Sustainability of Remote Aboriginal Art Centres in Australian Desert Communities

Kim Jorja Petersen

This thesis is presented for the Degree of

Doctor of Philosophy

of

Curtin University

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Candidate Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature:  Kim Petersen

Kim Jorja Petersen

Date:  10 July 2015
PLEASE NOTE

This thesis contains images and names of deceased people. Please use caution before sharing this work in Aboriginal Communities as it may cause sadness and distress for family members.
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**List of Abbreviations**

- AAAL; Aboriginal Arts Australia Ltd
- AAB; Aboriginal Arts Board
- ABA; Australian Bicentennial Authority
- AAC; Aboriginal Arts and Crafts Pty Ltd
- ACISS; Arts and Crafts Industry Support Strategy
- ADC; Aboriginal Development Commission
- AGNSW; Art Gallery of NSW
- AIATSIS; Australian Institute of Aboriginal and Torres Strait Islander Studies
- AMRRIC; Animal Management in Rural and Remote Communities
- ANKAAA; Association of Northern, Kimberley and Arnhem Aboriginal Artist
- APY; Anangu Pitjantjatjara Yankunytjatjara
- ATSIAB; Aboriginal and Torres Strait Islander Arts Board
- ATSIAC; Aboriginal and Torres Strait Islander Arts Committee
- ATSIC; Aboriginal and Torres Strait Islander Commission
- BOM; Board of Management associated with Local Implementation Plans
- CATSI Act; Corporations Aboriginal and Torres Strait Islander Act
- CDEP; Community Development Employment Program
- COAG; The Council of Australian Governments
- DEET; Department of Employment, Education and Training
- Desart; Association of Central Australian Aboriginal Art and Craft Centres
- DEWR; Department of Employment and Workplace Relations
- G.F.C; Global financial crisis
- GMAAAC; Granite Mines Aboriginal Affected Area Committee
- IVaIs; Indigenous Visual Arts Industry Support
- Ku Arts; Anangkuku Arts and Culture Aboriginal Corporation
- LIPS; Local Implementation Plans for Priority Communities
- NACIS; National Arts and Crafts Industry Support
- NATSISS; National Aboriginal and Torres Strait Islander Social Survey
- NGA; National Gallery of Australia
- NG Lands; Ngaanyatjarra Lands
- NIRA; National Indigenous Reform Agreement
• NTER; Northern Territory Emergency Response
• UNESCO; United Nations Educational, Scientific and Cultural Organisation
• SAM; Stories, Art, Money
• Tjukurpa or Jukurrpa is the bond between people, land and the spirit world of the ancestors.
• WAAA; Warlukurlangu Artists Aboriginal Association
• WADAA; W.A. Department of Aboriginal Affairs
• WDNWPT; Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation
• WYDAC; Warlpiri Youth Development Aboriginal Corporation
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Photograph 1: Kim Petersen and Spencer on the road to Ikuntji Artists, June 2014 (Photograph Liz Coates).
Dedication

This thesis is dedicated to my wife and soul mate Liz Coates, who has a spirit of adventure and for the past 15 years, has loved, laughed, encouraged and inspired me everyday. Without you this thesis would not have been a reality.
Abstract

This thesis investigates and analyses the functions and business practices that underpin the sustainability and performance of Australian remote Aboriginal Art Centre Co-operatives. The primary means for Aboriginal artists to engage with audiences and mainstream markets is through Art Centre Co-operatives. The sustainability of Aboriginal Art Centres is of critical importance to remote communities as they contribute to the economic, social and cultural capital of the communities and provide the artists and their families with benefits through enhanced economic security, access to training and employment. This thesis also explored the additional benefits derived from the Art Centres, which contribute, to individual and community wellness and long-term sustainability. Methodologically this thesis draws extensively on the Mazzarol et al (2011a; 2011b; 2012a; 2012b; 2012c) Framework for Co-operative Enterprise Research but further develops the model to incorporate the unique features of Aboriginal community enterprises. A new culturally appropriate Combined Research Framework is presented for use as a research tool that enables a systematic analysis of the sustainability of remote Aboriginal Art Centre Co-operatives which flourish in two milieu – a domain of industry and commerce and a creative environment of cultural and social expression that has Aboriginal tradition and culture as the nucleus. Most remote Art Centres have experienced a sustained downturn in sales, coinciding with a long-term drop in profitability due to the global financial crisis and Australian Government policy changes. This downturn has negatively impacted the fiscal and social resilience and sustainability of remote communities and individual artists’ livelihoods. This thesis investigates the enabling factors and opportunities for the sustainability of remote Aboriginal Art Centres and has identified critical factors for Art Centres endeavouring to achieve long-term viability.
Chapter 1: Introduction

1.1 Chapter Outline
This chapter introduces the PhD thesis and the research issues that this dissertation addresses on the sustainability of remote Aboriginal Art Centre Co-operatives in Australian desert communities. It describes the methods used and outlines the significance of the research. At the conclusion of this chapter an overview is provided for each of the ten Chapters.

1.2 Background
This PhD thesis investigates and analyses the functions and business practices that underpin the sustainability and performance of remote desert Aboriginal Art Centre Co-operative\(^1\). Aboriginal Art Centres are referred to as co-operatives by both the art industry and government and this terminology is used throughout the thesis. There is a growing momentum within the Australian Government and peak agencies of the Aboriginal Art Industry to identify, review and compare the range of economic, social and cultural issues impacting on the sustainability of remote desert Aboriginal Art Centres.

This thesis adapts the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) ‘Conceptual Framework for Co-operative Enterprise Research’ to incorporate the unique features of Aboriginal community, cultural capital and entrepreneurship and innovation resulting in an expanded culturally appropriate research framework. This Combined Research Framework will enable a systematic analysis of business models and sustainability across remote Aboriginal Art Centres and through this extension of the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c), model, identify opportunities for increased sustainability.

The sustainability of remote Aboriginal Art Centres is of notable importance, as the sale of Aboriginal art provides one of the few means for remote Aboriginal communities and individuals to benefit through enhanced economic security, access to training and potential employment. As highlighted in the report, ‘Talking Points: A Snapshot of Contemporary Visual Arts 2013-14’

\(^1\) In this PhD thesis “Aboriginal Art Centre Co-operatives”, “Art Centre”, “remote desert Aboriginal Art Centres”, “Aboriginal and Torres Strait Islander Art Centres”, “Indigenous Art Centres” and “Indigenous Australian Art Centres” may be used to describe the field of research. However, the term most used will be “Aboriginal Art Centres”, as it remains the most common.
commissioned by the Australia Council for the Arts (Murray 2014), sustainability is a key concept of the general contemporary art discourse. Issues such as the 2007-08 global financial crisis and limited increases in government funding were featured in the report as areas of particular concern (Murray 2014).

This thesis focuses on Aboriginal art products that are produced for sale, not ceremony. Those products are paintings and drawings on paper and canvas, wood and other sculptures, weavings, ceramics, photographic images and jewellery.

Remote Aboriginal Art Centre Co-operatives underpin the creation, manufacture, sale and marketing of Aboriginal art and the intergenerational transmission of the cultural narratives. Additionally, Art Centres impact on training, economic development, leadership and employment for Aboriginal people in remote communities (Australian Government 2013c). It is recognised that remote Aboriginal Art Centres are often the hub of community life and can be central to the social and economic well-being of remote communities and individuals (Australian Government 2007). Hetti Perkins in discussing the role of remote Aboriginal Art Centres stated:

_They’re about saving a way of life and about saving lives. That gives you an indication of the importance of Art Centres_ (cited in Murray 2014, np).

Many remote Art Centres subsidise other services in their communities such as nutrition, numeracy and literacy programs, training and employment schemes, leadership development, youth services and after school holiday programs, animal welfare programs as well as facilitating access to government services (Australian Government 2013c). Fisher (2012, p82) highlighted the critical importance of Art Centres:

_That within the spheres of government a range of hopes and concerns relating to Aboriginal social, cultural and economic well-being have placed unique expectations on Aboriginal art practice, and a great deal now rides upon the continuation of the Aboriginal art industry._

There are a multitude of benefits to both individuals and Aboriginal communities from participation in art programs, which can be both powerful and transformative (Ware 2014). These include enhanced mental health and well-being, a decrease in social exclusion, greater community cohesion, greater connection to culture and improved social skills (Cooper et al 2012).
Additionally painting, coupled with ceremony, is integral to cultural continuity and cultural maintenance in Aboriginal communities (Ware 2014). Wright and Morphy (1999, p.5) assert:

*Aboriginal community art centres are not conventional businesses and in terms of a business model, remote Aboriginal Art Centres can be seen as collaborative marketing groups. They operate in communities where educational, enterprise and employment opportunities are extremely limited, and they fulfil important socio-cultural and training functions in addition to their commercial activities. Most operate in very remote locations under very difficult circumstances.*

There are historical colonisation factors and practices that have resulted in a significant loss of Aboriginal culture and have contributed to the limited mainstream economic opportunity of Aboriginal people (Wilson and Dodson 1997). However, other factors including exclusion from national and global market forces, absence of an economic foundation, a paucity of access to skills and education and tensions between social, cultural and economic factors (Altman 2001; Arthur 1999) have also contributed to the difficulty of remote Aboriginal and Torres Strait Islander communities to engage in mainstream economy. Aboriginal Art Centres over the past 20 years have had varying degrees of business success, with some Centres no longer in operation because of unsound business practices and poor governance (Watkins 2012). A further key factor in both the sustainability and success of remote Art Centres are external influences that impede development in remote communities such as distance from markets, inflated transportation costs, low community populations and low economies of scale (Dodson and Smith 2003).

Aboriginal people are one of the most disadvantaged groups in Australia relative to other Australians with respect to health, social and economic indicators such as education, income, employment and housing (Commonwealth of Australia 2011c). This places them at greater risk of poverty, violence, ill health and reduced well-being (Australian Bureau of Statistics 1994). It is the view of Hunter (2007 cited in Nguyen and Cairney 2013) that Australian Aboriginal people have worse health than comparable First Nation populations in the United States, New Zealand and Canada. Additionally, the Commonwealth and State/Territory Government policies have had an extreme and enduring impact on Aboriginal culture.

Until the 1950s, the policies and practices of both protectionism and assimilation either deterred or prohibited traditional cultural practices, which has amounted to a prodigious amount of cultural knowledge being irretrievably lost (Mikhailovich et al 2011). Whilst Aboriginal people can now
lawfully practise and maintain their culture, Mikhailovich et al (2011) argues that Aboriginal people have endured the loss of Aboriginal languages and the appropriation of cultural and intellectual property.

The remote Aboriginal Art Centre Co-operative model is virtually the same today as it was 20 years ago, however the economic, social, cultural and political environments in which Art Centres operate have changed (Watkins 2013; Petersen & Congreve 2015a). Murray (2014) asserts that during this period, contemporary Aboriginal art emerged as an important element of the Australian art industry, achieving great interest in Australia and internationally.

Peak art industry advocacy agencies such as Desart (Association of Central Australian Aboriginal Art and Craft Centres), are challenging their members to change outdated practices that influence good business management, while continuing to place culture first (Petersen & Congreve 2015a; Watkins 2013). A range of issues has impacted on the sale of Aboriginal paintings since 2007, in particular, the global financial crisis and changes to Commonwealth Government policy. Artwork sold before the global financial crisis achieved prices that had never before been reached. For example Cockington (2013) notes that in 2006, Emily Kame Kngwarreye's work Earth’s Creation, sold for $1,056,000 at auction, which was the first painting by an Aboriginal artist to reach the million-dollar barrier. Boland (2011a; 2011b) and Glenday (2010) argue that the combination of the global financial crisis and changes to Government legislative policy (including Australian superannuation laws, the introduction of the Resale Royalty Scheme and the Indigenous Art Code) have all been linked to lower consumer demand, the attrition of consumer confidence and art market destabilization.

Art Centres owned and governed by Aboriginal people are one way for Aboriginal communities and individuals to participate in an activity, which can help overcome the disempowering effects of welfare commonly called ‘sit down money’ (Hunter 2009). Pearson (2000) was also critical of welfare, citing it as the cause of what he referred to as a gammon economy in which the relationship between employment, work, income, effort and survival is indistinguishable. However, other authors have stated that the Community Development Employment Program (CDEP) for example, has afforded Aboriginal people the ability to pursue more traditional activities such as painting, carving and weaving (Altman and Johnson 2000; Gray and Thacker 2000; Madden 2000).
Art Centres are key institutions in remote communities that have considerable importance for the whole community and its socio-cultural well-being (Acker 2008; Morphy 2009; Murray 2014). A common and central theme in the Aboriginal art discourse is the capacity for Aboriginal art to keep culture strong. Art is used as a vehicle for telling Aboriginal history, for healing, as an intergenerational educational tool and a way for non-Aboriginal people to appreciate Aboriginal culture (Perkins cited in Murray 2014).

Remote Art Centre Co-operatives are one of the most affirmative illustrations of Aboriginal enterprises that are governed by a local board of management and artists and that can ensure significant economic, social and cultural benefits are retained in the community. Engagement of individuals in remote Art Centres provides a means to tell and share the stories of country, culture and family, affirm family and cultural responsibilities, transmit culture between generations and keep Tjukurpa strong. In Aboriginal culture and society Tjukurpa or Jukurrpa is the bond between people, land and the spirit world of the ancestors. Every individual is given their own Tjukurpa that is linked with a totem and kinship relations. The Tjukurpa that individuals are given is maintained and reaffirmed though painting, ritual and totemic objects. Through participating in ceremony, individuals as the custodian of the story, bring the spirit world into being through their bodies, dances, songs and paintings (Sabbioni et al 1998).

In many remote desert communities the creation of artworks (painting, fibre, sculpture and carving) is the only economic enterprise that is generating additional financial benefit for individuals. Furthermore, involvement in art and Art Centres can also contribute to pioneering new knowledge in Aboriginal communities, such as business practices, entrepreneurship and new technologies in manufacturing, marketing and information. Art Centres enable that the affirmation and rejuvenation of Aboriginal culture and connection to country is a priority in the creation of art, hence Desart’s motto of ‘Culture First’. Aboriginal art plays a significant role in maintaining cultural continuity. Aboriginal art is interwoven with the fabric of Aboriginal culture, for example, in ritual and ceremonial practice, social and family organisation, tool making, environmental practices and knowledge, mapping of flora and fauna, and mapping and designation of land (Morphy 2005).
The art means to carry on our stories, to know it belongs to my family and it belongs to my father and grandfather, so that everyone can know about us, so we can carry on, so our kids can carry on forever, even when we're gone (Australia’s Aboriginal and Torres Strait Islander Art Movement 2012, webpage).

The sale of art creates economic value, which enables communities and cultural practice to become more sustainable. Aboriginal art needs to be considered to be greater than just a commodity and it should be viewed as a larger political socio-economic process (Morphy 2005). Additionally, Mulligan and Smith (2006) and Stokes (2003a) caution that many benefits to individuals and communities of participating in arts activities are indirect, long-term and hard to measure, therefore policy makers and researchers should build a body of research that demonstrates the effectiveness of arts activities within the community.

The Aboriginal art market, since reaching its zenith in 2007, has reported a significant downward trend in sales (Wilson 2010; Commonwealth of Australia 2012c; Newstead 2011). Despite this, the production of Aboriginal artwork has expanded with the strengthening and increase of Commonwealth government-funded Art Centres. In the view of Bendor et al (2013) and Booth (2014) this has resulted in an over-supply of lower and middle priced artwork, much of which are average quality. Furthermore, Booth (2014) states the upper end of the art market (or ‘fine art’) is built on the premise of limited quantity, high quality and price to maintain demand. This discrepancy between supply and demand combined with market downturn, government policy changes and media broadcasting in relation to an influx of imitation Aboriginal art that has been forged overseas has had the consequential effect of the erosion of trust of buyers. The issue of an artwork’s provenance (who painted it, where it is from and ownership history) is becoming a critical factor in the marketing, buying and selling of Aboriginal Art in the fine art category.

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2 The definition of lower and middle markets adopted by this thesis is defined as Aboriginal artworks sold for between $500 and $5,000 (Ninti One Art Economies Project 2013).
1.3 Research Questions and the Objectives of the Study

The aim of this thesis is to extend and complement relevant past research by investigating and analysing, through comparative case studies, the functions and business practices that underpin the performance of remote desert Aboriginal Art Centre Co-operatives to identify opportunities for increased sustainability.

More specifically, this thesis will seek to answer:

• What is the interplay between community, cultural forces, commercial opportunity and Art Centre Co-operative business practices?

• What are the factors that contribute to the economic, social and cultural sustainability of selected Aboriginal Art Centre Co-operatives in remote Australia?

• How and why these factors contribute to the success of the selected remote Aboriginal Art Centre Co-operatives?

1.4 The Significance of the Study

This PhD thesis is significant, as it will:

• Contribute to the business and management literature by providing insights into what factors contribute to the economic, social and cultural sustainability of Aboriginal Art Centre Co-operatives in remote Australia.

• Contribute to the business and management literature by providing insights into the understanding of remote enterprise and intercultural business in remote Australia.

• Identify potential improvements to Art Centre business and management practices allowing improvement in value creation and sustainability.

Additionally, the Aboriginal and Torres Strait Islander art sector is a powerful contributor to Australian identity and is central to Australia’s cultural life. This research will create new knowledge that will support the development and ongoing vitality of these creative and cultural practices.

1.5 Thesis Structure

Chapter One: Introduction

This chapter introduces the PhD thesis and the research issues that this dissertation addresses on the sustainability of remote Aboriginal Art Centre Co-operatives in Australian desert communities. It describes the methods used and outlines the significance of the research. At the conclusion of this chapter an overview is provided for each of the ten chapters.
Chapter Two: Aboriginal Art Centres and the Art Market

This chapter provides an introduction to remote Aboriginal Art Centre Co-operatives and the art market. In particular, the chapter furnishes a definition of what constitutes an Aboriginal Art Centre as well as their characteristics and functions in a remote environment. The chapter explores the critical factors of terra nullius, colonisation and the missionary influence on Aboriginal people as well as the history and development of Aboriginal Art and Art Centre Co-operatives. Additionally, the chapter discusses the policy context for remote Art Centre Co-operatives including ‘Closing the Gap’ (Commonwealth of Australia 2008; Australian Government 2009).

Chapter Three: The Sustainability of Remote Aboriginal Art Centre Co-operatives

The purpose of this chapter is to introduce the concept of sustainability and to highlight the critical importance of integrating the four pillars of sustainability into the general business practice and management of remote Aboriginal Art Centre Co-operatives. The chapter explores the balance between the economic, social, cultural and environmental factors and develops the notion of the hybrid economy that exists in Aboriginal communities. Additionally, the chapter considers that ordinary cost-benefit methods of evaluation are not useful measures for use in remote Art Centres. The chapter discusses business failure, business success and value creation in remote Art Centres in addition to the importance of competent management and good corporate governance. Lastly, the chapter addresses culture and its significant contribution in sustaining not only a cohesive and socially healthy community but also remote livelihoods.

Chapter Four: Aboriginal Art Centres as Co-operative Enterprises

This chapter provides an introduction to Aboriginal Art Centre Co-operatives. The chapter highlights the notion that Art Centre Co-operatives should not be viewed as businesses in the traditional or conventional way but rather as a coalition of members with varying concerns. In particular, a key feature of remote Art Centre Co-operatives is the number of stakeholders with multifarious objectives. Finally, the chapter addresses the strengths, weaknesses and characteristics of Co-operatives with particular reference to remote Aboriginal Art Centre enterprises.
Chapter Five: A Framework for the Research into the Sustainability of Remote Aboriginal Art Centre Co-operative Enterprises

The purpose of this chapter is to introduce the ‘Framework for Co-operative Enterprise Research’ developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) and to consider the incorporation of additional components that were highlighted in the review of literature as being of significance to Aboriginal Art Centre Co-operatives. The chapter individually examines each component of the Mazzarol Research Framework (2011a; 2011b; 2012a; 2012b; 2012c) and four additional areas in relation to their applicability for the development of a new Combined Framework that can be used as a research tool for studying the sustainability of remote Art Centre Co-operatives. Furthermore, a review of appropriate literature is referenced in each component. The resulting Combined Framework is used as a basis for three case studies (Chapters 7, 8 and 9) exploring the sustainability of remote Aboriginal Art Centre Co-operatives.

Chapter Six: Research Design and Methodology

This chapter outlines the research questions and methodology of this thesis. It begins by describing case study methodology, data collection methods and the case study selection process. Additionally, the ethics approval process and the ethical and cultural guidelines for conducting research in Aboriginal communities are discussed. Lastly, the chapter addresses the issues of conducting research in remote locations.

Chapter Seven: Case Study of the Warlukurlangu Artists Aboriginal Corporation at Yuendumu in the Northern Territory

This case study utilises research literature, the Combined Framework for Research (refer to Figure 10) and information gained during a fieldwork trip conducted in 2014 to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Warlukurlangu Art Centre.

Chapter Eight: Case Study of the Ikuntji Artists Aboriginal Corporation at Haasts Bluff in the Northern Territory

This case study utilises research literature, the Combined Framework for Research (refer to Figure 12) and information gained during a fieldwork trip conducted in 2014 to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Ikuntji Artists.
Chapter Nine: Case Study of the Warmun Art Aboriginal Corporation at Turkey Creek in Western Australia

This case study utilises research literature, the Combined Framework for Research (refer to Figure 14) and information gained during a fieldwork trip conducted in 2014 to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Warmun Art Centre.

Chapter Ten: Discussion and Conclusions

This chapter summarises the research findings of this thesis and considers the contribution to business and management literature of the development of a culturally appropriate research framework, based on that of Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c), but further developed to incorporate the unique features of Aboriginal community enterprises. The research for this thesis has enabled a systematic analysis of business models and sustainability across remote Aboriginal Art Centres and through the extension of the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework, identified opportunities for increased sustainability. Additionally, this chapter considers avenues for further research for Art Centres, peak Art Industry Agencies and Governments in relation to the sustainability of remote Aboriginal Art Centres.
Chapter 2: Remote Aboriginal Art Centre Co-operatives and the Aboriginal Art Market

2.1 Chapter Outline

This chapter provides an introduction to remote Aboriginal Art Centre Co-operatives and the art market. In particular, the chapter furnishes a definition of what constitutes an Aboriginal Art Centre as well as their characteristics and functions in a remote environment. The chapter explores the critical factors of terra nullius, colonisation and the missionary influence on Aboriginal people as well as the history and development of Aboriginal Art and Art Centre Co-operatives. Additionally, the chapter discusses the policy context for remote Art Centre Co-operatives including ‘Closing the Gap’.

2.2 Introduction to Aboriginal Art

Aboriginal Art is “one of the longest continuous traditions of art in the world, dating back at least fifty millennia” (Caruana 2003, p7). In traditional Aboriginal culture and society, art in all forms reaffirms the relationship and bonds between people, land and the spirit world of the ancestors (Tjukurpa). Through maintaining participation in ceremony by paintings, songs, dance and other aspects of traditional law and culture, Aboriginal people are undertaking a vital component of their obligations to their ancestors (Morphy 1998; Sabbioni et al 1998). Traditionally, Aboriginal people have a connection to a part of the country by means of their birth and family and art is connected to the individual’s relationship to that country. As Morphy (1998) found, Aboriginal peoples’ relationship to country is inextricably tied to art and a significant number of artworks are based on the body paintings that ancestral beings had painted on their own bodies or on designs that have become linked with ancestral beings. Morphy (1998) recognised that painting provides Aboriginal people with a tangible way of utilising and drawing on the source of ancestral strength and powers. Mikhailovich et al (2011) explained that this concept of the ability to draw on ancestral strength is one reason why Aboriginal people ensure their entitlements are protected with regard to painting designs. Both Morphy (1998) and Mikhailovich et al (2011) agree that ownership of designs in art varies markedly throughout Australia and note that some methods and/or designs may be regulated to members of a single linguistic group and only those people who have inherited the rights to produce a particular design can paint or create art objects with that design (refer to photograph 2).
As for gender influence on method and design, Bell (1998; 2005) explained that whilst both women and men have their own ceremonies and designs that are kept secret from each other, some ceremonies are shared. Additionally, as demonstrated by the public sale of art, artistic activity does take place in open contexts (Mikhailovich et al 2011; Bell 1998; 2005). Aboriginal art now incorporates paintings, weaving, fibre, carving, metal work, jewellery, glass and pottery and has become an important influence on, and addition to, Australian art commerce (Coate 2009; Brennan-Horley et al 2007; Acker et al 2012; McLean 2011).

2.3 The Definition of Aboriginal Art Centre Co-operatives

Governments and Aboriginal art industry peak agencies regard remote Art Centres as co-operative enterprises (Ananguku Arts and Culture Corporation 2010; Australian Government 2014c). Aboriginal Art Centres have been defined in many different ways and it is apparent from the literature that the definition of an Aboriginal Art Centre Co-operative can vary according to their functions and obligations. The Australia Council for the Arts (2007, webpage) defines an Aboriginal Art Centre Co-operative as a creator of “bridges of understanding, regeneration and opportunity”. However, a definition can equally focus on the commercial aspects of an Aboriginal Art Centre. Wright’s (1999, p7) definition is a case in point, stating that an Art Centre is “any organisation operating in remote Australia that is owned and controlled by Aboriginal people where the principal activity is facilitating the production and marketing of arts and crafts”. However both of these definitions lack a cultural aspect that is critically important to remote communities. This aspect of culture is recognised by the Association of Northern, Kimberley and Arnhem Aboriginal Artists (2013) who define an Arts Centre’s role as a protector of cultural property, a resource for materials and a general arts and culture facilitator.

2.4 The History of Aboriginal Art and Art Centre Co-operatives

Aboriginal art has been the focus of some significant anthropological studies (Munn 1970; Mountford 1961; Morphy 1994; Watson 2003) and its consistent existence has enabled Aboriginal and Torres Strait Islander art to migrate from its genesis in customary and traditional spiritual and religious articulation into the mainstream art world including fine art (Allen 2011; Acker et al 2012). Biddle (2007) states that Aboriginal people have an expanded concept of thinking and talking about what non-Aboriginal people call art and that Aboriginal people also include story, ceremony, painting and body marking when considering art.
Many objects and works of cultural significance to Aboriginal people were disregarded in the early Australian colonial years with the exception of some anthropologists and missionaries (McLean 2011; Morphy 1998; 2005). However, Morphy (2005) notes that Aboriginal objects have at all times been a component of the interactions (both business and social) between non-Aboriginal and Aboriginal people. “The manufacture of artefacts for trade was always an important source of supplementary income... The early collections of traditional artefacts in museums trace the progress of the frontier” (Morphy 2005, pp19-20). Aboriginal art collections were generally housed in the primitive art section of state galleries and were seldom exhibited (Caruana 2003b; Philp 2007).

Acker et al (2012, p4) writes:

_The existence of the category Aboriginal and Torres Strait Islander art emblematizes the transformation of pre-20th century non-Aboriginal thinking about primitive artefacts with ethnographic value into contemporary art and the increasing production and availability of art objects as commodities in an intercultural marketplace._

Remote Aboriginal Art Centres were originally established by the Christian Missions to encourage financial opportunities for Aboriginal people. However in the early 1970s, the Aboriginal Arts Board within the Australia Council was formed, which instigated a principal change in the marketing of Aboriginal art (Healey 2002). The formation of the Aboriginal Arts Board enabled a group of foremost Aboriginal and Torres Strait Islander artists and non-Aboriginal art world professionals to be brought together. This group of people became advocates, curators, promoters, marketers and funders of art production in remote Aboriginal and Torres Strait Islander communities and persuaded private collectors and state galleries to make acquisitions (Morphy 2005; 2008; Myers 2001; 2002; 2006; Acker et al 2012).

During this same period of time the remote Papunya Community in the Northern Territory was experiencing the beginning of an exciting new period of art production and the Papunya Tula Artists Co-operative was founded (Bardon 1979; 1991; Bardon and Bardon 2004; Johnson 2008; 2010; Myers 1999). The Papunya Tula Artists Co-operative is viewed as the foundation model for the present day community controlled Art Centre Co-operatives that have developed in other remote Aboriginal communities (Wright 2008). The art and techniques that originally emanated from the Papunya Tula Artists Co-operative have developed into an internationally recognised art form (Acker et al 2012). In the following years, the manufacture of art moved and progressed to
other areas of remote Australia. For example, in Arnhem Land, bark painting thrived and tools that were traditionally carved for hunting and gathering, ceremony and ritual were made for decoration and as sculptures (Taylor 1996; Morphy 2008). Peterson (1993) notes that during the 1970s and early 1980s, two Commonwealth Government entities (The Aboriginal Arts Board and The Aboriginal Arts and Crafts Pty Ltd) underwrote the Aboriginal Art Centres that enabled and promoted the sale and exhibition of Aboriginal artworks by finding markets in major cities. Altman et al (2002, p2) noted that the Commonwealth Government has subsidised the Aboriginal art industry “as a means to combine cultural maintenance with economic activity for both Indigenous and national benefit”.

Currently the Commonwealth Government subsidises approximately 100 remote Art Centres (refer to Figure 1 to view a map of the location of Aboriginal Art Centres in Australia and Figure 2 to view Aboriginal Art Centres by remoteness and Art Centre regions) by way of grant funding to cover operational costs and salaries. On average this grant funding amounted to approximately 14 percent of the Art Centres’ annual income (Tucker 2012). Fisher (2012) and Watkins (2013) concluded that remote Aboriginal Art Centres are expected to be commercially proactive but not self-sustaining. Watkins (2013) further notes that remote Aboriginal Art Centre Co-operatives need to continue to thrive in a world of commerce and a world of creative cultural expression that has Aboriginal culture as the foundation.
**Figure 1:** Location of Aboriginal Art Centres in Australia (National Arts and Craft Industry Support 2009).
Figure 2: Remoteness and Art Centre Regions (Woodhead and Acker 2013)
2.5 The Characteristics and Functions of Remote Aboriginal Art Centre Co-operatives

There is a paucity of literature investigating the performance and sustainability of remote Aboriginal Art Centre Co-operatives (Petersen & Congreve 2015a). There are some studies that have addressed the social and cultural models of participation in community arts (McHenry 2009; 2009b; 2011; Williams 1995) in particular, art in relation to its capacity to revive and revitalise traditional forms of culture (McHenry 2009; Guetzkow 2002; White 2009) and the establishment of attainable economic enterprises (Dunphy 2009). Remote Art Centres are studios for the creation of artwork for sale to commercial markets. Additionally, they impact on and deliver a range of welfare, social and cultural services and activities and contribute economically to the sustainability of communities and to social cohesion (Wright and Morphy 1999).

The Commonwealth Government’s funding for remote Aboriginal Art Centres is in part allocated for outcomes that are not art based. For example, the Commonwealth Government’s ‘Closing the Gap Report’ (Australian Government 2013b) gives prominence to the role played by remote Art Centres in promoting health, safer communities, governance and economic participation. Commonwealth Reports (Australian Government 2014b; 2014d; 2014e) further emphasise that remote Art Centres provide jobs, business skills, governance training and self-employment opportunities. Additionally, the sale of art and craft objects is often the predominant or exclusive origin of non-government income for individuals and families (Acker et al 2012). The tacit support by the Commonwealth Government for non-art based outcomes of Aboriginal Art Centres is considered to be important. However, Frey (2008, p261) points out the risk in supporting non-art based outcomes stating, “fiscal considerations will tend to crowd out all other aspects of value”. Quinn (2005) commented on the ability for Aboriginal art and art festivals to generate human capital, enhance quality of life and celebrate diversity, attributes which are often overlooked in comparison to the economic outcomes. McHenry (2009; 2009b; 2011) identified the role of art in community vitality and social well-being through tourism, income generation and employment opportunities. Cooper et al (2012) in the evaluation of the Wirnda Barna Art Centre concluded that there was evidence that the Art Centre played an important role in mitigating some of the causes of poor health, in particular social exclusion by augmenting community self esteem.
Healey (2002, p2) sums up this paradox:

*There appears to be contradictions and major stress points about how art centres are perceived by the art market and funding bodies and the actual requirements of the communities. These matters underline broader issues facing Indigenous communities such as unemployment, isolation and social tension.*

Additionally, new funding programs by the Commonwealth Government have expanded the range of services Art Centre Co-operatives provide, particularly employment services (Woodhead and Acker 2014). The Senate Enquiry, ‘*Securing the Future: Australia’s Indigenous Visual Arts and Crafts Sector*’ (Commonwealth of Australia 2007), noted that Aboriginal Art Centre Co-operatives had two pivotal cultural roles. Firstly, enabling the maintenance of Aboriginal and Torres Strait Islander culture within the community and secondly, enabling the transmission of culture outside of that community.

The Office of the Registrar of Indigenous Corporations (2012, p39) surveyed Art Centres incorporated under the Corporations Aboriginal and Torres Strait Islander Act (CATSI Act 2006) and reported that Art Centres provide the following services in relation to making art:

- Workspace such as a studio, shed or workshop (92.3 percent)
- Taking artworks to exhibitions (92.3 percent)
- Supplying art and craft materials and tools (89.7 percent)
- Secure storage of artworks (89.7 percent)
- Marketing (89.7 per cent)
- Mentoring of junior artists (79.5 percent)

The review of literature established that art has a positive impact on Aboriginal communities and individuals in relation to:

**Financial Factors**

- Income generation, employment and economic development (Acker 2008; Higgins 2005; Pope and Doyle 2006; Altman 2001; Commonwealth of Australia 2007; Woodhead and Acker 2014)

**Health and Well-being Factors**

- Self-esteem and identity (Eakin 2003; Barraket 2005; Cooper et al. 2012; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Australia 2011; Pope and Doyle 2006; Williams and Taylor 2004)
• Health: both physical and mental (Putland 2008; Argyle and Bolton 2005; Barraket 2005; Hayward et al 2009; Allain 2011; Frazier et al 2007; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Australia 2011; Mulligan and Smith 2006; Williams and Taylor 2004)

• Protective Factor in relation to substance misuse and negative behaviours (Stojanovski 2010; Colquhoun and Dockery 2012; Allain 2011; Barraket 2005; Frazier et al. 2007; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Australia 2011)

Social Factors
• Improvement in a range of cognitive and social skills (Ware 2014; Palmer 2010; Cooper et al. 2012; Mulligan and Smith 2006; Wright et al. 2007; Pope and Doyle 2006)
• Dignity, achievement, self-respect, hope, social well-being (McHenry 2009; 2009b)
• A reduced sense of shame (Ware 2014; MacDowell et al 2009)
• Empowerment and an increased sense of control (Ware 2014; Mulligan and Smith 2006; Palmer 2010)
• Increased social capital, contribution to community reconciliation, community cohesion and strengthening the community (Williams 1995; Sobels et al. 2001; McCarthy et al 2004; Cocklin and Dibden 2005; Macnaughton et al. 2005; Stojanovski 2010)
• Reduced social exclusion (Cameron and MacDougall 2000; Cooper et al. 2012)
• Pride in personal and/or community achievements (Ware 2014; Barraket 2005; Bromfield and Burchill 2005; Pope and Doyle 2006)
• Increased resilience (Ware 2014; Hunter 2012)
• Building a sense of purpose and hope (Coopers et al. 2012; Stojanovski 2010)

Cultural Factors
• Maintenance and transmission of Aboriginal culture, promotion and facilitation of intergenerational learning, promotion of maintenance of links to country and an increased sense of belonging (Colquhoun and Dockery 2012; Lawrence 2007; Phipps and Slater 2010; Mulligan and Smith 2006; Palmer 2010; Pope and Doyle 2006)
• Cultural validation (Phipps and Slater 2010)
• Learning new knowledge and skill acquisition through participation in the arts that takes place through context-based learning in a Centre where artists are practicing together (Fogarty and Schwab 2012; Bromfield and Burchill 2005; Light 2010)

• Fostering of intercultural exchange between Aboriginal groups (Palmer 2010; Phipps and Slater 2010) and between Aboriginal and non-Aboriginal groups (Higgins 2005; MacDowell et al. 2009; Mulligan and Smith 2006; Palmer 2010)

Furthermore, many authors (Commonwealth of Australia 2007; Cooper et al. 2012; McHenry 2009: Frey 2008; Wright 1999; 2000; Wright and Morphy 1999; Altman 2001; Colquhoun and Dockery 2012; Lawrence 2007) found that Aboriginal Art Centres fulfil and provide a variety of functions and services in the community, for example:

• Distributor of goods to markets
• A community hub
• Places of respite, care and time out
• A safe and supportive environment
• Assisting with understanding and completing forms
• Access to banking
• Access to communication, transport and financial management assistance
• Youth and school programs

Tsey et al. (2009) raised an important issue in relation to the participation of individuals in community activities, recognising that community participation is a crucial strategy worldwide for mitigating poverty and social exclusion as well as reducing health disparities. Although some researchers (Cooper et al. 2012; McHenry 2009; 2011) identified the link between tourism and Art Centres as having a potential socio-economic opportunity for remote communities, tourism strategies need to be congruent with cultural convention.

2.6 The Size and Value of the Aboriginal Art Industry

Currently in Australia there are approximately 100 Aboriginal and Torres Strait Islander Art Centres that are owned and governed by Aboriginal and Torres Strait Islander people (refer to Figure 1; Location of Aboriginal Art Centres in Australia). The Commonwealth of Australia (2013a) estimated that over 6,500 artists are involved in the Commonwealth Government funded
Art Centres, including over 3,670 core artists, the majority (57 percent) of whom are women. Additionally, the Australian Bureau of Statistics (2011; 2011b) reported that of the Aboriginal and Torres Strait Islander population aged 15 years and over, a higher proportion living in remote areas (22 percent) engaged in art activities compared to those living in non-remote areas (16 percent). An interesting point to note is that differing age groups participated in art activities in a similar proportion: 16 percent for 15–34 years and 18 percent for 35 years and over (Australian Bureau of Statistics 2011; 2011b).

Since the beginning of the 1980s, a number of key reviews of the Aboriginal and Torres Strait Islander Art sector have been commissioned in an endeavour to gain an understanding of the Aboriginal and Torres Strait Islander Art Industry. These include:


There are a range of estimates as to the extent, scope and scale of Australia’s Aboriginal and Torres Strait Islander art sector. Over a 13-year period, the amounts have ranged in value from $2.5 million to $100-300 million (Altman 2002; Commonwealth of Australia 2007). Table 1 summarises the Senate Inquiry’s Report ‘Securing the Future: Australia’s Indigenous Visual Arts and Crafts Sector’ size and scale findings (Commonwealth of Australia 2007).

A critical point to note is the variable way proceeds from the sale of Aboriginal art have flowed between the market and artists over the past 40 years. Oster (2009) concludes that whilst Aboriginal art has created appreciable wealth for collector-investors, the benefits of the art market have devolved in inconsistent ways back to artists, their families and communities. Ninti One (2013, webpage) found that there are some communities where the Art Centre provides the only external source of income and funding for community programs, which have direct benefit to the
community. Furthermore, Campbell et al (2012) noted that Aboriginal communities and individuals are extremely susceptible to adverse events in the market place.

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Value</th>
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<tbody>
<tr>
<td>1981</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>1989</td>
<td>$18.5 million</td>
</tr>
<tr>
<td>1996-97</td>
<td>$15 million</td>
</tr>
<tr>
<td>2001</td>
<td>$35.6 million</td>
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<tr>
<td>2002</td>
<td>$200 million</td>
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<tr>
<td>2002</td>
<td>$100-120 million</td>
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<tr>
<td>2002</td>
<td>$100-300 million</td>
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</tbody>
</table>

Table 1: Summary of the “Securing the Future: Australia's Indigenous Visual Arts and Crafts Sector Report,” size and scale findings (Commonwealth of Australia 2007).

The Office of the Registrar of Indigenous Corporations (2012) and Murray (2014) noted that the global financial crisis (2007-09) had a significant impact on the Aboriginal and Torres Strait Islander visual arts sector. A survey by Woodhead and Acker (2014) found that over the period 2008-2012, art product sales were down by a mean of 13.5 percent for both private and public art businesses. Private businesses were most impacted with 50 percent of respondents reporting a fall in sales of more than 30 percent and 25 percent of respondents reported a fall in sales of more than 55 percent.

The Commonwealth Government through the Office for the Arts in the Commonwealth Government provides funding (The Indigenous Visual Arts Industry Support Funding) for a range of art related activities. In the 2011-12 financial year, the Commonwealth Government provided $10.9 million of funding to Aboriginal and Torres Strait Islander Art Centres and allied industry support organisations ($7 million of this funding was for activities in remote Australia) (Commonwealth of Australia 2013a). Specifically, the funding supported 90 Aboriginal and Torres Strait Islander Art Centres, mostly in remote communities. Additionally, $1.5 million was used for five industry support organisations to deliver services to Aboriginal and Torres Strait Islander Art Centres and $0.5 million for eight professional development and training activities for the industry (Commonwealth of Australia 2013a). The Commonwealth Government’s Office
for the Arts stated that the model of Aboriginal and Torres Strait Islander Art Centres is very stable and viable. They note that approximately 77 percent of the Art Centres funded through Indigenous Visual Arts Industry Support in 2008–09 were still funded in 2011–12 (Commonwealth of Australia 2013a, p2). Additionally, in 2011–12, the Indigenous Visual Arts Industry Support funded Art Centres employed 310 art worker positions supported through the Australian Government’s Indigenous Employment Initiative. However, despite the downturn of sales in the sector since 2007, reports by the Commonwealth of Australia (2012c; 2013a) note that paid employment in Art Centres has more than doubled (Commonwealth of Australia 2012c; Commonwealth of Australia 2013a). In many instances this increase in employment is due to National Jobs Package funding thought the Commonwealth Government for the employment of Aboriginal art workers.

2.7 The Development of the Australian Aboriginal Art Industry

The Aboriginal art industry has been built on the work of Indigenous owned Art Centres which produce and market some of Australia’s most dynamic visual art, while also building capacity, maintaining and transmitting culture and generating income and employment opportunities for Aboriginal and Torres Strait Islander artists (Commonwealth of Australia 2008, p1).

Remote Aboriginal Art Centre Co-operatives have a special and important role within the Aboriginal and Torres Strait Islander art industry, combining artistic, social, cultural and business roles. Morphy (2008, p11) states, “the distinctive art styles associated with different community Art Centres are in part the product of local art histories: people working together in a community and creating works that express their contemporary regional identity”. The Aboriginal art industry has emerged as a remarkable success story from a fiscal standpoint in many remote Aboriginal communities (Morphy 2005). This is especially relevant given that in approximately 40 years, Aboriginal art has become a recognisable force in the world’s contemporary art market.

The genesis of Australian Aboriginal Art Centres might have arisen out of the early remote Christian Missions as the Missions saw a role in assisting with the development and sale of Aboriginal arts and craft in remote desert communities (Healey 2002). This new enterprise attempted to trigger employment and increase economic gain for Aboriginal people. For example, in Ernabella in the APY Lands in the late 1940s, the Uniting Care Mission assisted with the establishment of a craft enterprise for women. By the 1960s, mission shops in both Sydney and
Melbourne were the major outlets for this art. In the majority of remote Art Centres any Aboriginal person can utilise the Centre’s art facilities when the Centre is open. However, some Art Centres do require that people meet criteria to use the Art Centre including being a community member, belonging to a language or cultural group or being of a certain age (Office of the Registrar of Indigenous Corporations 2012). A range of State, Territory and Commonwealth policies, initiatives and strategies aimed at the development of art practices, products and markets, support remote Art Centres (Acker et al. 2012; Commonwealth of Australia 2013a).

2.8 The Policy Context for Aboriginal Art Centre Funding and Closing the Gap

2.8.1 Introduction

A pivotal historical feature of Australia is that it has a history based on the erroneous doctrine of terra nullius, meaning empty land or land belonging to no one. However, as Mikhailovich et al. (2011) and the Human Rights and Equal Opportunity Commission (2005) amongst many others assert, Aboriginal people have lived on the Australian continent for at least 40,000-60,000 years, which equates to approximately 2,000 generations. During the time of the first contact with British seafarers, it is estimated that the Aboriginal population of Australia numbered approximately 750,000 people who comprised approximately 500 separate groups with over 200 distinct languages with multiple dialects (Charlesworth 1980).

