ATSIC, Canberra, 1999, p. 3.

9 Felicity Wright, *The Art and Craft Centre Story*, vol. 1, ATSIC, Canberra, 1999, p. 297.

business activity were excluded.¹⁰ The ABS reported that Indigenous art sales in 1996–97 were \$15 million, 'which was 11% of total gross sales' made by commercial art galleries. The ABS estimated that commercial gallery sales were approximately a quarter of all art sales.¹¹ Thus, if \$15 million was only a quarter of the market, this would suggest that total Indigenous art sales were around \$60 million per annum in the mid–1990s.

2.8 There was significant regional variation in the proportion of commercial art gallery sales of Indigenous art. Five million dollars of the \$15 million in sales occurred in the Northern Territory alone, representing the majority of its art market.¹² In contrast, the proportion of Indigenous art sales in other jurisdictions was significantly lower.

2.9 In 2001 the ABS released a second report on art galleries. By that stage it was estimated that commercial gallery sales of Indigenous art in 1999–2000 were worth \$35.6 million.¹³ Taking 1996–97 as the base year, this represented a 46 per cent per annum growth in sales through commercial galleries.

2.10 In 2006 the ABS released an analysis of Aboriginal and Torres Strait Islanders' participation in arts and culture.¹⁴ The study reported that of the 282 000 Indigenous Australians aged over 14, 16.2 per cent said they had participated in arts or crafts activities in the last year. The levels were higher in remote areas (19.1 per cent) than non-remote (15.1 per cent). The disparity between remote and non-remote is much more striking when the question concerned whether people were paid for that activity. A total of 9.9 per cent of remote Indigenous Australians, or around 7 600 people, received payment for making art or craft. That percentage dropped to just 3.1 per cent for Indigenous people in non-remote areas, although this still represents around 6 400 people.¹⁵

10 Australian Bureau of Statistics, *Commercial Art Galleries, Australia*, Cat. No. 8651.0, 1998, p. 9, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8651.01996-97?OpenDocument>, accessed January 2007.

11 Australian Bureau of Statistics, *Commercial Art Galleries, Australia*, Cat. No. 8651.0, 1998, p. 9, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8651.01996-97?OpenDocument>, accessed January 2007. It is assumed that this ratio would be the same for the Indigenous art market as for the art market as a whole.

12 Australian Bureau of Statistics, *Commercial Art Galleries, Australia*, Cat. No. 8651.0, 1998, p. 4, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8651.01996-97?OpenDocument>, accessed January 2007.

13 Australian Bureau of Statistics, *Commercial Art Galleries, Australia*, Cat. No. 8651.0, 2001, p. 3, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8651.01999-2000?OpenDocument>, accessed January 2007.

14 Australian Bureau of Statistics, *Aboriginal and Torres Strait Islander Australians: Involvement in Arts and Culture*, Cat. No. 4721.0, 2006.

15 Australian Bureau of Statistics, *Aboriginal and Torres Strait Islander Australians: Involvement in Arts and Culture*, Cat. No. 4721.0, 2006, p. 23.

2.11 When it comes to actually earning a living from art, however, the picture in the ABS data is different. The ABS reported 1 501 Indigenous Australians over 14 were engaged in creative arts occupations generally, which narrowed to 786 when confined to visual arts and crafts.¹⁶ Those Indigenous Australians who earned their living in the visual arts and craft were likely to earn less than their non-Indigenous counterparts,¹⁷ a notable result given the prominence of Indigenous visual arts.

2.12 The NSW government provided the breakdown of the ABS statistics by jurisdiction (Table 2.1):

Table 2.1 Indigenous Australians whose main occupation is visual art or craft

Indigenous Visual Arts and Craft Professionals	Number	%
New South Wales	161	20.5
Victoria	23	2.9
Queensland	209	26.6
South Australia	132	16.8
Western Australia	144	18.3
Tasmania	7	0.9
Northern Territory	110	14.0
Australian Capital Territory	0	0.0
Total	786	100.0

Source: ABS, 2001 Census of Population and Housing, cited in Arts NSW, *Submission 53*.

