

Chapter 6

Existing government funding

6.1 This chapter describes the funding programs managed by the Commonwealth and the states and territories in the Indigenous arts and craft sector. The need for growth funding for Indigenous art programs in general, and infrastructure support in particular, was discussed in chapter 4. This chapter describes the existing programs used for those purposes, and covers other funding issues.

Commonwealth programs

6.2 The main funding to support Indigenous art centres is provided by the Commonwealth through the National Arts and Crafts Industry Support (NACIS) program administered by the Department of Communications, Information Technology and the Arts (DCITA), and two programs administered by the Australia Council through the Aboriginal and Torres Strait Islander Arts Board. Some support is also provided by state and territory governments. Some art centres are funded from their own resources, although this is not the case in most instances.

6.3 DCITA administers three main relevant funding schemes:

- National Arts and Crafts Industry Support (NACIS) program (\$5.6 million in 2006–07) – provides direct funding support to Indigenous art centres and support organisations;
- Indigenous Culture Support (ICS) (formerly the Regional Arts and Culture Support)¹ program (\$6.8 million in 2006–07) – this program is broader than arts and crafts and provides funding support to preserve, develop and promote Indigenous arts and cultures within Indigenous communities; and
- Indigenous visual arts special initiative (IVASI), which provides \$4 million over four years (2004-05 to 2007-08) – provides for the training of emerging Indigenous artists, to upgrade facilities, and to fund specific marketing initiatives. This funding complements the core operational support provided through the NACIS program.

6.4 The NACIS program is the most relevant to the Indigenous visual arts and craft sector. However the ICS program also provides support for some visual arts and craft activities, particularly for activities which focus on maintenance and transfer of cultural skills and knowledge.²

1 The ICS program was called the Regional Arts and Culture Support (RACS) program when it was administered by ATSIC.

2 DCITA, *Submission 50*, p. 3.

6.5 Funding under the NACIS program over the 10 year period from 1995-96 to 2005-06 is provided in the table below.

Table 6.1: Funding under the NACIS program, 1995-96 to 2005-06

	(\$m)
1995-96	4.8
1996-97	3.8
1997-98	4.1
1998-99*	5.8
1999-00	4.7
2000-01*	6.2
2001-02	n.a.
2002-03	4.9
2003-04	4.1
2004-05	4.3
2005-06	4.4

n.a. information not available

* Increase in expenditure attributed to additional funds being provided for one-off projects

Source: DCITA, Correspondence, 14 February 2007.

6.6 DCITA advised the committee that comparable data on funding of the ICS program directed towards activities that have an Indigenous visual arts emphasis is not available due to 'changes in systems over the past 10 years...Detailed analysis would be required to extract this data'.³

6.7 NACIS funding was increased by \$1 million per annum for four years commencing in 2006-07. At the same time an additional \$0.5 million per annum over the same period was allocated for training visual artists to enhance their engagement with the commercial arts market.⁴ These additions were made as a result of the government's decision not to proceed with a resale royalty scheme. Resale royalty issues are discussed further in chapter 12.

6.8 DCITA also provides funding to a range of Indigenous arts-related activities through mainstream arts support programs. Under the Visions of Australia program from 2004-05 to 2006-07, approximately \$517 000 has been provided to seven projects with an Indigenous visual arts component. Under the Festivals Australia program from 1996-97 to 2006-07, approximately \$266 000 has been provided to 16 projects with an Indigenous visual arts focus. Under the Regional Arts Fund from

3 DCITA, *Correspondence*, 14 February 2007.

4 The Hon Phillip Ruddock and Senator the Hon Rod Kemp, 'New support for Australia's visual arts', Budget news release, 9 May 2006.