Whiteside et al. (2011) claim that the present day social, cultural, physical and economic impediments experienced by Aboriginal people can be linked to the colonisation of Australia in 1778. Mikhailovich et al. (2011) also acknowledge that the violent process of colonisation has led to the loss of a vast quantum of spiritual and religious capital. Many issues have had enduring impacts on Aboriginal culture (Elder 1988; Lippmann 1991; Perkins and Langton 2008; White 2012; Cooper et al. 2012; Conner 2005; Stevens 1994) including:

- The invasion and colonisation by the British Empire
- The prolonged period of colonial violence
- Physical genocide (intentional and unintentional)
- The spreading of communicable diseases by the colonists
- The systematic dispossession of Aboriginal lands
- The co-location of clans with other tribes in conjunction with the forced move to inhospitable parts of the country
• The stolen generations  
• The practice of the denial of Aboriginal people’s cultural expression and language 
• The displacement of people into Christian Missions 
• Non-traditional agricultural and pastoral economy 
• Mining land-use practices 
• Loss of sacred sites and hunting grounds 

In terms of the displacement of people into Christian Missions, a range of faiths all instituted the development of new missions in Australia in an attempt to convert Aboriginal people to their religion. The degree of repressive paternalism practised by the missionaries depended on the founding religion (Charlesworth 1980). This difference in missionary practice led to a range of contrasting religious scenarios:

• A loss of Aboriginal traditional spiritual beliefs
• Aboriginal Tjukurpa merged with Christianity
• Christianity was rejected altogether

The missionaries depended upon Aboriginal people to build and maintain their new missions. Loos (2007) states that the Commonwealth Government viewed the missions as de facto social services, where Aboriginal people were paid at a much lower rate than the non-Aboriginal people for the work they did. Additionally, Loos (2007) postulates that the missions and the Government together tried to control every aspect of Aboriginal peoples’ lives including:

• The language Aboriginal people learned and spoke
• Access to food
• Access to health care
• Housing
• Labour/wages
• Education
• Movements to or from their communities
• Relationships/marriage
• Religious beliefs/practices
• Children

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3 A term applied to Aboriginal people who as children, were forcibly removed by the Government from their families because of their Aboriginal heritage and raised in government institutions and foster homes between 1910 and 1970 (Whiteside et al 2011; Briskman 2003; 2007).
There is sufficient evidence to suggest that when the Commonwealth Government wanted to extend control over Aboriginal people in a certain region, they would request one of the many missionary groups to establish a mission in that area (Loos 2007). These historical colonisation factors and practices, which Perkins (1994) and Wilson and Dodson (1997) stated made Aboriginal ancestry an object of shame for many Aboriginal people, have resulted in significant cultural trauma with resultant loss of culture, traditional law, cultural and social fragmentation and dislocation and limited mainstream economic opportunity. In combination, they have forged the unique social, cultural, economic and physical circumstances that now characterise many Aboriginal communities (White 2012: Cooper et al. 2012). Johnston (1991, p1.7.21) eloquently illustrates this point in the Deaths in Custody Report:

> Aboriginal people never voluntarily surrendered their culture and indeed, fought tooth and nail to preserve it, throughout dispossession, protection, assimilation, integration...
> They have the right to retain that culture, and that identity.

**2.8.2 Government Policy and the Influence on Aboriginal People**

Since the colonisation of Australia by the British Empire in 1778, Australian Government policies of dispossession, exclusion and marginalisation have had detrimental repercussions on Aboriginal people. Carson et al. (2007) reinforces this point recognising that subsequent policies have to date failed to have a substantial impact to redress the situation. Since the initial time of colonisation, Commonwealth, State and Territory Governments have formulated and applied key policy, legislative changes and laws that have had significance influence on Aboriginal people. In 1869, Victoria passed a major piece of legislation entitled the ‘Aboriginal Protection Act’. Other colonies followed with their own legislation (for example New South Wales had an Aboriginal Protector and later a Board for the Protection of Aborigines) and by the turn of the century, the six colonies had legislated a range of laws in managing Aboriginal people (Mikhailovich et al. 2011). In effect, parcels of land (reserves) were made available for Aboriginal people to live on that were managed by Christian Missions, in the name of protection, where non-Aboriginal administrators could supervise them. It was on these reserves that cultural practices, including the speaking of language and the performance of ceremony was forbidden or restricted. In 1915, the New South Wales Government enacted new legislation that gave the ‘Board for the Protection of Aborigines’ the right to the control of Aboriginal children (to remove them to care and control them as they deemed appropriate). Whilst this Board changed its name in 1940 to the ‘Aborigines Welfare Board’, its role in the control and removal of Aboriginal children continued in NSW until 1969. As a consequence of these laws, children left on reserves became wards of the state with
the protection boards as their legal guardians. In the thirty year period 1930 to 1960 the goal of both the Commonwealth and State Governments changed from protecting Aboriginal people, to assimilating them into the mainstream white society, where Aboriginal people discontinued and renounced their cultural beliefs and practices (Altman and Sanders 1994). In 1967 the Commonwealth Government proposed an amendment to the Constitution (Constitution Alteration Aboriginals 1967) where the two exclusionary references to Aboriginal people would be deleted. The changes were passed by referendum, which gave the Commonwealth Government greater powers in Aboriginal affairs nationally. By 1972 the Labor Government under Whitlam stated that Aboriginal ‘self-determination’ was the foundation and policy driver for Aboriginal policy and affairs. Finally, by the early 1980s the Commonwealth and State Governments were delivering Aboriginal assistance programs. By this time, Aboriginal people were once again practising their spiritual and cultural traditions in line with self-determination. A new era of public policy debate occurred between 2001 and 2007, where the emphasis centred on the process of reconciliation.

Aboriginal people have endured and still experience trans-generational trauma, which began after colonisation and remains today. Morrison (2013, webpage) states:

**In the first generation of Aboriginal people after colonization, Aboriginal men and boys were killed, imprisoned, enslaved, driven away and deprived of the ability to provide for their families. Women became single parents and many children were conceived through rape and forced prostitution. In the second generation, Aboriginal people were rounded up and sent to missions and reserves where they were further removed from being able to obtain work, balanced diets, housing, sanitation, health care and education. This is the stage that the misuse of alcohol and drugs became embedded as a mechanism for coping with grief and the profound loss of dignity. In the third generation, Aboriginal children were removed from their fractured families and placed into non-Indigenous care environments where they suffered the horrors of forced inferiority, deprivation and abuse.**

Since the 1967 Australian Referendum the Commonwealth, State and Territory Governments have developed, funded and implemented a range of policies and initiatives to ameliorate the health and socio-economic disadvantage and marginalisation of Aboriginal people. The Australian Government and State/Territory Governments state that their reform agenda in Aboriginal and Torres Strait Islander affairs aims to address the structural and systemic issues that are causing horrific outcomes for Aboriginal and Torres Strait Islander people and these are
most evident and extreme in remote communities (Commonwealth of Australia 2008; Australian Government 2009). There is an unacceptable gap in living standards, life expectancy, education, health and employment outcomes between Aboriginal and non-Aboriginal people. Preventable diseases, substance misuse, violence, and anti-social behaviour are common in many remote communities (Commonwealth of Australia 2008; Australian Government 2009).

Despite over four decades of policy and program initiatives by Australian Governments, Aboriginal people remain the most disadvantaged Australians (Australian Government 2014d; 2014g). Aboriginal people experience unacceptably high levels of disadvantage in standards of living, mortality, education, health and employment (Australian Government 2014d; 2014g) and have significantly higher rates of morbidity, infant and child mortality, chronic disease, mental illness and hospital separations than non-Aboriginal people (Australian Health Ministers’ Advisory Council 2008). Additionally, literacy and numeracy levels for Aboriginal students at all grades are consistently below the national average (especially in remote areas), as are school completion rates (Ministerial Council on Education, Employment, Training and Youth Affairs 2008).

The issue of life expectancy is a matter of urgent concern and priority because of its alignment with other issues. There continues to be a great disparity in life expectancy between Aboriginal people and the total population. In 2014 the gap in life expectancy was 10.6 years for Aboriginal men and 9.5 years for Aboriginal women (Steering Committee for the Review of Government Service Provision 2014 p2). Life expectancy is affected by many factors, including socio-economic status, quality and accessibility to the health care system, risk factor behaviours (tobacco, alcohol, nutrition, exercise), social factors and environmental factors such as overcrowding in housing, poor quality drinking water and poor sanitation (Australian Government 2009). In relation to health, Aboriginal people have a holistic view of health and well-being that many researchers (Garvey 2008, Ganesharajah 2009; Nguyen and Cairney 2013) have noted is broader and more inclusive than the western concept. In the National Aboriginal Health Strategy 1989 (Australian Government 1989, p5), Aboriginal health was defined holistically as, “Not just the physical well-being of the individual but also the social, emotional and cultural well-being of the whole community”. According to authors such as Jordan et al. (2010), this definition is commonly accepted in Australian academic and health related literature. This holistic view of health and well-being is in part aligned with the notions of the social determinants of health (Wilkinson and Marmot 2003) but goes further to include community. Whilst it is recognised that
individuals do make choices that affect their health and health behaviours (Carson et al. 2007), it is also widely recognised that social determinants are largely responsible for people’s health status. The Commission on the Social Determinants of Health has defined the social determinants of health as, “the conditions in which people are born, grow, live, work and age, including the health system” (World Health Organization 2011, webpage).

The work of Wilkinson and Marmot (2003) identified issues that in their view are the key determinants of health:

- Lower socio-economic status equals higher levels of morbidity and earlier mortality
- Stress
- Social exclusion
- Work
- Unemployment
- Social support
- Addiction and substance misuse
- Food and food security
- Transport

Improvements to health outcomes will directly contribute to Aboriginal peoples’ life expectancy and have an enormous impact on the intergenerational learning of culture. Many authors cited the paucity of government actions to redress and rectify this significant inequality and stated that action was needed to empower individuals, families, and clan groups to take greater control and responsibility for their situation (Whiteside et al. 2011; Fredericks 2009; Pearson 2000; Tsey et al. 2005; Carson et al. 2007). The Commission on the Social Determinants of Health (World Health Organization 2011) asserts that improvements in health equity could change appreciably if the social determinants of health were improved. Farmer et al. (2003) noted that in remote communities, primary health care workers are instrumental in maintaining and enhancing the stocks of social capital and social sustainability. In view of this, Farmer et al. (2003) criticised government and non-government service delivery planning in times when fiscal moderation may be required by the agency. Farmer et al. (2003) found that, government and non-government organisations often disregard the roles that their workers play in social capital and social sustainability and only focus on reducing staff in order to reduce their budget.
In 2008, when Prime Minister Rudd gave ‘The National Apology’ speech in Parliament, he not only committed the Australian Government to develop a more meaningful engagement with Aboriginal people, but to Close the Gap between Aboriginal and non-Aboriginal people as a national priority (Commonwealth of Australia 2008; Australian Government 2009). In December 2007, the Council of Australian Governments (COAG) agreed to a partnership between all levels of government to work with Aboriginal communities to Close the Gap on Aboriginal disadvantage. The National Indigenous Reform Agreement (NIRA) was established between the Commonwealth and States/Territories to set the agreed objectives, outcomes, outputs, performance indicators and performance benchmarks for Closing the Gap (Australian Government 2013). As part of the suite of agreements between the Commonwealth, States and Territories, a partnership agreement on remote service delivery was developed. The broad objectives of the National Partnership Agreement on Remote Service Delivery (NPARSD) (Australian Government 2008, pp 5-6) are to:

- Improve the access of Indigenous families to a full range of suitable and culturally inclusive services
- Raise the standard and range of services delivered to Indigenous families to be broadly consistent to those provided to other Australians living in communities of similar size and located communities
- Improve the level of governance and leadership within the communities and Indigenous community organisations
- Provide simpler access and better coordinated government services for Indigenous people in identified communities
- Increase economic and social participation wherever possible, and promote personal responsibility, engagement and behaviours consistent with positive social norms

The Commonwealth Government (Australian Government 2014b, np) stated: “A strong culture is fundamental to Indigenous well-being, support for Indigenous culture through the visual arts provides a solid foundation to enable outcomes across the building blocks and targets”.

The Australian Government and The Council of Australian Governments (COAG) set targets for the reform of seven strategic platforms, which encompass strategies that integrate policy and implementation to address the identified drivers of disadvantage (Commonwealth of Australia 2008). The strategic platforms are healthy homes, safe communities, health, early childhood, schooling, economic participation and governance and leadership. The Commonwealth
Government (2013a, p2) through the Indigenous Visual Arts Industry Support (IVaIs) provides funding to Aboriginal and Torres Strait Islander Art Centres and allied industry support organisations to help build a stronger arts industry. Specifically, the funding:

- **Supports the operations of Indigenous art centres and organisations involved in the production, promotion and marketing of Indigenous visual art**
- **Provides opportunities for Indigenous artists to maintain, develop and extend their professional art practice**
- **Provides opportunities for art centre staff, artists and board members to develop professional skills and experience**
- **Facilitates the delivery of services to the Indigenous visual arts industry-by-industry support organisations**

The Commonwealth Government has recognised that just as strong cultural identity is fundamental to Aboriginal health and well-being, Government initiatives that strengthen culture will be fundamental to Closing the Gap (Commonwealth of Australia 2013a).

*The fundamental role of culture in Indigenous health and well-being means that initiatives that support Indigenous arts, culture and languages act as a foundation stone enabling outcomes across the COAG building blocks* (Commonwealth of Australia 2013a, p2).

Examples of the Indigenous Visual Arts Industry Support funding contribution to ‘Closing the Gap’ include:

- **Safe communities’ strategic platform**
  
  Many authors have noted that Art Centres in Aboriginal communities have contributed in part to the decrease in community tension and conflict, improved community cohesion and mitigated community and family feuding (Commonwealth of Australia 2013a; Cooper et al. 2012; Commonwealth of Australia 2013b).

- **Health strategic platform**
  
  The Aboriginal and Torres Strait Islander Health Performance Framework 2012 identifies that Aboriginal and Torres Strait Islander people gather strength and resilience from a broad scope of health determinants such as linkages and connections to land, culture and family (Commonwealth of Australia 2013b). “Most art centres are community hubs that support better health outcomes through increased income, employment, engagement, strong culture, and through practical initiatives such as
nutrition education, bush-tucker gardens and providing meals” (Commonwealth of Australia 2013a, p3).

- Early childhood strategic platform
  Traditional language, cultural involvement and cultural identity are crucial protective elements paramount to the development of strong and resilient Aboriginal and Torres Strait Islander children (Centre for Rural and Remote Mental Health 2009; Commonwealth of Australia 2013b).

- Schooling strategic platform
  Strong Aboriginal and Torres Strait Islander cultural identity and cultural involvement are favourably linked with years 8 to 12 school completion (Dockery 2011; Commonwealth of Australia 2013b).

- Economic participation strategic platform
  Aboriginal businesses based on culture provide fiscal opportunities, for example, the Aboriginal arts and craft sector is a multimillion-dollar industry. Despite the downturn of sales since 2007, paid employment in Art Centres has more than doubled (Commonwealth of Australia 2012c; Commonwealth of Australia 2013b). “In many remote communities, art sales are the primary or only source of non-government income. Art centres provide jobs, business skills, self-employment opportunities and training” (Commonwealth of Australia 2013a, p3).

- Governance and leadership strategic platform
  Art Centres occupy a central role in remote community development and in building the capacity of Aboriginal people to contribute to the governance of community Art Centres. Cooper et al. (2012) found that women in particular, play the major role in the governance of remote Art Centres.

### 2.9 Remote Communities and the Challenges of Remoteness

Every remote Aboriginal community in Australia is different and diverse, with each having its own customs, protocols, system of organisation, languages and relationship to each other. The attachment to place, country and community is very important to Aboriginal people and the art that is painted in Art Centres is a reflection of the relationship that Aboriginal people have to their land and community.

The long term viability and resilience of remote Aboriginal communities has been debated for some time (Stafford-Smith et al. 2008). Altman (2006) noted that there are always questions and rumours about services closing in remote communities or even the closure of the community...
itself. A number of people have championed the closure of remote communities and the transfer of Aboriginal people to areas where employment opportunities are available (Schliebs 2011a). Edwards (2011) however, points out that this view is not based on an understanding of Aboriginal people’s significant attachment and obligations to their country.

The Australian Bureau of Statistics (2014) estimated that 3 percent of the total Australian population was Indigenous and that there were 698,583 Indigenous people living in Australia in 2013. The Australian Bureau of Statistics (2014) noted that approximately 75 percent of Aboriginal and Torres Strait Islander peoples live in major cities of Australia and outer/inner regional Australia and that proportionally more Aboriginal than non-Aboriginal people live in remote and very remote areas of Australia. In a previous release, the Australian Bureau of Statistics (2010b) reported that 10 percent of Indigenous people live in remote areas and 16 percent in very remote areas. For the non-Indigenous population, there was a much higher concentration in major cities (69 percent) and less than 2 percent in remote and very remote Australia.

Many of the Aboriginal people living in remote and very remote Australia live in discrete communities and Taylor (2011) reported that there were 1300 discrete Aboriginal communities across Australia. Aboriginal communities in remote Australia are typically small, isolated communities with basic facilities, on traditional land with between 20–300 inhabitants. Additionally, the Australian Bureau of Statistics (2003) noted that over half (54 percent) of the communities surveyed in 2001 reported less than 20 people living in the community and 23 percent had populations from 20 to 49 people. The population of a remote community can vary significantly due to seasonal changes, men’s and women’s business, sorry business, sporting and recreational events (Dockery and Colquhoun 2012).

It is reported that Aboriginal people living in remote areas and communities experience more disadvantage than their regional and urban counterparts. For example, they experience the highest rates of poverty, unemployment and early mortality (Marmot et al. 2008; Marmot 2011; Tedmanson and Guerin 2011; Dodson and Smith 2003; Nguyen and Cairney 2013). Additionally, Aboriginal people experience higher rates of hospitalisation than those in other parts of Australia (Australian Institute of Health and Welfare 2011a) and low levels of educational attainment and participation in education (Australian Bureau of Statistics 2011; Biddle 2010). The Productivity Commission (Australian Government 2009b) has recognised a link between increased morbidity and poor educational and economic status for remote Australia.
Figure 3: Accessibility Remoteness Index Australia (University of Adelaide 2006).
The provision and maintenance of essential services can affect the viability, well-being, health and sustainability of remote Aboriginal communities. Water supply, sewerage systems and power supply are critical elements in sustaining a healthy living environment (Aboriginal and Torres Strait Islander Commission 2000). In addition to essential and municipal services (rubbish disposal, roads, flood and dust mitigation), the provision of facilities such as sports grounds and halls contribute to individual and community well-being.

The influence of remoteness impacts on a community’s and individual’s general quality of life, interests, affairs, aspirations, ambitions and priorities in complex interacting ways (Davies et al. 2012). Research by McDowell (2004) attested to affirmative sentiments originating from place-based attachment and a sense of community. However, this was counterbalanced by negative sentiments in relation to the effects of a higher cost of living, isolation and substandard service provision. Davies et al. (2012) suggest that this research can be extrapolated to include communities and individuals in remote Australia.

Davies et al. (2012, p4) assert, “The social-ecological systems of remote Australia have specific characteristics that interact to generate significant challenges for sustainability”. Geographically, the term remote and very remote refers to that part of Australia that covers approximately 73 percent of the Australian continent (Taylor 2011) as shown in Figure 3. The Australian Bureau of Statistics defines remoteness using the Accessibility/Remoteness Index of Australia (ARIA), based on transformation of physical road distance to the nearest urban centre with a population above 250,000 people (Department of Health and Aged Care 2001). From a business standpoint, it is this area where economic development and access to goods and services are seriously hindered by small numbers and the tyranny of distance (Taylor 2011). In the view of Holmes (2009a; 2009b), new post-productivist mixed economies are emerging from these remote areas. Altman (2010) notes that remote communities have a history of infrastructure and funding gaps and many Aboriginal people live in substandard conditions in remote areas away from municipal and essential services.

Stafford Smith et al. (2008) assert that residents in remote communities generally have fewer options for fiscal diversification because of the scarcity of natural resource productivity and small populations. Conversely however, other studies by Scrimgeour (2007), McDermott et al. (1998), Rowley et al. (2008), Burgess et al. (2005) and Zubrick et al. (2010) all noted that living either on homelands or in extremely remote areas contributed to potential protective factors in relation to morbidity (particularly cardiovascular disease and substance misuse). Reasons for this were
attributed to connections to land, culture and family and the related benefits of healthier diets, increased physical activity and limited or no access to alcohol. Research on vulnerable spatiality’s by Findlay (2005) and Philo (2005) highlighted the vulnerability of Australian remote communities, which can lead to non-sustainability. Findlay (2005) and Philo (2005) concluded that Aboriginal populations and the environment and communities they inhabit are vulnerable because the “notion of indigeneity is relational and socially constructed and is reliant on the colonisation of Aboriginal land by invasive and assertive culture” (Taylor 2011, p293). Vulnerable regions and communities were identified by many researchers (O’Connor et al. 2001b; Stimson et al. 2001; Baum et al. 2005; Taylor 2011) who used mapping of low employment growth, high unemployment rates, low labour force participation rates and low housing numbers in conjunction with high concentrations of disadvantaged households to determine vulnerability. These identifiable factors are common in the approximate 1300 discrete Aboriginal communities around Australia (Taylor 2011). Researchers noted that these communities can exist because of the classic hybrid economy distinguished by under-investment by government in program and community funding and government benefit payments to individuals (Taylor and Stanley 2005; Taylor 2011; Altman 2010). Communities and individuals reliant on this type of economy and tenuous government funding are extremely susceptible to changes in both State and Commonwealth Government policy which has the potential to impact on development and sustainability (Taylor 2011; Altman et al. 2007). The work of Doubleday et al. (2004) recognised the importance of acknowledging and understanding the connection between culture and communities and that community can be a strength and/or weakness in the issue of sustainability.

There are many factors that interact to generate exceptional demands and challenges relating to the sustainability of remote communities. Stafford-Smith (2008) asserts that these factors include the unpredictability generated by climate inconsistency, resource scarcities and shortage, cultural distinctiveness and remoteness from markets, services and public decision-making processes. Additionally, Davies et al. (2012) and Sanders and Holcombe (2008) note that remote communities establish divergent methods of operating, heterogenic capacities and differing aspirations and these need to be afforded due regard by governments if governance structures are to be sustainable. One of the most significant challenges that remote communities face is the notion of whether they are sustainable. Davies et al. (2012, p29) found that discussions regarding a remote community’s sustainability involve a mismatch of values:
Contests over whether rural communities are sustainable involve a clash of values: ‘life values’ (individual and collective needs for good quality of life, including the strong place-attachment that is typical in desert regions of Australia) versus ‘money values’ (economic activity directed at increasing financial wealth). Life goods and social capital (education, social inclusion, job opportunities, networking) in rural communities are enabled, protected and determined where there is a strong civil commons (i.e. regulatory systems for clean air, water, etc; universal education; environmental open space; public art; architecture, etc) (Sumner 2005). This argument suggests that a universal standard of provision of ‘civil commons’ in rural communities, through public funding, is the key determinant of rural community sustainability. However, the converse is often argued or implied in Australian remote contexts: that communities are unviable or unsustainable if they do not contribute economically and are hence not entitled to scarce public funding to build and maintain civil commons.

2.10 Summary

Remote Aboriginal Art Centre Co-operatives can be defined as community owned and governed organisations that enable, facilitate and foster economic, social and cultural capital through the production and marketing of arts and crafts. Many remote Art Centres are small community-focused organisations with an emphasis on social and welfare services. There are many critical factors such as terra nullius, colonisation and missionary influence that shaped the lives of Aboriginal people as well as the history and development of Aboriginal art and Art Centres. The Commonwealth Government has recognised that strong cultural identity is fundamental to Aboriginal health and well-being and fundamental to Closing the Gap. One of the most significant challenges that remote communities and remote Aboriginal Art Centres face is the notion of whether they are sustainable.
Chapter 3: The Sustainability of Remote Aboriginal Art Centre Co-operatives

3.1 Chapter Outline
The purpose of this chapter is to introduce the concept of sustainability and to highlight the critical importance of integrating the four pillars of sustainability into the general business practice and management of remote Aboriginal Art Centre Co-operatives. The chapter explores the balance between the economic, social, cultural and environmental factors and develops the notion of the hybrid economy that exists in Aboriginal communities. Additionally, the chapter considers that ordinary cost-benefit methods of evaluation are not useful measures for use in remote Art Centres. The chapter discusses business failure, business success and value creation in remote Art Centres in addition to the importance of competent management and good corporate governance. Lastly, the chapter addresses culture and its significant contribution in sustaining not only a cohesive and socially healthy community but also remote livelihoods.

3.2 Introduction
The achievement of business sustainability is a goal for most enterprises (Hart 1995; 1997; Bennett and James 1999; Roome 1998) including remote Aboriginal Art Centres (Petersen & Congreve 2015a). Traditionally firms have focused their attention on the factors that have had a direct effect on their fiscal performance. Businesses assess financial performance by measures such as the cost of goods and services, staffing costs, training and the quantity of sales and profit margins. However, many businesses are developing a more comprehensive view of business development and are measuring the costs and benefits from existing and prospective influences on their business such as their interactions and relationships with the community, the environment, workers and shareholders. Additionally, many firms have discovered that by integrating the four pillars of sustainability (financial, cultural, social and environmental) into general business practice and management there are considerable business advantages (Senge et al. 2008; Figge et al. 2002; 2001).

3.3 Definition
There are multiple dimensions to the concept of sustainability including environmental, economic and social dimensions (Hilson and Basu 2003) and in combination these three elements form what is commonly called the triple bottom line. Elkington (1988) refers to them as the three pillars of sustainability, (people– planet– profit) whereas Musee and Lorenzen (2007) refer to
them as economics, social equity and sound environmental performance and they also argue that this view has the potential to impede the examination and discussion of community well-being. According to Elkington (1988), the triple bottom line should be balanced and each element considered concurrently in decision-making to achieve sustainability. Senge et al. (2008) argue the focus should not be on balance but on the interdependence of the ecological, social and economic systems. Pearce and Turner (1993) assert that there are a variety of resources that are required to be maintained to ensure sustainability that encompass human produced capital (such as social, cultural, economic) as well as natural capital (including land, biological diversity, clean air and water). Additionally, the literature addressing the concept of sustainability highlights a similar interpretation to the concept of ‘enduring’ in that both concepts address the notion of maintaining something over time (Pearce et al. 1989; Pearce and Turner 1993).

Brundtland (1987, p54) who authored the report ‘Our Common Future’ defined sustainable development as, “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Duxbury and Gillette (2007) asserted that sustainable development must address both intra-generational and inter-generational equity. Additionally, Dodson (2002) notes that sustainable development involves innovation and opportunity, whilst Dodson and Smith (2003, p12) postulate “sustainable development is fundamentally a governance issue”. These latter two points of view have clear implications for the entrepreneurial role of Art Centres and the role of the Art Centre boards in the sustainability of their Art Centres.

Due to work in the field of social sustainability, culture is being acknowledged as having an independent, distinct and essential role in sustainable development (Duxbury and Gillette 2007). The term culture conveys many different meanings and no single definition will satisfactorily cover all interpretations (Arizipe 2002). In this thesis, culture is used in the specific context of traditional Australian Aboriginal culture. Culture can be defined as being, “the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only the arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions and beliefs” (UNESCO 1995, p22). Additionally, Guiso et al. (2006, p2) note that culture is “those customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation”. Although there are differences in beliefs, customs, practices and history between and within distinct groupings of Aboriginal people, there are also many commonalities and some generalisations are possible (Grieves 2009). In 1995, the World Commission on Culture and
Development added a cultural dimension to the existing three pillars of sustainability expanding the definition to include cultural development and highlighting the importance of future generations’ access to cultural resources. Within the sustainability literature, culture is considered in terms of cultural capital.

In Throsby’s (2003) view a single definition of cultural sustainability is difficult to address and instead he has developed a set of six principles to assess the sustainable management of cultural capital. The definition of cultural capital as developed by Throsby (2003, p167) is “an asset which embodies, stores or gives rise to cultural value in addition to whatever economic value it may possess”. Throsby (2003, p184) argues that the concept of cultural sustainability incorporates notions of intergenerational equity that encompasses the need for ensuring that future generations are “not denied the cultural underpinnings of their economic, social and cultural life”. Pilotti and Rinaldin (2004) note that a better quality of life is achieved and augmented through the sustainability of cultural resources. Additionally, the Sustainable Development Research Institute (1998, p1) defines cultural sustainability as, “the ability to retain cultural identity, and to allow change to be guided in ways that are consistent with the cultural values of a people”.

Hawkes’ (2001) model of sustainability recognises that a community’s energy, strength and quality of life are closely related to the energy, strength and quality of its cultural engagement, expression, dialogue and celebration. He further postulates that the key to cultural sustainability is the development and fostering of partnerships. This point is critical, as partnership development plays an important role in the planning and delivery of services in remote communities. However, as Dodson and Smith (2003) point out, the concept of development pertaining to Aboriginal communities is complex. An important point to note is that Aboriginal people have practised sustainable use and maintenance of their environment including bush tucker and waterways for thousands of years and that sustainability is part of Aboriginal pedagogy (White 2012; Horton 2000). In the context of remote Art Centres, sustainability can be seen as:

- Economic: activities that focus on viability, income generation, business efficiency, business models, productivity and profit
- Social: activities that focus on maintaining and developing trust and mutually beneficial relationships with artists, the Board of Management, the community, employees, service providers and customers
- Cultural: activities that focus on the ability to retain cultural identity, intergenerational
equity, keeping culture strong and intergenerational learning

- Environmental: activities that focus on the impact of resource usage (for example, power, water, natural products used in art production), the use of hazardous substances and the disposal of waste in remote communities

As Senge et al. (2008) assert, the relationship between the four pillars of sustainability have to be explicitly taken into account and their integration into general business practice and management offers considerable business advantages (Figge et al. 2002; 2001).

Figge et al. (2001; 2002) considers that:

- Sustainability management that is economically rational will be applied in times of company success as well as financial distress.
- Sustainability management contributes to economic objectives as it assists in disseminating the idea of sustainable development in business and acts as a role model for other businesses.
- An integration of cultural, social and environmental sustainability into general business management ensures that management covers all aspects of sustainability. From a sustainability standpoint, businesses that improve performance with regard to aspects of sustainability simultaneously will gain the greatest advantage.

An issue to note in the literature is the similarity between the notions of sustainability and enduring value. Sustainability involves the economic, social and cultural capital components that stem from the operation of the Art Centre having an enduring community value and benefit for future generations. Gifford and Kestler (2008) refer to this as sustainable community benefit. Enduring community value from Art Centre operations relates to the artists (or remote community) who have an interest in this activity having an on-going benefit (Davies et al. 2012).

### 3.4 The Sustainability of Remote Desert Aboriginal Art Centre Co-operatives

From the beginning of Commonwealth funding to remote Aboriginal Art Centre Co-operatives, the Government wanted to establish Art Centres as economically viable businesses. However, many researchers believed evaluating Art Centre Co-operatives on profitability alone could damage the sustainability of the fledgling Aboriginal Art Industry. Ware (2014) in writing for the Closing the Gap Clearinghouse states that sustainable art programs are crucial to maximise long-term outcomes. In order for Art Centres to enhance sustainability they need to adjust the business products to suit a changing market (Petersen & Congreve 2015a), adapt to market competition
and incorporate the attributes of the labour and capital markets into their business structure (Kast and Rosenweig 1979). The Miller Report (Miller 1985) and the Altman Report (Altman 1989) warned the Commonwealth Government against the inclination to develop evaluation standards that focused on economic criteria to the detriment of other benchmarks (Healey 2002). Additionally, Healey (2002, p2) states that given the differences in evaluation criteria:

_The administration of the Arts and Crafts Industry Support Strategy which funds art centers, has been fraught with challenges due to differing perceptions and understanding of the role of art centers and conflicting priorities at regional and national levels._

There is a growing concern from within art industry peak advocacy agencies such as Desart for remote Aboriginal Art Centres to be more sustainable (Watkins 2013). In part, this is due to the global financial crisis and its effect on the downturn in the sale of Aboriginal and Torres Strait Islander art, the trend of funding restraint by governments and the growth in the number of Aboriginal and Torres Strait Islander Art Centres.

The Australian Government (2014b) noted:

- Aboriginal and Torres Strait Islander people are more likely to be employed in visual arts and crafts occupations in their main job (52 percent) than non-Indigenous people (9.7 percent).
- Since 2007 paid employment in Art Centres has more than doubled.
- Approximately 77 percent of the Art Centres funded through IVAIS in 2008–09 were still funded in 2011–12.

One way to investigate if value can be created and sustainability enhanced in Art Centres is to analyse business models and management practices. In the general business environment some firms have adopted organisational and business models that can adapt and learn during periods of market downturn and uncertainty. One good example of adaptation in organisational models can be found in agricultural enterprises. Many agricultural enterprises have made profound changes to the way they do business and ultimately have strengthened their positions in the markets by developing organisational models that reflect Co-operative Enterprise Theory (Nilsson 1999).

Cooper et al. (2012), MacDowell et al. (2009) and Palmer (2010) present a cogent argument in relation to Art Centre sustainability. They state that stable staffing and adequate resources (in terms of finance and equipment) are paramount to sustainability. Additionally, Cooper et al.
(2012) note that long-term program funding is essential in order to build momentum and trust.

In 2007, a Senate Standing Committee conducted an inquiry (Securing the Future: Australia's Indigenous Visual Arts and Crafts Sector) into the Indigenous visual arts and craft sector in Australia (Commonwealth of Australia 2007). The concept of sustainability was an important factor for the Standing Committee’s deliberations in tandem with economic independence of Art Centres from government funding. Two prominent recommendations of the Senate Standing Committee (Commonwealth of Australia 2007) advocated:

- Assisting Aboriginal Art Centres to become financially sustainable and independent
- Facilitate funding for non-infrastructure projects to accommodate particular requirements

Aboriginal communities and organisations are confronted with considerable hurdles in commencing economic development enterprises before they even consider the issue of sustainability (Dodson and Smith 2003). In the view of Stolte (2009, webpage), “to make a business economically independent and sustainable, and this is no small feat, (an) ‘aggressive and disciplined’ approach is admittedly necessary”. However Stolte (2009) cautions that such a hard line way of running an Aboriginal Art Centre could threaten the capacity of the Art Centre to be involved in other social, health and cultural programs. The pertinent issue highlighted by Rothwell (2006) and Ryan (2006) is the need to find mechanisms to increase economic and cultural sustainability in Aboriginal communities.

Within the Commonwealth, State and Territory Governments in Australia, there is a belief that participation by Aboriginal people in art is good for remote desert communities from a sustainability, economic, cultural and Closing the Gap standpoint (Commonwealth of Australia 2009: 2012; 2012d). The Commonwealth of Australia (2007, p32) noted:

> One of the strengths of the Art Centres model is that they are driven by community investment, investment and commitment to artist careers, investment in the welfare of artists and families, an investment in keeping money within the local region /community and an investment in the long term sustainability of the organisation to keep on supporting artists and their communities for the years to come.

Total revenue (including sales, profits and grants) and revenue from sales of artworks varies between Art Centres and communities. The Office of the Registrar of Indigenous Corporations (2012) defines revenue from sales as the amount directly generated from the sale of artworks
before expenses (commissions paid to artists, costs of purchasing art supplies, marketing costs and income tax) are taken into consideration. The Office of the Registrar of Indigenous Corporations (2012) reported that while the percentage of Art Centres (incorporated under the Corporations Aboriginal and Torres Strait Islander Act) generating over $500,000 in art sales has decreased over the past four financial years, the percentage of Art Centres generating $100,000 or less has increased. They report that not only are fewer pieces of art sold but also they are being sold at lower prices. Tucker (2012, p5) in his review of remote Art Centres stated:

_In 2011 there was a significant drop in sales [across the 30 Art Centres], 22% down on the 2010 average, and the bottom line was, for the first time, a deficit. ... In 2011, 63% of all Art Centres surveyed incurred a loss, on average, $53533; in 2012 the loss making percentage was almost unchanged at 61% although the average loss fell to $41219. Overall, it was another deficit year at $5568, which was an improvement on 2011 where the overall average was a loss of $16746. Average sales declined again, down 5%, and now less than the average back in 2005. The market fell significantly in 2011, by nearly 23%, or nearly $120000 in sales on average, and almost all other income sources fell._

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Average Art Sales revenue per corporation</th>
<th>Number of corporations reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>$389,728</td>
<td>47</td>
</tr>
<tr>
<td>2008-09</td>
<td>$285,587</td>
<td>60</td>
</tr>
<tr>
<td>2009-10</td>
<td>$299,290</td>
<td>62</td>
</tr>
<tr>
<td>2010-11</td>
<td>$186,629</td>
<td>57</td>
</tr>
</tbody>
</table>

_Table 2:_ Average revenue from sales generated by Art Centres incorporated under the Corporations Aboriginal and Torres Strait Islander Act (The Office of the Registrar of Indigenous Corporations 2012, p14).

Acker et al. (2012) and Rothwell (2013) concur with Tucker (2012) agreeing that there has been a significant reduction in the art economy with The Australian Bureau of Statistics reporting a 52.1 percent reduction in sales in remote Art Centres since the global financial crisis (cited in The Office of the Registrar of Indigenous Corporations, 2012). Table 2 illustrates that the average revenue generated from the sale of art from Art Centres incorporated under the Corporations
Aboriginal and Torres Strait Islander Act decreased by 52.1 percent between 2007–08 and 2010–11 financial years (The Office of the Registrar of Indigenous Corporations 2012).

The Commonwealth Government, through the Indigenous Visual Arts Industry Support Program, provides funding to Aboriginal and Torres Strait Islander Art Centres and allied industry support organisations to help build a stronger arts industry. However, there is a growing imperative to address not only fiscal sustainability of remote desert Aboriginal Art Centres but social and cultural sustainability as well. Many authors note that in practice, sustainability is a problematic benchmark to agree on as there may be notable distinctions of perspicacity over what practices are sustainable (see for example Rennie and Singh 1996; Chambers 1995). Trewin (2003, p1) makes a pertinent point, which can be applied to remote Aboriginal Art Centres and the funding they receive:

*Where co-operatives have not become more market-oriented, financial pressures imposed by the amount of assistance required for them to survive in a non-market form is putting pressure on their continued existence as such. This is more the case in federal systems with decentralisation where states often have to pick up such costs with insufficient funding...and only survive through government support.*

An important issue to address in sustainability is whether remote Art Centres provide an adequate cost effective approach. It is difficult to standardise cost-benefit approaches because there is such a wide sphere of benefits including social, cultural and economic aspects and also no two Aboriginal Art Centres are the same. Cooper et al. (2012) note that common cost-benefit methods were not useful measures to use in Art Centres. This is principally because social and cultural benefits are inter-generational and include multiple domains such as unemployment, health, welfare and justice. Additionally, as the benefits are longitudinal in nature, quantification of the benefits based on a one-year evaluation time frame is problematic. Cooper et al. (2012) concluded that if the costs to the Commonwealth and State Governments of Art Centres were spread across the total Aboriginal community population the funding for Art Centre enterprises would be nominal. Given the number of government portfolio areas that positively intersect with art, the notion of shared responsible funding streams should be considered. Cairnduff (2001) and Pope and Doyle (2006) in relating their research findings note that for a program to become truly sustainable in the long term it needs to be run by the community. These findings are consistent with the work of Dodson and Smith (2003) who have studied local control of programs in Aboriginal communities.
Dodson and Smith (2003) adapted an approach developed initially by the Harvard Project (2013 website) to assess the main attributes for sustainable socioeconomic developments in relation to the degree of local control Aboriginal communities have over them (see Figure 4). Dodson and Smith (2003) assert that the focus of this approach is to ascertain if Aboriginal communities have local control over the main attributes of successful economic development. Dodson and Smith (2003), utilising research by the Harvard Project (2013 website) note that Aboriginal communities are measured as holding a low degree of control over the main attributes for creating economically sustainable developments (refer to Figure 4). For example, although remote desert communities can utilise technological innovations such as the Internet and sell artwork via their own website, they cannot change the distance from their market place. Market circumstances for Aboriginal enterprises are conditional on fiscal and market forces both nationally and worldwide over which the communities have no authority and control. This point is reflected in how the global financial crisis of 2008 affected the down turn in sale of Aboriginal art from remote communities. Dodson and Smith (2003) argue that education, training and socialisation practices in families are important ways of developing human capital in communities. Additionally, as Dodson and Smith (2003, p10) point out, “the process of socialization has been severely disrupted in many Indigenous families”. This disruption has many causes, for example historical loss, mission days, the Stolen Generation, forced adoption, discrimination, suicide, drug abuse, greater morbidity and mortality, hospital separation and incarceration.
A critical issue is ensuring that good governance underpins Aboriginal business and communities practice. Dodson and Smith (2003) note that community and/or business stability will be significantly increased by good governance resulting in an enhanced capacity of the community, making it conducive to sustained socio-economic development. Dodson and Smith (2003, p20) recognise:

*That without improved governance capacity, communities are unlikely to be able to make informed decisions about what kind of local development they want to support, and which strategies and activities will achieve better outcomes. Without improved governance capacity, there is unlikely to be sustained development, and valuable opportunities will be squandered.*

Similarly, Indigenous Business Australia (2008) stipulates that business enterprises or participation in business enterprises must be personally and fiscally sustainable for individuals, families and communities. For example, if a business or participation in a business requires too many resources or too greater a personal, family or community commitment, the sustainability of that business decreases. Business enterprises need to consider cultural, family and community obligations, as the time needed by families and individuals in remote communities to fulfil these obligations may impact on the sustainability of business and enterprises. For example, older
Aboriginal people have experienced loss of family at an unprecedented rate necessitating long periods of mourning and sorry business with prolonged absences from their home community.

Despite Art Centres generating less income due to the global financial crisis (Rothwell 2013), the Office of the Registrar of Indigenous Corporations (2012) reported that from 2007–08 to 2009–10 financial years, eleven Art Centres incorporated under the Corporations Aboriginal and Torres Strait Islander Act have consistently generated over $500,000 in art sales.

The importance of considering the external environment in which Art Centre Co-operatives operate is considered by the International Labor Organisation (2011, p1), which notes, “all enterprises operate within a political, social and economic context and are subject to regulatory and institutional constraint”. The work of Konig et al. (2013) and Christy et al. (2009) support the International Labor Organisation’s (2011) case, arguing that the process of globalization has the capability to advance emerging economies (like the Aboriginal art industry), and that the Government’s role is to create an enabling environment where the private business sector can be a funder and partner. Gray et al. (2012) concluded that the enabling of labour market programs that support investments in human capital have a function in overcoming such market disruption and similar impediments. Christy et al. (2009) in their work on enabling environments, formulated a hierarchy of enabling needs for the agro-industry that foster economic progress and growth, the application of which is applicable in the Art Centre context. Their hierarchy is comprised of three categories of enablers as shown in Figure 5.
The application of the work of Christy et al. (2009) to the question of the sustainability of Aboriginal Art Centres provides different elements of understanding and insight into the issues of sustainability for these Centres and their respective communities. For example:

- **Essential Enablers**

**Infrastructure**

The report ‘Talking Points A Snapshot of Contemporary Visual Arts 2013-14’ (Murray 2014) commissioned by the Australia Council for the Arts identified that the sustainability of infrastructure is an ongoing concern particularly after the global financial crisis. Infrastructure Australia (2012) states one of its nine key challenges is improving infrastructure in remote communities and Closing the Gap in essential infrastructure. In remote communities there is often limited infrastructure to provide leisure and other pursuits (South Australian Commissioner for Social Inclusion 2007), which can negatively impact residents (Allain 2011; Cooper et al. 2012). Challenges of providing functional infrastructure in remote communities include the areas of electricity, water, sewage, roads, airstrips and housing.
Functional infrastructure in remote communities is an enabling factor in the sustainability of remote businesses including Art Centres. Remote Art Centres depend on well functioning infrastructure to operate on a daily basis. For example, reliable transport infrastructure needs to be in place so that artists can attend the Centre to paint, supplies can be delivered, consignments of artwork transported. Furthermore, electricity for lighting and computers needs to be operational and potable water for drinking and hygiene needs to be available. It is therefore reasonable to extrapolate that the breakdown of infrastructure in remote communities impacts on the sustainability of both the community and Art Centre.