2.13 The Myer Report in 2002 quoted figures prepared for the Aboriginal and Torres Strait Islander Board of the Australia Council indicating that:

- from 1990 to 1998, sales of Indigenous art at auction had risen from \$169 000 to over \$5 million;
- the total Indigenous art and craft market was worth almost \$200 million per annum.¹⁸

2.14 The Australia Council indicated that in 2002, an analysis performed for the Cultural Ministers Council (CMC) Statistics Working Group suggested the market

16 Australian Bureau of Statistics, *Aboriginal and Torres Strait Islander Australians: Involvement in Arts and Culture*, Cat. No. 4721.0, 2006, pp 26–27.

17 Australian Bureau of Statistics, *Aboriginal and Torres Strait Islander Australians: Involvement in Arts and Culture*, Cat. No. 4721.0, 2006, p. 29.

18 Myer Report, p. 165.

was worth around \$100 to \$120 million.¹⁹ Also in 2002, Altman and others echoed the Altman Review's 1989 observation about the data on the industry:

There are no comprehensive data on the Indigenous arts industry as a whole, and the limited statistical data that do exist are too incompatible to provide the basis for an accurate understanding of the market.²⁰

2.15 Altman and others' research noted that the 1999–2000 ABS value of around \$35.6 million was probably an underestimate, and stated that '[t]he figure is probably somewhere between \$100 million and \$300 million'.²¹

2.16 Historical estimates of the value of the sector are summarised in Table 2.2.

Table 2.2 Historical estimates of the value of the Indigenous arts and craft sector

Year	Source	Estimated value
1981	Pascoe	\$2.5 million
1989	Altman	\$18.5 million
1996-97	ABS	\$15 million*
2001	ABS	\$35.6 million*
2002	Myer	\$200 million
2002	Cultural Ministers Council	\$100 – \$120 million
2002	Altman and others	\$100 – \$300 million

Notes: * Sales at commercial galleries only, estimated in 1996-97 to represent approximately one quarter of the total market.

The size and scope of the sector as reported to the committee

2.17 The \$100 to \$300 million estimate put forward by Altman and others in 2002 has tended to be adopted as the favoured estimate of the value of the industry. It

19 Australia Council, *Submission 38*, p. 9, citing H. Guldberg, 'The Indigenous Art and Craft Market: A Preliminary Assessment for the Cultural Ministers Council Statistics Working Group', 2002, p. 5.

20 Jon Altman, Boyd Hunter, Sally Ward and Felicity Wright, 'The Indigenous Visual Arts Industry', in Jon Altman and Sally Ward (eds), *Competition and Consumer Issues for Indigenous Australians*, ACCC, Canberra, 2002, p. 67.

21 Jon Altman, Boyd Hunter, Sally Ward and Felicity Wright, 'The Indigenous Visual Arts Industry', in Jon Altman and Sally Ward (eds), *Competition and Consumer Issues for Indigenous Australians*, ACCC, Canberra, 2002, p. 67.

repeatedly appeared in some form in submissions to the committee as the likely value of the sector.²² Both Desart and ANKAAA give a higher range, of \$200 to \$500 million.²³ These higher estimates may simply reflect organisations making rough revisions to the \$100 to \$300 million range, by adjusting for four years' inflation, as well as growth in what is widely agreed is a rapidly expanding sector.²⁴ Michael Reid suggested the industry was worth at least \$400 million, and perhaps \$500 million.²⁵

2.18 The Australia Council's submission indicated that in March 2006 the four main peak bodies for artists were serving 'about 6000 Indigenous artists in over 80 remote Indigenous communities'.²⁶ The committee understands the number earning a significant income from the art is probably significantly smaller, based on past ABS data and other sources.²⁷

2.19 Notwithstanding previous attempts to estimate the size of the sector, stakeholders continue to note that the size and value of the sector need to be better understood.²⁸ The Northern Territory government indicated that the 'economic

22 NAVA, *Submission 27*, p. 1; Arts Law Centre of Australia, *Submission 36*, p. 3; Australia Council, *Submission 38*, p. 9; DCITA, *Submission 50*, p. 1.