2004-05 to 2006-07, approximately \$858 000 has been provided for projects with an Indigenous visual arts component.⁵

6.9 In addition, DCITA has provided funding through the Networking the Nation (NTN) and IT Training and Technical Support (ITTS) programs for a range of information technology and communications activities in remote communities. Under the NTN program, four programs receiving a total of \$1.4 million in funding, had direct connections to Indigenous visual arts.⁶

6.10 The Australia Council manages two relevant schemes:

- The Visual Arts and Craft Strategy (VACS). This delivers \$1.8 million annually to the Indigenous visual arts sector, of which \$845 000 is Australian Government funding. This includes some funding to peak bodies Desart and ANKAAA. VACS is a jointly funded Commonwealth, state and territory government program. Commonwealth funding is contingent on matching funding from state and territory governments. Direct grants are provided to individuals and artist-run programs. Funds are also allocated to contemporary arts organisations, craft and design organisations and a number of programs supporting Indigenous arts infrastructure.⁷
- A further \$3.7 million of Australia Government funding was distributed by the Aboriginal and Torres Strait Islander Arts Board of the Australia Council in 2004–2005. This includes about \$1 million for art centres.⁸

6.11 The Australia Council stated that the value of the Aboriginal and Torres Strait Islander Arts Board (ATSIAB) grants has fallen slightly in real terms since the 1990s.⁹

6.12 The Australia Council indicated that the value of ATSIAB grants going specifically to visual arts and crafts has grown to approximately \$2.7 million in 2005-06. The Australia Council also provides some other support to Indigenous visual

5 Visions of Australia provides funding to eligible organisations to develop and tour exhibitions of Australian cultural material across the country. Festivals Australia provides assistance to Australian regional and community festivals for the presentation of cultural projects. The Regional Arts Fund supports the arts in regional and remote areas in partnership with state and territory regional arts organisations. DCITA, *Correspondence*, 14 February 2007.

6 The NTN program ceased on 30 June 2005 and the ITTS program will cease on 30 June 2007. See DCITA, *Correspondence*, 14 February 2007.

7 See Australia Council, Visual Arts and Crafts Strategy, www.ozco.gov.au/boards/visual-arts/vacs, accessed may 2007.

8 Australia Council, *Submission 38*, p. 19. Four further years of funding of the VACS initiative at existing funding levels was announced in the 2007–08 budget.

9 Australia Council, *Submission 38*, p. 19.

arts and craft, including some funding for the Visual Arts Board and the Community Cultural Development Board, totalling \$84 000 in 2005–06.¹⁰

6.13 The Commonwealth's Department of Employment and Workplace Relations (DEWR) runs several programs which can support Indigenous visual arts and crafts. It operates several initiatives under the Indigenous Economic Development Strategy (IEDS). These include:

- Structured Training and Employment Projects (STEP)
- Indigenous Small Business Fund (ISBF)
- Indigenous Capital Assistance Scheme (ICAS)
- Indigenous Community Volunteers (ICV)
- New Enterprise Incentive Scheme (NEIS).

These programs are discussed further in chapter 7.

6.14 Both STEP and ISBF are being utilised in partnership with ANKAAA, with funding worth over \$700 000 over several years. This project involves the employment of a business development officer and the formulation and implementation of 'business, strategic, marketing and/or export plans'.¹¹

6.15 In addition to these initiatives, DEWR administers the program which is the largest single employer of Indigenous Australians: the Community Development Employment Projects (CDEP) scheme. DEWR have said that 'around 130 arts activities are currently undertaken by 95 CDEP organisations. These activities can support up to 2100 participants'.¹²

6.16 There are numerous art centres receiving both CDEP funding and DCITA funding for different art activities, and the future of these arrangements is a matter of contention. CDEP labour is often used to support arts activities funded by other government agencies, especially in the case of non-art activities such as the maintenance and operation of arts centres, including retail sales, food preparation and office administration. DEWR has described the use of CDEP labour to support activities funded by other government programs as 'CDEP cross-subsidisation'.¹³ DEWR stated that there are 34 arts activities funded under CDEP that are also supported through other government programs, and these have up to 328 CDEP participants involved.