**Land tenure and property rights**

The trend by governments in the early years of colonisation to move Aboriginal people from their traditional country onto missions has had significant multi-faceted ramifications (Mikhailovich et al. 2011). According to Aboriginal traditional law, the custodians of the land have responsibilities to their country and to practise traditional cultural ceremonies (Mikhailovich et al. 2011). Australian law in the past failed to recognise the land and water rights of Aboriginal people. Current Native Title legislation however, does recognise the traditional ownership by Aboriginal people of both land and water according to their traditions, laws and customs. Any policy on land tenure and reform needs to respect Aboriginal cultural/spiritual links to land and water and traditional land holding systems and deliver a system of improved housing, infrastructure and service delivery (Mikhailovich et al. 2011). The High Court of Australia made an important decision in 1992 when it legally recognised the ‘spiritual attachment’ of Aboriginal people to their land as the basis for ‘Native Title to Land’ (Charlesworth 1998). This decision known as the ‘Mabo Case’ (Australian Bureau of Statistics 1995) resulted in the Commonwealth Government enacting the Native Title Act 1993 to provide a system for Aboriginal people to claim Native Title. Under this Act, Native Title continues where Aboriginal people can demonstrate a continuing traditional connection to the land and where the title has not been extinguished or supplanted (Curthoys et al. 2008). Mikhailovich et al. (2011) states that the issue with this condition is that many Aboriginal people had been dislocated from their homelands for a very long time. Many Aboriginal communities currently do not have freehold title over their land and the Indigenous Land Corporation was established as a statutory authority to assist Aboriginal people to acquire and manage land in order to achieve cultural, social, economic and environmental benefits. The issue of freehold land titles that are held under an incorporated body are problematic in relation to the borrowing of money for businesses and homes. Indeed
banks, building societies and Indigenous Business Australia will not lend money to build either houses or business premises on land that is not freehold or that is held under incorporations similar to that existing in the APY Lands. Paradoxically however, residents of the APY Lands who were given back their land under freehold title cannot borrow funds against the APY land for business purposes. The Commonwealth Government (2013c, p23) in a recent review stated, “Land tenure reforms are important to secure appropriate tenure arrangements for both private investment and government, as well as to facilitate economic development opportunities on Indigenous land”. The Commonwealth Government has committed to work in partnership with the States and Northern Territory to address barriers to economic development and home ownership opportunities on Aboriginal land.

**Important and useful enablers**

An example of utilising the components of the important and useful enablers categories in the Christy et al. (2009) hierarchy has been the Commonwealth Government’s Remote Service Delivery Program. This Program identified 29 communities for additional and accelerated investment. Under this agreement the Australian Government, States and the Northern Territory invested $291.2 million over five and a half years from January 2009 to change the way they work with Aboriginal people and communities in the priority locations to enable improved service delivery (Commonwealth Government 2013c).

The principal findings from a recent Government Review (Commonwealth Government 2013c) conducted in relation to the Remote Service Delivery Program states that there has been a significant increase in the range, standard and accessibility of services. Additionally, the Government Review (Commonwealth Government 2013c) reports:

- Improvements in economic and social participation, leadership and governance
- New local businesses have been supported or established in ten locations.
- Trade Training Centres have now been constructed or approved to service 18 Remote Service Delivery communities.
- Many locations have access to other vocational training services or facilities and have received business development advice and training.
3.5 The Hybrid Economy: Balancing Economics and Culture

Since the beginning of the Aboriginal and Torres Strait Islander art movement in Papunya in 1971, Aboriginal and Torres Strait Islander art has become a type of currency whereby Aboriginal and Torres Strait Islander people can obtain not only enhanced economic benefit but also social and cultural benefit (Borzaga and Defourny 2004; Morphy 2005; Mercer 1997; Dees and Anderson 2002). This has been expressed as art contributing to the capitalist component of an economy composed of customary forms of exchange, welfare and industry (Mercer 1997; Altman 1989). Aboriginal people live in a ‘hybrid economy’ of state (welfare, housing, health, education), customary (traditional knowledge and practices) and market interaction (Altman 2001; 2011). The economic effect and influence of arts activity is viewed by some of those directly involved as entwined with the social health and fabric of the community (Brennan-Horley et al. 2007; Petersen & Congreve 2015a). Engagement in Art Centres contributes to social and cultural capital and provides the artist and their family with benefits through enhancing economic security, providing access to training and potential employment (Altman 2001; 2011).

3.6 Business Failure

3.6.1 Introduction

The issue of business failure has been one of the most researched issues in the business literature over the past 70 years (Balcaen and Ooghe 2006). Weitzel and Jonsson (1989) highlight that this level of interest is justifiable given that all stakeholders have a vested interest in the future success or failure of the business. The business’s failure could give rise to devastating microeconomic consequences for the stakeholders of the business and lead to wider macroeconomic issues (Crutzen and Van Caillie 2008). Given that Art Centres in some remote communities are the only economic enterprise, their failure could potentially lead to dire economic and social consequences for individuals and the community as a whole. Barney (1991, p99) states that businesses that are failing are not successful in:

Obtaining sustained competitive advantages by implementing strategies that exploit their internal strengths, through responding to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses.

Furthermore, the literature on business failure highlighted that businesses have differing reasons for failure (Argenti 1976; Crutzen and Van Caillie 2008; Newton, 1985), with the literature primarily distinguishing between two elements to explain the causes and the process of business failure (Daubie and Meskens 2001). Firstly, researchers have studied the beginning of the
businesses failure in order to find the root cause, believing that would achieve a permanent fix (Argenti 1976). Alternatively, researchers have addressed the dynamics of the failure process by delving into how constitutive factors (causes, consequences or symptoms of business failure) combine over time (Crutzen and Van Caillie 2008). Laitinen (1991) maintains that research into business failure is critical, as it leads to notions of the failure process and failure path.

Kaplan and Norton (1992) note that the performance of any business can be positively affected by maintaining parity between long-term business objectives that emphasise creativity and the continued acquisition of knowledge and short-term business objectives based on efficiency and fiscal goals. The consensus of the majority of the literature addressing business failure was that it is generally the result of a series of inadequacies of the firm’s resources and their deployment, and not one issue (Newton 1985; Crutzen and Van Caillie 2008). It is also evident that inadequate managerial competencies are the major cause of business failure (Altman 1990; Crutzen and Van Caillie 2008; Argenti, 1976; Peterson et al. 1993; Wichman 1993; O’Neill and Duker 1986; Haswell and Holmes 1989; Thornhill and Amit 2003). Crutzen and Van Caillie (2008) suggest that inadequate managerial competencies in strategic management and business administration are key causes of small business failure. However, the concept of deficit or inadequate managerial competencies covers many aspects such as:

- Operational, financial, commercial and marketing strategic knowledge and experience (Kaplan and Norton 1992; Wichman, 1993; Haswell and Holmes 1989; Crutzen and Van Caillie 2008)
- Commercial management, organisational /coordination skills, operational and day-to-day management, leadership, communication and delegation skills, team management experience (Argenti 1976; Crutzen and Van Caillie 2008; Kaplan and Norton 1992)
- Adaption of skills needed to modify aspects of the firm to internal or external pressures (Argenti 1976; Weitzel and Jonsson 1989; Thornhill and Amit 2003; Crutzen and Van Caillie 2008)

Crutzen and Van Caillie (2008) developed a comprehensive range of internal and external factors that have the potential to cause business failure. In relation to internal factors they found four categories of issues that could influence failure. Firstly, there were fiscal issues such as the absence of provisions or budgets, the poor management of the recovery of account receivables and inadequate investment policy. Secondly, management issues such as the absence of strategic planning, absence or the inadequacy of organisational routines, poor administrative management, a deficient accounting system, bad management of the firm’s growth and an insufficient or
excessive diversification strategy could influence failure. Thirdly, issues existed such as marketing and promotion including excessive dependence of the firm on a limited number of clients, difficulty to determine an adequate sales price and the absence or the insufficiency of promotion. Lastly, the issue of corporate governance problems could influence the success or failure of corporations. In relation to external factors that could influence failure, Crutzen and Van Caillie (2008, p307) listed three major issues, the inadequacy of the “product-market” couple, the problematic localization of the firm and deficient organisation of the internal/external value chain of the firm. Dodson and Smith (2003) argued that it is the interaction between these internal and external forces that influence the economic failure and lack of sustained development of many Aboriginal enterprises. A condensed version of business failure factors are noted in the Office of the Registrar of Indigenous Corporations Report (2010) on the five symptoms of corporate failure in Aboriginal businesses. Additionally, Dodson and Smith (2003) noted that issues such as culture and the political, policy and economic environments within which remote Aboriginal communities function had the potential to influence business success. Christy et al. (2009) recommends that all levels of Government need to have a fundamental shift in thinking in relation to external factors and develop policies and frameworks that work towards an enabling environment. Crutzen and Van Caillie (2008) in their research on small firms isolated five main reasons that enterprises fail. Firstly, failure can occur if firms are traumatised by an abrupt event that can arise from competitive environments or from person-related issues such as succession issues, disagreements, injury or death of key players. Secondly, if there is incongruity in the goals of the manager and the goals of the corporate organisation, unaligned goals will result. Thirdly, when the firm and manager are not flexible enough to sustain the connection between internal resources and capabilities and external strategic factors, the firm can fail. Fourthly, failure can occur as the direct result of the inadequate management of external factors. Lastly, where there are recurrent deficiencies and limitations in managerial skills, failure can be expected.

3.6.2 Business Failure in Defined Aboriginal Businesses

There is very limited literature specific to the failure of Aboriginal corporations and businesses, however, the Office of the Registrar of Indigenous Corporations (which support the Registrar in the regulation of 2,300 Indigenous corporations Australia wide) specifically commissioned research into business failure. The research by the Office of the Registrar of Indigenous Corporation (2010) suggests that the most common reasons for the failure of Aboriginal businesses were poor management and poor corporate governance.
The Office of the Registrar of Indigenous Corporation’s Report (2010, p5) specifically mentioned five symptoms of corporate failures:

- How managers managed the affairs of the business
- Poor financial accounts
- Poor record keeping of members’ records
- Failure to hold annual general meeting
- Disputes within and between businesses

A survey of Art Centre respondents incorporated under the Corporations Aboriginal and Torres Strait Islander Act detailed many issues and challenges that could lead to business failure. Firstly, external issues such as the global financial crisis, market volatility and competitiveness were seen as critical issues impacting on business performance. Secondly, a number of internal factors were seen to affect and challenge an Art Centre’s sustainability including ‘carpetbaggers’ and poaching of artists, adequate display, storage and workspace, remoteness, attracting and retaining qualified staff and sourcing income (Office of the Registrar of Indigenous Corporations 2012, p42). Additionally, Dodson and Smith (2003) note that factionalism within communities has the potential to undermine good governance in organisations by affecting the stability of boards of management. Due to kin relationships, board members can vacillate between the responsibility of looking after their own families and the wider community. In relation to business failure in remote communities Dodson and Smith (2003) recognise that many factors impede development including remoteness from the market place, inflated transportation costs, depleted community populations, unfavourably low economies of scale and external factors. They note that many Aboriginal organisations and individuals in remote communities have lower skill levels in financial and business management due to reduced levels of literacy and numeracy. In conclusion, in order to appropriately understand business failure, it is necessary to clarify the differences between the main categories of managerial deficiencies. If this can be achieved, Art Centres may be better placed to respond to inadequate managerial competencies that can cause failure so that solutions and corrective strategies can be developed (Crutzen and Van Caillie 2008).

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4 In this thesis, carpetbaggers are defined as: “commercial gallery owners, backyard dealers and private agents who swoop into Aboriginal communities and snap up Aboriginal art at a fraction of its value, reselling the work in galleries, on the internet and eBay at inflated prices” (Dow 2007 np).
3.6.3 Business Success in Defined Aboriginal Businesses

A contrasting approach is to focus on business success and isolate the main attributes for successful economic and business development. The 2007 Senate Standing Committee Enquiry into the Indigenous visual arts and craft sector (Securing the Future: Australia's Indigenous Visual Arts and Crafts Sector) associated success of Aboriginal Art Centres with the amount of funding they received from the Commonwealth Government (Commonwealth of Australia 2007). The Senate Standing Committee concluded that an Art Centre was successful if it was financially independent from Commonwealth funding and unsuccessful if it was receiving funding. Broader determinants for Art Centre business success have been postulated. For example, (Healey (2002, p1) concluded that “In the context of self-determination Art Centres may be viewed a success”. Stolte (2009) concluded that evaluating Art Centre success on its level of government funding alone is too limiting. He recognised that Aboriginal Art Centres are also occupied with a range of health and socio-cultural activities and as such do much more than simply produce art, however the Commonwealth Government continues to apply pressure through funding and policy decisions, for Art Centres to be more financially independent. Fisher (2012, p82) in writing about what constitutes an Art Centre to be successful states:

> With respect to the lenses of government policy it is the precise meaning of Aboriginal art’s widely celebrated “success” that is elusive. Is it a “market” success, an “economic” success, an “artistic” success, or an “Aboriginal” success? That this question cannot be easily answered is indicated by the fact that the motives for subsidy (particularly in the last decade) have been shaped by impressions of both the success and the fragility of the Aboriginal art industry.

Significantly however, the Pearn Report (cited in Cooper et al. 2012) identified a range of features that were indicative of successful Aboriginal art industry initiatives:

- A cohesive group of artists
- Studio/workspace
- Quality materials
- Governance – Indigenous participation in decision-making
- Professional arts development
- Good management and accountable human resource systems
- Marketing/gallery representation
Dodson and Smith (2003) in their analysis measured Aboriginal communities as holding a moderate degree of control in relation to their cultural capital and customary economy. Culture is strengthened and cultural capacity is enhanced by individual and community participation in cultural activities such as participation in men’s and women’s business, having links to country, speaking language and connection to family and the community. Utilising the 2008 National Aboriginal and Torres Strait Islander Social Survey (Australian Bureau of Statistics 2008) data, Dockery (2011) showed positive associations between participation, identity and Aboriginal language use and subjective well-being such as happiness and mental health. Additionally, Dodson and Smith (2003) stressed the benefits of Aboriginal communities and organisations having a particular focus on stable governance as an enabler and platform for developing sustainable economic enterprises.

3.7 Culture and Development

The Report by the Senate Standing Committee “Securing the Future: Australia's Indigenous visual arts and crafts sector” (Commonwealth of Australia 2007) recognised that Aboriginal Art Centres have a pivotal role of enabling the preservation, conservation and dissemination of Aboriginal culture. Authors such as Bromfield and Burchill (2005), Colquhoun and Dockery (2012) and Phipps and Slater (2010) noted the vital importance of art in Aboriginal people’s lives given the disruption to cultural continuity experienced in most Indigenous communities, both past and present. Palmer (2010) documented the re-charging effect community arts programs had on Aboriginal elders when circumstances permitted them to transmit cultural knowledge to the young people in community. Correspondingly Allain (2011) noted that traditional visual arts assisted to expand and strengthen a sense of connection to country.

Culture is an integral and influential factor in developing economic and social enterprises in remote communities (Dodson and Smith 2003). There is evidence principally from North America in relation to the advantageous influences associated with Indigenous individuals, particularly youth, maintaining a strong bond and relationship with their traditional cultures and values (Dodson and Smith 2003). In the Australian context, Davies et al. (2012) report that although the transmission of traditional knowledge and culture has been less disrupted in remote communities than elsewhere, it is still in a state of intermittent transmission in many communities. This point is significant as the literature pertaining to traditional culture, knowledge and resilience ascribes the influences associated with traditional knowledge and culture as critical
to adaptive capacity and affirmative resilience (Davies et al. 2012; Dean and Stain 2007; Wexler et al. 2009).

Artwork has been used as evidentiary proof for Native Title claims, for example, the Yirrkala Bark Petition (Esguerra 2014), the Ngurrara Canvas (Anker 2005) and the Spinifex Claim (Twigg 2012). The Spinifex Native Title determination in 2000 was the first determination in Western Australia under the Native Title Act (Central Desert Native Title Services 2000). As part of the Spinifex Native Title claim, the Spinifex Arts Project was established in 1996 to document ownership of the Spinifex Country (Twigg 2012) and has continued to produce high quality art.

Marsh et al. (2003) postulates that from the economic standpoint it is justified to accord culture with a higher profile in development. Many countries, including Australia, have community art organisations and specific projects based on traditional cultural skills that provide essential income to Indigenous populations. For example, in Australia, Aboriginal Art Centres provide income in remote communities and in Peru two-thirds of the country’s artists had no other source of income than fair trade deals for their art and craft (Gould 1996). In countries and remote areas where literacy is low, development and aid projects have often used cultural activities to promote project participation (Kidd 1982). Freire (1970) pioneered this concept and approach to participatory development in his reformist work on education techniques and his informal approach to education was profoundly embedded in local culture.

In 1982, the United Nations Educational, Scientific and Cultural Organisation recognised the importance of culture in developing strategic economic responses. This organisation has continued to champion the significant impact of culture as a critical component of the international development agenda of the United Nations. The focus on culture and cultural industries and their role in sustainable development is a concept known as the creative economy. Cultural industries in this context are businesses that utilise cultural knowledge as a major input in the development or production of goods and services. Remote Aboriginal Art Centres are good examples of a cultural industry that is part of the creative economy. The United Nations Committee on Trade and Development (UNCTAD 2008; 2010) noted the benefits from the channelling of creative endeavours and the mobilisation of cultural capital including fiscal dynamism, employment opportunities and export potential. Additionally, the concept of linking creativity, culture and industry was an important consideration in the Australian Government’s policy, Creative Nation (Commonwealth of Australia 1994).
The use of Throsby’s (2008) Concentric Circles Model to map the role of cultural industries and their role in the economy is valuable to note. This model stresses the importance of the development and promulgation of creative ideas that encourage cultural production, entrepreneurship and innovation within the cultural sector and wider economy. Throsby’s (2008) concentric circles modelling of a creative economy is based on acknowledging that there are cultural industries that form a system around a creative centre. Intrinsic to this model is the notion that ideas, influences, innovations and knowledge are dispersed in the cultural sector and the wider economy. Higgs et al. (2008) noted that workers in creative industries could likewise move through the system from the local enterprise that trained them to employment in the wider economy. This concept recognises the importance of training for Aboriginal art workers at remote Art Centres enabling them to capitalise on local training to gain work within the wider Art Industry or in other fields. Throsby’s (2008) concentric circles modelling has particular relevance to Australian remote Art Centres as:

*It connects primary artistic and cultural activity to the channels through which that activity can yield an economic return, yet does so in a way that acknowledges the cultural significance and respects the cultural integrity of the production process involved. This model implies the continued generation of original creative product for sale into export markets, depends on the maintenance of a healthy and well-supported creative core. Such a condition has clear implication for the links between cultural and economic policy as support for the arts and heritage needs to be seen as having an economic rationale in addition to whatever artistic or cultural motivations it might have (Throsby 2015).*

### 3.8 Summary

The creative economy model and the concept of cultural sustainability discussed in this chapter highlight the inherent capacity for cultural industries such as the Aboriginal Art Industry to play a central role in the development of communities (Throsby 2015). This chapter has identified that it is vital for remote Art Centres to foster cultural activity that enhances community well-being and sustains Aboriginal culture. The maintenance of cultural practice is a significant contributor in sustaining not only a cohesive and socially healthy community (Commonwealth of Australia 2007) but also remote livelihoods. Remote Art Centres have the opportunity to develop programs and activities that can create a platform for sustaining culture and inspiring art and expression, including trips to country, collection of native seeds and grasses, mapping country, maintaining artefacts and intergenerational learning opportunities. Additionally, new forms of cultural representations such as multi media products being produced at Art Centres (refer to Chapter 9),
add to the range of existing cultural art forms. Throsby (2015) noted the importance of creating market opportunities and the Pearn Report (cited in Cooper et al. 2012) identified marketing as one feature of a successful Aboriginal art industry initiative. In relation to business failure relative to Art Centres, the findings of The Office of the Registrar of Indigenous Corporation’s (2010) noted that in all Art Centres the establishment of competent management and good corporate governance must be a priority as an enabling factor for an organisation’s sustainability. Furthermore, issues such as lack of cultural policies, inadequate infrastructure, lack of marketing expertise and knowledge and the lack of entrepreneurialism and innovation (Throsby 2015) can be obstacles for Art Centres achieving sustainability.
Chapter 4: Aboriginal Art Centre Co-operative Enterprises

4.1 Chapter Outline

This chapter provides an introduction to Aboriginal Art Centre Co-operatives. The chapter highlights the notion that Art Centre Co-operatives should not be viewed as businesses in the traditional or conventional way but rather as a coalition of members with varying concerns. In particular, a key feature of remote Art Centre Co-operatives is the number of stakeholders with multifarious objectives. Finally, the chapter addresses the strengths, weaknesses and characteristics of co-operatives with particular reference to remote Aboriginal Art Centre enterprises.

4.2 Introduction

Governments and art industry peak agencies regard remote Art Centres as co-operative enterprises. The document ‘Tjukurpa Pulkatjara-The Power of the Law’ published by the art industry peak agency Ananguku Arts and Culture Corporation (2010) referred to remote Art Centres as co-operatives. The Australian Government (2014c, p24) also identified “Community art centres are 100 percent artist-owned co-operatives”. Additionally, the New South Wales Government (2014, webpage) stated:

These centres, which helped to develop today’s booming market, are co-operative structures for the development, display, marketing and distribution of artworks. In some cases this collective response reflects the quite collective manner in which the art community first organised and established itself, for example Warlukurlangu Aboriginal Artists Association at Yuendumu.

Whilst remote Art Centres are regarded as co-operative enterprises, it is relevant to note that the majority of Art Centres including the three case study sites are not registered as co-operatives under the Australian Government’s Corporation Act 2001 (Australian Government 2001) but as Indigenous Corporations under the Corporations Aboriginal and Torres Strait Islander Act 2006-CATSI Act 2006 (Australian Government 2015).

Mazzarol (2015, pers. com.) noted that,

Aboriginal enterprises registered under the CATSI Act (2006) have to demonstrate similar attributes to co-operatives and can have a minority of independent directors on their boards that help to enhance the quality of governance and strategic decision...
Importantly is also seeks to enshrine the principles of indigenous representative membership, traditional laws and customs and decision making.

The CATSI Act 2006 (Australian Government 2015) was established as a mechanism to address the symptoms of perceived corporate failure in Indigenous enterprises (refer to 3.6.3) (Office of the Registrar of Indigenous Corporation’s Report 2010) and requires that registered Indigenous Corporations must be owned and controlled by Aboriginal and Torres Strait Islander people, with the majority of directors and members being community members. A defining feature of the CATSI Act 2006 (Australian Government 2015) is that although it requires that at least 51 percent of members and directors of Indigenous Corporations must be indigenous people, other members can include corporate partners with full membership and ownership rights. The CATSI Act 2006 (Australian Government 2015) is legally different from the Australian Government’s Corporation Act (2001) that require members to be active patrons of the business before they can have ownership and voting rights. The CATSI Act 2006 (Australian Government 2015) has been criticized for being overly complex and creating a racist segregation of Aboriginal Corporations from mainstream corporations (Foley 2013).

Aboriginal Art Centre Co-operatives can be considered as non-conventional coalitions of artists who come together in relation to their economic, social and cultural needs. This view fits well with Mazzarol et al. (2009; 2011a; 2011b; 2012a; 2012b; 2012c), who state that co-operatives should not be viewed as businesses in the traditional or conventional way but rather as a coalition of members with varying concerns, aspirations and wants. This thesis has utilised and adapted the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Co-operative Enterprise Research Framework as an enabling tool for the analysis of the business practices of remote Aboriginal Art Centres. The Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework’s principles of increased sustainability, democratic governance and the fostering of social capital via the building of mutual reciprocity are pertinent to the business models of remote Art Centres. Additionally, the Framework allows expansion to include components that are relevant to remote Art Centres such as Aboriginal community and cultural capital. The use of the expanded Framework enables analysis of Aboriginal Art Centre Co-operatives at both the macro and the micro level of business practice facilitating a comprehensive exploration of sustainability factors.

Due to limited data on Art Centre business practices and the need to gain insight into the operations of Aboriginal and Torres Strait Islander Art Centres as co-operatives, this research has utilised studies concerning the economics of rural organisations as parallels can be drawn
between these entities. For example, remoteness, market access and co-operative enterprise features are experienced by both entities. In relation to agricultural co-operatives in developing countries Batt (2003a, p84) concludes:

> Without first seeking to improve the physical infrastructure, the flow of market information, technical advice and capital, or to introduce appropriate pricing policies, quality standards and to upgrade the regulatory institutions, there is not only a greater chance of failure, but a greater possibility that any benefits derived from cooperative marketing will be disproportionately allocated to those who have the highest social status and most political power.

Bosc (2001) described farmer organisations as hybrid organisations combining a range of economic, social and political functions. Neck et al. (2009) similarly asserted that co-operatives are a ‘hybrid’ example of a social enterprise and that although they address both an economic and social task, the emphasis on focus can transfer between both functions. Likewise, Altman (2001; 2011) has described Aboriginal Art Centres as having a ‘hybrid economy’ indicating that both remote Art Centres and rural farmer co-operatives encounter similarities in business practices.

### 4.3 Definitions of Co-operatives

Co-operatives are one of the oldest types of business and are generally guided by the “social principles and ethical values of honesty, openness, social responsibility, equality, solidarity and caring for others” (Copper et al. 2013, p6). The International Co-operative Alliance\(^5\) defines a co-operative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (International Co-operative Alliance 2005). Whilst co-operatives can be seen as a social enterprise, they are also businesses that have been created to generate fiscal as well as social benefits and returns to members (O’Conner 2003). However, Levi and Davis (2008) have called co-operatives the ‘enfants terribles’ of economics and argued they were too socially focused for conventional business but too economically driven for the not-for-profit-sector. This contention of Levi and Davis (2008) when viewed in the context of remote Art

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\(^5\) The International Co-operative Alliance (ICA) was founded in London in 1895 at the inaugural ICA Co-operative Congress and is a grouping of co-operatives from around the world, which is recognised as the collective international voice of co-operatives. The conference was responsible for the establishment of the International Co-operative Alliance’s aims to provide information, define the co-operative principles and values and develop trade (Copper et al. 2013)
Centres is thought provoking. This thesis contends that although remote Aboriginal Art Centre Co-operatives are not conventional businesses they need to be both socially and economically driven. This point is consistent with the reasons for the establishment and the functions of Aboriginal Art Centre Co-operatives (specifically focussed businesses established for economic and social benefit) as discussed in Chapter three. The International Co-operative Alliance (2005, webpage) lists seven guiding principles for co-operatives however, O’Conner (2003) notes that some co-operatives diverge from these principles in significant ways. These ‘Principles of Cooperation’ are regarded as the foremost indicator in differentiating a co-operative from other forms of corporate enterprise (refer to Figure 6):

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Co-operation among co-operatives
- Concern for community

Figure 6: Guiding Principles for Co-operatives (Copper et al. 2013).
A co-operative is a legal body made up of individuals or businesses that gain benefit from membership and is controlled by a board of directors. The essential feature of a co-operative is the essence of the relationships between the assortment of contributors in the co-operative, for example members, board, manager and patrons (United States Department of Agriculture 1989).

Copper et al. (2013) contends that people are the most important attribute of a co-operative enterprise. Art Centre Co-operatives belong to the community and are governed by elected community members to provide benefits for individual artists and the community. Co-operatives are created so that people who have similar interests (for example art) can enjoy the social, economic and cultural benefits that co-operatives can generate.

4.4 Co-operative Enterprise Development

Co-operative enterprises are not new to Australia with large numbers being established in the early twentieth century, principally by farmers wanting to maximise their negotiating capacity in relation to firms that furnished their raw products or sold their product (O’Conner and Thompson 2001). Many authors have made significant contributions to developing Co-operative Theory and practice including Cook (1995), Cook et al. (1997; 2004; 2009), Emelianoff (1942), Robotku (1957), Phillips (1953), Sexton (1984; 1986), Helmerberger and Hoos (1962), Chaddad et al. (2004), Carson (1979), Cotterill (1979), Levi and Davis (2008), Lopez and Spreen (1985) and Staatz (1983). Co-operative research in the 1940s to 1980s principally focused on whether co-operatives were an extension of the member businesses or whether co-operatives could be viewed as organisations capable of making decisions independent of their member businesses (United States Department of Agriculture 1989). Researchers such as Enke (1945) centred their work on co-operatives being a distinct type of business and stressed that co-operative managers had a choice of what business practices to focus on and cultivate (for example sales, profits). Additionally, Phillips (1953) contended that co-operatives constituted a firm that was mutually owned by independent members and that cost sharing and the advantages and rewards of the co-operative should be in proportion to utilisation by members. By the early 1960s proponents of co-operatives such as Helmberger and Hoos (1962) asserted that co-operatives maximised profits of members by operating on a zero profit basis to the co-operative by returning their entire surplus to the members. Additional work also focussed on the notion of expanding membership of the co-operative to capture scale and size of economies. A differentiating characteristic of this model was the underlying supposition that the co-operative aspire to a single objective or goal and that
all the co-operative’s capacity would be consigned to achieving it. Although co-operatives had been previously viewed as providing social benefits, it was Carson (1979) who developed a co-operative model called the ‘G Firm’ that maximised a general welfare function of the co-operative (United States Department of Agriculture 1989). This model has a clear alignment with the current Art Centre Co-operative model by having social and cultural elements. In the 1980s, there was renewed interest in agricultural co-operatives because Co-operative Theory had successfully addressed the continued challenges that co-operatives were facing. This new research utilising agency theory, game theory and contestable market theory saw co-operatives viewed as firms and coalitions of participants (United States Department of Agriculture 1989). Cotterill (1987) further developed an approach to Co-operative Theory that included elements of sustainability. Cotterill’s work (1987) is relevant to the sustainability practices of Aboriginal Art Centre Co-operatives because it was based on what goals a co-operative can undertake and sustain instead of previous notions about what goals the co-operatives should undertake.

Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) suggest that co-operatives should be viewed through the lens of strategic network theory. Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) postulates that small commercial organisations that form business associations with other small businesses augment their competitiveness by the use of personal networking. The membership of peak agencies, such as Ananguku Arts by APY Art Centres or Desart by Western Desert Art Centres, is a good example of this. Networking generates social capital, that necessitates trust and reciprocity and that often leads to strengthened business knowledge and innovation among small firms (Cooke and Wills 1999). Networking has significant benefits for businesses attempting to make changes through innovation (Rothwell 1991). In the view of Helmberger and Hoos (1962), co-operative enterprises created by small commercial organisations are an example of a network organisation or coalition.

The work of Miles and Snow (1992) differentiated three forms of strategic networks: stable internal and dynamic. Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) in their work on co-operatives elucidated that co-operatives adopt a position between the stable network and internal network. Co-operatives therefore function between a business that preserves a network over time during a time of market stability (stable network) and an autonomous component of a larger business that cooperates within an overall collaboration of businesses (internal network) (Miles and Snow 1992; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c). Jarratt (1998) articulated that small businesses acquire value from being a member of strategic networks in three ways.
Firstly, value acquisition occurs through the creation of new value, for example ideas and markets. Secondly, it occurs through the network’s ability to help the business access resources. Lastly, it occurs by the small businesses’ ability to use the network to defend its market position.

In scanning the literature, a range of co-operative models could be distinguished including the Traditional Co-operative Model and the New Generation Co-operative Model (Hansmann 1996; Hackman and Cook 1997; Cook and Tong 1997; Torgerson et al. 1997). The Traditional Co-operative Model has been in existence since the mid 19th century and its ability to work successfully in the area of competitive markets is documented (Nilsson 1999). The Traditional Co-operative Model has a model of open membership, democratic member control, member economic participation, autonomy and independence, education, cooperation among co-operatives and concern for community (International Co-operative Alliance 2005; Barton 1989).

In the view of O’Conner and Thompson (2001, p6), “the maintenance of bargaining power remains an important reason for the existence of co-operatives”. As a business model however, co-operatives have a range of weaknesses that are elucidated in the literature including property rights, one member one vote and governance (O’Conner and Thompson 2001). Nilsson (1999, p452-) concludes:

*The most common economic theoretical tool for traditional co-operatives is the transaction cost theory. Briefly explained, when the average cost curve of the processing activities is constantly declining and the price is independent of the volume supplied, the firm (or rather its owners) has an incentive to increase the volume as much as possible.*

Some co-operatives are entrepreneurial in nature as Nilsson (1999, p454) notes:

*What unites the entrepreneurial models is that there are investors who get remunerated for their investments in the form of return on investment. This profitability component in the firms’ objective function may explain the label entrepreneurial.*

The New Generation Co-operative Model emerged from the United States in the late 1990s as a modified co-operative model that could moderate a range of the problems faced by traditional co-operatives that were small and specifically focused enterprises (O’Conner and Thompson 2001). The central elements of this model are:

- Capital is not regarded as common property (O’Conner and Thompson 2001; Gall and Schroder 2005)
Members hold a number of shares that are proportional to their delivery rights (O’Conner and Thompson 2001; Chaddad and Cook 2004; Fulton and Sanderson 2002; Katz and Boland 2002)

Closed membership (O’Conner and Thompson 2001)

There is a right and obligation to deliver quantity of products (O’Conner and Thompson 2001)

Businesses are focused on niche market (O’Conner and Thompson 2001)

May issue non-voting preference shares to local investors to generate community involvement (Katz and Boland 2002; Gall and Schroder 2005)

Business size, as cited by O’Conner and Thompson (2001), is an important element in the success of co-operatives. There are a range of definitions in the literature that apply to small, medium and large businesses and business literature also differentiates specific characteristics in relation to the size of the enterprise. Therefore it is important to reach some conclusions as to the definitional size of the majority of remote Aboriginal Art Centres. Over the last 10 years, there has been a propensity in the literature to distinguish between micro, small and medium business enterprises. Keats and Bracker (1988) have noted that small businesses such as Art Centres have particular attributes that can lead to business vulnerability. It is these precise attributes that impact on why and how small business can fail. Utilising Barney’s (1991) resource based theory of the firm, the majority of remote Aboriginal Art Centre businesses can be classified as small due to the characteristics of the quantity of available resources (material, human, technical and financial resources). Luff and Kelly (2005) comment that the size of an organisation had the potential to influence the level of trust ascribed to it by consumers and trading partners. This point raises a potential trust factor for small remote Art Centre businesses and as Sydow (2000) suggests, larger businesses can be trusted more easily because in general they have more power or are perceived to have more power.

4.5 The Weaknesses of Co-operative Enterprises

O’Conner (2003) notes that the characteristics that differentiate more traditional co-operatives from other corporate arrangements indicate not only their strengths but also the source of their weaknesses. Many authors including Brennan (2003) have noted that a significant determining issue associated with co-operative businesses is the capability of management and the oversight by their boards. Porter and Scully (1987) provided empirical evidence to support the claim that co-operatives are less efficient than their investor-owned counterparts.
Cook (1995) in his work on co-operative enterprises has encapsulated these issues under five areas. Firstly, many researchers regard the Common Property or Free Rider Problem as a critical issue of the traditional co-operatives model. This model has sustained a great deal of critical analysis due in part to its lack of clarity in elucidating property rights (Cook 1995; O’Conner 2003; Olson 1965, 2009; McMillan 1979; Sandler 1992; O’Conner and Thompson 2001). The issue with property rights arises because the membership of the co-operative is homogeneous and a benefit could be obtained by an individual from collective effort without that member contributing the usual effort or cost (Porter and Scully 1987; O’Conner 2003; Cook 1995; Royer 1995). In the literature this issue is commonly referred to as a free rider problem or shirking, however there are different usages for the term within the literature (Olson 1965 and 2009; McMillan 1979; Sandler 1992; O’Conner 2003). The free rider problem becomes an economic issue when the individual co-operative members consume more than their fair share of common resources or pay less than their fair share of the cost of common resources or accrue a benefit from collective effort without contributing their share. The issue with free riding in co-operatives is that if members continue to free ride and that situation persists, other co-operative members will lose the incentive to continue (Olson 1965; McMillan 1979; Sandler 1992; Olson 2009; O’Conner and Thompson 2001). The free riding issue is experienced to some degree by Art Centres as all artists receive the same non-income benefits regardless of their financial input and generally the same percentage of return on their sold work. O’Conner and Thompson (2001) state that new generation co-operatives have moderated a range of the problems (including the free rider problem) faced by traditional co-operatives by being small and specifically focussed enterprises. However, given that Art Centres are small and specifically focussed and still experience this issue, their assertion in relation to Art Centres could be challenged. Some Art Centres have tried to ameliorate this problem by giving a higher percentage of return on sold artwork to well established senior artists. The United States Department of Agriculture (1989) has validated this approach and notes that co-operative members sometimes believe that individual effort is more beneficial than collaboration and often there are inducements for them to act on their own initiative as free riders. Examples of this point include “the reluctance of members to enter into binding contracts that would lead to economies in input supply and the lack of patron commitment to a co-operative that is acting as a competitive yardstick” (United States Department of Agriculture 1989, p23). Williamson (1979) also suggests that a key to enhancing coordination lies in instigating initiatives to intensify commitment to the co-operative such as contracts between co-operatives and their members.
A second weakness of co-operatives identified by (Cook 1995; O’Conner 2003) is the Horizon Problem, which emerges from both a deficiency of capital and the way in which capital is managed. The Horizon Problem’s applicability to Art Centres can be exemplified by the example of artists who no longer paint or supply artwork to that particular Art Centre and who may want to take back the capital (the Art Centre percentage of retained profit) they have already contributed.

Thirdly, Cook (1995) cites the Portfolio Problem that emanates from co-operative members having varying preferences for the levels of risk for their investments. In relation to Art Centres, this potentially means that artists who are more adverse to risk want to invest in the Art Centre only to the extent that is necessary to find a market for their artwork. However, other artists may want to invest more in the Art Centre so that it can engage in business opportunities as they arise. Cook (1995) and O’Conner (2003) note that this divergence of view in regard to investment risk indicates conflicting opinions about the objective of the co-operative. O’Conner (2003, p7) states:

*Many co-operatives seek to bridge this difference between members by separating the funding of the co-operative into two parts, activities that all members consider to be necessary are funded by all members on an equitable basis, and the later-stage value adding is funded by other sources of capital.*

The fourth weakness is the Control Problem that is associated with the governance of the co-operative. A number of authors (Cook 1995; O’Conner 2003; Edwards and Clough 2005; Cornforth 2004) indicated that governance is more complicated in co-operative enterprises than in public businesses. In principal, in relation to Art Centres, artists who supply either more work or work of a greater value have no more say in the co-operative than artists who supply work of lesser value. Additionally, Cook (1995) and O’Conner (2003) raise the issue that the directors of co-operatives have reduced expertise in governance and given the co-operative structure, directors may not have the same inducement to provide effective governance. Cook (1995) and O’Conner (2003) note that the outcome of this control problem can be less cogent governance by the owners than one would expect in public businesses and extreme control by management. These weaknesses can be overcome by a variety of means such as governance training and engaging outside expertise to educate the board (O’Conner 2003).

Finally, Cook (1995) identifies Influence Costs as the fifth weakness of co-operatives. O’Conner (2003, p7) states that, “there is typically more ‘politics’ in a co-operative than in a public
company and this has a cost in monetary terms and in terms of poor decision-making”. O’Conner (2003) concludes that this situation arises because members have differing and sometimes disparate interests. From an Art Centre point of view, this could arise because of where artists live, the number of family members involved, the amount of work generated, the price of work and the number of artists from one family that can go on trips to country, interstate or overseas. O’Conner (2003) notes that this issue is generally less prevalent in small, narrowly focused co-operatives. However, from an Art Centre perspective, influence costs can have a fiscal impact and an impact on relationships within the Art Centre.

4.6 The Strengths and Success Factors of Co-operative Enterprises

Batt (2003a) and Lele (1981) commented that in developing countries agricultural co-operatives have the potential to reduce the exploitation by market middlemen of small farmers. This notion can be extrapolated to Aboriginal Art Centre Co-operatives, as it has been reported that Aboriginal artists working and selling independently are potentially subjected to exploitative marketing practices (Dow 2007; Commonwealth of Australia 2007). Involvement by artists in Aboriginal Art Centres however, can be pivotal in ameliorating the exploitation by carpetbaggers and unscrupulous individual art buyers of Aboriginal artists in remote communities. For co-operatives to be financially successful they must recognise that they are principally a business enterprise and to succeed they will need to compete in the market place and accomplish the same activities that other similar businesses undertake and do them as competently if not better than other businesses (O’Conner 2003). An Art Centre Co-operative for example, typically buys art supplies, organises trips to country, organises artists to paint, prices artwork, stores work, markets by various means, transports to buyer or gallery and arranges payments. In order to undertake these activities and functions the Art Centre needs to obtain capital at competitive rates and/or attract Government funding, acquire or lease assets, hire employees, manage funds, acquire and disseminate market information, use technology to develop markets and sell goods and establish/maintain corporate governance processes. As O’Conner (2003, p3) states:

*If it does not do most of these things at least as well as its competitors, the co-operative will fail. In other words, while there are often advantages in establishing a business as a co-operative, the fact that it is a co-operative does not guarantee success, even if members have a strong commitment to making it work. Profits must be made if the co-operative is to sustain its capital base.*
There is a case to be put forward for Aboriginal and Torres Strait Islander Art Centre Co-operatives to adopt organisational and business models that can adapt and learn in a time of market downturn and uncertainty (Nilsson 1999). One prime example of adaptation in organisational models can be found in agricultural enterprises. Many agricultural enterprises have made profound changes to the way they do business and have strengthened their positions in the markets by developing organisational models that reflect Co-operative Enterprise Theory (Nilsson 1999). The United States Department of Agriculture (1989) has noted that co-operative members have an economic benefit by engaging in collective endeavours through the co-operative instead of operating autonomously. Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) postulates that small commercial organisations that form business associations with other small businesses augment their competitiveness by the use of personal networking. The membership of peak agencies such as Desart by Western Desert Art Centres is a good example of this concept. The literature indicates that enhanced performance of both individual co-operatives and co-operative systems is possible by engaging in greater collaboration and less competition among co-operatives (United States Department of Agriculture 1989; Petersen & Congreve 2015a). There are many manifestations of co-operative collaboration that have the potential to alleviate total system cost, for example, joint activities and programs, integrating or amalgamating certain aspects of activity/business or conflation of purchasing activities. However, there are a range of influences and circumstances that can effect greater collaboration between co-operatives. These include the interest and skills of the manager, the vested interest of the governing board and the belief by patrons, members and the governing board that enhanced performance is achieved through competition. The literature recognises that co-operative enterprises and structures are not appropriate for all businesses, however the literature suggests that there are potential benefits to developing and maintaining cooperative relationships. Although Cook (1995) and O’Conner (2003) have raised a number of weaknesses with co-operatives, O’Conner (2003, p8) argues that these issues can be ameliorated with the ‘KIS principal,’ which is based on the notion that most systems work best if they are kept simple rather than made complicated.