23 Desart, *Submission 49*, p. 8; ANKAAA, *Submission 63*, p. 8.

24 The NT government submission quoted the National Association for the Visual Arts (NAVA)'s *National Indigenous Art Commercial Code of Conduct Discussion Paper*, 2006, as containing an estimate of \$400 million. That estimate was derived from a conference paper by Associate Professor Clive Barstow, which in turn states that the data is based on 1996 ABS data. The 1996 ABS data do not contain such a figure. See NT government, *Submission 57*, p. 9; NAVA, *National Indigenous Art Commercial Code of Conduct, Section 6, Buyers, Collectors and Commissioners of Indigenous Art, Discussion Paper*, NAVA, Sydney, 2006, p. 7, <http://www.visualarts.net.au/advicecentre/codesofpracticeandprotocols/indigenouscommercial>, accessed January 2007; Clive Barstow, 'The Bridge Between: Connecting Studio Pedagogy to the Indigenous Art Market', Paper presented to the Australian Council of University Art and Design Schools conference, September 2005, <http://www.acuads.com.au/conf2005/papers/barstow.pdf>, accessed January 2007. However, if one assumes that 25 per cent of Indigenous art work is sold through commercial galleries (which was the ABS estimate for the ratio for art in general in 1996), and assume the 46 per cent rate of growth from 1996–97 to 1999–2000 continued through to 2006, then that would produce a result in the vicinity of \$400 million.

25 The lower figure appears in his submission (*Submission 2*); the higher figure is in Papunya Tula Artists' Manager Mr Sweeney's report of a conversation with Mr Reid. See *Committee Hansard*, 21 February 2007, p. 11.

26 *Submission 38*, p. 6.

27 See for example ABS, 2001 Census of Population and Housing, cited in Arts NSW, *Submission 53*; Hans Guldberg, *The Arts Economy 1968-1998: Three decades of growth in Australia*, Australia Council Research Report, Australia Council, Sydney, 2000.

28 Terri Janke and Robynne Quiggin, *Indigenous Cultural and Intellectual Property: The Main Issues for the Indigenous Arts Industry in 2006*, Prepared for the Aboriginal and Torres Strait Islander Arts Board of the Australia Council, May 2006, p. 50; Australia Council, *Submission 38*, pp 8–9; Desart, *Submission 49*, p. 9; Professor Jon Altman, *Submission 11*, p. 3; Queensland Government, *Submission 58*, p. 7.

benefits of the Aboriginal visual arts and craft industry have been notoriously difficult to quantify'.²⁹

2.20 In preparing its submission to this inquiry, ANKAAA performed a review of information from 25 of its 38 member art centres. For 2005–06, these art centres generated \$12 million of sales income, and received \$1.7 million in DCITA – National Arts & Crafts Industry Support (NACIS) funding. On average, around 60 per cent of the value of sales is returned to artists, and about 40 per cent to the art centre.³⁰

2.21 Desart also provided information specific to its operations, indicating:

Indigenous Art Centres in central Australia generate sales of \$12m... Desart would suggest [visual arts] industry sales value in the order of \$25m – \$30m annually. Desart represents some 3000 jobs for artists in Central Australia.³¹

Desart's John Oster indicated that of that \$12 million, around \$7 million was the income of the two largest art centres, Papunya Tula and Balgo, and that the remaining 41 central Australian art centres were sharing the other \$5 million.³²

2.22 Ananguku Arts & Culture Aboriginal Corporation (Ku Arts) indicated that:

In South Australia, it is estimated that there are between 800 and 1500 Indigenous artists (excluding artefact makers) earning at least \$1000 per annum directly from the sale of their work...

In APY Lands, there are approximately 400 artists who engage regularly in visual arts practice as a means of generating earned income. Perhaps 50 of these artists earn more than \$10 000 per annum from that practice. A further 100 to 200 engage in arts practice on an occasional basis.