10 Australia Council, *Correspondence*, received 18 May 2007.

11 DEWR, answer to question on notice 11 April 2007, received 14 May 2007.

12 DEWR, *Submission 66*, p. 8.

13 DEWR, *Submission 66*, p. 8.

6.17 The committee understands that DEWR and other Australian Government agencies:

are currently looking to progress the removal of CDEP cross-subsidisation from a range of Government service delivery areas. The aim is to create real employment, business opportunities and career paths for Indigenous Australians participating in CDEP activities that elsewhere would be real jobs.¹⁴

6.18 The Indigenous art community appears worried that changes to CDEP may undermine capacity to train Indigenous staff, to employ staff and thus to continue the current range of activities. In a sector already generally agreed to be facing infrastructure constraints and having over-worked staff, this is a source of concern.¹⁵ The committee examines aspects of this issue further in chapter 7.

States and territories

6.19 States and territories provide funding through their arts programs. Some appears to be through Indigenous-specific strategies, while other funding appears to be through mainstream arts funding programs. Some jurisdictions provided more comprehensive data to the inquiry than others, and the committee is concerned at the lack of comprehensive data in this area.

Northern Territory

6.20 The Northern Territory Government supports the Indigenous arts industry through its Indigenous arts strategy, *Building Stronger Arts Business* (BSAB). The BSAB includes three elements:

- *Talking Arts Business* – provides for the development of strategic partnerships with Indigenous arts practitioners, the Commonwealth and Territory Government sector organisations to ensure sustainability of the sector;
- *Doing Arts Business* – provides for culturally appropriate services to encourage arts development and provide Indigenous arts practitioners with training and employment in the arts; and
- *Sharing Arts Business* – creates opportunities to promote the Territory's Indigenous arts sector to local, national and international markets.

6.21 The Northern Territory Government has increased its funding to Aboriginal arts since 2001. Prior to that time, funding to Indigenous projects as a proportion of total NT arts sponsorship was 11 per cent (2000-2001); this increased to 16 per cent or

14 DEWR, *Submission 66*, p. 8.

15 Waringarri Aboriginal Arts, *Submission 52*, p. 2; Maningrida Arts and Culture, *Submission 51*, pp 2-4.

\$425 000 in 2001-02. Commitments under the BSAB are currently \$1.09 million per annum.

6.22 Specific Indigenous outcomes under the Visual Arts and Craft Strategy (VACS) are delivered in the Territory through direct funding support to peak Indigenous advocacy and support organisations, Desart and ANKAAA.¹⁶

Queensland

6.23 In Queensland, the Visual Arts and Craft Strategy (VACS) 2004-2007 has a combined Commonwealth and state-funded budget of \$7.4 million (\$4.245 million funded from Queensland). Under VACS, support is provided towards the Indigenous visual arts and craft sector, including:

- Indigenous Art Centres – many Indigenous art centres in Queensland receive annual operational funding through Arts Queensland (via VACS) with funding being supplemented by DCITA or the Torres Strait Regional Authority;
- UMI Arts Ltd – a peak body funded to service 11 Indigenous arts centres in Far North Qld;
- Dreaming Festival 2006 - Arts Qld contributed \$75 000 towards the visual arts and craft component;
- Queensland Indigenous Arts Marketing and Export Agency; and
- Regional Millennium Arts Project – capital infrastructure support has been provided to many Indigenous art centres.