4.7 Summary

Governments and Art Centre peak agencies regard remote Art Centres as co-operative enterprises. Co-operatives can be defined as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (International Co-operative Alliance 2005, np). Art
Centre Co-operatives should not be viewed as traditional businesses but as a coalition of members with varying concerns. Whilst co-operatives such as Art Centres can be seen as a social enterprise, they are also businesses that have been created to generate fiscal, social and cultural benefits to members. Keats and Bracker (1988) noted that small businesses such as Art Centres have particular attributes that can lead to business vulnerability. Luff and Kelly (2005) comment that the size of an organisation had the potential to influence the level of trust ascribed to it by consumers and trading partners. Although co-operative enterprises are not appropriate for all organisations there are potential benefits to developing and maintaining cooperative relationships.
Chapter 5: A Framework for the Research into the Sustainability of Remote Aboriginal Art Centres

5.1 Chapter Outline

The purpose of this chapter is to introduce the ‘Framework for Co-operative Enterprise Research’ developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) and to consider the incorporation of additional components that were highlighted in the review of literature as being of significance to Aboriginal Art Centre Co-operatives. The chapter individually examines each component of the Mazzarol Research Framework (2011a; 2011b; 2012a; 2012b; 2012c) and four additional areas in relation to their applicability for the development of a new Combined Framework that can be used as a research tool for studying the sustainability of remote Art Centre Co-operatives. Furthermore, a review of appropriate literature is referenced in each component. The resulting Combined Framework is used as a basis for three case studies (Chapters 7, 8 and 9) exploring the sustainability of remote Aboriginal Art Centre Co-operatives.

5.2 Introduction

This thesis has utilised and adapted the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework for Co-operative Enterprise Research (refer to Figure 7) to configure a new culturally appropriate Combined Research Framework as a research tool for studying the sustainability of remote Aboriginal Art Centre Co-operatives. The Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework’s principles of increased sustainability, democratic governance and the fostering of social capital via the building of mutual reciprocity are useful touchstones for analysing remote Aboriginal Art Centre business practices. These principles are congruent with the stated aims of remote Aboriginal Art Centre Co-operatives (Australian Government 2014e webpage; Australian Government 2013d) as discussed throughout this thesis. Additionally, whilst the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework incorporates many common business elements, it did not include components at the system and business levels that are relevant to research into Art Centre Co-operative in remote communities; cultural capital, Aboriginal sense of community and attachment to ‘country’ (place), entrepreneurship and innovation. Furthermore, as cultural capital has been incorporated into the Combined Research Framework, an additional objective is also included which is the need to develop cultural capital. This chapter individually examines each component of the Mazzarol Framework (2011a; 2011b; 2012a; 2012b; 2012c) and four additional components in relation to their applicability for the
development of a new Combined Framework that can be used as a research tool for studying the sustainability of remote Art Centres (refer to Figure 8).

Figure 7: Conceptual Framework for Co-operative Enterprise Research (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c)
Figure 8: The Combined Framework for Research into the Sustainability of Remote Art Centres (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015)
5.3 The Combined Framework for Research into the Sustainability of Remote Art Centres

5.3.1 The System Level

The Framework developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) utilises a systems level of analysis to explore the connections and relationships between all the elements of the enterprise. This method of analysis can be viewed as analogous to Systems Theory (Bateson 1979; Simon 1978), which is complementary to the interconnectedness of business systems. Further, System Theory’s holistic approach is relevant to Aboriginal culture, where all elements of the earth and the universe, animate and inanimate are interrelated (Grieves 2009). The systems level of the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework (refer to Figure 7) incorporates six components comprising four inputs and two outputs. The four input components (social co-operation, government, industry structure, natural environment) incorporate the elements referred to as the enabling environment in the work of Christy et al. (2009) and Konig et al. (2013). Additionally, the Combined Framework includes Aboriginal community as an input and cultural capital as an output (refer to Figure 8).

5.3.1.1 The Aboriginal Community

In relation to developing a Combined Framework for Research into the Sustainability of Remote Art Centres this thesis has identified the need to incorporate the Aboriginal or Indigenous community (refer to Figure 8 number 1) as an element, as it is vital to the cultural appropriateness of the model. In this thesis the word ‘community’ is used to describe an Aboriginal group of people identified by kinship, language or belonging to a particular place or country. West and Langworthy (2007) and Nguyen and Cairney (2013) assert that including community in a research framework allows an integrated appraisal of what is valued by the community at a local level and contributes to a systems approach to research (Bateson 1979; Simon 1978). This approach is complementary to the holistic notion of interconnectedness in Aboriginal culture (Grieves 2009). The three most prevalent uses of the term ‘community’ refer to a geographic location, a network of people or an administrative category (Hunt and Smith 2006). Dodson and Smith (2003) conclude that communities can underpin and fortify cultural activities such as art. One of the complex issues in relation to the sustainability of Art Centres is that they are predicated to a large degree on the sustainability of remote communities (Altman 2005). In essence if there were no remote Aboriginal communities there would be no remote Art Centres.
Porter and Kramer (2011, webpage) noted:

\[ At \text{ a very basic level, the competitiveness of a company and the health of the communities around it are closely intertwined. A business needs a successful community, not only to create demand for its products but also to provide critical public assets and a supportive environment. A community needs successful businesses to provide jobs and wealth creation opportunities for its citizens.} \]

Stafford Smith et al. (2008) assert that a sustainable and resilient remote Australia community can be defined as one that is viable over the long term even though inputs vary over time. Davies et al. (2012, p27) make a valuable point in relation to a remote community’s viability. They state:

\[ Viability \text{ judgments by distant policy makers may be underpinned by inappropriate mental models and insufficient understanding of the motivations of communities and their potential to self-organize and provide service.} \]

There are many factors that influence the sustainability of small remote Aboriginal communities. Challenges in these communities include: provision of government services, health care, aged care, static or declining populations, personal safety, substance misuse, employment, cost of living, food security and functioning infrastructure. Given these challenges, the likelihood of achieving successful and sustainable economic development in small rural communities is greater where there is a strong community (Kenyon and Black 2001; Petersen & Congreve 2015a). In reviewing the literature, there is no documentation on an agreed definition of strong Aboriginal communities. There are however, definitions of community and what constitutes a strong community. Lawrence (2007, p2) states that strong communities are “resourced, cohesive and inclusive”. In the Commonwealth, State and Territory Governments policy platforms there has been a general progression towards promoting strong communities. Common ideas that have been promulgated include, strong leadership, capacity building, asset mapping and strong Indigenous governance (Petersen & Congreve 2015a; Hunt and Smith 2006; Commonwealth of Australia 2008; 2013a; 2013b). In the view of Acker (2008) and Morphy (2009), Aboriginal Art Centres are key institutions in remote communities that place considerable importance on the whole community and its socio-cultural well-being. In order for Art Centres to develop appropriate strategies to assist in sustainability, relevant enabling environmental influences need to be taken into account (Christy et al. 2009; Dickinson and Ramaseshan 2004). Whilst the small populations of some remote communities can impact on the potential number of current and future artists at the Centre, population size may not impede profitability. Tucker (2015 pers. com) noted that one
Art Centre, which is relatively new and has few artists, had more sales in its first year of operation than some established Centres. He concluded this was due to a highly experienced manager and a small group of dedicated artists:

*Numbers of artists can count, but there would be no direct correlation between the number of artists and the sale value or profitability of an Art Centre.....it's also a function of the quality of the artists and the work produced, you need to sell an awful lot of paintings if the average price is $500 than you do if the average is $5000.*

5.3.1.2 The Natural Environment

A healthy and functioning natural environment (refer to Figure 8 number 2) is critical as it underpins the economy and community across all of society. In remote areas, issues such as floods, fire, dust, storms, lack of water and depleted bush food can have serious impacts on the sustainability of communities. For example, in communities where pandanus is used for weaving of baskets and fishnets, a disruption of supply due to environmental conditions can be devastating for the weavers at the Art Centre. Aboriginal artists depict their country through various art mediums and the natural environment is a critical element of culture and art. Paintings include not only the topographical features associated with Tjukurrpa but also may include flora or fauna in a specific place, its above-ground or subterranean water supply and can allude to significant events that occurred in the stories about the journeys of the ancestral beings that travelled the country (Nicholls 2014). Aboriginal people’s spiritual beliefs are entwined and inseparable from the natural environment to which they belong. The Tjukurrpa tells of ancestral beings that moved across the country creating the landscape, plants and animals, with some even travelling to live in the stars. The Tjukurrpa is both an account of creation and a map of the landscape to educate the generations to come (Rockman Napaljarri and Cataldi 1994). Dodson (2010, p13) explains eloquently the relationship between the natural environment and Aboriginal people:

*To understand our law, our culture and our relationship to the physical and spiritual world, you must begin with the land. Everything about Aboriginal society is inextricably woven with, and connected to, the land. Culture is the land and spirituality of the people, our cultural beliefs or reason for existence is the land. You take that away and you take away our reason for existence. We have grown the land up. We are dancing, singing and painting for the land. We are celebrating the land. Removed from the lands, we are literally removed from ourselves.*
5.3.1.3 The Industry Structure

The structure of the Aboriginal art industry (refer to Figure 8 number 3) is complex in nature with a wide variety of people and organisations involved in art discourse and in the policy, creation, manufacture, support and sale of art. The Australia Council considers art industry development to be a policy priority in recognising Aboriginal people determining and managing their economic development through the arts to enhance opportunities and resources (The Australia Council 2004). Furthermore, industry service organisations and peak agencies such as Desart and the Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA) offer a range of services tailored to meet the needs of their member artists and Art Centres and to address broader industry priorities. Desart is the peak advocacy and support agency for 38 remotely and regionally located Art Centres. The geographical coverage of Desart is approximately 800,000 square kilometres, equivalent to the size of New South Wales (Desart 2004). ANKAAA is the peak advocacy and support agency for artists located at 32 Indigenous owned Art Centres in the Top End of the Northern Territory in Australia. Services provided by peak agencies include, professional development and training for artists, board members and staff, advocacy, business management and marketing assistance for Art Centres and support for art workers (The Australia Council 2004). Additionally, the peak agencies provide advice to governments and are a valuable link between governments and the industry. Mazzarol et al. (2011a; 2011b; 2012a; 2012b) notes that this input factor addresses market and industry issues such as competition, negotiating power of suppliers and buyers and the risk of competition from new markets.

There are strategies that could be considered by the industry currently that may positively affect the sustainability of Art Centres by lowering the costs of services. For example, Art Centres are already grouped geographically and are members of peak agencies that deliver programs in support of artists’ professional development, human resource management, training and employment services, advocacy and marketing (Ananguku Arts 2013). The further development and use of clustering or co-operative marketing alliances between Art Centre Co-operatives for the purchase of goods and services could develop and strengthen value networks in geographic locations within the Aboriginal and Torres Strait Islander Art Industry.
Dickinson and Ramaseshan (2004) developed a hypothesis that a businesses’ willingness to enter into co-operative marketing alliances increases as a result of six contingencies:

- Small firm size
- Lower resource base
- Higher firm alliance experience
- Higher firm commitment
- Higher firm competence
- Higher partner match

Gálvez-Nogales (2010) reported that clustering in the agricultural sector presented many business benefits some of which could be extrapolated to Art Centres, for example:

- Improved access to local and global markets
- Created an enabling environment for inter firm cooperation
- Promoted local governance
- Facilitated the diffusion of innovations
- Created an environment that improves the competitiveness of business, particularly small and medium-scale companies
- Facilitated a link to other clusters such as tourism

A cluster approach to Aboriginal Art Centre Co-operatives by peak agencies would recognise that all the participants in the value chain are often more innovative and effective when they interact with supporting organisations and other participants in the value chain. This occurs by promoting vertical and horizontal links between local art enterprises as well as supporting relationships between them and facilitating organisations (Gálvez-Nogales 2010). Additionally, peak agencies have been active in relation to expected standards and practices of the art industry. The Indigenous Art Code was implemented in Australia in 2010 as a voluntary code. The Code is open to all sellers of Aboriginal and Torres Strait Islander art and was principally introduced in response to unconscionable dealings by unscrupulous dealers whose trading practices were generating buyer mistrust of the Aboriginal art market as a whole (De Marchi and Wilson-Anastasios 2009; Commonwealth of Australia 2007). However, according to Ron Merkel QC, the Indigenous Art Code has limited enforceability, which Merkel describes as "a structural flaw" in the writing of the Indigenous Art Code (cited in Raffan 2013, p 61).
5.3.1.4 Government Role

As outlined in Chapter Two, governments (local, state/territory and Commonwealth) have a key role in generating an enabling environment (refer to Figure 8 number 4). However, in many remote communities there is a paucity of structures or beneficial linkages and partnerships between government and the community that can be utilised and built upon to develop sustainable enterprises (Stafford Smith et al. 2008). Whilst in some remote communities the Commonwealth and state governments undertake service delivery, Stafford Smith et al. (2008) assert that government services operate inefficiently, principally because of a lack of effective mechanisms for community residents to articulate their needs. Therefore, in some remote communities the local Art Centre, in the absence of other organisations or effective services, often has a great influence over community, social and cultural development activity.

The first Australian cultural policy ‘Creative Nation’ was launched in 1994 and more recently the Australian Government introduced two new national cultural policies entitled ‘Creative Australia’ (Australian Government 2013d) and ‘The Australia Council for the Arts Strategic Plan 2014 to 2019 A Culturally Ambitious Nation’ (Australian Government 2014b). The ‘Creative Australia Policy’ (Australian Government 2013d, p32) states:

Culture is not created by government, but enabled by it. This works best when legal, policy and fiscal strategies create an environment that values cultural activities, fosters excellence and participation while supporting risk and exploration, recognises diversity in all its forms and encourages expression of a distinctive sensibility.

The Australia Council for the Arts Strategic Plan 2014 to 2019 - A Culturally Ambitious Nation (Australian Government 2014b, np) reflects the importance the Council places on the role of Aboriginal people in shaping Australian culture. The fourth goal of the plan highlights the importance of Aboriginal art, with the goal being “Australians cherish Aboriginal and Torres Strait Arts and Culture”.

The three levels of government (local, state/territory and Commonwealth) can impact markedly upon co-operatives such as remote Aboriginal Art Centres in a variety of both positive and negative ways. However, a partnership model across governments that enlists Art Centres, commercial and non-profit enterprises, educational institutions, Aboriginal artists, philanthropists and the community could have a lasting practical and positive impact on remote Art Centres.
The Australian Government’s ‘Indigenous Art Centre Plan’ (2013c) provides a cooperative framework for Aboriginal Art Centres, industry service organisations and the Australian Government to work together to strengthen the Indigenous arts industry. The Plan outlines strategies and actions in relation to visual arts production and marketing across these key result areas:

- Artists and industry
- Culture and community
- Marketing and promotion
- Business management
- Employment, professional development and training
- Resources and infrastructure

The introduction and implementation of government policy can have major financial, social and cultural implications for Aboriginal artists and communities. The following two examples highlight strategic policy changes, which have had deleterious effects on Aboriginal Art Centres.

Firstly, the Community Development Employment Projects (CDEP) program was an Australian Government funded initiative for unemployed Aboriginal people in select locations of Australia. The initiative provided activities to develop skills and improve employability. Both the Howard and Rudd governments had a policy of abolishing the CDEP scheme and introduced a new model with an emphasis on training and positions within businesses. Many remote Art Centres had employed art workers under the CDEP scheme to do a variety of jobs in the Art Centre enabling them to pay top-up payments to their social security payments. The new model however, had implications for the employment of art workers as the Art Centres now needed to provide those employee salaries from their own budgets thereby reducing the number of workers able to be employed. Furthermore, the new scheme reduced the ability for any flexible arrangements to be made by any employer with the art workers themselves in terms of the need to attend ceremonial obligations and funerals. The dismantling of the CDEP scheme has had major implications for all remote communities and Art Centres. As Kohen (cited in Wordpress 2007, webpage) reports, “Without CDEP, the Maningrida community and region won’t function as well and this will also certainly affect the quality of the art productions”. Secondly, in July 2011 the Australian Government introduced changes to the Australian Superannuation Laws as a result of the Cooper Review to ensure investments were really used in retirement. As a consequence, self-managed superannuation funds are now only allowed to invest in specified assets such as property and shares. Artworks and collectibles are only classified as assets provided they are not displayed
(otherwise they are deemed to be “used” and no longer qualify as superannuation investment assets).

### 5.3.1.5 Social Cooperation

Social cooperation (refer to Figure 8 number 5) needs to be present in a community before a co-operative enterprise can begin to be successful (Peredo and Chrisman 2006; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Birchall and Simmons 2004). In the opinion of Birchall (2011) there is a strong interrelationship between social cooperation and social capital in communities that initiate co-operative enterprises. The work of Peredo and Chrisman (2006) on the theory of community-based enterprises is relevant in the context of the development and ongoing work of remote Aboriginal Art Centres. They argue that three factors need to be present in a community in order for enterprises to develop and be maintained. In applying these factors to remote Art Centres, firstly, there is need for Aboriginal people with skills in painting or other art forms to be residing in or near the community. Secondly, artists and the community need to participate in Art Centre activities. Lastly, Aboriginal community members and artists need to focus not only on the fiscal benefits of an Art Centre but on cultural and social benefits as well.

### 5.3.1.6 Economic Capital

Economic capital (refer to Figure 8 number 6) is critical for the ongoing viability and sustainability of remote Art Centres. Art Centres receive and generate economic capital through government funding, specific grants, philanthropic means and by sales of art. The quantification of economic capital is difficult to measure in remote Art Centre due to its complexity, however a number of factors can be calculated including the funding level of the Art Centre and funds from the sale of artwork retained by the Art Centre and outgoings. Economic capital is further addressed in the Financial Resources section of this thesis (refer to 5.4.5.1).

### 5.3.1.7 Social Capital

Social capital (refer to Figure 8 number 7) in this Framework refers to a productive process associated with the community’s reserve of resources such as norms, reciprocity, information, problem solving, motivation, mobilisation and cooperation that can be drawn upon by community members and the co-operative (Sirianni and Friedland 2013; Peredo and Chrisman 2006; Coleman 1988; Putnam 2001; Lin 2001; Birchall and Simmons 2004; Woolcock 1998). Grootaert and van Bastelaer (2001, p4) noted that social capital is “the institutions, the relationships, the attitudes, and values that govern interactions among people and contribute to economic and social development”.

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Altman (2002, p37) in researching the presence and effect of social capital in Aboriginal communities concluded that it is "well adapted to customary productive activity where rights in land and resources are well defined". In the view of Woolcock (2001), non-governmental organisations such as Art Centres, play a significant role in social capital in communities as brokers of access. Woolcock (2001) notes that non-governmental organisations assist in advancing ingress to more formal organisations by establishing trust between themselves and their clients and by developing relationships with formal organisations. Woolcock’s (2001) research is corroborated by the work of Bebbington and Carroll (2000) who noted that non-governmental organisations assisted in developing community mediating capacity and affiliations with products and input markets. They conclude that social capital can be encouraged and strengthened by outside strategies by utilising existing social assets and discovering the common interests of the group who over time are encouraged to take on the management role.

Aboriginal Art Centres in this context can be viewed as providing a critical role in forging, brokering and linking individuals, households and communities to the broader economic market and accessing resources to build up other assets in communities by investing in the development of human capital, training, employment and infrastructure. Additionally, researchers such as Porter and Kramer (2011) recognise that businesses can be positive agents of social impact and change in communities. They argued that enterprises have the potential to create shared value by promoting the fiscal and social circumstances of communities as well as augmenting a businesses’ competitive advantage. Porter and Kramer (2011) make a compelling argument that businesses generate fiscal value by precipitating social value, which creates a self-perpetuating cycle.

Perkins (2014) maintains that a focus on culture and the social capital created by Art Centres is critically important:

Let’s continue to focus on the good work of art centres in the community, supporting our leading artists and fostering new talent, encouraging the participation and professional development of young people as artists or arts workers, creating archives and documentation, taking bush trips, remembering the old ways and imagining the new, experimenting with mediums and styles, supporting families.

5.3.1.7.1 Trust

The thesis research identified the need to incorporate trust as a critical element of social capital in the Combined Research Framework. Ware (2014), in developing a resource paper for the Closing
the Gap Clearing House in relation to the benefits to Aboriginal and Torres Strait Islander communities from participation in arts programs, raised the importance of trust in program development. Ware (2014, p2) states, “Creating a safe place through arts activities, where trust has been built, allows for community members to work through challenges and potential community and personal change without fear of retribution or being stigmatized”. Trust is regarded as a fundamental element that is paramount to a good relationship (Batt 2009; Anderson and Narus 1990) and a foundational structure to any successful organisation (Dietz et al. 2012). Trust can be viewed as a belief that business partners will conduct themselves with integrity and probity and without injury to the enterprise with which they are conducting business (Batt 2003; Singh and Sirdeshmukh 2000; Moorman et al. 1993; Mayer et al. 1995; Schoorman et al 1996 & 2007). The significance of trust and social capital as avenues for reducing risk and enabling exchange is being progressively acknowledged (Christy et al. 2009; Batt 2003; Fafchamps 1996; Humphrey and Schmitz 1998).

Mayer et al (1995) and Schoorman et al (1996; 2007) present a trust model that distinguishes three characteristics of perceived trustworthiness: ability, integrity and benevolence. Mazzerol et al (2011 p24) note that, “ability relates to the skills, expertise, strength and capacity of an individual or organisation to do something competently within a certain domain. Integrity relates to the trustee’s ability to adhere to a set of principles that are acceptable to the trustor, but there is clearly a two-way relationship of mutual integrity that must work here. Finally, benevolence is a belief that both parties will engage in the relationship for reasons other than a self-interested profit motive”.

Cragg (1988) asserts that the necessity for businesses to establish and strengthen public confidence and trust is a driver for companies to pledge to the principles of sustainable development. In Cragg’s (1988) research on the issues of trust and mining companies, he found that core values such as sustainable development, honesty, transparency and defensibility correspond with the level of trust and respect between mining business and stakeholders. Batt (2009) and Doney et al. (1997) raise three important points in relation to trust and working with cross-cultural businesses. Firstly, trust is different across social domains. Secondly, trust has diverse emotional importance in varying cultures. Lastly, trust is dependent on cultural conventions, principles and values that direct an individual’s conduct and beliefs. Hybrid transitional economies (such as remote Aboriginal communities) place importance on the development of trust in their financial business arrangements with selected business partners (Batt 2009; McMillan and Woodruff 1999; Lyon 2000; Fafchamps 1996). Heide (1994) raises an
important issue in relation to exchanges between firms in the context of trust and governance. Heide (1994) argues that trust between firms is a governance mechanism that assuages opportunist behaviour in exchange transactions. Viewed in this context, businesses that have a trusting relationship with their exchange partners have diminished requirements for structural procedures and systems of control (Heide 1994; Achrol 1997). Authors including Lyon (2000) and Downes et al. (2002) reported that trust was ascribed to businesses by consumers, stakeholders or members because of the commonality of issues between them such as relationships, culture, religion and language. This raises an important point in trust relationships in Aboriginal Art Centres given that Art Centres are community based. Generally, in Aboriginal communities, individuals including Art Centre participants will have commonalities (speak a common language, are from the same Aboriginal group, have family members and friends in common and attend the same church). However, as most Art Centre managers are not community members and generally not Aboriginal (Centre for Aboriginal Economic Policy Research 2003) this could influence trust between staff and members. This view is supported by various research studies including the work of Bataille-Chedotiel and Huntzinger (2004) who found there was an increased capacity to trust staff members that were not outsiders to the community. Higgins (2005) and Cooper et al. (2012) note that prior to beginning new programs in Aboriginal communities, it is vital to get to know the community and to build trust. Hayward et al. (2009) and Higgins (2005) stress that the time taken in this process will ensure greater community and individual buy-in. Additionally the issue of trust was raised by Booth (2014) in documenting the results of surveying over 900 visitors to three Aboriginal and Torres Strait Islander art events. Survey participants expressed minimal trust in buying online although there was an indication that existing trusting relationship with an Art Centre would enhance the chances of purchasing online.

5.3.1.8 Cultural Capital

In relation to extending the Mazzarol et al. (2011a; 2011b; 2012a; 2012b) Framework, this research has identified the need to more overtly incorporate cultural capital (refer to Figure 8 number 8) in two areas of the Combined Framework (refer to Figure 8). Firstly, cultural capital has been incorporated into the system level outputs and secondly, a fourth primary objective has been added, which is the need to develop cultural capital. In the view of Marsh et al. (2003) and Arizipe (2002), models of development often leave out the components of culture. The exclusion of cultural capital from the original model has the potential to value economic and social capital over cultural value. However, as the Senate Standing Committee’s report ‘Securing the Future: Australia's Indigenous Visual Arts and Crafts Sector’ (Commonwealth of Australia 2007)
recognised, the maintenance of cultural practice is a significant contributor in sustaining a cohesive and socially healthy community.

Cultural capital can be defined as an asset that gives rise to cultural value in addition to its economic value. Cultural capital defined in this way can be tangible, for example buildings and artwork or intangible such as beliefs, traditions and practices (Throsby 2005). Additionally, Hodson (2006) utilising the work of Throsby (2005) concluded that cultural capital is cultural values that are embedded in an asset. Whereas Roseland et al. (2005, p12) defined cultural capital as “traditions and values, heritage and place, the arts, diversity and social history”. Additionally, Lowry and Moskos (2007 cited Nguyen and Cairney 2013) identified the importance of cultural engagement to Aboriginal people particularly in remote locations. The work of Bebbington (1999) and Cleaver (2002) further support this point. Bebbington’s (1999) work in the Andes region clearly demonstrated a cultural imperative in relation to livelihood strategies, where people choose to live in rural communities in order to practise cultural maintenance. Contradictory evidence in Australia suggests that living in a remote Aboriginal community does not guarantee that the community will be socially or culturally healthy as evidenced by the overwhelming effects of substance abuse and health problems on social and cultural capital (Dodson and Smith 2003). However, studies by Scrimgeour (2007), McDermott et al. (1998), Rowley et al. (2008), Burgess et al. (2005) and Zubrick et al. (2010) all noted that living on homelands contributed to potential protective factors in relation to morbidity.

The strategic management of intercultural businesses requires that adequate attention is given to cultural values and issues in both theory and practice. In theory, Aboriginal and Torres Strait Islander Art Centres could further leverage product difference as a source of competitive advantage. However, in practise, the actuality of successfully putting into operation a business strategy in a particular geographic, cultural, and linguistic location can be a challenge (Varner 2000; Adler 1991; Deresky 2008; Hall 1976). Aboriginal Art Centres, like other businesses, “obtain their existence from their environment” (Dickinson and Ramaseshan 2004, p72), which has the power to affect and shape the capacities and extent of options available to these Art Centres (Bluedorn et al. 1993 cited in Dickinson and Ramaseshan 2004).

5.4 The Art Centre Co-operative Enterprise Level
Chapter Four described remote Art Centres as co-operative enterprises that are socially, culturally and economically focussed. The co-operative enterprise level of the Mazzarol et al. (2011a;
Framework addresses how the co-operative enterprise business model delivers on its member value proposition by way of providing fiscal and social returns for members. The Mazzarol et al. (2011a; 2011b; 2012a; 2012b) model includes seven elements in the enterprise level of their Framework, value proposition, purpose, profit formula, process, resources, share structure, and governance (refer to Figure 7). The Combined Framework includes an additional three elements in the business model, trust, technology and entrepreneurship and innovation (refer to Figure 8).

It is important to understand what drives the Art Centres’ business model and the assumptions behind it. In some instances, an organisation’s business model requires little attention, whereas the organisation’s strategies and processes require continuous monitoring (Magretta 2002). Chesbrough and Rosenbloom (2002) note that a business model explains how firms create and capture value and since the mid 1990s the business model concept has gained impetus with the rise of the Internet (Zott et al. 2010). Business modelling progressed more into the arena of business processes and strategy with the concept of the value chain as developed by Porter (1985). Chesbrough and Rosenbloom (2002) assert that the business model concept is affiliated with business strategy in that it endeavours to connect the business components of structure and strategy together with business assets and resources into a system that is competitive. Despite differences in approaches and definitions in the literature of business models (Moricz 2009), value creation and its achievement are at the nucleus of the model. Management therefore needs to be concerned with how a business creates value. The term value creation can be seen in the context of creating value for customers purchasing products from the Art Centre as well as for stakeholders in the business. Drucker (1954; 1986) was an early advocate of business value as the appropriate goal of a business and, in his opinion, a business should create value for customers, employees and partners. An important question in relation to remote Art Centre Co-operatives is, do they create value and if so, how? For example, in terms of analysing the creation of value of the funds contributed by government to Art Centres it would be inappropriate to use a standard cost-benefit analysis. Partly this is because the characteristics ascribed to Art Centres in Section 2.5 are inter-generational, multi-faceted and traverse employment, health, community, justice and welfare. Furthermore, quantifying the ascribed benefits based on a single year funding cycle would be unfeasible. However, given the many benefits highlighted in Chapter two, it could be argued that from a fiscal perspective, Art Centre Co-operatives do create value in both the short and long term from the funding they receive. This point is reiterated by Cooper et al (2012), who concluded that initial Art Centre funding ameliorated over a 10-20 year period would constitute
an economical low cost program that achieved positive results in health promotion, community development, crime prevention, employment and education and contributed to tourism, economic development as well as art and culture. Additionally, Cooper et al (2012) noted that the financial benefits from art sales have a multiplier effect in that income from art is introduced into the community. This is particularly important for the sustainability of the community store and other businesses in the area.

Another way to address value creation and business value is by viewing Art Centres as networks of internal and external relationships or value chains as universalised by Porter (Porter 1980, 1985; Porter and Millar 1985). One approach to enhancing the sustainability of Art Centres is to examine how value can be created and increased in these Centres. Value chains operate in a business enabling environment that can, at the same time, include the global, national and local arenas and incorporate norms and customs, laws, regulations, policies, international trade agreements and public infrastructure (USAID 2013). This point is particularly relevant for Art Centres in remote Australia as the issues listed above influence the success, failure and sustainability of the fiscal, social and cultural aspects of the Centres.

Porter and Kramer (2011, np) state, “the moment for an expanded view of value creation has come”. They found that businesses could be effective agents of social influence that can shape and transform society. They argue that a shared value lens can be applied to every major business decision and that enterprises can create shared value by promoting the fiscal and social capital of communities as well as enriching an enterprise’s competitive advantage. They also note that companies create economic value by generating social value, which in turn creates a self-perpetuating cycle improving business conditions and triggering positive feedback loops. Shared value then extends the total reservoir of fiscal and social value created. Porter and Kramer (2011, np) highlight that there is a substantial difference between the policies of fair trade and shared value. For example, in agriculture, fair trade policies aim to increase the proportion of revenue that goes to poor farmers by paying more for the same crop. However, Porter and Kramer (2011, np) note:

A shared value perspective focuses on improving growing techniques and strengthening the local cluster of supporting suppliers and other institutions in order to increase farmers’ efficiency, yields, product quality, and sustainability….Early studies of cocoa farmers… suggest shared value can increase incomes by more than 300 percent. Initial investment and time may be required to implement new procurement practices and
develop the supporting cluster, but the return will be greater economic value and broader strategic benefits for all participants.

The notion of a shared value perspective could have positive implications for the business models of remote Art Centres where similar focuses could be employed to enable sustainability.

5.4.1 The Value Proposition
An important component of a business framework is the value proposition (refer to Figure 8 number 9). The value proposition is a key issue for any business model and can be viewed as a communication from a business that encapsulates why the customer should purchase a product or service from them. This communication should induce and persuade a prospective consumer that the product or service that the Art Centre has for example, will add more value than other similar products (Barnes et al. 2009; Rackham and De Vincentis 1999). It can be seen as an assurance of value to be delivered by the organisation and confidence from the customer that value will happen (Anderson et al. 2006). Kaplan and Norton (2004) state that developing a value proposition is a part of businesses strategy and is based on a review and analysis of the benefits, costs and value that a business can deliver to its customers. Co-operative enterprises such as Art Centres have dissimilar value propositions to the investor owned firms, principally because the co-operative has aims that are both economic and social (Royer 2005).

5.4.2 Purpose, Mission and Core Values
Mazzarol et al. (2011a; 2011b; 2012a; 2012b) argues that one of the critical elements of a co-operative’s business model is the purpose of the co-operative (refer to Figure 8 number 10). Collins and Porras (1996, pp1-2) state, “Companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world ... Core values are the essential and enduring tenets of an organisation”. In their view, companies generally have between three and five core values and that companies enunciating more core values are often confusing them with operating practices, business strategies or cultural norms. The mission statement for a business is a clear statement of the purpose of that company. The Centre for African Refugees and Immigrants (2008) concluded that when developing mission statements the organisation should be cognizant of the community, program activities, values held by paid staff and volunteers and have a knowledge and understanding of the issues of the community. Bart (1997) concluded that mission statements should consist of three critical elements, firstly, the key market for the product, secondly, the contribution or product of the firm that is provided to the customer and lastly, the factor that
makes the product or service unique. Mission statements should demonstrate the number of invaluable ties the organisation has to its community (Centre for African Refugees and Immigrants 2008).

5.4.3 Profit Formula

The Office of the Registrar of Indigenous Corporations (2012) states that generally there are three methods by which art is purchased and sold by Aboriginal Art Centre Co-operatives. Firstly, by consignment where the payment is made to the artist by the Art Centre once the artwork is sold. Secondly, by advanced payment of funds for the artwork but the artist retains ownership of the artwork until final sale by the Art Centre. Lastly, by outright purchase where the Art Centre purchases and owns the artwork as soon as it is finished. However, in theory the last method attracts a resale royalty if the Art Centre re-sells the artwork for $1000 or more. In the view of the Office of the Registrar of Indigenous Corporations (2012) the consignment model is best practice and anecdotal evidence from Art Centres states that the consignment model is preferred as it reduces the risk for the Art Centre in relation to investing in and storing art that may not be marketable.

The percentage of money received by an artist once an artwork is sold differs in relation to the particular type of art (refer to profit formula, Figure 8 number 11). The Office of the Registrar of Indigenous Corporations (2012) notes that in Art Centres that supply paint and canvas to the artists, the artists received between 50 and 60 percent of the sale price from their artwork. Anecdotal evidence provided by Acker (2013, pers. com) also revealed that Art Centres have an approximate 60/40 percent split in favour of the artists. However, it appears that Art Centres are unclear whether this amount is GST inclusive. Acker (2013, pers. com.) reported that some Art Centres that predominately concentrate on ceramics have closer to a 50/50 percent split due to the higher production costs and intensity of labour. Additionally, the Office of the Registrar of Indigenous Corporations (2012) concluded that artists receive a 20 percent return on printed fabric, 30-45 percent on prints and 80 percent on weaving. The profit formula of the sale price is decided by the Board of each Aboriginal Art Centre and is subject to review. The review of literature found one reference in relation to the percentage that the artists receive for their work (Office of the Registrar of Indigenous Corporations 2012). Further, it was reported by Acker (2013, pers. com.) that Art Centres could change the Art Centre percentage to a higher amount when revenue is needed for a particular project, for example, when funding is required for special projects such as an additional Art Centre building. An interesting point to note here is the
seemingly over supply of artwork, which can be of appeal but is of low price and quality (Bendor et al. 2013). Liston (2011) noted that there is tension between artistic integrity and economic return, a point that Myers (2002) argues is an ongoing issue for the Art Industry as a whole.

5.4.4 Processes
Mazzarol et al. (2011a; 2011b; 2012a; 2012b) argue that one of the critical elements of a co-operative’s business model is the internal business and management processes of the co-operative (refer to Figure 8 number12). Porter (1985) and Lamb (1984) describe internal business and management processes and characteristics as firm infrastructure, human resource management, technology development, procurement and operations. Additionally, Lamb (1984) concludes that this process includes the establishment of goals and strategies and ongoing evaluation to determine strategy success. The creation and use of management system processes and frameworks can be utilised to ensure a business achieves its tasks by continuously improving operations, serving and retaining customers while reducing costs and improving margins (Anderson 2005). A number of researchers focussed their work on what practices contributed to a firm’s success and how to measure and apply those in order to continuously improve performance (Ahire 1997; Cua et al. 2001). It is the view of Ames et al. (2011) that management systems and processes impact on business sustainability in a number of beneficial ways. Firstly, they are beneficial by giving a greater fiscal return than the cost of establishing the management systems. Secondly, firms that establish management systems have greater prospects of business survival. This point may be reinforced by the view that firms with management system standards have greater sales (Ames et al. 2011). In relation to Art Centres the importance of infrastructure, procurement and operations cannot be underestimated, especially as remoteness impacts heavily on these areas. These factors are explored in the three case studies.

5.4.5 Resources
Thornhill and Amit (2003) and Crutzen and Van Caillie (2008) postulate that the genesis of business failure is due to inadequacies in a business’s resource base (refer to Figure 8 number13), which restricts its capacity to react satisfactorily to internal or external pressures. They suggest two reasons for these inadequacies. Firstly, that the firm could have had inadequate resources from the beginning of the business and without any intervention the resources could have declined over time. Secondly, that inadequacy of business resources can happen at anytime and without any intervention, the resources potentially will further decline. De Wit and Meyer (2004) have classified firm or business resources into two categories. Firstly, they can be tangible resources such as buildings, machines, materials and financial resources or secondly, intangible
resources that cannot be touched such as relational resources and technical and managerial competencies. Churchill and Lewis (1983) in their work on business growth outlined categories of resources that need to be addressed in order for businesses to achieve their purpose and these categories are, financial, personnel, business and system. As these four categories of resources are critically important for the sustainability of remote Art Centres, each category is explored separately.

5.4.5.1 Financial Resources

One of the critical elements of a co-operative’s business model is how funds are generated for the co-operative. In 2011 the Commonwealth Government released a policy framework entitled the ‘Indigenous Economic Development Strategy 2011–18’. The Commonwealth Government stated that the aim of this policy was to increase both the personal and economic well-being of Aboriginal Australians through greater participation in the economy. The ‘Indigenous Economic Development Strategy 2011–18’ contained a range of funding initiatives relevant to the Aboriginal art sector. For example, approximately $11 million per annum was allocated to support the operations of over 80 Aboriginal owned Art Centre Co-operatives and industry service organisations through the Indigenous Visual Arts Industry Support (IVAIS) program. This funding could be utilised to enhance the professional skills and experience of Aboriginal artists, Art Centre staff, artists and board members (Commonwealth Government 2011). Additionally, support was promised for approximately 600 jobs in arts and culture for Aboriginal Australians through the Indigenous Employment Initiative including 308 arts worker positions (Commonwealth Government 2011). Furthermore, approximately $2 million was allocated to support professional development and training in the Aboriginal visual arts sector. This funding was provided on a matched basis with states and territories (Commonwealth Government 2011).

At present, almost all remote Aboriginal Art Centre Co-operatives are dependent on government funding (Woodhead and Acker 2014). The Commonwealth Government allocates funding either on an annual or triennial basis through the Ministry for the Arts. Funding per Art Centre is based on meeting the criteria outlined in the Indigenous Visual Art Industry Support Program guidelines and varies widely. In general, Art Centres with a higher level of operational funding are delivering more services, for example providing art services across multiple communities or delivering services to a large number of artists in a larger community, while those on lower amounts are delivering fewer services, for example a smaller community and fewer artists (Barney April 2015, pers. com.). In 2012-13, $26.1 million was distributed among 87 Art Centres and art industry support organisations (Acker and Woodhead 2015).
Income from grants exceeds income from sales in 60% of Centres. This is a growing trend: in the 1980s and 1990s, Aboriginal art sales were growing consistently, before the market bubble of the mid-2000s. But in the last 10 years there has been a 126% fall in the retained earnings of an average Art Centre, yet a 44% increase in production (Acker and Woodhead 2015, p13).

The Commonwealth Government has also provided funds through the Indigenous Employment Initiative (National Jobs Program) for employment programs in remote Art Centres. This funding has increased significantly and in some instances is more than the funding for the art program itself. In addition to government funding, Art Centres through the sale of artwork generate revenue for both the artist and Art Centre. However, there has been a fall in the retained earnings of Aboriginal Art Centres between 2004-05 and 2012-13 with Woodhead and Acker (2014, p viii) reporting:

A proportion of this fall in retained earnings is due to the number of small Art Centres. Many of these small Art Centres commenced operations during the last 10 years. In 2012/13, fewer than 20 Art Centres made 70% of all sales in remote Australia. One-third of Art Centres make less than $150,000 a year in sales.

Another factor that has played a key role in increasing Aboriginal businesses’ resources is private sector funding. Corporations (for example, BHP, Rio Tinto and Santos) as well as philanthropic institutions have allocated substantial funding to many local Aboriginal people and businesses.

5.4.5.2 Personnel Resources

One of the critical issues in remote Aboriginal Art Centres is personnel resources, as the Centres can have significant difficulty in sustaining and retaining staff over the long term (Petersen & Congreve 2015a). Sanders (2004) states that staff hired in businesses in remote locations have considerable additional responsibility. The role of the art advisor or manager has been extensively documented by Altman (1989) and Wright (1999) who contend that this role is of primary importance to the successful functioning of remote Art Centres. Evans (2008 np) states, “Similar to any business leadership role, arts leadership also requires a commitment to understanding the policy, theoretical, legal, historical and cultural frameworks of the industry you are working within, as well as excellent management skills”. The Office of the Registrar of Indigenous Corporations (2010) listed four issues, which are particularly pertinent for personnel resources in remote Aboriginal communities and Art Centres. Firstly, staff experience enormous pressure in remote communities in relation to the distribution of funding and resources to individuals,
programs and activities. Managers in charge of funds in remote communities are often accused of being aligned with certain family groups because of a funding decision. Art Centre staff and managers are often concerned with the issue of community members requesting resources for which they are not entitled. This issue appears to be a constant theme for Art Centre staff and managers and can be a source of workplace stress. Secondly, staff can feel isolated in remote communities without their family, friends and peer support. This isolation can lead to burnout that may not resolve even after leaving work and the community. Thirdly, there is no identifiable career path for staff in remote Art Centres, even in Centres where there are both management and staff positions. Lastly, the boards and managers of remote Art Centres usually have not developed any succession plans for when the incumbent manager decides to leave. This in turn places pressure on the new manager as corporate knowledge may not be passed on (Sanders 2004). Limerick (2009) highlighted the critical importance of engaging staff that have the appropriate and relevant qualifications, skills and experience to work in remote Aboriginal communities. This experience is vital for organisations that want longevity in their staff’s tenure, which also results in the potential to enhance corporate governance. A key finding of the Indigenous Economic Governance Project 2003 sponsored by the Centre for Aboriginal Economic Policy Research (2003) and the Australian National University is that there is an overwhelming majority of non-Aboriginal staff in remote communities particularly in management positions. This research highlighted that the high turnover of staff in remote communities is due to high workload, isolation and conflicting community demands.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
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<tr>
<td>Average number of employees of Art Centres incorporated under the CATSI Act</td>
<td>1.83</td>
<td>2.88</td>
<td>3.69</td>
<td>4.50</td>
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Table 3: Average number of employees of Art Centres incorporated under the Corporations Aboriginal and Torres Strait Islander Act (Office of the Registrar of Indigenous Corporations 2012, p30).

The Office of the Registrar of Indigenous Corporations (2012) reported the average number of employees of Art Centres incorporated under the Corporations Aboriginal and Torres Strait Islander Act has increased steadily between the 2007 to 2011 financial years (refer to Table 3). A valid interpretation of this upward trend in staffing might be explained by an increase in funding from government programs. For example, program funding for Art Centres through Indigenous Visual Arts Industry Support (IVAIS) increased by 45.2 percent between 2007-08 and 2010-11.
Additionally, the Commonwealth Government has provided funds through the Indigenous Employment Initiative.

All Aboriginal and Torres Strait Islander Art Centres have a manager and an elected governance board. The role of the manager and management is important to the general operation and decision making of the Art Centre. Altman (1989) and Wright (1999) found that the roles of the art advisors and/or manager are of primary importance to the successful functioning of Aboriginal Art Centres. It could be argued however, that it is not the role in itself that is important, but the appropriate management and business skills and trust that art advisors or managers bring to the Art Centre or develop during their tenure. The review of the literature raised a number of important issues in terms of the processes and tasks of management. Drucker (1986) concluded that management had a number of critical tasks including making work and staff productive, managing social impacts and social responsibility, marketing, innovation and entrepreneurship. Aboriginal artists could also be included in the human resource category due to their critical role in the Art Centre. Although some Art Centres such as Warlukurlangu have had up to 500 artists and other Art Centres such as Ikuntji have approximately 15 regular artists, all Art Centres regardless of size need to have policies and strategies to manage resources.