The net value of art sales through all art centres in APY Lands is in the range \$1.3–\$1.5 million per annum, with current annual growth of an estimated 30%. Craft sales are estimated to be around \$400 000 per annum for the region.³³

2.23 Desart represents art centres operating in the communities served by Ku Arts,³⁴ so there may be some double-counting in the figures provided by the two groups. Brian Tucker indicated that in 2004–05, the average turnover of those art centres which he audited was just under \$400 000.³⁵

29 Northern Territory Government, *Submission 57*, p. 8.

30 ANKAAA, *Submission 63*, p. 8.

31 Desart, *Submission 49*, p. 9.

32 John Oster, Desart, *Committee Hansard*, 21 February 2007, p. 34.

33 Ananguku Arts & Culture Aboriginal Corporation, *Submission 46*, pp 2–3.

34 Ananguku Arts & Culture Aboriginal Corporation, *Submission 46*, p. 1.

35 Brian Tucker, *Submission 12*, p. 1.

2.24 The committee received several submissions from individual art centres and businesses about their work. Most of these centres would be rated as amongst the larger and more successful. Information about their operations included:

- Lockhart River Arts and Cultural Centre averaged turnover of \$750 000 in the last five years, distributing two-thirds of its income to artists.³⁶
- Maningrida Arts and Culture supports over 700 artists and distributed over \$1.1 million in the last financial year.³⁷
- Warlayirti Artists at Balgo (WA) had 400 artists 'on the books', half of whom were painting regularly, with an annual turnover of \$2.1 million, with 60 per cent going back to the artists.³⁸
- Waringarri Aboriginal Arts at Kununurra (WA) had 50 to 60 artists and a turnover of \$500 000, with 60 per cent going back to the artists.³⁹
- Papunya Tula has just funded its own new art centre, completed at a cost of \$1.2 million.⁴⁰
- The Rainbow Serpent had a turnover of \$4.75 million in 2005–06, paying around \$420 000 directly to Indigenous suppliers and another \$100 000 indirectly through royalties, as well as paying over \$ 1.25 million in wages, some of which are going to Indigenous people under the company's Indigenous employment policy.⁴¹

2.25 The committee received limited information on the structure of the market and the value of exports:

- Red Rock Art sells around 10 per cent overseas, 60 per cent through art galleries around the country and the balance through the local Kununurra tourist market.⁴²
- Maningrida Arts sells 26 per cent through exhibitions, 14 per cent overseas, 10 per cent through its Darwin outlet, seven per cent through Internet sales, with the balance being sold direct to private collectors or over the counter at Maningrida itself.⁴³

36 Lockhart River Arts and Cultural Centre, *Submission 67*.

37 Maningrida Arts and Culture, *Submission 51*.

38 Warlayirti Artists Aboriginal Corporation, *Submission 10*.

39 Waringarri Aboriginal Arts, *Submission 52*.

40 Papunya Tula Artists, *Submission 14*. If evidence given by John Oster referred to above is correct (that the combined income of Balgo and Papunya Tula is about \$7 million), and Balgo's centre has an income of \$2.1 million according to their submission, that suggests Papunya Tula's annual gross income is about \$5 million.

41 The Rainbow Serpent, *Submission 17*.

42 Kevin Kelly, Red Rock Art, *Committee Hansard*, 19 February 2007, p. 36.

43 Ms Kohen, Maningrida Arts and Culture, *Committee Hansard*, 20 February 2007, pp 47–48.

- The Rainbow Serpent reported Tourism Australia data indicating international visitors spent \$11 million on Indigenous art and craft in the March 2006 quarter.⁴⁴

2.26 Limited information is available on the international market for Indigenous art. The Australia Council noted that, while the Australian Customs Service collects figures on arts and crafts exported, it does not classify them further (as Indigenous or non-Indigenous), while the ABS commercial gallery survey did not collect data on sales that were destined to go overseas.⁴⁵

2.27 There are some retailers of Indigenous art overseas,⁴⁶ or catering primarily to the overseas market. These include The Rainbow Serpent, a business operating six outlets at Sydney and Brisbane International Airports.⁴⁷ In addition, there are tourism operators organising art tours to Indigenous communities and art centres, a market dominated by overseas visitors.⁴⁸ The future of the market, particularly international sales, is discussed further in chapter 14.