6.24 Other programs include the Arts Centre Pilot Project. This project will focus on four art centres and fund activities related to information technology systems development, and marketing and promotions, with the aim of strengthening the current capability of the art centres. The Indigenous Regional Arts Development Fund (IRADF) is a partnership program between Arts Queensland and Indigenous community councils and communities. Projects are funded to support cultural retention and economic independence. Fifteen Aboriginal councils, community organisations and local councils will participate in IRADF in 2006-07. The annual budget for the program is \$0.5 million.¹⁷

16 Northern Territory Government, *Submission 57*, pp 23–26; See also Desart, *Submission 49*, p. 27.

17 Queensland Government, *Submission 58*, pp 23–24.

Other states

6.25 In Western Australia, the Department of Culture and the Arts, through its Arts Grants Program, supports a range of mechanisms to support artists and organisations, including project funding, annual and multi-year funding. The Department of Industry and Resources, through the Aboriginal Economic Development program, provides support for the establishment and maintenance of arts centres, staffing and system management.¹⁸

6.26 In NSW, Arts NSW through its state-government funded Visual Arts and Craft (VAC) program funds a variety of initiatives relating to Indigenous visual arts, including program costs, projects, artists and strategic initiatives. In 2006, the VAC program funded seven Indigenous visual arts applications, totalling \$163 000.¹⁹ Arts NSW provides some funding to Indigenous arts centres.

6.27 In Victoria, Indigenous art and craft is identified in *Building the Economic Base – the Victorian Government's Indigenous Business Development Strategy 2005-07* as an integral element of a broader Indigenous industry development framework. Under this strategy, Arts Victoria in partnership with the Koori Business Network operates the *Deadly Arts Business* program. The program aims at strengthening the business, marketing and artistic capability of the sector. It promotes exhibitions of Indigenous visual arts, provides skills development and professional development opportunities and provides commissioning and retailing opportunities for Indigenous artists. Arts Victoria does not provide funding to Indigenous arts centres.

6.28 Aboriginal Affairs Victoria operates the Aboriginal Land and Economic Development Program. In 2005-06 the government committed \$9.6 million over three years to establish the program. One project is the establishment of an art gallery featuring Indigenous artists.²⁰

6.29 The committee had some difficulty in establishing the value of, or trends in expenditure on Indigenous arts in some jurisdictions. It wants to emphasise that the additional funding for Indigenous visual arts and craft recommended in this report should be an opportunity for other jurisdictions to continue to build their programs in this important area.

Government funding – issues

6.30 The most frequently recommended action in submissions is increasing funding to art centres, either through increasing their recurrent funding, infrastructure improvement grants, housing assistance or all three. This recommendation did not just appear in the submissions of art centres and their affiliates, but individuals, collectors,

18 WA Department of Culture and the Arts, *Submission 18*, p. 12.

19 Arts NSW, *Submission 53*, pp 12–13.

20 Arts Victoria, *Submission 70*, pp 5–6.

dealers, gallery associations and governments. One submission described the art centre program, in comparison to other industry assistance programs, as 'minuscule'.²¹

6.31 Desart, as with many other submissions, noted that the sector is artistically and culturally sustainable but requires increased funding support. In order to nurture new talent continued investment in the sector is needed through training; exposure to contemporary art practices; quality representation; access to markets; solid sales of art product; and strong industry associations. Desart stated that these factors are reasons the government needs to 'sustain and increase its support for the sector'.²² The committee has in chapter 4 already recommended expansion of the existing NACIS scheme in part to address this.

6.32 Some submissions argued for the consolidation of funding sources. The Northern Territory Government noted, for example, that many art centres are required to approach up to ten different agencies in pursuit of a single project, at substantial cost in terms of time and effort.²³

6.33 Some submissions suggested that there should be greater coordination and/or consolidation of DCITA and the Australia Council funding programs.²⁴ Other evidence pointed, however, to the benefits of maintaining multiple funding sources. Professor Morphy stated that:

I do not think you can contain art within one particular portfolio, because art is something that can be to do with Australian export industries and education, both for Indigenous people and non-Indigenous people. Art is something that clearly is part of the cultural industry as such. Art can be associated with community morale and national, local and regional identity. I think it is wrong to see art as something that is disconnected from society as a whole. There should be multiple funding sources.²⁵