5.4.5.3 Business Resources

Mazzarol et al. (2011a; 2011b; 2012a; 2012b) cites a range of business resource issues that are important to address including consumer and customer relationships, distribution and marketing, reputation and supplier relations.

5.4.5.3.1 The Consumer and Customer Relationships

A customer is the recipient of goods and services (Kendall 2007) and in the case of this thesis can be defined as a recipient of artworks from remote Aboriginal Art Centres. In the view of Frain (1999) and Kendall (2007), customers can be categorised into two classifications. Firstly, the customer is an intermediate consumer or trade customer who purchases goods from a source business for subsequent resale. Secondly, the customer is an ultimate customer or consumer who does not resell the goods purchased in that they purchase goods for their own or corporate use. Acker et al. (2012) concluded that the research material in relation to the consumers of Aboriginal art is negligible and that the knowledge of consumer behaviour remains largely anecdotal and under-researched.

In relation to remote Art Centre businesses, five categories of business customers can be
identified and these are, art galleries, art dealers, visitors who purchase for themselves at the Art Centre, customers purchasing via a web site and customers directly connected to the Art Centre such as community employees, shire and council staff, government employees, stakeholders, peak agencies and Art Centre employees. Achrol (1997) and Kalwani and Narayandas (1995) found that customer creation was a less cost effective business strategy than customer retention. Therefore Art Centres can potentially realise profit gain and savings through initiating, augmenting and improving relationships with their suppliers and buyers. Additionally, as Low (cited in Batt 2003) notes, the evolution of longer-term relationships can enhance the entry to markets and trustworthy market information for business and enterprises (such as Art Centres). In relation to consumers and quality of the product for sale and the sale price, the literature provided some useful insights. In the view of Zeithaml (1988) consumers with significant product knowledge and a comprehension of the market have an increased capability to discern discrepancies in price and quality, although Steenkamp (1989) argues that quality is a difficult concept to define. Some Aboriginal art is of average quality and perhaps generated for the tourist market and a lower price point can be seen as an entry point for tourist consumers (Wong 2005). Lower price point work often reflects the entry of new, young, emerging artists into the market (Woodhead and Acker 2014). Boland (2011a) writing for the Australian Newspaper is of the opinion that average or poor quality Aboriginal artwork of all forms, no matter the price point, is deleterious to the Aboriginal art industry. This point was further addressed by Woodhead and Acker (2014) who noted consumer concerns about the below average quality of some paintings and the poor recording of provenance. They reported that these issues are undermining the perception of Aboriginal art with consumers. Additionally, there is an imperative to understand the consumer and patterns of buyer behaviour in relation to marketing (Auger and Devinney 2007; Belk 1974; Holbrook 1999). Social trends are a critical factor in any analysis of the art industry’s products and sales value. Woodhead and Acker (2014b, p126) state:

While there is an increasing recognition of Aboriginal art and culture in Australia, consumer-purchasing behaviour is also fickle. ‘Art fashions’ constantly change and new styles emerge. Luck, opportunity and being in the ‘right place at the right time’ also play a role in the success or failure of an artist and an art business.

5.4.5.3.2 Distribution and Marketing

In the view of Ganesan (1994) sustainable business relationships can be created by factors such as efficient distribution systems and good customer service. The process of the distribution of Aboriginal art varies from Art Centre to Art Centre. The Office of the Registrar of Indigenous
Corporations (2012, p40) and Healey (2002) note a range of strategies for the marketing of Aboriginal art;

- Mail service
- Word of mouth
- Bush traders
- Directly sold by artists
- Stalls at markets, fairs and festivals
- Local business
- Agent
- Online
- Exhibitions
- Art Centres or galleries

Many communities continue to support their local community Art Centre as their primary source for distributing and marketing their art because they are able to maintain control over where and how their art is marketed (Healey 2002). Researchers (Healey 2002; Altman and Taylor 1990; Mercer 1997; Wright 2000b) claim that despite the Commonwealth Government’s expectation of Art Centres to achieve strong fiscal returns, Art Centres had limited funding for marketing and distribution activities. Healey (2002) argues that Art Centres totally rely on the skills of Art Centre managers to market and distribute their products and establish connections to the art market in an environment where the workload is already stretched to capacity. The literature in relation to marketing generally (Ehrenberg et al. 1995; Ehrenberg 1988; Sharp 2010) states that consumers have a propensity to buy products from a small number of brands that they have purchased from before and consumers develop a loyalty to those brands. Although some research exists in relation to marketing, sellers and consumers of Aboriginal art (Wilson-Anastasios 2009; Taylor and Coleman 2011; Raffan 2012b) there is an imperative to understand further the consumer and patterns of buyer behaviour in relation to marketing (Auger and Devinney 2007; Belk 1974; Holbrook 1999). Social trends are a critical factor in any analysis of the art industry’s products and sales value. Recent research by Woodhead and Acker (2014) notes that Aboriginal Art Centres are increasingly marketing products under $1000, which represent nearly 90 percent of all artworks produced in remote Australia. The production of small paintings aligns with potential growth in the consumer tourism markets. Research has ascertained that the market for artwork under $1,000 has been stronger and more vigorous than for more sizable and expensive artworks (Woodhead and Acker 2014b).
5.4.5.3.3 Technology

In relation to technology use in remote Art Centres, issues of usability, functionality, availability, reliability, performance and security all need to be considered. The environment in remote communities impacts on technology use due to issues such as weather extremes (flood, heat and dust), lack of infrastructure (communities are prone to power failure and lack phone towers) and communities are a long way from companies that repair equipment failure. Notwithstanding these issues, the Office of the Registrar of Indigenous Corporations (2012) reported that the majority of Art Centres incorporated under the Corporations Aboriginal and Torres Strait Islander Act have computers and Internet sites. Recent research by Bendor (2015) noted that Art Centres have purchased a range of items and services associated with technology included IPads, laptops, information technology support, stock management system upgrade, website development and training. The demonstration by a business of a proficiency in technology can add to the reputation of a company and is a critical component to a company being perceived as a competent and capable business (Bracey 2012). Computers, software, voicemail, websites and social media sites must be kept up to date and having a professional website is critical regardless of the type or size of business (Bracey 2012). Social networking sites such as Twitter, Facebook and LinkedIn are also important tools to use for remote enterprises wanting to establish its brand and maintain its reputation.

Many remote Aboriginal Art Centres have Facebook accounts for the promotion of their business, highlighting artists, Centre activities and products for sale. Bracey (2012) recommends the establishment of an online presence and reputation for enterprises. He stresses the importance of businesses ensuring that their enterprises are listed on the first page of Internet searches for prospective customers. Bendor (2015) noted remote Art Centres utilise their websites in order to have a web presence and generally economic benefit was a secondary factor. In relation to Art Centres selling their art via their webpage, Smith et al. (2006) and Quesenberry and Sykes (2008) suggested that buyers of artwork preferred to view an artwork physically prior to purchase. Additionally, Quesenberry and Sykes (2008) noted a negligible number of artwork sales were actually conducted on online (often sales were concluded by phone and email). This research accords with Booth (2014) in that only 1 percent of respondents in her research stated that the Internet was their most frequent buying method. Respondents in Booth’s (2014) research also stated they would prefer to purchase from a physical gallery with a website than an online only gallery. However, Bendor (2015) estimated that 10 percent of Art Centres’ sales valued between
$2,000 to $120,000 were generated online and participants highly rated the importance of their website to their marketing strategy.

5.4.5.3.4 Reputation

The reputation of a business is essential to its survival and often is the defining factor in consumer choice (Bracey 2012). An Art Centre’s good reputation is critically important as it can lead to a company being singled out as the company to purchase from even if the price is higher than that of a competitor (Delmastro et al. 2012; Landon et al. 1998; Shapiro 1982). Before the advent of social media, businesses relied on their customers to establish, build and maintain their reputations. This is also true of Art Centres, as many remote communities did not have access to reliable telecommunication services. However, Art Centres now must adapt to methods of communication that can instantly have a significant impact (either positive or negative) on their reputation.

Bracey (2012) asserted that there are ten factors that constitute an organisation’s reputation:

- The business has high ethical standards and is trustworthy
- The business treats its staff in a respectful way
- The business has a current and potential fiscal future
- The company is innovative
- The business has quality management and goals and visions for the future
- The organisation is socially responsible
- Customer focus
- The business sells /offers high quality products
- Reliability
- Emotional appeal

Additionally, Bracey (2012) suggested a range of business tactics (and these can be extrapolated to Art Centres) that firms could employ to enhance their reputation including the establishment of trust with consumers and suppliers, the improvement of communication strategies, the development of technological competencies and participation in community service activities.

5.4.5.3.5 Supplier Relations

The development and maintenance of relationships between buyers and suppliers is an important feature in business. Enterprises that have a high level of satisfaction in their business relationships have lower transaction costs, generate fiscal value for both sellers and their customers (Geyskens and Steenkamp 2000; Geyskens et al. 1998; 1999; Nor Azila Mohd et al. 2010) and create an
enabling environment. The concept of supplier relations is an important concept in relation to remote Aboriginal Art Centres as they can be seen as a buyer of services as well as a seller of artwork. In Aboriginal culture there are systems of rights, obligations and responsibilities between individuals, families and communities based on principles of give and take. This system is critical to maintain balance between individuals and groups. Anangu from the APY Lands call this concept ngapartji-ngapartji (I give you something, you give me something). This principal determines responsibilities and behaviour and is interwoven into the economic, social and cultural domains of Aboriginal life. In this context, the relationship of the Art Centre to the host community and artists themselves is of paramount importance to the success and sustainability of the Art Centre Co-operative. It is within this context that the role of the Art Centre in relation to the community and individual community members is critical. The characteristics and functions of Art Centres are varied (refer to Chapter 2) and researchers have argued that some remote Art Centres serve as social service centres in addition to their role as Art Centres (Commonwealth of Australia 2007; Cooper et al. 2012; Wright and Morphy 1999). For example, Healey (2002) found that there is a dichotomy between how Art Centres are perceived by funding bodies and the actual requirements of the communities. In Aboriginal communities, the social and cultural exchange processes in relation to the Art Centres’ business also needs to be taken into account. If the Art Centre were to discontinue the social services part of its role, it could be argued that the supply chain and inevitably the sustainability of remote Art Centres could be undermined by diminished relationship satisfaction and lower trust. In this regard, the Art Centre could be seen as neglecting its obligations and responsibilities of ngapartji-ngapartji between the Art Centre and community. Conversely however, it could be argued that if Art Centres utilised a greater proportion of their time on the development of art and artists as opposed to relationship development via providing other services, that there may be a discernable improvement in art quality. However, as the mainstream management research highlights, relationship satisfaction is fundamental to, and an enabling factor of, the preservation of long-term buyer-supplier relationships (Nor Azila Mohd et al. 2010; Abdul-Muhmin 2005; Ramaseshan et al. 2006). As such, remote Art Centres need to develop long-term strategies with their community, boards, artists and funders that enhance, maintain and protect their relationships in addition to developing practices that contribute to sustainability.

5.4.6 Share Structure
How an Art Centre Co-operative determines its business model and share structure is an important strategic issue. Aboriginal Art Centres are predominantly community owned and as
such do not have a traditional share structure (refer to Figure 8 number 14) as dividends are not paid to members. Art Centres can be viewed as having a similar share structure to traditional co-operatives that have a non-distributing structure (Cook and Chaddad 2004). Mazzarol (2015, pers.com) however, notes that without also having ownership via share capital distribution artists are unable to benefit from the overall success of the Art Centre as a business entity. Mazzarol (2015, pers.com) further comments that the current non-distributing share structure of remote Aboriginal Art Centres has the potential to compromise the entrepreneurial underpinnings of the Centres and place their potential as vehicles for economic self-determination at risk.

“It denies the Aboriginal artists an “investor” role in the business and in-turn potentially weakens their ability to secure strong “ownership” rights. While an Aboriginal artist “patron” of the Arts Centre may not be able to invest money into the business, they could accumulate shares that can help them to enhance their personal wealth (in mutual) as well as strengthening their sense of ownership over the business” (Mazzarol 2015, pers.com)

Conversely it could be agreed that in the current business model, the community has full ownership rights of the Art Centre and as such, the entire share capital is community owned. Additionally a well-managed Art Centre can develop a strong reputation and links to the art market that can increase the income of participating artists and enhance the overall wealth of the local community. Community member and artists who supply work to the Art Centre both contribute and receive social and cultural benefits in addition to financial benefits by way of selling their art. It is interesting to note that artists who sell more work or higher priced art can be viewed as investing more into the Art Centre by way of the funds that the art centre receives and retains from art sales. As the current Art Centre business model is a not-for-profit business the issue of creating a new for-profit distributing Art Centre business model will be further discussed in Chapter 10.

5.4.7 Governance

In the view of Dodson and Smith (2003) governance (refer to Figure 8 number 15) is primarily about relationships and connections, control, authority, and the processes and procedures of accountability to the constituency that the governing body is representing. The two definitions of governance that are the most appropriate for this thesis were noted by the Australia and New Zealand School of Government’s Institute for Governance and by Dodson and Smith (2003). Firstly, the Australia and New Zealand School of Government’s Institute for Governance
(ANZSOG 2013, website) stated that organisational governance is, “the process whereby decisions important to the future of an organisation are; taken, communicated; monitored and assessed” (website). Secondly, Dodson and Smith (2003, p1) note that:

> Governance can broadly be defined as: the processes, structures and institutions (formal and informal) through which a group, community or society makes decisions, distributes and exercises authority and power, determines strategic goals, organizes corporate, group and individual behavior, develops rules and assigns responsibility.

The second definition by Dodson and Smith (2003) is important in the discourse of effective community governance laying the foundation for stronger and more sustainable communities (Lawrence 2007; Gleeson 2010). In the view of Dodson and Smith (2003) the way in which governance activities are undertaken will affect the health and well-being status of individuals and communities. In Aboriginal communities and organisations governance involves:

> Strengthening Indigenous decision-making and control over their enterprises and building on people’s skills, personal and collective contributions and shared commitment to an organisation’s chosen governance processes, goals and identity (Australian Government 2012b).

Edwards and Clough (2005) and the Office of the Registrar of Indigenous Corporations (2010) stated there are a range of practices, processes and factors that support effective organisational governance:

- Clarity of organisational structure and decision-making processes
- Clarity in roles and responsibilities within the organisation especially between managers, boards, shareholders and owners
- Board of Directors working as a team
- Culture of trust and open dissent
- Accountability and reporting processes
- Planning processes
- Financial management and reporting processes
- Monitoring and managing of compliance and business performance in agreement with contracts/service/funding agreements, program guidelines
- Documented policies and procedures for these practices and processes
- Right skills, competencies and characteristics including industry knowledge
- Good induction and ongoing training
Mazzarol et al. (2011a; 2011b; 2012a; 2012b) and Cornforth (2004) note that there are six different manifestations of governance in co-operatives. However, the choice of what models are employed depends on how members apply their ownership rights. Mazzarol et al. (2011a, p18) define these models as “compliance, partnership, democratic, stakeholder, co-optation and rubber stamp”. In understanding these models, Mazzarol et al. (2011a) put forward five management theories that can be utilised to examine how they apply to co-operatives like Art Centres. These areAgency Theory, Stewardship Theory, Resource Dependency Theory, Stakeholder Theory and Managerial Theory. Firstly, Agency Theory maintains that the manager and members have potentially differing and mismatched interests. Secondly, Stewardship Theory contends that the manager will hold the interests of the members as paramount. The skill and competency of the Art Centre manager is extremely important in remote communities as board members often are not skilled in business and often have low literacy and numeracy skills. Silvertsen (1996) notes that these conditions may lead to businesses like remote Art Centres being management driven, as board members lack appropriate skills for managing corporate ventures. Thirdly, Resource Dependency Theory is based on how effectively an Art Centre uses its resources to determine its success. This is extremely important, as managing resources to fit both the internal and external business climate will assist the sustainability of the Art Centre. Fourthly, Stakeholder Theory declares that whilst the board has a responsibility to represent members, it also has to protect other stakeholders such as the community and employees. Lastly, Managerial Theory affirms that it is the manager and in some instances the Board who hold the power in the Art Centre and not the members.

The Office of the Registrar of Indigenous Corporations (2010, p25) stated, “a common issue with the role of governance is differentiating it from management, in that the Board is responsible to the owners for overall management of the entity, but they are not responsible for managing the business”. Overall, good governance deals with building the environment for legitimate and competent rule and for collective action (Dodson and Smith 2003, p2).

In order for a business to be effective, Cornforth (2004) asserted that one of the Board of Management’s main tasks is to protect the interests of the co-operative and ensure that it flourishes, although this cannot be at the expense of the members. The Board therefore has to represent both the interest of the co-operative as a whole and its members. Additionally, board members have to be mindful of the staff that are employed by the co-operative and act appropriately to award and employment conditions (Cornforth 2004). For many board members
with little or no experience in governance this can be a difficult task to undertake. This is particularly true of many board members of remote Art Centres who have had no experience in managing a business and whose proficiency in English is limited. Campbell (2003; 2004) asserted that training and capacity building for board members of Art Centres is extremely valuable. However, as noted by the Office of the Registrar of Indigenous Corporations (2010) individual Art Centres and peak agencies regularly undertake this task across Australia, training needs to be ongoing and culturally relevant.

The work of Dodson and Smith (2003) in relation to successful economic development in Aboriginal communities is insightful in relation to governance. In their view, one of the most substantial challenges for Aboriginal people and communities is the merging of economic activities that have effective governance systems in place, with equally important issues such as social affairs, cultural priorities and legal rights. One of the pivotal issues identified by the Harvard Project (2013) in successfully balancing organisational governance standards and community customs is the cultural match. Dodson and Smith (2003) propose that in order to achieve community legitimacy, Aboriginal governance structures in communities should be permeated by local cultural standards. The governance structures need to be not only culturally appropriate but also effective in order to achieve financial and administrative compliance with stakeholders and meet the goals of the organisation. In the view of Hunt and Smith (2007), an individual’s capability and an organisation’s capacity are linked, in that building an individual’s skills can help the organisation meet its goals. In view of that, individual and group capacity building with members of the governing boards of Art Centres is a vital component of enhancing governance in these remote Art Centres. Hunt and Smith (2006) argue that a way to enhance an organisation’s abilities to improve governance, solve problems and set and achieve goals is through capacity strengthening based on a strengths-based approach. An important component of capacity strengthening is leadership development and leadership capacity strengthening which requires a long-term commitment. Strengthening the leadership capacity of Aboriginal boards of management and individuals is beneficial in its own right, however, “it also improves Indigenous community governance, which, in a cyclical process of improvement, is the precursor to capacity strengthening for further sustainable development” (Australian Government 2014b, webpage).

The Office of the Registrar of Indigenous Corporations (2012) reported that as of December 2011, Art Centres incorporated under the CATSI Act (2006) had an average of 6.9 board members per Art Centre, with an approximate gender breakdown of 60 percent women and 40
percent men. This gender breakdown is very different from other company boards in Australia, which generally have a much lower representation of women (Australian Institute of Company Directors 2013). This point could be reflective of the fact that there is a higher participation of women in the visual art sector compared to men (20 percent of females 14 percent of men) which, when adjusted in percentile terms (percentage of gender divided by total gender participation), equates to 41.2 per cent males versus 58.8 per cent females (Office of the Registrar of Indigenous Corporations 2012). This gender breakdown of Art Centre directors is similar to that of the top 500 Aboriginal and Torres Strait Islander corporations (Office of the Registrar of Indigenous Corporations 2011).

5.4.8 Entrepreneurship and Innovation

In relation to developing a Combined Research Framework the need to incorporate entrepreneurship and innovation as individual elements of the enterprise level were identified by the thesis research (refer to Figure 8 number16). The importance of entrepreneurs and entrepreneurship in the role of economic development, sustainability and resilience should not be under-estimated in remote desert communities and remote Art Centre Co-operatives.

Davidsson (2003) in analysing the entrepreneurship literature noted two main themes: the emergence perspective and the opportunity perspective. The emergence perspective views entrepreneurship as organisational emergence (Gartner 1990) where the focus is on organising activities. The opportunity perspective argues that entrepreneurship is about the discovery, evaluation and exploitation of opportunities where situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationship (Eckhardt and Shane 2003). This literature emphasises entrepreneurship as a disequilibrium activity where opportunities are defined as “situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationship” (Eckhardt and Shane 2003, p4). Novkovic (2008, p2174) asserts that a co-operative enterprise can be a “potential breeding ground of social entrepreneurship and social innovation” which has the capacity to increase the sustainability of enterprises such as Art Centres by developing new business strategies. Shapero (cited in Krueger et al. 1994) stresses that communities need not have entrepreneurs in place, but need to have the potential for expanding entrepreneurial pursuits as this potential characterises economically self-renewing, developing and innovating communities.
and organisations. Schumpeter (1987) and Romer (1989; 1990) concluded that innovation is a driver for economic stimulus and growth.

Indigenous entrepreneurship is an emerging area of work and research (Peredo et al. 2004; Hindle and Lansdowne 2005). Hindle and Lansdowne (2005, p132) provided a definition of Indigenous entrepreneurship;

*Indigenous entrepreneurship is the creation, management and development of new ventures by Indigenous people for the benefit of Indigenous people. The organizations thus created can pertain to either the private, public or non-profit sectors. The desired and achieved benefits of venturing can range from the narrow view of economic profit for a single individual to the broad view of multiple, social and economic advantages for entire communities. Outcomes and entitlements derived from Indigenous entrepreneurship may extend to enterprise partners and stakeholders who may be non-Indigenous.*

Mazzarol (2015, pers.com) noted that Hindle and Moroz (2009) suggest four points to assist in defining the parameters of indigenous entrepreneurship;

- Culture and social norms – tradition, heritage, spirituality, collective ownership, economic and social marginalisation and discrimination by the mainstream culture;
- Entrepreneurial capacity – social networks and social capital, world views, education, skills and experience;
- Organisational drivers and constraints – governance systems, formal institutions.
- Land and resources – resource strengths and weaknesses, land rights and property systems, capital utility and spiritual aspects.

Hindle and Moroz (2009) argue that Indigenous entrepreneurship could assist in Indigenous disadvantage worldwide. Bebbington (1993, p275) suggests, "Indigenous peoples are firmly integrated into a capricious and changing market. Their well-being and survival depends on how well they handle and negotiate this integration". Hindle and Moroz (2009, np) argue that Indigenous people seek a higher degree of autonomy in their affairs than the mainstream state is often willing to express;

"There is also a growing awareness by many Indigenous leaders around the world that economic independence is an obvious path towards preserving all aspects of community integrity including lifestyle, heritage and culture".
Hindle and Lansdowne (2005, p140) postulate that what differentiates indigenous entrepreneurship as a distinct entity is the function of culture and heritage:

*The major lesson learned in this study was that Indigenous entrepreneurs can use their heritage— they don’t have to lose it when they set out in pursuit of venture success. The Dreaming in Australia, the realm of the Great Spirit in the Americas and all Indigenous spiritual and cultural traditions, wherever they are found, can be positive entrepreneurial forces. These traditions offer not a closed book of immutable scripture, but an open universe of continuous possibility. The potent allegories of Indigenous tradition can show the way to what might be—as well as what has been. There need be no paradox, no contradiction, no values sacrifice, no false dichotomy between heritage and innovation. The teachings of many Indigenous traditions are rich in stories of brave-hearted, individual men and women in quest of new knowledge, new ways of doing things, new discoveries leading to a better life for many people.*

Additionally Hunter (2013) noted that changes in the skill level of many Aboriginal people combined with new changes to government policy make the task of establishing profitable businesses easier for Aboriginal entrepreneurs. Hunter (2013) suggests that this new trend in government policy and programs that finance and support the success of Aboriginal businesses, provides a plausible explanation for this shift.

5.5 The Member Level

The Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework incorporates a member level where co-operative members have four main roles within the enterprise, which are important in the context of Art Centres, investor, patron, owner and community member. Mazzarol et al. (2012c, p4) stated:

*Members of co-operatives are motivated to support the co-op for different reasons. We liken this to their wearing multiple hats that draw them into different directions regarding the strategic direction of the co-op.*

In relation to remote Art Centres however, the definition and description by Mazzarol (2011a; 2011b; 2012a; 2012b; 2012c) of the member level requires a different interpretation. Whilst it can be asserted that artists have the primary roles of owner and community member in remote Art Centres, it can also be argued that other entities that are not co-operative members (such as governments, private business, not for profit groups, peak agencies, universities and museums)
have a role as investors and patrons in remote Art Centre enterprises. The inclusion of entities outside of the co-operative, who assume investor and patron roles, has the potential to impact on the strategic direction and day-to-day operations of the Art Centre Co-operative in both positive and negative ways. Whilst the Mazzarol Framework (2011a; 2011b; 2012a; 2012b; 2012c) depicts the member roles as discrete categories (refer to Figure 7) the Combined Framework depicts the roles as overlapping due to the merging nature of the roles in Art Centres (refer to Figure 8).

The first category of the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) member level is the investor (refer to Figure 8 number 17). Mazzarol et al. (2012c) note that co-operative members are required to invest some form of capital into the co-operative. A number of investors can be identified in relation to Art Centres. Firstly, artists invest social, cultural and financial capital in an Art Centre (Commonwealth of Australia 2007). Secondly, the various tiers of government invest economic capital in return for service provision and program delivery. Thirdly, Art Centres have business relationships with companies that fund infrastructure and new services. Fourthly, art industry peak agencies provide professional development and training for artists, board members and staff, advocacy, business management and marketing assistance for Art Centres (Australia Council 2004). Lastly, other organisations such as not-for-profits invest in Art Centres either by providing funds directly like the Palya Fund, or by providing support such as research programs developed by Universities and through organisations such as Uniting Care who provide staff support for programs.

The second category of the member level is the patron (refer to Figure 8 number 18). Mazzarol et al. (2012c, p4) state that the role of patron “is a primary role for members and the health of co-operative enterprises is often measured in the level of business that members do with the co-op”. Artists can be seen as patrons of the Art Centre by virtue of investing financial, social and cultural capital in the Centre. However, the level of involvement and business dealings an artist has with their respective Art Centre Co-operative differs between artists. Some well established artists may not paint many works per year but their financial contribution to the Centre may be high due to the sale price of their work. Other artists may produce many artworks per year, but their work may not command high prices in the market. It can be argued that both groups of artists have a

6 The Palya Fund is a charitable organisation established by Ku Arts to raise funds for projects on the APY Lands.
vital role in the business however, their level of capital contribution and the form it takes varies. Additionally, the Commonwealth Government could be included as a patron given the level of financial business it conducts with Art Centres by way of direct funding. Furthermore, businesses such as BHP, Santos and Newmont Mines can likewise also be viewed as patrons of Art Centres, as well as investors. Finally, not-for-profit organisations and individual buyers could be seen as patrons in their buying patterns of favouring one Art Centre or region or by contributing funds.

The third category of the member level is the owner (refer to Figure 8 number 19). Mazzarol et al. (2012c, P4) state, “members have both the status of ownership stemming from their ultimate voting power within the co-op, and the practice of ownership that requires them to actively participate in the democratic governance of the co-op”. In relation to Aboriginal Art Centres, the ownership consists of the artists themselves in combination with the whole community where the Art Centre is located. In some communities however, ownership may include a second party such as local government.

The last category of the member level is the community member (refer to Figure 8 number 20) and in relation to Aboriginal Art Centres the importance of community cannot be overstated. Without the community and community members remote Art Centres would not exist. Mazzarol et al. (2012c, p4) state, “Where the members of a co-op embrace the co-operative guiding principle of caring for the community it is possible for co-ops to become a mechanism for building social entrepreneurship and innovation”. It is through the involvement of the community in the Art Centre and conversely the Art Centre in the community that the Art Centre will be better placed to contribute to the local economy. In the view of Hawkes (2001), a community’s energy, strength and quality of life are closely related to the energy, strength and quality of its cultural engagement, expression, dialogue and celebration.

5.6 Summary

The ‘Conceptual Framework for Co-operative Enterprise Research’ developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) - refer to Figure 7, provides the basis for developing a enhanced model for research into the sustainability of co-operative Art Centre enterprises (refer to Figure 8). The Mazzarol et al. Framework (2011a; 2011b; 2012a; 2012b; 2012c) utilises a systems level of analysis to explore the connections and relationships between all the elements of the enterprise. This method of analysis is complementary to the interconnectedness of business systems and is relevant to Aboriginal culture where all elements are interrelated. The chapter
individually examined each component of the Mazzarol Framework in addition to the six areas presented by the thesis author and a new Combined Framework was developed. The additions to the Mazzarol et al. Framework (2011a; 2011b; 2012a; 2012b; 2012c) enhance the cultural appropriateness of the model. The new Combined Framework is used as a research tool for studying the sustainability of remote Art Centres in the three case study Chapters (Chapters 7, 8 and 9) exploring the sustainability of remote Aboriginal Art Centres.
Chapter 6: Research Design and Methodology

6.1 Chapter Outline
This chapter outlines the research questions and methodology of this thesis. It begins by describing case study methodology, data collection methods and the case study selection process. Additionally, the ethics approval process and the ethical and cultural guidelines for conducting research in Aboriginal communities are discussed. Lastly, the chapter addresses the issues of conducting research in remote locations.

6.2 Introduction
This thesis seeks to identify, review and compare a range of fiscal, social and cultural issues impacting on the sustainability of remote Aboriginal Art Centres by developing three case studies that employ both qualitative and quantitative investigative methods (Yin 1981; 1989; 2003; 2009; 2013; Eisenhardt 1989; Creswell 1994; 1998; 2003; Cherryholmes 1992; Tashakkori and Teddlie 1998; De Vaus 2001).

More specifically, this thesis will seek to answer:

• What is the interplay between community, cultural forces, commercial opportunity and Art Centre Co-operative business practices?
• What are the factors that contribute to the economic, social and cultural sustainability of selected Aboriginal Art Centre Co-operatives in remote Australia?
• How and why these factors contribute to the success of the selected remote Aboriginal Art Centre Co-operatives?

As Chapter 5 demonstrates, this thesis has utilised and adapted the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework for Co-operative Enterprise Research to configure a new culturally appropriate Combined Framework as a research tool for studying the sustainability of remote Aboriginal Art Centre Co-operatives. This thesis individually examines each component of the Mazzarol Framework (2011a; 2011b; 2012a; 2012b; 2012c) and the additional areas of cultural capital, Aboriginal sense of community and attachment to ‘country’ (place), technology, entrepreneurship and innovation that were highlighted in the review of literature as being of significance to Aboriginal Art Centres. Additionally, trust has been included at the business level as the Mazzarol et al. (2011a) Framework did not distinguish trust as a separate component but included it as an element of social capital. Methodologically, the Combined Conceptual Framework’s applicability was tested though its application in three case studies exploring the sustainability of remote Aboriginal Art Centres.
6.3 Methodology

6.3.1 Review of the Literature

6.3.1.1 Literature Search Methods

Review of the literature for this thesis addressed six principal areas. These areas were, frameworks for researching co-operatives, Aboriginal art, sustainability, co-operative enterprises, business models and research methodology. Literature searches were undertaken in a range of databases and on the Internet. Literature and information identified was varied and consisted of books, technical reports, conference proceedings, newsletters, government reports, government agency reports, newspaper articles, peer-reviewed journals, community reports and agency reports. Additionally, the literature varied in terms of its disciplinary base and included the fields of management, business, the arts, humanities, social sciences, accounting, geography, economics, sociology, agriculture and primary health. Documents identified in the search that appeared pertinent from the title or abstract were downloaded and read. Documents were identified as either directly relevant or contextually relevant to the thesis.

6.3.1.2 Literature Analysis

Whilst reading each article and document the following issues guided the research:

- What issues does this document raise directly about remote Aboriginal Art Centres?
- What issues does this document raise contextually about remote Aboriginal Art Centres?
- What issues does this document raise directly and/or contextually about remote Aboriginal Art Centres as co-operatives?
- What issues does this document raise directly and/or contextually about remote Aboriginal Art Centres business models?
- Are there any implications from this document in relation to the sustainability of remote Aboriginal Art Centres (if so what are they)?
- What issues does this document raise directly and/or contextually about the drivers and barriers of the sustainability of remote Aboriginal Art Centres?

Additionally, the process included noting and documenting issues, themes and ideas that the documents raised or did not address.
6.3.2 Case Study Methodology

6.3.2.1 Approach: The Case Study

This research was undertaken by utilising case study methodology, which is an empirical exploration method that investigates occurrences in actual life circumstances and employs a mixed method of data collection to advance the case (Yin 1981; 1989; 2003; 2009; 2013). As such, case studies are suitable for studying complex social phenomena especially where the researcher has no control of events. The three case studies presented in this research are explanatory in nature as explanatory case studies provide a more complex and deeper explanation of the circumstances of the case study than do descriptive case studies (Yin 1981; 1989; 2003; 2009; 2013; De Vaus 2001). Creswell (2007) notes that a case study is a qualitative approach, where the researcher investigates a bounded system (case) or multiple bounded systems (cases) over time, through comprehensive data collection involving multiple sources of information (for example, archival analysis, documents, reports, interview, survey and observations) and reports a case description and case-based themes. Keil (2010, p1) states, “In case studies, the emphasis is placed on the exploration and description”. As Wimmer and Dominick (2006) further postulate, the case study can provide the researcher with a substantial amount of information about the research subject and also avenues for further research. In the view of Denzin and Lincoln (2005, p3),

Qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. These practices transform the world.

Stake (1995) notes that researchers using a case study approach examine what is usual and what is unique about a case sample and the outcome of the data usually uncovers the unique. The procedure for undertaking the case studies was modelled on the work of Yin (1981; 1989; 2003; 2009; 2013) and involved developing a detailed case study protocol that guided all case data collection. As recommended by Yin (1981; 1989; 2003; 2009; 2013), a framework for the reporting of the case studies was developed. A new research framework, based on the Conceptual Framework for Co-operative Enterprise Research by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) was developed for researching and reporting the case studies and is referred to throughout this thesis as the Combined Research Framework. Comparative study is a common social research practice and DeVaus (2001) notes that all social research includes elements of comparison, for instance, research of groups, cases and periods of time. In this research, the comparison was made across remote Aboriginal Art Centres. The data for the preparation of the
case studies in this thesis included qualitative and quantitative research methods, archival research, interviews, observation, document analyses of historical records, organisational charts, production statistics and other information sources, and quantitative data. McCutcheon et al. (1993) and De Vaus (2001) suggest to augment case study data with the use of multiple data sources as this method is consistent with concepts of triangulation (Stuart et al. 2002; Yin 1981; 1989; 2003; 2009; 2013), which can improve the reliability and contestability of data (Barratt et al. 2011). Agrawal et al. (2006) and Neuman (1997) raised concerns regarding the issue of context sensitive data being critical to analysing the characteristics and causal factors of success and failure of enterprise. With this in mind, this thesis research utilised an approach that encompassed the core values raised in “Keeping Research on Track” (Commonwealth of Australia 2005), combined with an approach which preserved gathered information and its nuances in its socio-cultural context (Neuman 1997). As the Commonwealth of Australia (2013b) notes, analysis and comparison of cross-sectional data may not substantiate arguments about causation, but instead identify positive associations. Lidberg (2009) noted that in framing research methodology both qualitative and quantitative methodologies are considered an appropriate study design. Additionally, the review of the literature highlighted that many researchers consider qualitative and quantitative research methods as complementary (Mingers et al. 1996; Creswell 2003; Jackson 1991; 2000; Jack and Raturi 2006). This thesis adopted a research design that used both qualitative and quantitative investigative methods (Yin 1981; 1989; 2003; 2009; 2013; Creswell 2003; 1994; 1998; Cherryholmes 1992; Tashakkori and Teddlie 1998; de Vaus 2001). Gorard (2004, p7) stated, that mixed method research using both qualitative and quantitative investigative methods achieves “less waste of potentially useful information”. Bazeley (2004) postulated a mixed methods approach facilitates a better and more complex understanding of occurrences through verification of result, extension of knowledge or by generation of alternate interpretations about the subject matter. Creswell (2003, p231) concluded that in using a mixed methods approach “researchers should be concerned with applications, with what works and with solutions to problem”.

**Triangulation**

Data presented in this thesis was validated using triangulation, which is defined by Erzberger and Kelle (2003, p457) as “gathering and analysing qualitative and quantitative data separately” to allow credible deductions to be drawn. Researchers have noted the triangulation process has the potential to identify more objective findings than can be obtained from a single methodology by introducing additional rigor, breadth, complexity, richness, and depth to any inquiry (Neuman 2000; Yin 1981; 1989; 2003; 2009; 2013; Miles and Huberman 1994; Denzin and Lincoln 2003).
Patton (2002) noted the goal of triangulation is not necessarily to find consistency across data sources, as inconsistencies provide an opportunity to uncover deeper meaning in the data. This thesis utilised three different types of triangulation (Guion et al. 2011). Data triangulation involved using different sources of information that respond to the overall research questions in order to increase the validity of this thesis. The sources used to obtain information were Art Centre managers, artists and stakeholders in the Art Centres. In-depth interviews were conducted with each of these groups to gain insight into their perspectives. During the analysis stage, feedback from interviewees was compared to determine areas of agreement as well as areas of divergence. Additionally, a variety of written documentation was used. Methodological triangulation involves the use of multiple qualitative and/or quantitative methods to study the program, for example, results from interviews with different categories of participants were compared with written data. Environmental triangulation involves the use of different locations, settings, and other key factors related to the environment in which the study took place, such as the time, day or season.

Case Study Protocol

This research developed a case study protocol as a critical element of research methodology (Yin 1981; 1989; 2003; 2009; 2013). The protocol included the instrument for the research and also the procedures and general rules that were followed using the instrument, for example, an overview of the study, field procedures, case study questions and the guide for the case study report (Yin 1981; 1989; 2003; 2009; 2013).

6.3.2.2 Case Study Selection

6.3.2.2.1 Criteria

Given there are approximately 100 Aboriginal Art Centres situated in remote Australia that could have been included in this thesis, the choice of which Art Centres to utilise as case study sites was made in part by using judgemental sampling.

Neuman (1997; 2000; 2003) stated that a researcher uses judgemental sampling to select unique cases that are especially informative and is used when:

- A researcher wants to identify particular cases for in depth investigation
- Selecting difficult to reach populations
- Studying failed development projects

The importance of obtaining sampling that showed diversity (Neuman 1997; 2000; 2003) was an important factor in selecting case study sites (refer to Table 4). For example, business models,
geographic areas, size, scale, support, remoteness, infrastructure, management and funding were considered. Due to the remoteness of Art Centres and the sensitivity to cultural issues, a range of other factors were considered by this researcher when selecting the case study sites:

- The potential of the Art Centre to produce the most insights about the thesis topic (Leedy and Ormrod 2005)
- The willingness of the Board of Management to participate in the research
- The preparedness of the Art Centre Manager to participate in the research
- The availability of Art Centre staff to participate in the research
- Remoteness and ease of access to Art Centre
- Transport considerations
- The necessity for special training required by the researcher to travel to the Art Centre (for example, 4 wheel driving training)
- Permit requirements for the Community
- Safety of the researcher
- The availability of accommodation in the community for this researcher
- Whether other research was being undertaken at the Art Centre or in the area that might impact on the proposed Art Centre research
- Cultural issues such as the time for men’s or women’s business in the community where the Art Centre is situated
- Whether English was the second or third language of community members and did the researcher require an interpreter
- Other cultural issues that might impact on the fieldwork or safety of student such as recent sorry business or violence in the community
- Timing of research in relation to temperature and flooding

As a consequence of utilising judgemental sampling and after considering the above factors and consulting the literature and advice from the art industry supervisor, five remote Art Centres were initially considered as potentially suitable as case study sites for this thesis (Iwantja Art Centre in South Australia, Ntaira in the Northern Territory, War mun Arts in Western Australia, Warlukurlangu Arts in the Northern Territory and Martumili in Western Australia). Initial consultation was undertaken with the five remote Art Centre managers to ascertain the feasibility of fieldwork research being undertaken as the Art Centres:

- Iwantja Art Centre during the course of negotiations had a change in management, however the new manager was equally committed to participate as she had been working at the Centre with the previous Manager. Iwantja Art Centre based in the APY Lands in
South Australia was considered logistically suitable in addition to meeting the criteria outlined by Newman (1997; 2000; 2003).

- Ntaira Art Centre during the course of negotiations had a change in management and the Ngurratjuta Art Centre in Alice Springs had assumed responsibility for its management. The new management was reluctant to take part in the research.
- Warmun Arts was committed to taking part in the research, with the caveat that discussions with the Manager would take place predominantly in the evenings and the research would not interrupt artists’ painting time. Warmun Arts Centre based in Turkey Creek in Western Australia was considered logistically suitable in addition to meeting the criteria outlined by Newman (1997; 2000; 2003).
- Warlukurlangu Arts based at Yuendumu in the Northern Territory was committed to taking part in the research and it was considered logistically suitable in addition to meeting the criteria outlined by Newman (1997; 2000; 2003).
- Martumili in Newman in Western Australia was very enthusiastic about taking part in the research, however it was determined that its model of operation was so different from other Art Centres that comparisons would be difficult.

Based on the criteria outlined by Newman (1997; 2000; 2003) and the other factors raised by the research, the three Art Centres that were formally approached to take part in the research were Iwantja Art Centre, Warmun Arts and Warlukurlangu Arts. However, Iwantja Art Centre informed the researcher of its decision not to participate in the research five weeks prior to the fieldwork commencement. Their decision was based principally on a new manager being employed and the number of research projects already underway in the APY Lands. The withdrawal of Iwantja Art Centre necessitated the selection of another remote Art Centre for a case study. Based on the established criteria (Neuman 1997; 2000; 2003) pertinent to remote area research, Ikuntji Artists at Haasts Bluff in the Northern Territory was approached. Although it was preferential not to utilise two Art Centres based in the same State/Territory, the obstacles associated with other Art Centres participating in the research within the thesis’ time frame were insurmountable and Ikuntji Artists had sufficient diversity from the other selected Art Centres especially in size and scale.
<table>
<thead>
<tr>
<th>Art Centre</th>
<th>Warlukurlangu Art Centre</th>
<th>Ikuntji Artists</th>
<th>Warmun Art Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>Northern Territory</td>
<td>Northern Territory</td>
<td>Western Australia</td>
</tr>
<tr>
<td>Main Language</td>
<td>Anmatyerre and Warlpiri</td>
<td>Luritja and Warlpiri</td>
<td>Gija</td>
</tr>
<tr>
<td>Community size</td>
<td>700-1000 people</td>
<td>160 people</td>
<td>350-400 people</td>
</tr>
<tr>
<td>Priority Community</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Distance from major town</td>
<td>300 km north west of Alice Springs</td>
<td>230 km west of Alice Springs</td>
<td>860 km from Broome</td>
</tr>
<tr>
<td>Permit required</td>
<td>Notification required to community manager</td>
<td>Yes with prior written arrangement through the Central Land Council</td>
<td>Yes on arrival in the community at the community administrative centre</td>
</tr>
<tr>
<td>Community services including store, school, police</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Date of Art Centre establishment</td>
<td>1985</td>
<td>1992</td>
<td>1998</td>
</tr>
<tr>
<td>2011 Revenues from ordinary activities including grants and total sales</td>
<td>2,015,485</td>
<td>385,003</td>
<td>1,190,749</td>
</tr>
<tr>
<td>2011 Gross Sale of Goods</td>
<td>1,357,358</td>
<td>204,457</td>
<td>738,539</td>
</tr>
</tbody>
</table>

*Table 4: Detail and Diversity of Case Study Sites.*
6.3.2.2.2 Case Study Locations

Figure 9: Map of Case Study Sites, with the red dots highlighting the chosen Art Centres for Case Study Research (National Arts and Craft Industry Support 2009)
Warlukurlangu Artists Aboriginal Corporation at Yuendumu in the Northern Territory

Warlukurlangu Art Centre (refer to Figure 9) is in Yuendumu in the Central Desert region of the Northern Territory and is within an area classified by the Accessibility/Remoteness Index of Australia system (ARIA) as ‘very remote’ (Australian Institute of Health and Welfare 2004). Yuendumu is a Warlpiri and Anmatyerre community in the Northern Territory. Before settlement in 1946 Warlpiri people inhabited a large expanse of the surrounding Tanami Desert. The two main languages spoken in Yuendumu are Anmatyerre and Warlpiri. There are also a number of people from the Pintupi language group living at Yuendumu. Although the traditional ownership of the land rests with families who collectively form the Warlpiri Land trust, Anmatyerre land extends to the east, Pintubi/Luritja land to the south and Kukatja land to the west and Warlpiri land is on the southeastern border. Yuendumu Community is one of the largest Aboriginal communities in the Northern Territory with a population of approximately 700-1000 people. Warlukurlangu Arts is located 294 km northwest from Alice Springs along the Tanami Road.