Conclusion and issues

2.28 The Indigenous visual arts and craft sector has grown rapidly over a long period. Annual growth in the value of Indigenous art in the order of 40 to 50 per cent appears to have been sustained for much of the last decade or so, though some participants in this inquiry believe sales may plateau or fall due to some overheating of the market.⁴⁹ Despite a possible short-term adjustment in the market, most stakeholders appear to believe further growth is possible, including in the international market.⁵⁰

2.29 While there is massive growth in the value of the industry, it is not clear that there is a commensurate expansion in the number of artists. This means one of two things: either that artists are earning more from their work – which is certainly the case for some of them at least – or that more of the value of the market is being captured by participants other than the artists. Given that many of those participants

44 The Rainbow Serpent, *Submission 17*.

45 Australia Council, *Submission 38*, p. 15.

46 For example the Australian Aboriginal Fine Art Gallery of New York, <http://www.aboriginalvisions.com/>, accessed January 2007; the Aboriginal Art Gallery Bähr, http://www.aboriginal-art.de/art_eng/kunst.htm, accessed January 2007.

47 The Rainbow Serpent, *Submission 17*.

48 NAVA, *National Indigenous Art Commercial Code of Conduct, Discussion Paper*, Section 7, The Indigenous Art Industry, Tourism Operators and Tourists, NAVA, Sydney, 2006, p. 5, <http://www.visualarts.net.au/advicecentre/codesofpracticeandprotocols/indigenouscommercial>, accessed January 2007.

49 Mr Kevin Kelly, Red Rock Art, *Committee Hansard*, 19 February 2007, p. 28.

50 For example Michael Reid, *Submission 2*; Dr B Korman, *Submission 64*; Mr Paul Johnstone, Cross Cultural Art Exchange, *Committee Hansard*, 20 February 2007, p. 33.

are non-Indigenous, this may raise the question of whether artists and Indigenous communities are getting a fair share of the growing value of their works. The increasing criticism of 'carpetbaggers', scrutiny of the secondary market, and growing calls for a resale royalty scheme, all may be symptoms of this concern. The committee received much evidence on this topic, which is addressed further in chapters eight, nine and ten.

2.30 While the submissions gave the committee some idea of the scale of the sector, it is likely to become increasingly difficult to know its size. Factors that make accurate estimates difficult include:

- increasing sales taking place on the Internet;
- the range of types of transactions and discounting in the sector;⁵¹
- the increasing number of businesses participating in a complex market; and
- the large number of sales, paid for in cash or in kind, made by individual artists independent of art centres or galleries, particularly in and around Alice Springs.⁵²

2.31 The committee acknowledges the need for good data to underpin analysis of any industry, and the desire of many stakeholders to see that data improve.⁵³ It recognises that the relatively wide ranging estimates of the size of the sector highlight limitations to the data currently available. Nevertheless, the committee found that available data were in many cases very useful. Art centres in general have audited financial statements, and their peak bodies appear to have a good sense of the business of their members. ABS data on commercial galleries, together with auction results regularly published by major auction houses, give a reasonable indication of what is happening in the fine art market.

2.32 Additional efforts to analyse the export and tourist markets is something that may be of further help. The committee recognises that there may be challenges in some contexts in classifying art and craft works in order to separately identify Indigenous work. However, it believes this is something that warrants further investigation.

Recommendation 1

2.33 The committee recommends that Australian Customs Service and DCITA initiate a review of the feasibility of Customs further classifying exported art into Indigenous and non-Indigenous categories, to assist future market analysis.

51 Brian Tucker, *Submission 12*, p. 1.

52 Christine Godden, *Submission 41*, p. 1.

53 See for example WA Department of Culture and the Arts, *Submission 18*, p. 2; Australia Council, *Submission 39*, p. 3; Mr Paul Johnstone, Cross Cultural Art Exchange, *Committee Hansard*, 20 February 2007, p. 40.