6.34 Submissions also argued for the introduction of triennial funding given that many art centres have a proven history of appropriate financial management. This would ease the administrative burden on art centres and provide a more secure funding stream.²⁶ Triennial funding is also mooted under the bilateral agreement

21 Department of Industry and Resources, Western Australia, *Submission 35*, p. 2.

22 Desart, *Submission 49*, p. 14.

23 Northern Territory Government, *Submission 57*, p. 24.

24 Arts NSW, *Submission 53*, p. 16.

25 Professor Howard Morphy, *Committee Hansard*, 9 February 2007, p. 73.

26 Maningrida Arts and Culture, *Submission 51*, p. 3; ANKAAA, *Submission 63*, p. 14; WA Department of Culture and the Arts, *Submission 18*, p. 12.

between the Commonwealth and the Northern Territory regarding the Indigenous arts sector.²⁷

Recommendation 10

6.35 The committee recommends that DCITA implement triennial operational funding for art centres as an option for projects seeking support under the NACIS program.

6.36 Submissions argued for a whole of government approach to address policy direction, capacity building and future sustainability through partnerships and inter-agency cooperation.²⁸ This is to some extent already implemented, through the existence of Indigenous Coordination Centres and whole-of-government arrangements within the Commonwealth at the ministerial and departmental secretary level.

6.37 Several governments, such as NSW, have advocated strongly for further efforts to be made in this sector. Not all jurisdictions have supplied financial data about their programs that fund Indigenous art, but the NSW program at least appears small compared to the Commonwealth's (\$500 000 over five years versus around \$20 million within NACIS/VACS alone over that same period). Other jurisdictions, particularly the Northern Territory, appear to have more substantial programs.

Conclusion

6.38 The committee believes that there is substantial funding pressure on art centres. As noted in this chapter and chapter 4, the current level of funding is inadequate to meet the current and future demands of the sector. The visual arts sector is an important success story that should be properly resourced as it generates economic, social and cultural benefits to Indigenous artists and wider spin-offs to other sectors and the nation generally. The strengthening of the financial position of art centres will ensure that the sector continues to flourish.

6.39 The NACIS budget has not managed to keep pace with the expansion in the number of art centres.²⁹ One submission noted that:

The current DCITA funding program that offers core operational funding to the great majority of art centres (NACISS) has national funding of \$4 million, unchanged since the mid 1990s and despite a more-than-doubling of art centres operating.³⁰

27 Schedule 2.2 to the Overarching Agreement on Indigenous Affairs Between the Commonwealth of Australia and the Northern territory of Australia 2005–2010, <http://www.nt.gov.au/dcm/people/pdf/20050406/arts.pdf>, accessed May 2007.

28 ANKAAA, *Submission 63*, pp 14–15; Northern Territory Government, *Submission 57*, pp 24–25; Queensland Government, *Submission 58*, p. 25.

29 Professor Jon Altman, *Submission 11*, p. 7.

30 WA Department of Industry and Resources, *Submission 35*, p. 3.

6.40 This situation has created an environment where program funding has been clawed back from some more successful centres creating a situation where incentives to succeed have been undermined. Art centres need to be recognised as mixed commercial and cultural/social enterprises that will require ongoing support for the foreseeable future and that therefore need to be adequately funded.

6.41 Funding pressure on art centres has resulted in difficulties in relation to the recruitment and retention of staff. Staff 'burnout' and a high turnover of staff positions impacts on the efficient operation of art centres. A significant injection of funds would provide support for staff to receive training and skills development which will in turn improve governance arrangements within art centres.

6.42 The committee believes that art centres are, in the main, efficient enterprises – for a small level of government investment they return enormous social, cultural and economic benefits. However, the costs and challenges of running an art centre, especially in remote areas, are substantial. The committee considers that triennial funding would provide for greater stability in funding arrangements and enable art centres to better plan for the future. As noted previously, most art centres have a history of effective financial management. The committee also believes that improvements in governance arrangements will be assisted where centres have more certainty in funding arrangements.