Ikuntji Artists Aboriginal Corporation at Haasts Bluff in the Northern Territory

Ikuntji Artists (refer to Figure 9) is at Haasts Bluff in the Central Desert region of the Northern Territory and is within an area classified by the Accessibility/Remoteness Index of Australia system (ARIA) as ‘very remote’ (Australian Institute of Health and Welfare 2004). The main language spoken in Haasts Bluff is Luritja, however other languages include Western Arrarnta, Pintubi and Warlpiri. Europeans first saw the location where the present community of Haasts Bluff is located in 1872 when Ernest Giles travelled through the region. It was not until the turn of the 20th century that pastoralists began to move that far west. Haasts Bluff Community is a small Aboriginal community with a population of approximately 160 people. The community is located 230 km west of Alice Springs and is reached by both a sealed and unsealed road.

Warmun Art Aboriginal Corporation at Turkey Creek in Western Australia

Warmun Art Centre (refer to Figure 9) is in the Turkey Creek community in the Kimberley region of Western Australia and is within an area classified by the Accessibility/Remoteness Index of Australia system (ARIA) as ‘very remote’ (Australian Institute of Health and Welfare 2004). European pastoralists settled the area in the 19th century but the community was established in 1901 when the state government built a ration depot at Turkey Creek. Warmun Community is one of the East Kimberley Region’s largest Aboriginal communities.
with a population of approximately 350-400 people, with the traditional owners of the area being the Gija people. Warmun is the mid point between Darwin (1,024 km) and Broome (860 km) and the closest populated towns are Halls Creek and Kununurra.

6.3.2.3 Data Collection

6.3.2.3.1 Methods

Yin (1981; 1989; 2003; 2009; 2013) states that there are three principles of data collection that should be adhered to:

1. The use of multiple sources of evidence and the triangulation of information increases construct validity.
2. A case study database separate from the final thesis should be maintained including;
   - Case study notes
   - Case study documents
   - Tabular materials (collected and created)
   - Narratives (initial open-ended answers to the study questions suggested by investigators)
3. A chain of evidence should be maintained, including;
   - The link between initial study questions and case study procedure should be pointed out in the case study protocol and also the circumstances of the evidence to be collected.
   - Putting the data collection into practice on the basis of the protocol
   - Actual evidence storage in the database for later checks (specific collection circumstances indicated)
   - Sufficient citing of the case study database and evidence in the final report and conclusions to be drawn

This research created and utilised case study-specific questions for the interviews with participants instead of utilising pre-established questionnaires or survey instruments (refer to 6.3.2.3.6 and Appendix 7). By utilising this method, the researcher became the instrument through which data for this thesis was created, heard and collected (Poggenpoel and Myburgh 2003; Rubin and Rubin 2006; Gubrium and Holstein 2003). Individual interviews with Art Centre managers and artists were used as a data source for understanding the Art Centre as the larger unit of analysis. Financial data and artist participation numbers were obtained from three sources, the
ORIC website, business plans provided by each Art Centre and through individual interviews with Art Centre managers.

There are a multiplicity of interviewing theories and techniques such as structured interviews unstructured interviews and semi-structured interviews (Bradburn et al. 1979; Seidman 2006). According to Yin (1981; 1989; 2003; 2009; 2013) it is critical to establish distinct levels of questions, for example:

- Single case level:
  - Questions asked of specific interviewees
  - Questions asked of the individual case
- More general levels:
  - Findings across multiple cases
  - Findings across an entire study (including reviewed literature)
  - Normative questions about policy recommendations and conclusions

This thesis research comprises structured in-depth interviews in order to gain insight into complex issues particularly involving attitudes and cultural matters (Ritchie et al. 2003) and semi-structured interviews with open-ended questions where interviewees were given the opportunity to speak freely on the research issue (Bailey 2007). Additionally, six sources of information and evidence were used for the preparation of the case studies. Firstly, a range of Art Centre documents were utilised, for example, letters, agendas, progress reports and financial statements. Secondly, archival research methods were utilised examining documents created either in print or as ‘e documents’ such as historical information and digital texts, including electronic databases, emails and web pages (Yin 1981; 1989; 2003; 2009; 2013; Ventresca et al. 2002). Thirdly, surveys were undertaken at each Art Centre. The term survey in this research refers to interviews administered in-person (Fontana et al. 2005; Trochim et al. 2006). Czaja et al. (1996) and Graziano et al. (2000) noted that selecting and developing the survey instrument depends on the research problem and what research questions need to be addressed in the research. Furthermore, a number of elements make face-to-face interviewing a suitable method for specific research needs (Czaja et al. 1996; Trochim et al 2006). This research utilised qualitative interviewing techniques which is the process of gathering data by asking people questions. Unlike other methods, because interviews take place through conversation between individuals, qualitative interviewing techniques are inherently relational in nature (Fontana and Frey 2005; Warren 2013) Fontana and Frey (2005) and Seidman (2006) noted that researchers conducting interviews need
to take into account the challenges of negotiating appropriate relationships with interviewees, understanding how the context of an interview shapes the answers given and often how to probe and ask follow-up questions. For this thesis both formal and casual direct observation methods were used at the three case study sites during the research visits. The review of literature highlighted that direct observation in combination with interviewing and document analysis were significant ways qualitative researchers create and collect data for their research studies (Yin 1981; 1989; 2003; 2009; 2013; Gubrium and Holstein 2003; Kvale and Brinkmann 2008; Rubin and Rubin 2006; Seidman, 2006). In addition, participant observation was undertaken whilst at each Centre and notes were compiled (Yin 1981; 1989; 2003; 2009; 2013). Finally, various physical artefacts were inspected at each Art Centre in relation to the data on what was selling in the market place (Yin 1981; 1989; 2003; 2009; 2013).

In relation to the gathering of financial data, financial records were obtained from both the ORIC website and directly from the participating Art Centres. The case study sites utilise the ‘SAM’ (Stories, Art, Money) art management system database. The financial information for Warlukurlangu and Warmun is considered to be accurate by the Art Centre managers. However, the manager of Ikuntji who began her tenure in 2012, raised concerns about the validity of Ikuntji Artists’ data between 2007 and 2012 (Schmidt 2015a, pers. com). Additionally, Schmidt reported (2015a, pers. com) that the SAM database has limited functionality in some areas including the inability to change previously entered data. This issue has affected the Ikuntji data in 2013 and 2014 for artists’ payments (Schmidt 2015a, pers. com). As a consequence any research that has used data from the Ikuntji Artists from this period may have inaccuracies.

6.3.2.3.2 Question Guide Design
The structured question guide and case study questions were developed based on a review of the literature and key themes of the Combined Research Framework. A complete list of the interview questions and the key supporting literature for each question can be found in Appendix 7. Case study questions were piloted with two former Art Centre managers and two Aboriginal artists to ensure content validity (Institute for Work and Health 2014). No changes were suggested for the question guide by either these managers or artists.

6.3.2.3.3 Selection of Individual Respondents
Prior to the researcher arriving at each Art Centre the managers and chairperson from each Centre had agreed to participate in the case study research. On arrival at each Centre, staff were asked individually to participate in the research. All staff members at each Art Centre agreed to be
interviewed. As the number of art workers varied between the Centres, the aim was to interview no fewer than two per Art Centre. However, in Warlukurlangu only one art worker was present during the case study research period and an interpreter was not available during the time she was present. In relation to artists, the aim was to interview no fewer than three per Art Centre, recognising that the chairperson and art workers were usually also artists. Different methods were used to approach artists for participation. For example, in Warmun the researcher attended two formal weekly artists’ meetings to explain the research and ask for volunteers. In Warlukurlangu and Ikuntji Art Centres the artists were approached individually as the Art Centres do not have an artists’ meeting. Eight categories of respondents were interviewed (refer to Table 5) who had the requisite knowledge about the research themes.

<table>
<thead>
<tr>
<th>Art Centre manager</th>
<th>Warlukurlangu Art Centre</th>
<th>Ikuntji Artists</th>
<th>Warmun Art Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art Centre staff</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Aboriginal art workers</td>
<td>0</td>
<td>2 (also artists)</td>
<td>3</td>
</tr>
<tr>
<td>Chairperson</td>
<td>1 (also artist)</td>
<td>1 (also artist and arts worker)</td>
<td>1 (also artist and arts worker)</td>
</tr>
<tr>
<td>Artists</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Peak Agency</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Non-Government and Government staff in the community</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Volunteers</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 5: Number and Type of Participants at Case Study Sites.
6.3.2.3.4 Location and Time of Interviews

Interviews with artists, art workers, chairpersons, volunteers and external community staff were conducted at the Art Centres or at a community organisation during working hours. Due to the high workload of Art Centre staff, many interviews were conducted after hours. All staff interviews at Warmun Art Centre except one were conducted in the evening. Likewise, the manager at Warlukurlangu had a busy daytime schedule, which necessitated evening interviews. Additionally, the case study visit to Warlukurlangu only overlapped with the presence of the assistant manager by three days, which necessitated the interview being conducted on a drive with her to the outreach Art Centre at Nyirripi. The research timetable had to be flexible in order to accommodate interrupted interviews and schedules.

6.3.2.3.5 The Use of Interpreters

In the three case study sites English can be up to the fifth language spoken by the majority of community members. In Warmun an interpreter was not required as the interviewees spoke English however, an interpreter was used for three of the artists’ interviews at Warlukurlangu and one artist interview at Ikuntji. In Warlukurlangu a local community teacher was available for interpreting and in Ikuntji the cultural liaison worker assisted with interpretation. Interpreted data was validated using the triangulation processes discussed in section 6.6.2.1.

6.3.2.3.6 Interview Questions

The interview structure followed the themes covered by the research questions (refer to Appendix 7 Interview Guide). The three managers were administered the full set of questions whilst other groups of participants were asked a modified set of questions. This reflected the roles interviewees had in the Art Centre and the amount of time both the researcher and respondents were able to allocate to each interview.

A protocol was developed for the administration of questions for each group of respondents:

- The managers of the three Art Centres were asked the complete set of questions.
- Staff members were asked questions in relation to planning, human resources, physical resources, creating value and sustainability, ensuring cultural safety and appropriateness and trust.
- Art workers were asked questions in relation to human resources, creating value and sustainability, community and cultural capital, community capacity building and ensuring cultural safety and appropriateness and trust.
• Artists were asked questions in relation to creating value and sustainability, community and cultural capital, community capacity building and ensuring cultural safety and appropriateness and trust.

• The Chairpersons of the three Art Centre were asked questions in relation to governance, creating value and sustainability, community and cultural capital, community capacity building and ensuring cultural safety and appropriateness and trust.

• Volunteers were asked questions in relation to creating value and sustainability and human resources.

• External community organisations were asked questions in relation to creating value and sustainability, community and cultural capital, community capacity building and ensuring cultural safety and appropriateness and trust.

In relation to the interviewing technique, the same question structure was applied and followed a standard sequence and order. This process facilitated the comparison of responses during data analysis (Barriball and While 1994).

6.3.2.3.7 Interview Process

At the beginning of each interview all participants were given the Research Consent Form and the Project Information Sheet. The project and the consent form were explained in detail to the participants and they were given the opportunity to decline participation if desired. Due to literacy issues, some of the artists interviewed could not read the information or sign their names. Some artists signed the consent form with an “x”. Prior to the interviews with artists it was ascertained if an interpreter was needed, and if so, one was organised. All participants were informed about the area of questions they would be asked and the approximate length of time the interview would take. Additionally, all participants were asked for their permission for the interview to be videoed. If permission was given for the interview to be filmed, an Apple Ipad was used which was usually placed on a table near the participant so that it did not distract from the interview process. Participants were informed that they could stop the interview at any time, refuse to answer particular questions and change their mind at any time in relation to continued participation. At the conclusion of the interview, participants were given the opportunity to view the video. Some artists and art workers took the opportunity to review their interview. Interviews varied in length depending on the number of questions and who was being interviewed (refer to Table 6) as some participants were very engaged with the process and gave longer replies to certain topics.
<table>
<thead>
<tr>
<th>Art Centre Category</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art Centre managers</td>
<td>5.0 - 6.0</td>
</tr>
<tr>
<td>Art Centre staff</td>
<td>1.5</td>
</tr>
<tr>
<td>Aboriginal art workers</td>
<td>1.0</td>
</tr>
<tr>
<td>Chairperson</td>
<td>1.0 to 1.5</td>
</tr>
<tr>
<td>Artists</td>
<td>.5 to 1.0</td>
</tr>
<tr>
<td>Peak agency</td>
<td>1.5</td>
</tr>
<tr>
<td>NGO and government staff in community</td>
<td>1.0</td>
</tr>
<tr>
<td>Volunteers</td>
<td>.5</td>
</tr>
</tbody>
</table>

**Table 6:** Approximate Average Length of Time for Interviews.

Questions were open ended by design, which encouraged participants to elaborate and generate ideas on the topics covered by the questions (Denscombe 2010). Due to time that was necessary to conduct manager interviews, the managers took the opportunity to continue their interviews over the duration of the field visits, however all other participants finished their interview on the same day. At the completion of each interview, participants were given the opportunity to raise any issues they thought were relevant to the research that they wanted to address.

### 6.3.2.3.8 Fieldwork at the Case Study Art Centres

Fieldwork for this thesis was undertaken during two fieldwork study trips. The first fieldwork placement occurred in Warlukurlangu Art Centre in Yuendumu in the Northern Territory between the 5th May 2014 and the 16th May 2014. This fieldwork entailed flying to Alice Springs, driving to the community, staying in the community for a two week period and then returning to Adelaide via Alice Springs. The second fieldwork study placement occurred between the 2nd June 2014 and the 23rd July 2014. During this time the researcher attended the Ikuntji Artists and Warmun Arts. The driving distance covered during this fieldwork trip was approximately 10,000 km and took the researcher eight weeks to complete. During this time the researcher drove and stayed in a motor home. Refer to Appendix 4 for the itinerary and miscellaneous information about the field trips.

Immediacy shaped the research time at the three Art Centres. During the 10 weeks of fieldwork, the numbers of artists fluctuated at the Art Centres due to absences caused by attendance at festivals, sickness and funerals. The research had to fall into sync with what was happening in both the community and the Art Centre. At times this made interviewing difficult, however it
offered time for other activities such as observation and reflection, field notes, photography and
the gathering and reading of other materials. As the Art Centre is a place of work for the artists as
well as the staff, the researcher was mindful of being respectful of the work place. Additionally,
staff at the Art Centres were very busy during the fieldwork period and it was difficult for them to
set time aside, therefore the most convenient time for most staff was after work.

The natural environment of the case study communities made fieldwork research challenging.
Early evening in July at Warmun Art Centre is the time when the mosquitoes are active and the
researcher had to attend the local health clinic due the vast number of bites she received. The
snakes and cane toads were also thriving during the research period. In the two weeks prior to the
fieldwork in Warmun, six dogs had died at the Art Centre and in the community due to brown
snakebites.

The pre-departure planning for this trip involved many activities, which are listed in Appendix 4.
The researcher initiated informal exchanges on the research proposal over several months in the
later part of 2013 with five remote Art Centres. After ethics approval was granted, the researcher
initiated a formal discussion by telephone with the Co-operative Research Centre - Remote
Economic Participation (CRC-REP) supervisor and each Art Centre manager to ascertain their
continued willingness for the Art Centre to participate in the research. This was subsequently
followed by an emailed invitation to participate in the study, which was sent to the Art Centre
Managers and in some cases the chairperson of the Board of Management of the Art Centre (refer
to Appendix 5 for example email).

- Letter to participate in the research study
- A participant’s information sheet regarding the project
- The consent form
- The questionnaire guide

After final agreement from the Art Centre managers and chairperson of each Art Centre regarding
their willingness to participate, the researcher applied to the relevant Shires and Community
Councils for permission and permits to enter the communities (refer to Appendix 6). The
researcher was subsequently granted approval to enter the communities.

6.3.2.4 Data Recording

The majority of interviews were filmed on an Ipad, however in some cases that was not possible
due to a variety of location factors. One interviewee did not give permission for the interview to
be filmed or voice recorded. In the three case study sites, the Art Centres and all interviewees except one Art Centre staff member and one government employee gave permission to be identified and for their names to be used in the thesis. Transcripts of the recordings of all interviews were made in order to gather information for the case studies. During the case study visits observations were documented and reports, books and other materials were gathered which were used to write the case studies. All case study Art Centres made available their business and strategic plans, some of which were commercial in confidence documents. No commercial in confidential information from the three case study sites is documented in this thesis. Data presented in this thesis was validated using the triangulation processes described in section 6.6.2.1. Additionally the final case studies were emailed to the case study sites for data validation. The Art Centres were photographed which acted as a photo journal of the fieldwork and a video was made of each case study site.

6.3.2.4.1 Data Coding

For the purpose of the case studies, participants were coded with a letter denoting the Art Centre and a number (refer to table 7).

| Warlukurlangu Art Centre | Y |
| Ikuntji Artists         | I |
| Warmun Art Centre       | W |

Table 7: Art Centre Code.

6.4 Research in Aboriginal Communities

As the thesis research involved Aboriginal and non-Aboriginal people in remote communities, the cultural protocols of both individuals and communities were adhered to and respected. Researchers in Aboriginal communities need to acknowledge that kinship networks are complex and diverse (Penman 2006). Aboriginal people have expressed their desire for participation and ownership in research ventures and there have been efforts to develop research models, which are respectful to Aboriginal people and place Aboriginal people and communities central in the research activity (Commonwealth of Australia 2005; Lawrence 2007; Penman 2006; Weir and Wuttunee 2004). All Aboriginal people have their own accepted values, protocols and unique ways of expressing their values. The research guide ‘Keeping Research on Track’ (Commonwealth of Australia 2005) was used as a guide for research during the case study fieldwork. These values and the findings from Penman’s report (2006) need to be understood and respected in order to successfully conduct research in Aboriginal Communities and were incorporated into the research methodology of this thesis. The Australian Institute of Aboriginal
and Torres Strait Islander Studies (2012) released guidelines to direct ethical research with Aboriginal people.

The guidelines are outlined under three key themes:

- Consultation, negotiation and mutual understanding
- Respect, recognition and involvement
- Benefits, outcomes and agreement

These guidelines are incorporated into each component of the research methodology.

6.5 Ethics

The research in this thesis entitled ‘Sustainability of Remote Aboriginal Art Centres in Australian Desert Communities’ was approved by the Human Research Ethics Committee at Curtin University in Western Australia – Protocol Approval HR197/3013 with approval being granted until 04/12/2017 (Appendix 1). This research followed the ethical guidelines outlined in the National Health and Medical Research Council’s (2007) national statement on ‘Ethical Conduct in Research Involving Humans’, in particular those issues relating to data collection and reporting. Potential participants were:

- Clearly informed of the aims of the research at the time of being invited to participate
- Made aware that they may withdraw from the study at any time
- Guaranteed confidentiality if required
- Acknowledged for their cooperation and contribution in a way that retains confidentiality unless otherwise requested
- Data and direct quotations would not be matched with identified individuals by name or place of employment unless written permission was granted to do so
- All participants were given a project information sheet and a consent form (Appendix 2 and 3) to sign

Additionally, any individuals and Art Centres named and/or photographed in this thesis have given permission to be identified in this thesis.

6.6 Summary

This thesis has developed and utilised a culturally appropriate Framework for Co-operative Enterprise Research based on the work of Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c), to identify, review and compare a range of fiscal, social and cultural issues impacting on the sustainability of remote Aboriginal Art Centres. The review of the literature for this thesis addressed six principal areas, which were, co-operative research frameworks, Aboriginal art,
sustainability, co-operative enterprises, business models and research methodology. The structured question guide and case study questions were developed based on a review of the literature and key themes of the combined research framework. Fieldwork was undertaken by utilising case study methodology employing both qualitative and quantitative investigative methods (Yin 1981; 1989; 2003; 2009; 2013). As this study involved Aboriginal and non-Aboriginal people in remote communities, the cultural protocols of both individuals and communities were adhered to and respected. Given the high number of Art Centres situated in remote Australia that could have been included in this thesis, the choice of which Art Centres to utilise as case study sites was made in part by using judgemental sampling. At the beginning of each interview all participants were given the Research Consent Form and the Project Information Sheet. The research project and the consent form were explained to the participants in detail and they were given the chance to decline participation. Video recordings were made of the majority of interviews and transcripts of the recordings of all interviews were made in order to gather information for the case studies.
Chapter 7: Case Study of the Warlukurlangu Artists Aboriginal Corporation at Yuendumu in the Northern Territory

7.1 Chapter Outline

This case study utilises research literature, the Combined Framework for Research (refer to Figure 10) and information gained during a fieldwork trip conducted in 2014 to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Warlukurlangu Art Centre.

7.2 Introduction

The Warlukurlangu Artists Aboriginal Corporation is located in the Yuendumu Community, 294 km northwest from Alice Springs in the Northern Territory. Yuendumu is geographically defined by the Australian Institute of Health and Welfare (2004) as a very remote community. The Art Centre has grown significantly in terms of sales and artist participation since its establishment in 1985 and is now one of the three largest Aboriginal Art Centres in Central Australia. The Warlukurlangu Artists’ Business Plan (2012) notes that the Art Centre needs to focus on governance, financial management, human resources and supporting socio-cultural objectives in order to address long-term sustainability.
7.3 The Combined Framework for Research into the Sustainability of Remote Art Centres

This case study utilises the Combined Framework for Research into the Sustainability of Remote Art Centres (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015) (refer to Figure 10) and information gained during fieldwork to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Warlukurlangu Art Centre.

Figure 10: The Combined Framework for Research into the Sustainability of Warlukurlangu Art Centre (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015)
7.3.1 The System Level

7.3.1.1 The Aboriginal Community of Yuendumu

History of Yuendumu

Yuendumu (refer to Figure 10 number 1) is a Warlpiri and Anmatyerre community in the Northern Territory. Before settlement in 1946 Warlpiri people inhabited a large expanse of the surrounding Tanami Desert. The Government established Yuendumu as a rations station enabling control over Aboriginal people moving into reserves (Y7; Commonwealth Government 2011c). In 1947, the Baptist Church established a mission at Yuendumu and in the early 1950s the mission took greater control of the settlement and operated a store, school, clinic and a canteen for meals. In the mid 1950s, the Government assumed responsibility for administrating Yuendumu and began paying wages through the Department of Aboriginal Affairs for people working on the cattle stations at Yuendumu. In 1952 the Yuendumu Aboriginal Reserve was proclaimed and by 1955 many Warlpiri people moved into the community to live (Y7; Commonwealth Government 2011c). In the latter part of the 1950s, Commonwealth legislation was enacted so that Aboriginal people received social security benefits and by the mid 1960s urban Aboriginal people were receiving pensions. In Yuendumu however, the payment of benefits to Aboriginal people did not come into effect until 1969. In the late 1970s, the Department of Aboriginal Affairs withdrew from their role of community administrator and in 1978 Yuendumu had its first elected council. A significant study was conducted in Yuendumu in the 1970s by Young (1981, p56) who concluded:

*The town has virtually no economic rationale. It is neither a market town, a mining centre, nor a centre for communications functions, which have been responsible for the growth of other towns in the Northern Territory. It remains dependent on the rest of Australia for almost every cent its community spends, and every article consumed.*

In 1976 the Yuendumu Aboriginal Reserve became Aboriginal freehold land under the Northern Territory Aboriginal Land Rights Act 1976, wherein the current land that the community occupies became the Yuendumu Aboriginal Land Trust Area (Commonwealth Government 2010). In 2008 the Yuendumu Community Council was absorbed into the Central Desert Shire Council, which now provides local government to the region covering approximately 282,000 square kilometres. The Council has nine major communities including Yuendumu and a number of occupied outstations (Australian Government 2012).
Present Day Yuendumu

The Yuendumu community is one of the largest central Australian Aboriginal communities with a population of 701 recorded in 2006 (Commonwealth Government 2011c; Australian Government 2012). The 2011 Census noted the population comprised of 53.1 percent females and 46.9 percent males, with the median/average age of the Yuendumu population being 25 years of age which was 12 years below the Australian average (Australian Bureau of Statistics 2011). Yuendumu community resources include an Art Centre, three stores, a health clinic, women’s centre, an aged care program, childcare centre, primary school, police station, media organisation, a youth development program, the Mt Theo program and Centrelink. In 2009, the Commonwealth Government in partnership with States and Territories signed a five year National Partnership Agreement on Remote Service Delivery, which resulted in Yuendumu becoming a priority community. The main objective of the Agreement was to improve access to and raise the standard of services delivered (Commonwealth of Australia 2011b).

7.3.1.2 The Natural Environment

The Warlukurlangu Art Centre is a three-hour drive on the Tanami Highway from Alice Springs, with the road being subject to major corrugations and flooding (refer to photograph 4), which at times makes the road impassable. The traditional owners control the land with support from the local shire and Commonwealth and Northern Territory Governments. Mining has been an integral part of the community since its early establishment and provides economic and social benefit to the Yuendumu community in terms of royalties and funding for community projects such as the Art Centre. The natural environment (refer to Figure 10 number 2) surrounding Yuendumu includes many areas of spiritual significance that were created by the ancestral beings (National Gallery of Victoria 2014). The Yuendumu region has many Jukurrpa including Flying Ant, Wild Yam, Blue Tongue Lizard, Fire and Emu (Haynes 1998). Whilst undertaking the fieldwork placement, artists were asked whether the environment influenced their art. One of the artists interviewed was Kunmanara Fry, who painted the Emu Jukurrpa. Kunmanara Fry shared his Jukurrpa story and gave permission to visit his country (Ngarlakurlangu- belonging to emu) during the fieldwork visit (refer to photographs 5 and 6).

7 The name Kunmanara means ‘one whose name cannot be mentioned’. This refers to the name of a deceased person. As part of mortuary beliefs, all people with the same name, or even a name that sounds similar to the one belonging to a person who has died, take the name ‘Kunmanara’. The title Kunmanara will remain in place until the grieving family deems it appropriate to bring the name back into use (Pitjantjatjara Council 2014).
Photograph 4: The Tanami Highway is subject to major corrugations and flooding, May 2014 (Photograph Kim Petersen).
Photograph 5: Kunmanara Fry’s country, Ngarakurlangu, May 2014 (Photograph Kim Petersen).

Photograph 6: Kunmanara Fry painting his Emu Jukurrpa at Warlukurlangu Art Centre, May 2014 (Photograph Kim Petersen).
7.3.1.3 The Industry Structure
Refer to Figure 10 number 3.

7.3.1.3.1 The Warlukurlangu Artists Aboriginal Corporation

The Warlukurlangu Artists Aboriginal Corporation was founded in 1985 and is now incorporated under the Corporations Aboriginal and Torres Strait Islander Act 2006 (Australian Government 2015). Influential Warlpiri men are credited with its establishment and from the outset Warlukurlangu paintings were associated with bright colours and complex patterns. One of the founding elders of Warlukurlangu, Paddy Japaljarri Stewart had previously been involved with painting the Papunya School wall mural. Wright (2008) stated that these early Papunya works were the catalyst for community discussions about painting in both the Central and Western deserts during the 1980s. In contrast, Carmichael and Kohen (2013) suggest that it may have been the Yuendumu community and not Papunya who founded the contemporary Aboriginal painting movement. Their argument is based on the timing of the establishment of the Yuendumu Men’s Museum, which took place prior to the completion of the Papunya School murals and the production of the first Papunya boards. Additionally, in the 1980s, three important events occurred in Yuendumu in relation to painting. Firstly, in 1982 and 1983 anthropologist Francoise Dussart visited Yuendumu to research and record women's body painting designs (Dussart 1989). During this time she distributed art materials to the women in the community and encouraged them to paint. Secondly, between 1983-84 five Warlpiri male elders painted a set of thirty-six primary school doors in Yuendumu to teach young Warlpiri their ancestral designs and Jukurpura. Lastly, the National Gallery of Victoria (2014) reports that during this time period Yuendumu men gave the woman artists permission to use dots in their paintings. This was an important occasion as women then established themselves as an integral part of the art market.

From its inception, the Art Centre was established as a resource for the Yuendumu community. However, as Wright (2008, p4) confirms, both the Men’s Museum and the Art Centre, “morphed to become responses to market constructs of art and cultural tourism”. One of the artists interviewed (Y6) for this case study stated:

*People want contemporary art, where there’s a story but modern. Painting tells a story whether you do it contemporary or like the way they use to do it in the olden days. We use to do sand paintings, now we paint on canvas. I just work with the colours.*
Wright (2008) provided an explanation for the importance of the Art Centre in the community, stating that it has transformed into one of Yuendumu’s most significant and consequential organisations for its contribution to education, social mobility and income generation. Additionally, Wright (2008, p4) concluded:

_The art centre is an important strategy designed to be read as a determination to communicate, via any agency, the sustainability of community and cultural objectives._

One interviewee (Y6) stated:

_The Art Centre is special for us, its special for me ‘cause I learned to paint from my parents. People get together here, it’s good to come and meet and to paint to show people our story. I paint for my parents to keep their story, but I paint for me too…good for money story so I can buy things._

Warlukurlangu has grown significantly over the last twenty-nine years of operation in terms of infrastructure (refer to photograph 7), community participation and sales. Artists in other communities neighbouring Yuendumu such as Yuelumu, Willowra and particularly Nyirripi (where there is an outreach Art Centre) are now selling work via Warlukurlangu. In the 2007-2008 financial year, the Art Centre had 527 participating artists and although this figure decreased to approximately 360 in 2013, the Art Centre is one of the largest three remote Aboriginal Art Centres in Central Australia. The Warlukurlangu Art Centre’s financial reports show that in the 2007-08 financial year, sales reached an all time high of $2.39 million. Although there has been a downward financial trend over the subsequent financial years, Warlukurlangu Art Centre continues to hold a place in the top three Central Australian Art Centres in terms of income generated from sales of artwork.
Photograph 7: Early days at Warlukurlangu Art Centre (Photograph courtesy of Warlukurlangu Art Centre).
7.3.1.3.2 The Desart Peak Agency

Warlukurlangu Art Centre is a member of Desart, which provides professional development and training, advocacy, business management and marketing assistance for artists, board members and staff. Interviewees from Warlukurlangu believed the role of Desart was valuable and commented that they would appreciate Desart organizing Art Centre consultations to listen to the concerns that artists may have, for example:

*We would like the co-ordinator from Desart, Phillip to come and talk about money story, and listen to our views and concerns* (interviewee Y6).

*Desart should come and talk about retail royalties’ scheme and copywrite* (interviewee Y4).

Desart coordinates a range of artist exchanges, programs and international exhibitions for their member Art Centres. For example, in 2013 and 2014 Desart organised a successful Korean artist exchange where artists from Yuendumu and other Art Centres went to Korea (refer to photograph 8). Subsequently, in November 2014 Desart worked with a Korean fashion designer who visited Warlukurlangu to explore opportunities to develop collaborative projects with the Art Centre. Additionally, a joint Australian and Chinese Indigenous Art exhibition was launched at the Shanghai Urban Planning Exhibition Space. This exhibition featured 48 works from Desart member Art Centres including Warlukurlangu. The exhibition was the culmination of a two-year engagement through artists exchange programs.

**Photograph 8:**
Warlukurlangu Art Centre Chairperson, Otto Simms, teaching Korean children about Aboriginal culture on an artist exchange visit 2014 (photograph Kim Petersen).
7.3.1.4 The Government Role

In relation to Warlukurlangu, the Government (refer to Figure 10 number 4) undertakes a variety of roles and functions, for example general funding, policy development from an arts and fiscal standpoint and specific infrastructure funding. The policies and interventions by the Commonwealth and Territory Governments have had an influence and impact on Yuendumu since 2006. Firstly, the Commonwealth Government initiated the Northern Territory Emergency Response (NTER). Yuendumu and seventy-two other communities were prescribed as locations where the NTER applied. Additionally, as part of Stronger Futures Policy, the Labor Government introduced the Commonwealth National Partnership Agreement (Commonwealth of Australia 2011b). In 2011 an outcome of this Agreement was the development of a Local Implementation Plan (LIP) for service provision by the Commonwealth and Territory Governments together with the Yuendumu community. The aim of this plan is to “Enable the three tiers of Government and the Yuendumu Community to reset their relationship through a partnership aimed at improving conditions and service” (Commonwealth Government 2011c, p8). The notion of Governments creating an enabling environment for change is supported in the literature by researchers such as Christy et al. (2009).

Whilst in many remote communities there is a paucity of structures and partnerships between government and the community (Stafford Smith et al. 2008), some interviewees stated the Yuendumu community has benefitted from being a priority community as partnerships have been developed and improved (Y11; Y7). Given the high number of government and non-government organisations in Yuendumu, the community is different from many other remote communities, which have a dearth of service providers. Stafford Smith et al. (2008) notes that in some remote communities, the local Art Centre, in the absence of other organisations or effective services, often has a great influence over community through social and cultural development activity.

7.3.1.5 Social Cooperation

The research findings of Peredo and Chrisman (2006) and Mazzarol et al. (2011a: 2011b; 2012a; 2012c) detail social cooperation (refer to Figure 10 number 5) as a fundamental community building block for successful co-operative enterprises.

Yuendumu like many remote Australian communities has a history of documented violence and social unrest (Neill 2010; Zoom 2012; Gosford 2010; Marshall and Coggan 2010), which would appear to dispel notions of community social cooperation. Despite this, the Yuendumu
community and the many organisations that provide services there, have a history of developing successful co-operative enterprises and partnerships (Y7).

The Warlukurlangu Art Centre is a valuable counterpoint to community unrest and an example of a co-operative enterprise that has survived through times of low community social cooperation. One interviewee (Y4) noted, “the Art Centre plays a big role in the community. Without it we would be struggling financially and socially and it’s a place where families come together to talk about culture”. This point is also reflected in the Warlukurlangu Art Centre’s mission statement (2012; 2014), which clearly frames the Centre as a conservator and protector of the Jukurrpa. Additionally, the mission statement states the Centre’s role is to assist and promote cultural and social activities within Yuendumu and surrounding communities.

This case study has highlighted three additional areas for consideration where the Art Centre’s actions have enhanced social cooperation in Yuendumu. Firstly, the manager and chairperson stressed the significance of Warlukurlangu being a safe place for all community members. During times of community conflicts the manager noted that the Art Centre is sometimes asked to ban either individuals or family groups from the Centre (Alfonso 2014, pers. com). This situation can pose challenges to Art Centre staff and artists’ safety and to business operations, as all family groups from Yuendumu use the Centre. The manager said although the Centre had closed at times of peak conflict it was rare and they would only ban individuals in extreme circumstances (Alfonso 2014, pers. com). The manager and chairperson stated the importance of having a consistent message of social inclusion and safety at the Art Centre (Alfonso 2014, pers. com; Simms 2014, pers. com). The Chairperson noted that the Art Centre was the only place where families could come together and discuss cultural issues. During the Yuendumu conflict in 2010 many people left the community and went to Adelaide. Although some artists continued to paint at Warlukurlangu, the level of work decreased as people began to paint in Adelaide at their temporary accommodation. The absence of these artists combined with diminished stock levels contributed to a reduction in the Art Centre’s operating budget. Secondly, the Warlukurlangu Art Centre staff and chairperson stressed the importance of staying neutral. Thirdly, whilst the Art Centre has a very deliberate plan and strategy to stay neutral, the issue of providing a community service is still an important one. In the past when community conflict has arisen, Yuendumu divided into two camps (Alfonso 2014, pers. com). This division is problematic as the Yuendumu community is structured in such a way that the food shops are at one end of town and the government services are at the other end. The community is built around what residents referred to as ‘The Park’ where the majority of offices are located. The Warlukurlangu Art Centre has
managed community unrest in a unique way. When major conflict has arisen in the community, the Centre has closed and Art Centre staff have delivered food, art materials and other supplies to both sides of the community. The manager noted the importance of staff departing Warlukurlangu at the same time so both camps received the same support at the same time (Alfonso 2014, pers. com). This case study research concurs with the findings of Cooper et al. (2012) and the Commonwealth of Australia (2013b), which highlighted that Art Centres contribute to the decrease in community tension and conflict, improve community cohesion and mitigate community and family feuding.

### 7.3.1.6 Economic Capital

The generation of economic capital (refer to Figure 10 number 6) is critical for the ongoing viability and sustainability of Warlukurlangu. The Art Centre receives and generates economic capital through government funding, specific grants, philanthropic donations and by the sales of artworks. The quantification of economic capital is difficult to measure due to its complexity, however a number of factors can be calculated including the funding level of the Art Centre and funds from the sale of artwork retained by the Art Centre. Additionally, on a community level, the Art Centre contributes significant funding to many community programs and services. One interviewee (Y13) reported that the economic benefits derived from the selling of art were critical to the residents of Yuendumu. Table 8 illustrates the economic return to the artists via the sales of art.

<table>
<thead>
<tr>
<th>Warlukurlangu Arts Centre</th>
<th>2008-2009</th>
<th>2009-2010</th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artists’ Payments</td>
<td>$1,098,674</td>
<td>$977,345</td>
<td>$812,251</td>
<td>$762,491</td>
<td>$687,928</td>
</tr>
</tbody>
</table>

**Table 8:** Economic return to Warlukurlangu artists from the sales of art (Office of the Registrar of Indigenous Corporations Webpage).

Over the five years documented in Table 8, the overall level of return to artists decreased from $1,098,674 in 2008-9 to $687,928 in 2012-13. There are a range of reasons for this decrease. Firstly, a drop in the number of artists supplying work to Warlukurlangu, for example, 2007-2008, 527 artists; 2009, 400 artists; 2014, 300 artists at Yuendumu and 60 at Nyirrpi (Warlukurlangu Artists Aboriginal Corporation and Godden 2009). Secondly, due to the community unrest in Yuendumu artists have moved to different communities and cities. Thirdly, carpetbaggers entering Yuendumu have both purchased art from Warlukurlangu artists and
assisted artists to move to Alice Springs to paint for them. Lastly, the global financial crisis has had a significant impact on Warlukurlangu. The Art Centre’s business plan (Warlukurlangu Artists Aboriginal Corporation 2012, p6) stated:

*With the downturn in the market it has been difficult to explain to artists why production must be limited, why prices cannot rise or must be reduced, and why the staff are under pressure to make sales. The number of people wanting to access the art centre services continues to be very high and people’s demands and expectations of their art centre have not reduced in light of the market downturn.*

Despite the overall decrease in artists’ payments since 2008-2009 (refer to Table 8), the economic return from selling artwork continues to be a significant factor in Yuendumu as the general income level is low. Artists and staff noted that income from the sale of art supplements other income, including the fortnightly welfare payments and royalties from mining. Additionally, Art Centre staff found that artists have become dependent on the income they receive from the sale of their art at Warlukurlangu. The manager noted that since the global financial crisis, the Art Centre has limited the production of artwork and in some cases artwork prices have been reduced. Both managers stated that the artists’ expectations of Warlukurlangu have not reduced throughout the period of market downturn, resulting in pressure to sell artwork.

**7.3.1.7 Social Capital**

The Warlukurlangu Art Centre plays a significant role in the generation of social capital (refer to Figure 10 number 7) in Yuendumu, especially in terms of being “brokers of access” (Woolcock 2001, p155). Woolcock (1998, p155) states that social capital can be defined as “a broad term encompassing the norms and networks facilitating collective action for mutual benefit” Warlukurlangu Art Centre in this context can be viewed as providing a critical role in brokering and linking individuals to a broader economic market and by investing in the development of human capital, training, employment and infrastructure. Since its inception, Warlukurlangu has operated with a high level of community participation and engagement and has had a social impact in the Yuendumu community by its involvement in generating community resources. The Art Centre funds a variety of community programs both individually and in partnership with other organisations including the pool program and the animal management program. Additionally, staff members participate in many community programs/events and represent the Art Centre or community on a number of local boards of management.
A factor in the generation of social capital is to enable resources to be shared by all community members for outcomes, which have more than financial gain for individuals and the community. Given the number of artists using Warlukurlangu compared to the population of Yuendumu, only half of the population would benefit if the Art Centre was a participant-only resource. There are many examples of where social capital generated by Warlukurlangu Art Centre either directly or indirectly benefits all Yuendumu residents, for example, community health impact activities, dog health and animal management.

The Art Centre has been a major contributor to community health impact activities (dialysis, ear health, eye health). Warlukurlangu has developed and fostered numerous partnerships with a wide range of organisations (for example AGL, Bausch and Lomb who donated the lenses for the cataract operations, Boehringer Ingelheim Pharmaceuticals, Canberra Medical Society, Newmont Mining Corporation, Pfizer Pharmaceuticals and Voyages Resorts) that have assisted with the funding, support or logistics for many health projects.

In 2007, the Art Centre staff became increasingly aware of the need for a dialysis service in the Yuendumu community. Normally when community members required dialysis, the patients and their families moved to Alice Springs to receive treatment. Warlukurlangu contributed $20,000 of the funding for a part-time patient support/return to country coordinator for six months and accommodation of the worker in Yuendumu for overnight trips. Additionally, the Centre contributed funds, which enabled the employment of a project manager to establish a remote dialysis unit in Yuendumu. Funds for this project were raised by the sale of artworks at a fundraising event at Government House in Canberra organized by Warlukurlangu and the Canberra Medical Society (Warlukurlangu Artists Aboriginal Corporation 2012). The establishment of a community treatment facility at Yuendumu and its support by the Art Centre is an example of social cooperation leading to a more sustainable community and Art Centre. Patients and artists can continue to live in the community and attend the Art Centre to paint.

In 2005 and 2006, Warlukurlangu funded a number of Warlukurlangu Artists to travel to Canberra for cataract surgery organized by the Canberra Medical Society (refer to photograph 9). This initiative saved the sight of a number of senior artists, prolonging their painting careers and most importantly, improving their everyday quality of life (Warlukurlangu Artists Aboriginal Corporation, webpage).
In 2007 the Art Centre, in conjunction with the Canberra Medical Society, WYNN Health and Newmont Australia were instrumental in providing funding, treatment and a postoperative excursion for twenty Yuendumu children who had ruptured ear drums due to chronic, recurring ear infections (Warlukurlangu Artists Aboriginal Corporation, webpage).

Warlukurlangu has assumed responsibility for **dog health and animal management** in the community. A characteristic of many remote Aboriginal communities is the large number of dogs. Aboriginal people have always had a very close attachment to their dingoes and camp dogs, using them for hunting, companionship, security and warmth. However, there are major issues for the remote communities that have high dog numbers, including the cost associated with feeding dogs and the issue of infrequent veterinary care. From a primary health point of view, a healthy dog population equates to a healthier community. Warlukurlangu assistant manager coordinates and manages the dog health and animal management program in both Yuendumu and Nyirripi (refer to photograph 10). The program has played a significant role in the generation of social capital in the local community and many of the artists spoke about the importance of the program to them. However, the Art Centre incurs a significant cost by managing the program. The animal management program is resource intensive with approximately half of the assistant manager’s work time being utilised to manage the program as well as costing approximately $70,000.

Not all of the funds for this program come directly from the Art Centres budget however, as the program has assistance from a range of funding sources such as “Go Fund Me” (refer to photograph 12), various galleries and grants. The dog health and animal management can be seen as both a strength and weakness of Warlukurlangu. The strength of the program emanates from the health, social benefits and positive media attention (refer to photograph 11) for the community and Art Centre. However, this program can also be viewed as a major weakness and a threat to sustainability given the high cost in both financial and personnel terms. Alternative funding sources need to be addressed as a matter of priority to assist in the financial sustainability of the dog health and animal management program so that the burden on the Art Centre is reduced.

Photograph 10: The Assistant Manager, Gloria Morales, feeding the dogs in the Nyirripi Community, May 2014 (photograph Kim Petersen).
Photograph 11: The Warlukurlangu Art Centre’s Assistant Manager and their animal management program receive media attention (Northern Territory News).

The Warlukurlangu Art Centre plays a notable role in assisting families with Sorry Business by helping with aspects of funeral arrangements for family members who attend the Art Centre. In remote communities this equates to a significant number of funerals, which places an unusual economic and emotional burden on the Art Centre and community. For example in 2012, the median age at death for Aboriginal men in the Northern Territory was 49.9 years. This is approximately 20 years less than non-Aboriginal men, which was 67.1 years (Australian Bureau of Statistics 2013). Warlukurlangu often delivers food, painting supplies and blankets to sorry camps as a way to contribute.

The Manager is a member of Yuendumu Board of Management. The board developed out of Yuendumu being deemed a priority community by the Federal government and is a partnership between the Yuendumu community, local organisations and Federal and Northern Territory Governments. The role of the group is to develop and monitor the Yuendumu Local Implementation Plan. The participation in this committee generates social capital for the Art Centre, which has the potential to broker access to a range of community services for the Art Centre and artists especially in times of low social capital in the community.
Warlukurlangu received Aboriginal Benefits Account (ABA) funding of $450,000 through Desart for the **construction of an Art Centre in the Nyirripi community** which is 152 km from Warlukurlangu (refer to photograph 13). The Nyirripi community is small with a population of between 250 to 320 people. Many of the artists at Yuendumu are related to people in the Nyirripi community and the communities have a close relationship. Approximately 60 artists currently supply work to Warlukurlangu. The assistant manager drives to the Nyirripi community on a weekly basis to deliver new canvas and paint, pay advances for completed work and to discuss new work. In informal discussions, Nyirripi artists expressed that the new Art Centre was of economic, social and cultural significance to the community. Additionally, the art from this community provides a new source of income for Warlukurlangu. In the future this could potentially enable greater sustainability of Warlukurlangu due to an increased resource base including number of artists, increased sales, diversification of style and an extra facility.

**Photograph 13:** Nyirripi Community Art Centre, May 2013 (Photograph Kim Petersen)
7.3.1.7.1 Trust

The issue of trust within a remote community and Art Centre is a complex issue however, the work of Mayer et al (1995) and Schoorman et al (1996 & 2007) provide a valuable construct for examining this issue. Warlukurlangu management and artists demonstrated a benevolent approach to their relationships that was built on recognising that they must give a benefit back to the other party. Second, both demonstrated the integrity to honour their commitments to the each other. Finally, the Warlukurlangu management and artists demonstrated competence to deliver on their side of the relationship. This trust construct is demonstrated in by the following points.

From the initial establishment of the Art Centre in 1995, the community ascribed it a high level of trust. This point is evidenced by, for example, the Yuendumu community entrusting Warlukurlangu as the custodian and guardian of the Jukurrpa (Warlukurlangu Artists Aboriginal Association 2012). An additional example is the responsibility entrusted to the managers in redeveloping the Men’s Museum.

The staff and board of Warlukurlangu over time have created a safe place through arts activities, where trust has been built. Artists have developed strong and familiar relationships with both managers who have been at the Centre for more than ten years. This longevity of tenure combined with the extent of community relationships both managers have forged has resulted in the Yuendumu community and artists developing trust in the managers and Art Centre. Interviewees stated that the managers were competent, dependable and ethical, which has strengthened confidence and trust in the Art Centre. One interviewee (Y7) explained:

Trust and relationships are everything, they are the most important things to have in community. You have to have trust in each other so people can come together and talk. Trust can take us a long way, trust can help us live a good life. The trust that the Warlukurlangu staff and Art Centre have established and maintained at a community and industry level has produced an environment that fosters sustainable enterprise.

7.3.1.8 Cultural Capital

The Warlukurlangu Art Centre’s Business Plan states that the Art Centre has been the primary cultural organisation in Yuendumu for 26 years (refer to Figure 10 number 8). When the Art Centre was established in 1985, the founding members were motivated and determined to create an organisation that could assist in the preservation of their culture and Jukurrpa. Many older artists realised that mainstream influences would precipitate changes to their traditional way of life. The artists wanted an organisation that could assist in conserving their Jukurrpa and provide
a forum and support base for cultural activities within the community (Warlukurlangu Artists Aboriginal Corporation 2012). The Yuendumu community has fundamentally entrusted Warlukurlangu Art Centre with being the custodian of the Jukurrpa. During interviews, case study participants (Y1, Y2, Y4, Y6, Y8, Y9, Y13) explained that one of the critical roles of the Warlukurlangu was to keep culture strong. For example:

*The Art Centre helps maintain a strong culture and oral history. It’s a part of community life, it’s a source of income and a place where people come and socialize and talk about everyday life. Painting is good for our well-being, it makes us strong and we can pass our Jukurrpa to our children. This place here helps maintain our culture through painting* (Y4).

*We need the Art Centre to keep culture strong and pass it onto the kids and doing painting and ceremony keeps culture strong* (Y8).

**Painting Jukurrpa**

The artists at Warlukurlangu paint their Jukurrpa, ensuring that the images reflect the social and cultural obligations present in ceremonies and the day-to-day life in Yuendumu. The iconographic elements of a painting tell the Jukurrpa story. One artist (Y6) explained that the dotting style and colour application was less critical than maintaining a consistency in the presentation of the iconography, “*Painting tells a story, the Jukurrpa is strong whether it is contemporary painting or not*”. Alma Nungarrayi Granites paints the Seven Sisters and Milky Way Jukurrpa (refer to photographs 14 and 15). Granites’ father was the last of the Japaljarri’s who knew all of the songs and ceremony for the Seven Sisters Jukurrpa and the Milky Way Jukurrpa. Granites said that she learnt her culture and stories from her immediate and extended family and that she paints for her parents.
Photographs 14 and 15:
Alma Nungarrayi Granites
painting the Yanjirlrirri or
Napaljarri-Warnu Jukurrpa (Star
or Seven Sisters Dreaming)
Warlukurlangu Art Centre May
2014 (Photograph Kim
Petersen).
Men’s Museum

In 2006, the men of Yuendumu asked the two managers of Warlukurlangu if the Art Centre could assist with restoring the men’s museum (refer to photograph 16). The approach by the men of Yuendumu represented not only the importance of conserving the cultural site and artwork but the level of trust in the Art Centre. From a traditional ‘men’s business’ point of view, asking the two female managers to be involved in conserving a secret men’s business area signified a new level of trust in the Art Centre and staff. The Art Centre received funding support from a range of sources including the Australian Government, the Aboriginal Benefit Account and Granites Mine Affected Areas Aboriginal Corporation. The Art Centre now stores many artefacts of cultural significance in its storeroom, which is a practical example of Warlukurlangu’s mission statement that states that the Art Centre is primarily the guardian of the Jukurrpa.

Photograph 16:
The Yuendumu Men’s Museum, May 2014
(Photograph Kim Petersen)
Intergenerational learning / families paint together

Intergenerational learning and painting together can have a substantial influence on the sustainability of the Art Centre. In May 2014, approximately 360 artists were selling their work through Warlukurlangu (including a number of highly collectable artists including Judy Watson, Liddy Walker, Alma Granites and Shorty Jangala Robertson who have developed styles which are easily recognised). To continue to be sustainable, Warlukurlangu needs to focus on identifying, encouraging and supporting emerging artists. This is especially critical given the high morbidity and mortality rate in Aboriginal remote communities (Australian Government 2014d; 2014g; Australian Health Ministers’ Advisory Council 2008). Many of the artists who earn less than $1,000 per annum from sales of their paintings are young and have little painting experience.

It is essential from a sustainability standpoint that the Art Centre continues to work with this group of artists. Currently most of the high profile artists at Warlukurlangu are over 50 years old and the Art Centre is reliant on income from sales of their work (approximately 70 percent of income). Research by Woodhead and Acker (2014) noted that a priority for Art Centre sustainability was the need to increase their retention and mentoring of talented younger artists, as over 30 percent of Aboriginal artists are over 55 years old and produce 55 percent of all products by value. Many of the senior artists who were interviewed (Y6; Y9; Y10; Y12), indicated that they were willing to assist with teaching painting techniques and information about country and Jukurrpa and thus pass on the cultural and technical knowledge. The Art Centre has a critical role to play in identifying young emerging artists and ensuring that the social and cultural role Warlukurlangu undertakes is preserved and enhanced. The Art Centre encourages school-aged children to paint and sells their art at the Centre. Interviewees commented that the Art Centre was an important place for retaining and passing on culture. For example:

This place keeps culture strong, we love young people to come here and paint so when this generation is finished the next one will know the stories (Y6).

The Art Centre is the only place where families can come together and talk about culture (Y4).

An important strength in relation to the sustainability of Warlukurlangu is that it is working with third and in some cases the fourth generation of family members (refer to photograph 17). The continuity of generations of families painting at the Art Centre is an enabling factor toward achieving a more balanced age profile and a positive example of fostering cultural capital.
Photograph 17: Intergenerational learning with Judy Watson and her grandchild, May 2014 (Photograph Kim Petersen).
Sharing culture
The Art Centre has undertaken a range of activities that foster the cultural objectives of the Centre. Interstate and overseas travel for artists provides an opportunity to meet other artists, major collectors and curators and to enjoy the experience of travelling to new places. One interviewee (Y5) explained, “Everyone wants to know about where we live and what we do, painting shares that”. In 2010, Alma Granites and one other artist were artists in residence in the Australian Pavilion at the World Expo in Shanghai. In 2010 – 2011 Warlukurlangu provided over 30 gallery exhibitions, with artists attending a number of interstate exhibitions. Exhibitions included sell out shows in Perth, Singapore and Germany. Additionally, Warlukurlangu hosts many visitors including federal and state ministers, government funding personnel, industry consultants, media representatives and Australian and international guests. During the fieldwork period in May 2014 a group of twenty volunteers from the Art Gallery of Western Australia visited the Art Centre for a four-day period. Volunteers from the Art Gallery of Western Australia commented that the visit was an amazing opportunity to learn about community, culture and art. Furthermore, the visit generated considerable sales for the Art Centre from this opportunity. Although the visits are time consuming, the hosting of visitors is a way to share culture and make a contribution to the art industry through marketing. These activities are practical methods to enhance sustainability, however, the Art Centre will need to assess the benefits of Art Centre funded international travel for artists as this actively heavily impacts on the budget and sustainability.

7.4 The Art Centre Co-operative Enterprise Level

7.4.1 The Value Proposition
The Warlukurlangu Art Centre’s value proposition (refer to Figure 10 number 9) is articulated on a promotional card that is distributed through the Art Centre. Their value proposition states:

Established in 1985, an Aboriginal owned, community based Art Centre representing over 400 artists. Famous for gloriously coloured paintings, fine art prints and traditional craft. Playing a vital role in community life and providing a stronghold for Warlpiri culture. All proceeds go directly to Aboriginal people and their community projects. Visitors always welcome.

This statement is a good example of a well articulated value proposition as it focuses on three specific important points. Firstly, it lets the prospective consumer know that the Art Centre is famous for its artwork. Most consumers are drawn to buying from an Art Centre that is well known. Secondly, the statement has a ‘feel good’ element, in that the consumer is informed that
their purchase will make a difference to the community. Thirdly, the statement assures consumers that they are welcome to visit, which is very important given the Centre’s remoteness. The promotional card enunciating the value proposition is a valuable business tool for Warlukurlangu as it focuses on elements that appeal to consumers and assists in directing customers to purchase from the Art Centre. The card is placed in a range of venues and events including galleries, exhibitions, fairs and art show ensuring a cost effective method of advertising.

7.4.2 Purpose, Mission and Core Values

One of the essential components of a co-operatives’ business model is a mission statement that clearly establishes the purpose of why that co-operative exists (Mazzarol et al. 2011a; 2011b; 2012a; 2012b).

Warlukurlangu has developed an explicit statement that unambiguously establishes its purpose (refer to Figure 10 number 10) as a co-operative that provides fiscal, social and cultural benefits to the artists and community. The mission statement of Warlukurlangu states:

*Warlukurlangu Artists Aboriginal Corporation is primarily the guardian of the Jukurrpa, the law and culture of the Warlpiri and Anmatyerre people living at Yuendumu. WAAA aims to ‘keep the culture strong’. WAAA provides a forum and support base for cultural and social activities within the community. WAAA provides a means for the economic empowerment of the Yuendumu community, through the provision of services to its member artists for the production, marketing, and distribution of their visual arts and crafts.* (Warlukurlangu Artists Aboriginal Corporation 2012, p1)

Warlukurlangu has specifically detailed its outcomes and purpose in the Art Centres objectives. The objectives for which the Association is established are to operate a community art and cultural centre in the Yuendumu Community in order to:

- Assist its members to alleviate poverty, isolation and serious economic disadvantage
- Assist its members to overcome the disintegrating of their culture and related health problems by providing a culturally appropriate and healthy environment for members, artists and their families
- Assist its members to alleviate the significant unemployment levels within their community together with the resultant economic and social problems by operating an Art Centre that directly provides community members with employment opportunities and work training
• Assist its members directly with social development so that they become self-supporting and better able to manage their own affairs by operating an Art Centre, which dedicates any profits towards community purposes in a way, which is responsive to the needs and wishes of the community

• Operate and maintain a Gift Fund entitled “Warlukurlangu Artists Aboriginal Corporation Gift Fund” in accordance with requirements of the Australian Taxation Office (Warlukurlangu Artists Aboriginal Corporation 2012, p1)

From a sustainability standpoint, businesses that achieve sustained favourable outcomes have core values and a purpose that remains constant (Collins and Porras 1996). The clear development of Warlukurlangu Art Centre’s mission and aims in 1985 has created an enabling environment, which has positively impacted on the sustainability of the Art Centre.

7.4.3 Profit Formula
One of the essential elements of a co-operative’s business model is the profit formula (refer to Figure 10 number 11). At Warlukurlangu both the Art Centre and artists receive a 50/50 percent split of the final sale price of artwork whether it is wholesale, discounted retail or retail.

7.4.4 Processes
This section addresses noteworthy aspects of operations, procurement, product design and infrastructure (refer to Figure 10 number 12). Aspects of business and management processes are discussed in other sections for example, personnel resources (7.4.5.2), technology development (7.4.5.3.3), consumers (7.4.5.3.1) and marketing (7.4.5.3.2).

The assistant manager has introduced a range of best practice processes and procedures in the purchasing and production side of the business. For example:

• Raw materials are purchased in bulk to ensure a competitive price and are chosen because of product quality, supplier service and price. The Art Centre orders sufficient quantity to ensure savings on freight due to not reordering too frequently.

• Warlukurlangu is known in the art market for its brightly coloured acrylics, which have become a Warlukurlangu signature. Although paintings account for the majority of Art Centres’ sales the Centre has also produced prints and collagraphs. The assistant manager noted that a minimum of 25 basic colours are stocked and from these 80 standard colours are mixed to pre-determined formulas to ensure consistency of tones and hues. This
colour formulation is a foundation of the Yuendumu paintings and according to the assistant manager, creates a competitive advantage as the artwork stands out from other work (refer to photograph 18).

- Artists’ paints are provided in minimum waste containers to the required amounts and paint containers are stored in an individual artist’s box for re-use the following day.
- All paint containers are recycled.
- Canvas sizes for painting have been standardised to minimise wastage and superior stretching techniques of canvas have been introduced (refer to photograph 19).
- Warlukurlangu’s method of packaging results in less returns of damaged stock.
- Improved storage and handling of artwork has been introduced (refer to photograph 20).

Given the large volume of canvases being painted (4979 paintings in 2010-11) these innovations have produced long-term cost benefits for Warlukurlangu, principally because raw materials are purchased at a competitive price, fewer materials are wasted and the art produced is recognisable because of the distinct colour palette (Warlukurlangu Artists Aboriginal Corporation 2012). These innovative processes combined with improved stock maintenance systems, storage and upgraded gallery facilities have been instrumental in improving the standard of the art produced. Additionally, the assistant manager believes that these improvements have been instrumental in increased sales, thereby contributing to the sustainability of the Art Centre. During the fieldwork visit it was observed that Warlukurlangu artists and staff actively discuss styles, colour and the quality of painting (refer to photograph 21). The assistant manager and the studio manager noted this two-way dialogue has been instrumental in the increase of saleable paintings and has enabled the production of fine art. Furthermore, Warlukurlangu promotes the improvement of painting techniques by providing workshops facilitated by outside consultants. The assistant manager stated that by improving the artists’ painting techniques, the number of formulaic paintings originating from Warlukurlangu had decreased. In terms of canvas, new and emerging artists were usually given small canvases whilst senior and well-established artists were given a full range of sizes. The assistant manager noted that linen is usually provided to established artists, whilst canvas is used for smaller work by less experienced painters.
Photograph 18: Mixed acrylic paints waiting for use by the artists, May 2014 (Photograph Kim Petersen).

Artists also paint on small boards, which the manager stated sold quickly (refer to photograph 22). The research by Woodhead and Acker (2014) supports the Warlukurlangu strategy, as they noted that 30 cm x 30 cm paintings and smaller increased in mean value from $60 to $73 across the 2003–12 timeframe and artwork under $1000 in value was becoming more popular. Woodhead and Acker (2014) noted that the size and price of smaller paintings aligns with the potential growth in the tourism markets, which is strategically targeted by Warlukurlangu.

Warlukurlangu has initiated a number of commercial alliances in relation to the licensing of products. Within this scheme the Art Centre has a legal agreement with a number of Warlukurlangu artists to enable the replication of their designs. Products range from crockery, cutlery, teapots, notebooks, travel mugs and flasks, bookmarks, scarves, dog collars and leashes, Ipad covers, t-shirts and camera lens cleaners (refer to photograph 23).
Photograph 19: A staff member stretching canvas in the workshop, May 2014 (Photograph Kim Petersen).

Photograph 20: The gallery at the Art Centre has improved hanging, storage and handling areas, May 2014 (Photograph Kim Petersen).
Photograph 21: Sara Diane (Studio Manager) discussing colour with Liddy Walker and Kim Petersen, May 2014 (Photograph Kim Petersen).
Photograph 22: Warlukurlangu staff at Desart Mob with small boards, which sell quickly September 2014 (Photograph Kim Petersen).
The licensing and development of quality products through Alpestein Design, Mondo Rondo Jewellery and Roopa Pemmaraju Fashion is initially an expensive outlay for the Art Centre. However once developed, the products sell well and create a continuing income stream for Warlukurlangu. Products are marketed widely in Australia and on the Alperstein Designs website. The Art Centre uses the products not only as a revenue stream but also to support their overall marketing strategy. All goods are sold with relevant information about the Art Centre and Jukurrpa.

Photograph 23: Crockery and notebook with an Alma Granites design, May 2014 (Photograph Kim Petersen).

Warlukurlangu has been successful in obtaining infrastructure grants for the building and maintenance of Art Centre facilities, staff housing, volunteer accommodation, renovating the Men’s Museum and the construction of the new Art Centre at Nyirrpi (refer to photograph 13). The board of Warlukurlangu has a policy of reinvesting a substantial amount of profits into Art Centre infrastructure. This policy has enabled the purchase, continuous management and regular maintenance and improvement of building infrastructure and vehicles.
In 2004, Warlukurlangu Art Centre was entirely renovated and had additional space added (refer to photographs 24, 25 and 26). Staff and volunteer’s accommodation for the Art Centre has been a priority. For example, in 2011 the manager’s house was renovated and visitor accommodation was built underneath it (refer to photograph 27). In 2007 the volunteers accommodation was established, in 2013 a transportable cabin was purchased (refer to photograph 28) and in 2005 the Red House duplex staff accommodation was constructed (refer to photograph 29). The additional accommodation at Warlukurlangu sets it apart from many other remote Art Centres that usually have limited capacity to accommodate additional staff, visitors and volunteers. The manager noted that this additional accommodation gave Warlukurlangu a competitive advantage over other remote Art Centres as they can house a larger workforce including volunteers. Visitors such as art gallery volunteers can also be provided with lodgings, which is extremely rare in remote communities and results in the establishment of a powerful marketing tool.

All of the capital investments made by Warlukurlangu will benefit sustainability by supporting Art Centre activities now and into the future by providing a gallery space for artwork, culturally appropriate spaces for artists to paint, accommodation for staff, consultants and visitors and valuable transport for artists and staff to remote events.

**Photograph 24:** The main office at Warlukurlangu Art Centre, May 2014 (Photograph Kim Petersen).
Photograph 25: Side verandas used as a painting area at Warlukurlangu Art Centre, May 2014 (Photograph Kim Petersen).

Photograph 26: Artists paint at rear of Warlukurlangu Art Centre where fires are used to keep the artists warm in winter, May 2014 (Photograph Kim Petersen).
Photograph 27: The Manager’s house with visitor accommodation underneath the house, May 2014 (Photograph Kim Petersen).

Photograph 28: Volunteer and Studio Assistant accommodation at the rear of Warlukurlangu, May 2014 (Photograph Kim Petersen).
Photograph 29: The Red House, May 2014 (Photograph Kim Petersen).

Whilst the manager stated that capital investment in Art Centre infrastructure would increase the viability of the Centre they were mindful of the need to retain savings in case of fiscal shortfalls in forward years. In 2013, Warlukurlangu purchased a new car and a transportable cabin that accounted for the Centre’s budget deficit in that year. The manager noted that these purchases were calculated investments in the knowledge that the Art Centre had savings from previous financial years.

Comprehensive management systems impact on business sustainability in a number of beneficial ways. Firstly, they give a greater fiscal return than the cost of establishing the management systems. Secondly, firms that establish management systems have greater prospects of business survival. This point is reinforced by the view that firms with management system standards have greater sales (Ames et al. 2011). This is reflected by the activities of Warlukurlangu who have invested in a range of management systems and since 2008 have sold approximately 86 percent of the artwork they produce. The Centre utilises a range of management systems and frameworks such as art management software (SAM), financial software (Quick Books) and a suite of up to date policy and procedure manuals. These systems assist Warlukurlangu to continually improve its operations, while reducing costs and retaining and expanding the customer base. A high proportion of the manager’s time (approximately 80 percent) is spent on administrative tasks,
including the marketing and sales of artworks, maintaining relationships with galleries, managing debtors and financial management.

Warlukurlangu has developed a general pricing policy for its artwork but relies on sales performance, feedback from clients (including galleries) and staying up to date with prices achieved at auctions to determine the market price of paintings. The two managers of the Art Centre are cognizant of market trends in terms of popular size and price of paintings. This assessment ensures that the Art Centre maximises its selling and marketing capacity. An interesting feature of the Warlukurlangu model is the payment process for artwork. On completion of a painting the Art Centre estimates the wholesale price of the painting that is the minimum amount for which the artwork will sell. The assistant manager has developed a formula for wholesale prices that establishes the purchase price of artwork. However, the work of senior artists is priced individually and all emerging artists are priced on size for immediate sale. There are three pricing structures used at Warlukurlangu and these are wholesale, discounted retail and retail. On completion of a painting, the studio manager advances the artist 50 percent of the wholesale price. Warlukurlangu has three payment days per week, where artist’s advances are paid either by cheque or into an individual account (refer to photograph 30). If a painting is sold at Warlukurlangu for the wholesale price, the artist receives no further payment. If the painting is sold for more than the estimated wholesale price, the artist receives additional funds calculated at 50 percent of the final wholesale price (the amount received at Warlukurlangu). This method of price calculation can create a second payment, which is credited to the artist’s account. If the painting is sold through a gallery the artist does not receive a second payment as most of the galleries charge a 40 percent commission above the Art Centre wholesale price. However, if the painting is sold at the Warlukurlangu gallery, the artist will receive a second payment as the Art Centre only charges a 20 percent commission on top of the wholesale price (Warlukurlangu, Artists Aboriginal Corporation 2012).
Photograph 30: The studio manager advancing commissions on completed paintings for Kunmanara Fry and Judy Watson, May 2014 (Photograph Kim Petersen).
7.4.5 Resources
Refer to Figure 10 number 13

7.4.5.1 Financial Resources

<table>
<thead>
<tr>
<th>Warlukurlangu Art Centre</th>
<th>30\textsuperscript{th} June 2005</th>
<th>30\textsuperscript{th} June 2006</th>
<th>30\textsuperscript{th} June 2006</th>
<th>30\textsuperscript{th} June 2008</th>
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<tr>
<td>Income from Grants</td>
<td>$421,365</td>
<td>$181,158</td>
<td>$421,365</td>
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<td>Commission retained by A/C from sales</td>
<td>$511,239</td>
<td>$535,027</td>
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<td>N/A</td>
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<tr>
<td>Artists’ Payments</td>
<td>$584,902</td>
<td>$863,027</td>
<td>$1,100,000</td>
<td>$1,195,000</td>
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<td>Sale of Goods</td>
<td>$1,243,029</td>
<td>$1,752,017</td>
<td>$2,200,000</td>
<td>$2,390,000</td>
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<td>Total Expenditure for running Art Centre excluding artists’ payments</td>
<td>$504,646</td>
<td>$694,944</td>
<td>$882,315</td>
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<tr>
<td>Wages</td>
<td>$145,032</td>
<td>$170,522</td>
<td>$262,737</td>
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<td>Loss or Profit from activities after tax for financial year ending</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Artists</td>
<td>290</td>
<td>328+</td>
<td>N/A</td>
<td>420</td>
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<th>30&lt;sup&gt;TH&lt;/sup&gt; June 2009</th>
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<td>Total Expenditure for running Art Centre excluding artists’ payments</td>
<td>$1,392,173</td>
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<td>Loss or Profit from activities after tax for financial year ending</td>
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<td>N/A</td>
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As Table 9 and 10 show, Warlukurlangu has earned considerable funds from the sale of art and has been supported by grant and other funding. Due to a number of external and internal factors the Centre has recorded a loss over the last four financial years despite the high number of artists and the increase in saleable art. However, losses in some financial years have been deliberate, as the manager and board have made calculated capital expenditures in order to enable a more sustainable enterprise in the future. Additionally, the Centre has had available cash reserves and art stock to cover the deficit.

Wright and Morphy (1999) suggested the use of four key indicators to provide a basic assessment of an Art Centre’s utilisation of funding and income to artists:

- Art centre sales divided by grant funding from various sources
- Returns to producers divided by grant funding
- Producers serviced by grant funding (calculated per $1,000)
- Returns to artists as percentage of Art Centre sales

This research has drawn on Warlukurlangu’s audit reports 2004-05 to 2012-13 (Office of the Registrar of Indigenous Corporations 2014) and business plans (Warlukurlangu 2009; 2012; 2014) to construct the data tables (refer to tables 9-16). It should be noted that in some instances there is a difference in the financial figures quoted across the various reports.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Income</th>
<th>Grants Income</th>
<th>Ratio of sales to grants</th>
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<tr>
<td>2004-05</td>
<td>1,243,029</td>
<td>421,365</td>
<td>2.95</td>
</tr>
<tr>
<td>2005-06</td>
<td>1,752,017</td>
<td>181,158</td>
<td>9.67</td>
</tr>
<tr>
<td>2006-07</td>
<td>2,200,000</td>
<td>95,722</td>
<td>22.98</td>
</tr>
<tr>
<td>2007-08</td>
<td>2,390,000</td>
<td>130,000</td>
<td>18.38</td>
</tr>
<tr>
<td>2008-09</td>
<td>1,982,186</td>
<td>434,988</td>
<td>4.55</td>
</tr>
<tr>
<td>2009-10</td>
<td>1,729,696</td>
<td>627,504</td>
<td>2.75</td>
</tr>
<tr>
<td>2010-11</td>
<td>1,357,358</td>
<td>532,951</td>
<td>2.54</td>
</tr>
<tr>
<td>2011-12</td>
<td>1,320,487</td>
<td>159,815</td>
<td>8.26</td>
</tr>
<tr>
<td>2012-13</td>
<td>1,137,086</td>
<td>232,308</td>
<td>4.89</td>
</tr>
</tbody>
</table>

Table 11: Warlukurlangu Art centre sales divided by grant funding

Table 11 demonstrates the relative efficiency of grants in relation to generating fiscal returns to the Art Centre. In the 2007–08 financial year sales income peaked, however since that time due to a range of causes (refer to Section 3.7.) sales have continued to fall. Between 2004-05 financial year to 2012-13 financial year Warlukurlangu has generated between $2.95 and $22.98 in sales for every $1.00 of grant funding. In 2004-05 the ratio was noticeably lower because of substantial capital funding and private sponsorship for the new Art Centre building.
<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Artists</th>
<th>Payments to Artists</th>
<th>Grants Income</th>
<th>Ratio per $1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>290</td>
<td>584,902</td>
<td>421,365</td>
<td>0.69</td>
</tr>
<tr>
<td>2005-06</td>
<td>328+</td>
<td>863,027</td>
<td>181,158</td>
<td>1.81</td>
</tr>
<tr>
<td>2006-07</td>
<td>428</td>
<td>1,100,000</td>
<td>95,722</td>
<td>4.5</td>
</tr>
<tr>
<td>2007-08</td>
<td>527</td>
<td>1,195,000</td>
<td>130,000</td>
<td>4.0</td>
</tr>
<tr>
<td>2008-09</td>
<td>400</td>
<td>1,098,674</td>
<td>434,988</td>
<td>0.91</td>
</tr>
<tr>
<td>2009-10</td>
<td>N/A</td>
<td>977,345</td>
<td>627,504</td>
<td>N/A</td>
</tr>
<tr>
<td>2010-11</td>
<td>N/A</td>
<td>812,251</td>
<td>532,951</td>
<td>N/A</td>
</tr>
<tr>
<td>2011-12</td>
<td>360</td>
<td>762,491</td>
<td>159,815</td>
<td>2.25</td>
</tr>
<tr>
<td>2012-13</td>
<td>360</td>
<td>687,928</td>
<td>232,308</td>
<td>1.55</td>
</tr>
</tbody>
</table>

**Table 12:** Ratio of fiscal returns to artists divided by Warlukurlangu grant funding (Office of the Registrar of Indigenous Corporations 2014).

Table 12 demonstrates the ratio of fiscal returns to artists in relation to the grant money received. The table shows that the peak return was in the 2006-07 and 2007-08 financial years (where the sales income was also high and the grants income was low). Warlukurlangu artists received $11.49 to $9.19 respectively for every $1.00 of grant money received by the Art Centre. Since that time the ratio has dropped and in the 2012-13 financial years artists received to $2.96 for every $1.00 of grant money received.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Artists</th>
<th>Grants Income</th>
<th>Ratio per $1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>290</td>
<td>421,365</td>
<td>0.69</td>
</tr>
<tr>
<td>2005-06</td>
<td>328+</td>
<td>181,158</td>
<td>1.81</td>
</tr>
<tr>
<td>2006-07</td>
<td>428</td>
<td>95,722</td>
<td>4.5</td>
</tr>
<tr>
<td>2007-08</td>
<td>527</td>
<td>130,000</td>
<td>4.0</td>
</tr>
<tr>
<td>2008-09</td>
<td>400</td>
<td>434,988</td>
<td>0.91</td>
</tr>
<tr>
<td>2009-10</td>
<td>N/A</td>
<td>627,504</td>
<td>N/A</td>
</tr>
<tr>
<td>2010-11</td>
<td>N/A</td>
<td>532,951</td>
<td>N/A</td>
</tr>
<tr>
<td>2011-12</td>
<td>360</td>
<td>159,815</td>
<td>2.25</td>
</tr>
<tr>
<td>2012-13</td>
<td>360</td>
<td>232,308</td>
<td>1.55</td>
</tr>
</tbody>
</table>

**Table 13:** Artists serviced by Warlukurlangu grant funding (calculated per $1,000) (Office of the Registrar of Indigenous Corporations 2014).

Table 13 demonstrates that many artists are potentially benefitting from the grant funding at Warlukurlangu and the cost of funding per artist is relatively low considering the benefits to artists of Art Centre participation (refer to Section 2.6.)
### Table 14: Fiscal returns to artists as a percentage of sales made by Warlukurlangu (Office of the Registrar of Indigenous Corporations 2014).

Table 14 shows that between the 2004-05 and 2012-13 financial years, the payments to Warlukurlangu artists have varied between 47 percent and 60.4 percent. Given the policy of Warlukurlangu to pay artists 50 percent of the wholesale price on the completion of the work, these figures show a trend that since the 2007-8 financial year artists’ payments have exceeded the agreed percent by between 4.6 and 9.6 percent. From a sustainability point of view, the Art Centre will need to address this.

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments to artists</th>
<th>Art centre sales</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>584,902</td>
<td>1,243,029</td>
<td>47.0</td>
</tr>
<tr>
<td>2005-06</td>
<td>863,027</td>
<td>1,752,017</td>
<td>49.2</td>
</tr>
<tr>
<td>2006-07</td>
<td>1,100,000</td>
<td>2,200,000</td>
<td>50.0</td>
</tr>
<tr>
<td>2007-08</td>
<td>1,195,000</td>
<td>2,369,000</td>
<td>50.4</td>
</tr>
<tr>
<td>2008-09</td>
<td>1,098,674</td>
<td>1,982,186</td>
<td>55.4</td>
</tr>
<tr>
<td>2009-10</td>
<td>977,345</td>
<td>1,729,696</td>
<td>56.0</td>
</tr>
<tr>
<td>2010-11</td>
<td>812,251</td>
<td>1,357,358</td>
<td>59.8</td>
</tr>
<tr>
<td>2011-12</td>
<td>762,491</td>
<td>1,320,487</td>
<td>57.7</td>
</tr>
<tr>
<td>2012-13</td>
<td>687,928</td>
<td>1,137,086</td>
<td>60.4</td>
</tr>
</tbody>
</table>

### Table 15: Discrepancy of fiscal returns to the Warlukurlangu Art Centre (Office of the Registrar of Indigenous Corporations 2014).

As Table 15 demonstrates the differential between the policy of Warlukurlangu to advance 50 percent of the wholesale price to artists on the completion of the work and the actual percentage that was advanced to the artists between 2004-05 to 2012-13.
The loss of funds to the Warlukurlangu budget by the overpayment of artists between 2004-05 to 2012-13 is $536,188.

<table>
<thead>
<tr>
<th>Year</th>
<th>Paintings produced</th>
<th>Paintings sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>868</td>
<td>-</td>
</tr>
<tr>
<td>2003-04</td>
<td>2250</td>
<td>1079</td>
</tr>
<tr>
<td>2004-05</td>
<td>2405</td>
<td>1404</td>
</tr>
<tr>
<td>2005-06</td>
<td>2139</td>
<td>1763</td>
</tr>
<tr>
<td>2006-07</td>
<td>5091</td>
<td>3012</td>
</tr>
<tr>
<td>2007-08</td>
<td>5128</td>
<td>4043</td>
</tr>
<tr>
<td>2008-09</td>
<td>6081</td>
<td>4461</td>
</tr>
<tr>
<td>2009-10</td>
<td>6406</td>
<td>4460</td>
</tr>
<tr>
<td>2010-11</td>
<td>4979</td>
<td>4289</td>
</tr>
</tbody>
</table>

*Table 16: Paintings produced and sold at the Warlukurlangu Art Centre (Warlukurlangu, Artists Aboriginal Corporation 2012).*

Approximately 360 to 400 artists sell their work through the Art Centre. The assistant manager explained that the number of artworks produced at Warlukurlangu has increased significantly from 330 in the 2000-01 financial year to 4,979 in the 2010-11 financial year. Although sales reached a peak in 2008-09 and 2009-10 financial years and have fluctuated since the global financial crisis, Warlukurlangu sales numbers have remained high (refer to Table 16). However, the value of artwork has decreased by approximately 33 percent since 2008 due to the deaths of senior artists, the global financial crisis and the subsequent lowering of prices in relation to the market conditions (Warlukurlangu Artists Aboriginal Corporation 2012).

Whilst the Art Centre at times produces more paintings than it sells, the assistant manager noted that the Centre has developed strategies to limit production and not build up excess stock. Strategies include handing out less canvas, closing the Art Centre for a holiday and closing on Fridays. Additionally, the Centre has focussed on the quality of work over quantity and insists on saleable work before advancing funds. The assistant manager suggested during a case study interview that there is a positive link between high production numbers and the painting of good art. During times of the limited production of paintings, reduction in sales does not necessarily follow, as the pre-existing reserve of paintings can replenish stock supply for sale and can even allow for an increase in sales.

One of the opportunities for the Art Centre to enable future cost reduction is to investigate the installation of solar systems for the Art Centre and staff houses. The outgoings for electricity at the Art Centre are high even though it has reduced its expenditure from $39,234 in 2011 down to $14,936 in 2013. An initial capital outlay may benefit the Art Centre in the long term, as solar
energy is not only renewable but also sustainable. Investment in this technology by the Art Centre could result in a cost effective capital expenditure.

7.4.5.2 Personnel Resources

The competent management of human resources is an important sustainability issue in remote Art Centres, as retaining professional staff with an appropriate skill set over the long term can be difficult (Office of the Registrar of Indigenous Corporations 2012; Dodson and Smith 2003). Since 2002, Warlukurlangu has had a unique record in regard to the longevity and continuity of management. The current manager, Cecilia Alfonso has held the position for the past 13 years and the current assistant manager, Gloria Morales has been at the Centre for 12 years. Altman (1989) and Wright (1999) note the role of the manager is of primary importance to the successful functioning of remote Art Centres. It could be argued however, that it is not the role in itself that is important but the particular skills that managers bring or develop. The Warlukurlangu managers have appropriate and distinct skill sets in art administration, marketing and art conservation that together are very complementary. These relevant qualifications have impacted positively on the long tenure of the managers and have enabled the Art Centre to achieve its current financial, social and cultural position. Whilst this long-standing tenure can be interpreted as an organisational strength of Warlukurlangu, it is noteworthy that paradoxically, it is also a weakness of the Art Centre. If either one or both of the managers were to leave, the executive committee would have difficulty replacing them with staff of a similar skill level, experience and connectivity within the community and art industry.

The literature highlighted that staff in remote communities without family, friends and peer support can feel isolated (Office of the Registrar of Indigenous Corporations 2010). This point is relevant for Warlukurlangu, in that none of the staff have family living with them in community. One staff member travels to Alice Springs on a Friday and returns on a Monday in order to spend time with her family. During the research fieldwork period one staff member permanently left Warlukurlangu in order to spend time with her family. The significance of peer support at the Art Centre was evident, for example, the staff group supported each other, trips to country were planned by staff and volunteers, staff have developed close friendships within the community, the volunteers were a source of social support for some staff and the Art Centre received many visitors who stayed at one of the staff Art Centre houses. Some staff members have developed strong relationships within the community, which has assisted in ameliorating isolation.
Specifically, the animal management program that Warlukurlangu oversees has had a significant impact on the assistant manager, who stated:

_I’m single and people ask if I’m lonely I say, never, because I have somebody breathing close to me all the time. There are bodies there is movement. It is impossible to be lonely because I am never alone_ (Morales cited in Bilton 2014, webpage).

Staff commented that more support was needed to assist with personal issues. Although Desart coordinates an employee assistance program, (which allows staff to either remotely or personally access counselling, services) this was perceived by some as inadequate. Interviewees stated that they did not know whether they were entitled to support and if they were, what that support would entail. The issue of personally attending counselling appointments in Alice Springs was raised in relation to the time taken to drive there. Furthermore, interviewees stated that speaking to a counsellor on the phone for the first time about personal issues was difficult.

All staffing positions have written job descriptions that are updated regularly and contracts are renewed annually subject to the budget. Unlike many other remote Art Centres, Warlukurlangu has an identifiable career path for staff (refer to Figure 11). For example, one interviewee had originally been a volunteer at the Art Centre, had progressed to a studio assistant and then been promoted to the studio coordinator position. It is important to note however, that although the staff structure allows for staff progression, the skills of staff members need to be taken into account when assessing their suitability for new positions within the Art Centre. Warlukurlangu’s staff succession planning for managers is congruent with Sanders’ (2004) notion that boards and managers of remote Art Centres usually have not developed any succession plans for when the incumbent decides to leave. The manager noted that succession planning in remote Art Centres was useless because the Art Centre could not predict the availability of staff. Warlukurlangu, in conjunction with Desart, advertise positions nationally to recruit new staff who undertake a trial period of employment to assess if their application is successful. A positive resource strategy has been the development of a workforce development plan (2014-2017) by the Art Centre to assist the organisation with the recruitment of appropriately qualified staff commensurate with the Warlukurlangu’s indicative budget.
Figure 11: Warlukurlangu Artists’ Aboriginal Corporation Operating Structure.

Warlukurlangu has a large structured volunteer program that endeavours to ensure that volunteers are able to make a beneficial contribution and enjoy a constructive cultural exchange. Since the inception of the volunteers’ program, hundreds of volunteers have made a contribution to the Art Centre and it is not unusual for the Centre to host eight volunteers at any one time. The Art Centre relies heavily on volunteers to assist with a range of tasks including mixing paints, cleaning paint containers, preparing, priming and stretching canvas, photographing artworks, taking care of senior artists, making morning tea and lunches and keeping the office and grounds clean and tidy. The volunteer program can be viewed as a method to assist in the sustainability of the Art Centre by developing a scheme of labour in return for accommodation and the opportunity to experience life in a remote Aboriginal community. Warlukurlangu has made a substantial, calculated capital investment in the accommodation facilities for volunteers. The returns for each dollar spent against volunteer hours and contributions would place Warlukurlangu in a financially beneficial position. One of the artists interviewed (Y6) noted that in their opinion there, “are too many volunteers at one time and artists do not know who they are”.

7.4.5.3 Business Resources

7.4.5.3.1 The Consumer and the Customer Relationships

During the fieldwork research, five categories of business customers who have consumer relationships with the Art Centre were identified:

- Customers who purchase for themselves at the Art Centre
• Art galleries
• Art dealers
• Customers who purchase via the Warlukurlangu web site
• Customers directly connected to the Art Centre such as community employees, shire and council staff, government employees, stakeholders, peak agencies and Art Centre employees

The manager of Warlukurlangu demonstrated a comprehensive knowledge of customer relationships and spent considerable work time initiating, augmenting and improving relationships with suppliers and buyers to enable profit gain and savings (Kalwani and Narayandas 1995; Anderson and Narus 1990; Han et al. 1993). The manager has an understanding that customer creation is a less cost effective business strategy than customer retention (Achrol 1997; Kalwani and Narayandas 1995). In light of this, the manager initiates regular contact with the galleries and art dealers who purchase from the Centre. “Warlukurlangu is heavily reliant on these relationships with approximately 55% of the total sales income being generated through galleries and outlets on commission” (Congreve 2007, p3). Additionally, gallery owners fly from Europe to attend the Art Centre personally to purchase paintings, for example, DZ Galerie in Paris.

All customers who purchase art from the Centre directly at Yuendumu are shown around the Art Centre by the manager or a staff member and have a chance to speak directly with the artists. Many of these customers had a significant comprehension of the art market, which increased their capability to discern price and quality. Customers acknowledged the time and attention they received at the Centre as being a positive aspect of Warlukurlangu. One of the most positive aspects noted by the consumers who attended the Art Centre was the opportunity to speak directly with the artists. The Art Centre hosts a range of art tours from half a day to five days in duration. During the case study period, a group of volunteers from the Art Gallery of Western Australia visited the Art Centre. Warlukurlangu has also encouraged significant private Aboriginal art collectors to visit the Centre, in order to strengthen their appreciation of the work of the individual artists and to purchase work directly. Whilst these visits are time consuming for staff, they are critical to the sustainability of the Art Centre as they provide collectors the opportunity to observe the work of emerging artists.

7.4.5.3.2 Distribution and Marketing

The manager of Warlukurlangu embodies Healey’s (2002) theory that the stability of the remote
Art Centre model is achieved by having a manager with an understanding of how to position the Art Centre in the industry and market place. Additionally, the assistant manager has enabled improvements in the quality of the work, resulting in increased demand and potential higher prices. Under the leadership of the current managers, Warlukurlangu has developed commercial success by introducing effective sales, marketing and distribution strategies in addition to maintaining long standing productive relationships.

The manager’s marketing skills have enabled the growth of sales from $320,000 in 2002 to its current position of over $1,000,000. The manager is well aware of the time and pressure to market products successfully and stated, “The best marketing tool I have is others’ laziness”.

There are three ways that paintings are marketed. Firstly, paintings are sent on consignment to commercial galleries with an agreed wholesale price. Warlukurlangu has a policy that galleries add no more than 40 percent to the wholesale price plus GST and pay Warlukurlangu the full wholesale price on sale. Secondly, paintings are sold to commercial galleries at the wholesale price. Thirdly, paintings are at times sold directly at wholesale price to immediate stakeholders such as staff at the Art Centre. Other purchasers at Warlukurlangu gallery such as tourists or collectors pay a discounted retail price. A large number of art galleries and museums have collected art from Warlukurlangu for many years and most of the major artists are represented in public collections. Well-established Australian commercial galleries in Melbourne, Sydney, Brisbane, Adelaide, Alice Springs and Perth currently represent Warlukurlangu. The Art Centre has also expanded its overseas markets with sales to the United States, United Kingdom, France, Europe, Russia, India, Bahrain, Singapore, Hong Kong and South Korea. Warlukurlangu, in conjunction with its gallery partners has regularly held exhibitions both nationally and internationally with an average of 30 exhibitions per year. Many of these exhibitions are curatorial thematic shows in consultation with artists and Warlukurlangu. This type of marketing of exhibitions is a key tool in enhancing the Art Centre’s sustainability. Warlukurlangu’s established marketing networks enables it to sell a broad range of stock including small paintings and boards by emerging artists and middle range work, both of which ensures a constant income stream. The market has changed since the global financial crisis with many retail outlets catering for customers with limited funds and for overseas visitors desiring to purchase easily transportable work. The ability to understand the changing market and adapt products is critical to the sustainably of Warlukurlangu. The manager and executive committee view the Warlukurlangu website as a marketing tool (refer to section 7.4.5.3.3). The manager noted that the website and gallery store is an enabling factor in 65 percent of sales.
Warlukurlangu regularly participates in Desart Mob (refer to photograph 22), an annual art fair coordinated by Desart in Alice Springs. This forum is ideally suited for products under $500 such as small paintings, carvings and licensed products. The manager reported that participation in Desart Mob is an effective marketing tool and source of cash flow.

7.4.5.3.3 Technology

The Yuendumu community unlike many remote communities has an Internet service that operates at an acceptable speed for Skype and mobile phone reception. The Art Centre has incorporated technology into their business practices utilising computers, the Internet, digital cameras, photocopiers, printers, email and fixed line and mobile phone technology. The availability and use of the Internet has enabled the Art Centre to have digital connectivity to the world. Given the remoteness of the Art Centre, the use of technology by Warlukurlangu has been an enabling factor in sustainability.

The Art Centre has recently redesigned its website, which incorporates information about the Centre’s history, community programs, volunteering and links to the gallery shop. The website has attracted many volunteers to the Centre. Volunteers noted that they had used the Art Centre’s website in order to gather information about the Centre generally and to obtain specific information about the volunteers program. The website is also a valuable tool for both the selling and marketing of the Centre and artwork. The manager stated that approximately ten percent of sales are made off the website and it is used as a tool to enable galleries to select works. This is a critical factor as the commercial galleries and retail outlets represented approximately 55 percent of the total sales income. The website therefore is an important tool in enabling the sustainability of Warlukurlangu, as it supports approximately 65 percent of sales.

The use of computers has enabled the implementation of a comprehensive computer based art management program, “Stories, Art, Money” (SAM). This program is the main online Art Centre database, developed by Desart, which exports data to MYOB and Quickbooks for accounting purposes. Additionally, SAM is used to catalogue, document, pay, invoice, receipt, issue certificates of authenticity and store artists’ biographies.

7.4.5.3.4 Reputation

The Warlukurlangu Art Centre has both an Australian and international profile and has been featured in countless exhibitions and publications worldwide. In 2011 Warlukurlangu Artists won the prestigious Northern Territory Export Award (Art and Entertainment), which is a measure of
their outstanding industry reputation. The manager was notably invited to travel to China with the AusTrade delegation.

### 7.4.5.3 Supplier Relations

The managers of Warlukurlangu noted in their interviews a high level of satisfaction with their business relationships, which according to Geyskens and Steenkamp (2000) and Geyskens et al. (1998; 1999) leads to long-term business partnerships and increased sustainability. The relationship of the Art Centre to the artists who are the suppliers of artwork is also of paramount importance to the success and sustainability of the Art Centre Co-operative. It is within this context that the role of Warlukurlangu in relation to the community and individual artists is critical.

### 7.4.6 Share Structure

In Warlukurlangu’s current business model, the community has full ownership rights of the Art Centre and as such the entire share capital is community owned. Additionally the Art Centre has developed a strong reputation and extensive links to the art market that has increased the income of artists and has enhanced the overall wealth of Yuendumu. Community member and artists who supply work to the Art Centre both contribute and receive social and cultural benefits in addition to financial benefits by way of selling their art. It is interesting to note that artists who sell more work or higher priced art can be viewed as investing more into the Art Centre by way of the funds that the art centre receives and retains from art sales (Refer to Figure 10 number 14).

### 7.4.7 Governance

The good governance (refer to Figure 10 number 15) of a co-operative enterprise such as Warlukurlangu is a critical element in determining its effectiveness (Palmer 2002). Historically, Warlukurlangu has been managed by a board or executive committee made up of 12 artists (six women and six men) and where possible includes one person from each of the eight skin groups in Yuendumu. This model reflects that there is a positive impact on sustainability when an organisation is cognizant of the necessity for cultural respect and social inclusion. The Art Centre is incorporated under the Corporations Aboriginal and Torres Strait Islander Act 2006 (Australian Government 2015) and has recently amended its constitution and rulebook in line with ORIC requirements.

The chairperson stated that he and the board members are committed to the Art Centre and have a high level of involvement in Warlukurlangu activities. One of the important tasks that the board has completed is to endorse a code of conduct for all staff. The chairperson explained that the
board prioritises attendance at committee meetings and regularly meets with artists to discuss Warlukurlangu’s performance and changes in the art industry.

Warlukurlangu regularly conducts governance training including workshops with ORIC, Desart and other outside facilitators. An issue raised in the literature by Dodson and Smith (2003) was that remote organisations could be vulnerable to financial misconduct due to the low rates of literacy and numeracy within boards of community organisations. Whilst Warlukurlangu board members do have low literacy and numeracy levels there is no suggestion of financial misconduct. The Art Centre managers are keenly aware of their fiduciary duties, as their business plan notes:

The art centre has brought a lot of income into the community and artists are very keen to understand better Warlukurlangu’s financial position and to have a greater hand in the management of the organisation. In order to ensure that there is good communication between art centre staff and artists, it is essential that governance training continue at Warlukurlangu (Congreve 2007, p4).

Despite training and relevant meetings, an interviewee (Y6) raised concerns:

I would be on the board but I have been told that only old people can be. Sometime they don’t understand, they could sign any papers. For money story we should have the coordinator from Desart, Phillip, talking about money story….you get frustrated asking how much money we have.

Warlukurlangu has contemplated introducing a cultural liaison position at the board level to assist with communication between staff and board. Other remote Art Centres have adopted this model with some success thus enabling cultural inclusiveness and the potential benefit of enhancing cultural sustainability.

7.4.8 Entrepreneurship and Innovation

During the case study visit it was evident that there is a high level of entrepreneurship and innovation capacity present within the Art Centre (refer to Figure 10 number 16). The managers have demonstrated that their commitment to entrepreneurship and innovation has been key to the economic development and growth experienced by Warlukurlangu since 2002 (refer to Tables 7 and 8). Examples of entrepreneurial activities include the development of extensive licensed product lines, the funding of major health and community initiatives in partnership with industry
and health providers and the successful marketing of the Art Centre. Whilst the Centre has undertaken a range of entrepreneurial activities the majority are conceived and coordinated by the managers and not the Aboriginal artists.

7.5 Member Level

The Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) framework incorporates a member level where co-operative members have four main roles within the enterprise. A number of investors (refer to Figure 10 number 17) can be identified in relation to Warlukurlangu. Firstly, artists invest financially in Warlukurlangu as the Art Centre retains 50 percent of the sale commission. Secondly, artists invest both social and cultural capital in Warlukurlangu, as the Art Centre is a social hub of the Yuendumu community and a place of intergenerational learning and cultural exchange. Thirdly, the Commonwealth Government invests by providing funding for the Centre through the Indigenous Visual Arts Industry Support (IVAIS) program. Fourthly, Warlukurlangu has business relationships with mining companies such as Newmont who provide program funding. Fifthly, it can be argued that Yuendumu as a ‘Priority Community’ attracts increased government funding that indirectly positively affects the Art Centre. Sixthly, peak agencies such as Desart can be viewed to invest through providing professional services. Lastly, not-for-profit organisations invest in Warlukurlangu by providing support, for example eye health, ear health and the animal management program. Artists can be seen as patrons (refer to Figure 10 number 18) of Warlukurlangu by virtue of investing financial, social and cultural capital in the Centre. However, the level of involvement and business dealings an artist has with Warlukurlangu differs between artists. Some artists’ financial contribution to the Centre may be high due to the sale price of their work whilst other artists may produce many artworks per year, but at a lower sale price. It can be argued that both groups of artists have a vital role in Warlukurlangu however their level of capital contribution and the form it takes varies. The Commonwealth Government could be included as a patron of Warlukurlangu given the direct funding relationship. Furthermore, businesses like Newmont Mines can likewise be viewed as a patron of Warlukurlangu. Lastly, individual buyers and not-for-profit organisations can be seen as patrons of Warlukurlangu as they purchase their art from the Centre. The community of Yuendumu and the artists own and govern the Warlukurlangu Art Centre (refer to Figure 12 number 19). In relation to Warlukurlangu the importance of the Yuendumu community (refer to Figure 10 number 20) cannot be overstated. Without the community and community members the Art Centre would not exist. It is through the involvement of Yuendumu in the Art Centre and the
Art Centre in Yuendumu that the Art Centre will be better placed to contribute to the local economy.

7.6 Summary

Data presented in this case study was validated using triangulation, which involved using different sources of information that responded to the overall research questions. The sources used to obtain information included a variety of written documents and in-depth interviews of Art Centre managers, artists and stakeholders in the Art Centres. During the analysis stage, feedback from interviewees and written documentation was compared to determine areas of agreement as well as areas of divergence. This case study utilised the Combined Research Framework (refer to Figure 10), research literature and information gained during fieldwork to map the social, cultural, environmental and fiscal business practices that influence the sustainability of the Warlukurlangu Art Centre. Warlukurlangu has grown significantly in terms of sales and artist participation since its establishment in 1985, and is now one of the three largest Art Centres in Central Australia. The artwork from Warlukurlangu is distinctive and uses a bright colour palette and complex patterns. The Centre has a high participation rate of community members and has fostered and enabled trust, social cooperation and social inclusion. Additionally, the Art Centre has encouraged social capital by the development of many partnerships and collaborations. The Art Centre was described by interviewees as the cultural hub of the Yuendumu community and has a role in maintaining and preserving culture. Warlukurlangu obtains considerable funds from the sale of art, government grants and other funding, however the Centre has recorded a loss over the last four financial years. As stated in the Art Centre’s Business Plan, for the Centre to achieve long-term sustainability it will need to focus attention on business management issues such as governance, financial management and human resource management. Addressing issues in these areas will have a positive fiscal impact on the Art Centre and enable a greater chance to achieve long-term sustainability. Although the Art Centre retains cash and other assets that will assist in financial years when there is a loss, Warlukurlangu will need to adopt a range of fiscal strategies that are in line with the Art Centres goals to assist in long-term viability. Warlukurlangu’s role in supporting socio-cultural objectives and activities at the Centre and in the community is equally important. Planning with the board needs to be cognizant of these objectives in order for Warlukurlangu to work towards long-term sustainability as an outcome.
Chapter 8: Case Study of the Ikuntji Artists Aboriginal Corporation at Haasts Bluff in the Northern Territory

8.1 Chapter Outline

This case study utilises research literature, the Combined Framework for Research (refer to Figure 12) and information gained during a fieldwork trip conducted in 2014 to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Ikuntji Artists.

8.2 Introduction

Ikuntji Artists are located in the Haasts Bluff community (refer to photographs 31 and 32) in the Northern Territory. Geographically the Australian Institute of Health and Welfare (2004) defines Haasts Bluff as a very remote community. Haasts Bluff is home to mainly Luritja and Pintupi people of the Central Western Desert. The Aboriginal Land Trust administers the land surrounding Haasts Bluff and permits are required to visit.

Photograph 31: Ikuntji Artists, June 2014 (Photograph Kim Petersen).

Photograph 32: On route to Ikuntji Artists, June 2014 (Photograph Kim Petersen).
8.3 The Combined Framework for Research into the Sustainability of Remote Art Centres

This case study utilises the Combined Framework for Research into the Sustainability of Remote Art Centres (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015) (refer to Figure 12) and information gained during fieldwork to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Ikuntji Artists.

Figure 12: The Combined Framework for Research into the Sustainability of Ikuntji Artists (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015)
8.3.1 The System Level

8.3.1.1 The Aboriginal Community of Haasts Bluff

History of Haasts Bluff

The Haasts Bluff Community (refer to Figure 12 number 1 and photograph 33) is within the Western MacDonnell Ranges and is managed by the MacDonnell Regional Council. Europeans first saw the area where the present settlement of Haasts Bluff is located in 1872 when explorer Ernest Giles travelled through the country. At the turn of the century, farmers began to move west and in 1905 the Meyer family were granted a pastoral lease. The arrival of European settlers and pastoralists to the Luritja country directly affected the lives and living conditions of the local Aboriginal people. The pastoralists’ cattle contaminated the drinking water and damaged native grasses and plants (Ikuntji Artists Aboriginal Corporation 2011; 2014).

Photograph 33: Haasts Bluff Community, June 2014 (Photograph Kim Petersen).

The once abundant bush tucker supplies were gradually eradicated and European settlers and local Luritja people engaged in disputes over their country. This situation forced Aboriginal people off their traditional lands and by 1929 Luritja people began moving from the western areas of the country towards Haasts Bluff.
In the early 1930s Pastor Albrecht began providing rations to Luritja people in the area and in 1935 he established a permanent camp near Haasts Bluff. In 1941, the Government proclaimed the Haasts Bluff Aboriginal Reserve and the following year Albrecht established a permanent mission store that traded supplies for dingo scalps and skins. In 1946, a number of permanent dwellings were constructed at the present location of Haasts Bluff and the local Luritja people renamed Haasts Bluff to Ikuntji. In the 1950s, the community had a significant number of older residents and a community kitchen was established to provide food. The main employment for local people at this time was at the cattle station, which began operations in 1944. During the late 1950s there were approximately 1,000 people living in or near Haasts Bluff. However, this number of people was unsustainable for the limited natural water supply and another community was established at Papunya. By 1954, the administration of the community was being managed by the Northern Territory Government but that role was subsequently passed onto the Commonwealth Department of Aboriginal Affairs. By the early 1970s the Whitlam Government had adopted the policies of Aboriginal self-management and in 1979 control of the settlement was transferred to the Ikuntji community and it became self-managing (Ikuntji Artists Aboriginal Corporation 2011; 2014). In 2008, the MacDonnell Shire (now the MacDonnell Regional Council) assumed the management of the community council assets and it currently manages the majority of the communities’ programs.

**Present Day Haasts Bluff**

Haasts Bluff is now a very stable but small community, comprising approximately 150 residents of which 47.6 percent were male, 52.4 percent were female, 22.6 percent were aged 15 to 24 years and 37.5 percent were aged 25 to 54 years (Australian, Bureau of Statistics 2006b). Languages spoken in the community include; Luritja, Western Arrernte, Pintupi and Warlpiri (most people in the community also speak some English). The health profile of this community is similar to other remote Aboriginal communities with high rates of morbidity (Australian Government 2014d; 2014g; Australian Health Ministers’ Advisory Council 2008). The community has a new store, primary school, health centre, Lutheran church, permanent police station, child-care centre, aged care, a youth program and the Art Centre. Services provided at Haasts Bluff by the MacDonnell Regional Council include road management, rubbish collection and the provision and maintenance of power and water facilities. Commonwealth Government funded services include children’s services, youth development services, home care services and night patrol services (Ikuntji Artists Aboriginal Corporation 2011; 2014).
8.3.1.2 The Natural Environment
Ikuntji Artists is approximately 230 km west of Alice Springs. The Luritja people have a strong connection to the natural environment (refer to Figure 12 number 2) of this area, which is reflected in the artwork of the artists at Ikuntji Art Centre. The country surrounding Haasts Bluff includes many areas with spiritual significance that were created by the ancestral beings. A number of artists (I3, I4, I5, I7) who were interviewed explained that their art represents their country and Tjukurrpa including snake, porcupine, bush onion, white cockatoo, eagle, crow and moon. The Ikuntji artists often depict in their paintings the stories of harvesting bush tucker by their families. The Art Centre organises trips to country for the artists, which interviewees (I3, I4, I5, I7) stated were a source of creativity for their paintings and influenced their art.

8.3.1.3 The Industry Structure
Refer to Figure 12 number 3

8.3.1.3.1 The Ikuntji Artists Aboriginal Corporation
In the early 1990s a Women’s Centre opened in Haasts Bluff to provide food for older community members and children. In 1992, under the leadership and guidance of the community president and Melbourne artist Marina Strocchi, the Women’s Centre began its foray into art and craft. Many of the women began painting with acrylic paints on linen and handmade paper. The distinctive art from this Centre gained attention from the fine art market both nationally and internationally (Ikuntji Artists Aboriginal Corporation 2011; 2014). The Women’s Centre continued to provide food for the next 15 years to many residents in the community, however painting dominated its operations. In 2005, the Women’s Centre was formally incorporated as the Ikuntji Artists Aboriginal Corporation and in 2007 it was incorporated under the Corporations Aboriginal and Torres Strait Islander Act 2006 (Australian Government 2015).

The painting style of Ikuntji is heterogeneous (interviewee I1) and includes customary iconography and contemporary styles of painting (refer to photograph 34). Ikuntji artists are innovative, use bold geometric design and show their country pictorially through painting images of flora and fauna. Ikuntji Artists exhibit in Australia and internationally and is represented in major public galleries and private collections around the world (Ikuntji Artists Aboriginal Corporation 2011; 2014).
In 2011 there were 32 artists supplying work to Ikuntji Artists and in 2014 this increased to 48. However, out of the 48 painters, only eight supply art regularly to the Art Centre with a further seven artists contributing work infrequently (Ikuntji Artists Aboriginal Corporation 2011; 2014). In terms of sales, since the appointment of the current manager in 2012, Art Centre commissions have increased from $17,070 in the 2011-2012 financial year, $59,516 in the 2012-2013 financial year to $97,198 in the 2013-2014 financial year (Ikuntji Artists Aboriginal Corporation 2011; 2014). The Art Centre is open five days a week to artists (providing production support, marketing and distribution), tourists and community visitors.

Photograph 34: Eunice Jack painting at Ikuntji Artists, June 2014 (Photograph Kim Petersen).

8.3.1.3.2 The Desart Peak Agency

Ikuntji Artists are a member of Desart, an art industry peak agency that provides professional development and training for artists, board members and staff, advocacy, business management and marketing assistance. Desart has coordinated a range of artist exchanges, programs and international exhibitions for Ikuntji in collaboration with other Art Centres. Desart coordinated the selection process for the current manager and offered to undertake the annual performance review. The Art Centre however, made a decision not to engage with Desart for the review in 2014 and contracted a private consultant. In relation to the functions of Desart, one interviewee (I1) thought Desart should provide more assistance and support for managers in particular by facilitating peer support meetings.
8.3.1.4 The Government Role

The three tiers of Government (refer to Figure 12 number 4) undertake a variety of roles including funding, policy development from an arts and fiscal standpoint, specific infrastructure funding and community administration. The policies and interventions by the Commonwealth and Territory Governments including the Northern Territory Emergency Response (NTER) have had a major influence and impact on Haasts Bluff since 2006. The main issues addressed by the NTER were compulsory income management, alcohol restrictions, welfare reform, enforced school attendance, compulsory health checks, the scrapping of the permit system and the management of community housing (Beacroft and Poole 2014). However, visitors to Haasts Bluff still have to apply for an entry permit through the Central Lands Council. Given the low number of government and non-government organisations in Haasts Bluff, the community is different from communities such as Yuendumu, which have a variety of service providers. Stafford Smith et al. (2008) note that in some remote communities, the local Art Centre, in the absence of other organisations or effective services, often has a great influence over community, social and cultural development activity.

8.3.1.5 Social Cooperation

Social cooperation (refer to Figure 12 number 5) is a primary community building block for successful co-operative enterprises (Peredo and Chrisman 2006; Mazzarol et al. 2011a; 2011b; 2012a; 2012c). Haasts Bluff unlike many remote communities does not have a recent history of violence and social unrest and the community is socially cooperative (interviewees I1, I4, I5). The Art Centre manager and chairperson highlighted that the Art Centre was a safe place for all community members. Interviewees (I1, I3, I4, I5, I6) raised a number of issues that are important for the maintenance of co-operative enterprises. Firstly, interviewees (I1, I4, I5) stated that community members had a range of skills including painting, carving and bead making and noted that community members felt welcome at the Art Centre. Secondly, the number of community people present at Ikuntji Artists’ 21st birthday celebrations indicates a high participation rate of community members in Art Centre activities (refer to photographs 35 and 36). Even if community members do not paint it does not preclude them from other social and cultural activities centred at the Art Centre. This level of inclusiveness explains why the Art Centre has multiple goals, which are outlined in the Art Centre’s business plans (Ikuntji Artists Aboriginal Corporation 2011; 2014). This can be understood as the Art Centre focuses not only on the fiscal benefits but also on cultural and social benefits (for example their 21st birthday celebrations). This point is reflected in Ikuntji Artists’ statement of purpose, which clearly articulates that its role is to support the
maintenance and development of traditional culture for the residents of Haasts Bluff. The issue of providing a community service is important to the community and artists. This function is embedded into the Art Centre by means of Ikuntji’s rulebook for incorporation through ORIC. The rulebook states that the Art Centre’s role is to “help relieve poverty, sickness, unemployment, helplessness, serious economic disadvantage and social distress by providing the members with materials, employment and training opportunities in an atmosphere that encourages mutual support and skill sharing” (Ikuntji Artists Aboriginal Corporation 2014, p7). Ikuntji Artists have enabled social cooperation both within the Art Centre and the wider Haasts Bluff community by providing a safe place for all, promoting social inclusion and by providing a range of community services. This research concurs with the findings of Cooper et al. (2012) and the Commonwealth of Australia (2013b), which highlights that Art Centres improve community cohesion.

Photograph 35: Haasts Bluff community members and visitors participating in Ikuntji Artists’ 21st birthday art auction, June 2014 (Photograph by Kim Petersen courtesy of Ikuntji Artists).
Photograph 36: Haasts Bluff community members participating in Ikuntji Artists’ birthday celebrations, June 2014 (Photograph by Kim Petersen courtesy of Ikuntji Artists).
8.3.1.6 Economic Capital

The generation of economic capital (refer to Figure 12 number 6) is critical for the ongoing viability and sustainability of Ikuntji Artists. The Centre receives and generates economic capital through the sales of artworks, government funding, specific grants and by very limited philanthropic donations. The quantification of economic capital is difficult to measure due to its complexity, however a number of factors can be calculated including the funding level of the Art Centre and funds from the sale of artwork retained by the Art Centre (refer to section 8.4.4.1).

Ikuntji does not contribute significant economic capital to external community programs and services as the Centre does not have surplus funds however, it continues to have an economic impact in the community through art sales and employment. One interviewee (I4) noted that the economic benefits derived from the selling of art and the employment of local people at the Centre was important to the residents of Haasts Bluff. As the median individual income in Haasts Bluff is $218.00 per week and the median household income is $1166.00 per week the importance of extra income from the sale of art cannot be underestimated (Australian Bureau of Statistics 2011). Artists and staff noted that money from the sale of artwork supplemented other income including welfare payments and royalties. The manager stated that while artwork prices have been reduced in line with the lower art market prices, artists had a greater expectation of the manager in relation to marketing paintings to generate funds.

8.3.1.7 Social Capital

Ikuntji Artists contribute to the generation of social capital (refer to Figure 12 number 7) in the community by being “brokers of access” (Woolcock 2001, p155). They link artists to the broader economic market and invest in the development of human capital, training, employment and infrastructure. The Art Centre fulfils its mission statement as a safe and neutral space for all the community to meet and socialise. A project of great significance to the Haasts Bluff community is the Kapi Palya Project (Good Water Project), which began in May 2014. The Haasts Bluff community relies mainly on bore water with a high mineral content. The Art Centre manager reports that bottled water is double the price of soft drink and consequently good tasting cheap water is a precious commodity in the community. The Art Centre has developed a community initiative that aims to provide filtered water at the Art Centre and select community locations. To achieve this the Art Centre is raising funds for the purchase and maintenance of a water filtering equipment.
8.3.1.7.1 Trust

The issue of trust within a remote community and Art Centre is a complex issue however, the work of Mayer et al (1995) and Schoorman et al (1996 & 2007) provide a valuable construct for examining this issue. Ikuntji management and artists demonstrated a benevolent approach to their relationships that was built on recognising that they must give a benefit back to the other party. Second, both demonstrated the integrity to honour their commitments to the each other. Finally, the Ikuntji management and artists demonstrated competence to deliver on their side of the relationship. This trust construct is demonstrated in by the following points.

Ikuntji Art Centre remains a safe place for the community where trust has been built through arts activities. Artists and the community have developed strong relationships with past and current staff, however the chairperson said, “Trust was not always as good with past managers as it is now”. Although the current manager and studio manager have only been at the Centre since 2012, they have forged community trust by their ability to conduct themselves with honesty and integrity. The chairperson explained:

*Trust is very important, very, very important. You look after the manager and she looks after the Art Centre. I work with her and she works with me. It’s important to trust, to build the Art Centre. It was not like this before with other art managers that were here before Chrischona, she does a good job and we trust her. I’ve never seen anything like that. She’s like, you know, a straight up person, she tries, she has sold old paintings that have been here for years...she auctioned them like a piece of cake, straight up talk, tells money story.*

The chairperson said that he talked to the manager most days about Art Centre business and how it was progressing. He noted that these conversations build trust and commented on the importance of trust and teamwork, “The manager needs help and we’re here to help but like I said as a team and we trust each other going in one direction”. The manager likewise thought trust was vital to Art Centre functioning. The manager explained that it took approximately one and a half years for the artists to trust her, “artists would not paint well if they do not trust you and they would go to some carpetbagger and paint for them....artists have to trust that you are going to sell the work”. This issue highlights the problems that carpetbaggers bring to the Art Industry, for example, a reduced supply of artwork for the Centre to sell, the risk of flooding the market with poor quality work and lowering of the price of the artists’ work. All of these factors impact on the triple bottom line (Hilson and Basu 2003; Musee and Lorenzen 2007) of the Art
Centre as well as having a cultural impact (Brundtland 1987) and are critical factors in the sustainability of the Art Centre. The manager noted, “One of the most important factors for the development of trust at the Art Centre is not to make promises that you cannot keep”.

The manager stated that the past positive relationships that she has experienced both nationally and internationally have translated into the ability to repair the negative reputation that Ikuntji Artists had within sectors of the Art Industry. These relationships have enhanced the entry to markets and trustworthy market information (Low cited in Batt 2003) for the Centre. Furthermore, the trust that Art Centre staff have established and maintained at a community and art industry level has produced an environment that fosters sustainable enterprise.

8.3.1.8 Cultural Capital

The Art Centre undertakes a range of activities that nurture the cultural objectives of Ikuntji. Examples include painting, bush trips, hunting, collecting seeds and timbers, painting collaborative canvases and making traditional tools and weapons.

The Ikuntji Artists Aboriginal Corporation is governed by its rulebook that sets out how the Art Centre must operate. Included in the rulebook are two objectives that relate specifically to culture:

- Promote, develop and maintain a working environment, which gives its members the opportunity to nurture and strengthen cultural traditions through the production of artworks
- Preserve, foster and promote the art and cultural traditions of the people of the Haasts Bluff Community

Ikuntji Artists was described by interviewees as the cultural hub of the Haasts Bluff community as it maintains, reinforces and reinvigorates cultural practices through painting, making traditional tools, weapons and jewellery, storytelling and dance (refer to photographs 37, 38, 39, and 40), hence, generating cultural capital (refer to Figure 12 number 8). Case study interviewees (I3; I4; I5), noted that one of the critical roles of the Ikuntji Artists was to ‘keep culture strong.’ The importance of this was emphasised by the manager’s view that keeping culture strong was the key to all Aboriginal Art Centres making good art.

These comments highlight the significant role of culture in the sustainability of art practice and the concomitant fiscal benefits to Art Centres. As the chairman stated, “culture needs to be at the centre of the day-to-day operation of Ikuntji”. The manager noted that the Art Centre plays a paramount role in passing on traditional knowledge to young people. The chairperson stated that
there are a declining number of older people left who know many of the Tjukurrpa stories and who are responsible for passing them on. Ceremony and Jukurrpa are an integral part of life in Haasts Bluff and include song and dance where participants decorate their bodies with the traditional iconography that is also used in paintings. The artists at Ikuntji Artists paint their Tjukurrpa and ensure that their paintings reflect the social and cultural obligations present in ceremonies and day-to-day life in the Haasts Bluff community. The manager affirmed that Ikuntji artists have a deep connection to their art and at the completion of paintings, some artists sing and dance their art. The manager stated it is the “connection by the artist that you want to see in the work because that is what makes other people connect to the piece and want to purchase it”.

In June 2014, Ikuntji Artists celebrated their 21st birthday with a cultural festival and dancers, musicians and singers from across the entire region were invited. The manager noted that the birthday celebrations gave the older people the opportunity to “teach the young people in an open and public environment about culture and standing up strong”. The Art Centre is embarking on two new cultural initiatives, a men’s area and a traditional bush food and medicine garden.

Photograph 37: A traditional seed bracelet from Ikuntji Art Centre (Photograph by Liz Coates).
Photograph 38: Alison Multa making traditional seed bracelets at Ikuntji Artists, June 2014 (Photograph by Kim Petersen).

Photograph 39: The making of traditional weapons at Ikuntji Artists using modern techniques, June 2014 (Photograph by Kim Petersen).
Photograph 40: Traditional weapons are used in ceremony at Ikuntji Artists before being sold, June 2014 (Photograph by Kim Petersen).

Photograph 41: Eunice Napanangka Jack using four sticks to paint her Tjukurpa, Ikuntji Artists, June 2014 (Photograph Kim Petersen).
**Intergenerational learning** of culture and painting together can have a positive influence on the sustainability of the Art Centre (refer to photograph 42). To continue to be sustainable, Ikuntji Artists needs to focus on identifying, encouraging and supporting emerging artists. This is especially critical given the high morbidity and mortality rate in Aboriginal remote communities (Australian Government 2014d; 2014g; Australian Health Ministers’ Advisory Council 2008). The Ikuntji age profile is similar to that found in other remote Art Centres (Woodhead and Acker 2014). Currently most of the high profile artists at Ikuntji are over 50 years old and the Art Centre is reliant on income from sales of their work. Woodhead and Acker (2014) found that Art Centres need to increase their retention and mentoring of talented younger artists as over 30 percent of Aboriginal artists are over 55 and produce 55 percent of all products by value. The Art Centre has a critical role to play in identifying young emerging artists and ensuring that the social and cultural role Ikuntji Artists undertakes is preserved and enhanced. Interviewees (I1, I3, I4, I5, I7) commented that the Art Centre was an important place for retaining and passing on culture. Ikuntji Artists have invited local children into the Art Centre to paint and learn about the stories in the paintings through talks by senior artists (refer to photograph 43). Many children were involved in Ikuntji Artists’ 21st birthday cultural celebrations and the lead-up to it (refer to photographs 36, 42 and 43). One of the major challenges to the sustainability of Ikuntji Artists is the low community population combined with the lack of young adults living in community. The manager noted that many of the young women in the community have growing families and did not have time to paint and many young men travel to Alice Springs. The manager will need to focus on engaging with the Haasts Bluff younger generation to ensure there are emerging artists now and into the future.
Photograph 42: Intergenerational learning with Eunice Jack, Ikuntji Artists, June 2014 (Photograph Kim Petersen courtesy of Ikuntji Artists).

Photograph 43: Metal sculptures painted by children and young adults at Ikuntji Artists, June 2014 (Photograph Kim Petersen).
Sharing culture

Ikuntji Artists have undertaken a range of activities that foster sharing of the cultural objectives of the Art Centre. Interstate and overseas travel for artists provides an opportunity to meet other artists, major collectors and curators and to enjoy the experience of travelling to new places. The Centre hosts a range of visitors and art tours which although time consuming, is a way to share culture and make a contribution to the art industry. The 21st birthday celebrations at Ikuntji Artists were viewed by the Art Centre as a way to share culture across the generations and with non-Aboriginal people. Cultural activities were organised including a tour of country, cooking kangaroo tail, weapon and jewellery making and traditional songs and dance. The chairperson and other interviewees (I1, I3, I5, I7) viewed these activities as methods to enhance the sustainability of the Art Centre through cultural exchange and increased sales.

Desart coordinates a range of artist exchanges, programs and international exhibitions for their member Art Centres. For example, in 2013 and 2014, Desart organised a Korean artist exchange, where artists from Ikuntji and other desert Art Centres went to Korea. The artists who participated in the exchange subsequently gave a presentation at the 2014 Desart conference (refer to photograph 44). However, given the cost of overseas travel, the Art Centre will need to consider the benefits of Art Centre funded international travel as this impacts on the sustainability of the budget.

Photograph 44: Alison Multa (far left) speaking at Desart, September 2014 (Photograph Kim Petersen).
8.4 The Art Centre Co-operative Enterprise Level

8.4.1 The Value Proposition

Ikuntji Artists have not clearly established a value proposition (refer to Figure 12 number 9) that encapsulates why the customer should purchase a product or service from them. The Art Centre has a written mission statement but it does not persuade a prospective consumer to purchase an artwork from Ikuntji Artists rather than purchasing from another remote Art Centre.

8.4.2 Purpose, Mission and Core Values

One of the essential elements of Ikuntji Artists’ business model is the purpose of why the Centre exists (Mazzarol et al. (2011a; 2011b; 2012a; 2012b). From the incorporation of Ikuntji in 2005, the Art Centre has had a constant purpose and mission, which has been articulated in business plans and in incorporation documentation. For Ikuntji Artists to have long-term favourable outcomes, these core values and purpose of the Centre (refer to Figure 12 number 10) will need to remain constant (Collins and Porras 1996). The purpose of Ikuntji Artists is to facilitate the production, marketing and distribution of artworks, and to support the maintenance and development of traditional culture for the residents of Ikuntji (Haasts Bluff) community (Ikuntji Artists Aboriginal Corporation 2014, p3). The chairperson noted that the purpose of the Art Centre was relevant to the functions that the community wanted the Art Centre to undertake. However, in his assessment, the cultural component of the Art Centre’s purpose was critical to keeping culture strong. In the opinion of both the chairperson and the manager, having a strong culture makes strong art possible.

The mission statement of Ikuntji Artists states, “Desert owned, desert run, desert art: Ikuntji Artists was founded in 1992 and has been a strong Indigenous art centre with a focus on high quality fine art since its beginnings. It provides a safe and supportive environment for Indigenous artists from Haasts Bluff”. (Ikuntji Artists Aboriginal Corporation 2014, p3). The opening sentence of the mission statement does not reflect the community’s ownership of the Centre or its model of operation. The mission statement fails to reflect a cultural imperative that is crucial to the Art Centre enduring over time.

8.4.3 Profit Formula

One of the critical elements of a co-operative’s business model is the profit formula (refer to Figure 12 number 11). Ikuntji Artists have a 50/50 percent split on profits between the Centre and
artists. This is unlikely to change, as the Chairperson noted this was a fair way to conduct business for both parties.

8.4.4 Process

This section addresses noteworthy aspects of operations, procurement, product design and infrastructure (refer to Figure 12 number 12). Aspects of business and management processes are discussed in other sections for example, human resource management (8.4.5.2), technology development (8.4.5.3.3), consumers (8.4.5.3.1) and marketing (8.4.5.3.2).

The manager stated that the art reflects the beginnings of the community, initially people came to Haasts Bluff from different parts of central Australia and so artistically there is no one style (I1). Although paintings account for the majority of the Art Centre’s sales, the Centre also produces prints, jewellery, weapons, calendars, t-shirts and metal sculptures.

The current manager has introduced a range of best practice processes and procedures in the purchasing and production side of the business. The manager noted that changes in practices will enable Ikuntji to become more fiscally sustainable and re-build its fine art reputation over the next three years. For example:

- The manager ensures a competitive price by purchasing raw materials in bulk and by negotiating a lower price. The manager emphasised that bargaining for a competitive price and asking for support for the Art Centre was a way to enable a reduction in production costs.
- The Art Centre staff utilise trips to Alice Springs to transfer artworks and supplies significantly reducing freight costs.
- Ikuntji Artists stocks a minimum of basic colours and background colours (refer to photograph 45). The manager or studio manager mixes all paints for artist’s individual palette, and no paints are mixed to pre-determined colour formulas. This individual colour mixing is a foundation of Ikuntji’s paintings and according to the manager creates an individual rather than a uniform style.
- The provision of artists’ paint in minimum waste containers to the required amounts.
- The standardising of canvas sizes and cutting to fit stretchers in a way that minimises wastage.
- Experimentation with the recycling of products has been a major direction of the current manager. This new practice ensures less waste, enables sustainable practices and saves money. For example; old stretcher bars are reused and cut to standard sizes, old tin is
shaped into insects for painting by artists (refer photograph 43), when paints dry out they are rehydrated and used as a background colour which is one reason why the Centre does not have standard background colours. The chairperson supports the recycling and repurposing initiative and plans are underway to establish the men’s area using many recycled products. He stated that using recycled products was a good way to teach the young people how to make things.

- Improved storage and handling of paintings has been implemented as rodents had damaged many older archived artworks that were poorly stored.
- The Art Centre was successful in obtaining an Aboriginal Benefit Account grant for renovations within the Art Centre. Work included:
  - Setting up a sales display gallery
  - The former work and office area was refurbished as a gallery and office area.
  - Installing a hanging system throughout the Art Centre building
  - The former manager’s flat was turned into the work area for materials, preparation and storage, packing and distribution.
  - Creating a patio coffee area within the Art Centre space to facilitate outdoor seating for artists and visitors

- Staff members at Ikuntji Artists promote the continuous improvement of painting techniques. Ikuntji artists and staff actively discuss painting styles, colour and the quality. The manager stated that intensive individual one-on-one mentoring of artists has been implemented and that artistic development was critically important to the success and sustainability of the Centre. The manager has an artistic strategy to rebuild Ikuntji Artists fine art reputation by encouraging a stable studio practice and by instituting professional development workshops with art industry consultants.
- Prior to the employment of the current manager, artists were advanced a commission on their work. The manager is of the opinion that the payment of daily advances can lead to rushed work.
- The manager stated that Ikuntji Artists should not produce more than 500 paintings per year, as beyond that (with the current artist numbers) the quality of work could be compromised.
- The manager has ensured the correct and immediate documentation of each completed work in the SAM database in English with some artwork is also documented in Luritja.
- The Art Centre has instituted a program of comprehensive stocktakes of all artworks.
Whilst the number of canvases being painted is under 500, these innovations have produced cost benefits for Ikuntji Artists, principally because raw materials are purchased at a competitive price and fewer materials are wasted. Recycling and re-purposing strategies have reduced the amount of funds needed for current production and these measures will produce long-term fiscal benefits for the Art Centre.

Ikuntji Artists have initiated a range of product lines including t-shirts and calendars, which create a continuing income stream for the Centre. Products are marketed in the Centre and on its website. The products are used not only as a revenue stream but also to support the overall marketing strategy. All goods are sold with relevant information about the Art Centre and Tjukurrpa. The manager confirmed that planning is underway to develop a range of clothing and other licensed products.
The lack of appropriate infrastructure for Art Centres can have a substantial impact on staffing and services in remote communities. Ikuntji Artists are in a fortunate position as its infrastructure is either relatively new or recently renovated. The main building (refer to photograph 31) was extended in 2008-09 with funding from a Commonwealth Government special initiative grant. This building is the main Ikuntji Artists’ space and encompasses a large studio space, office, preparation area, toilet/shower and rear veranda. In 2010, a range of refurbishments occurred including upgraded lighting and storage, replacement of solar hot water service and the repair of the septic tank plumbing. The MacDonnell Shire provided funding for this major upgrade. The Art Centre has also been successful in obtaining grants for improved infrastructure through the Aboriginal Benefit Account. The Art Centre with the assistance of Desart was successful in applying for a grant for renovations to the Art Centre and the construction of accommodation for the Art Centre manager, but the building of the manager’s house was delayed due to the necessity

**Photograph 46:** The painting shed used by women artists, June 2014 (Photograph Kim Petersen).
of obtaining a Section 19 lease through the Central Land Council. The house design is innovative with an attached additional accommodation unit. The extra space enables Ikuntji Artists to host volunteers, consultants, collectors and visitors and is also used for training and professional development workshops for artists. In the first year after completion, Ikuntji Artists had people staying 50 weeks out of the year, which the manager reported as being very stressful as they had no privacy. A large painting shed is situated in the backyard of the Centre (constructed in 2009) and is predominantly used by the women artists for painting (refer to photograph 46). The fixtures in the shed have been well maintained however a new air conditioner is required for heating and cooling due to the temperature extremes experienced in the desert. A point to note in connection with the housing construction was that Desart managed the project and combined both the building contracts of the Ikuntji Artists’ house and the Papunya Tjupi Art Centre house. There are lessons to be learned from combining both contract and project management. This combined project enabled funds to be used more cost-effectively thereby assisting in the sustainable use of funding. Desart could explore more broadly this method of contractual management as a potential enabling factor for sustainability more broadly.

Transport is a major issue for all remote Art Centres with the high cost of purchase and maintenance of four-wheel drive vehicles in a remote desert environment. The cost of diesel in remote communities is extremely high. The Art Centre’s car is a vital asset as it transports artists, equipment, stock and staff on bush trips and to events all over Australia. Ikuntji Artists had a five-year lease agreement on its car with high monthly payments, yet a low residual value at the completion of the contract. However, the Centre applied through Desart to the Aboriginal Benefit Account for a new vehicle and in 2011 was successful in its application. The success of the application has greatly reduced the Centre’s monthly expenditure and contributed towards increased sustainability.

The capital investments made possible by government grants will benefit sustainability by supporting Art Centre activities now and into the future through providing a gallery space for artwork, culturally appropriate spaces for artists to paint and accommodation for staff and visitors.

The implementation of management systems impact on a business’s sustainability and enhances its chance of trading into the future. Ames et al. (2011) postulates the reason for greater survival is because businesses with management system standards have increased sales. The main management tool utilised at Ikuntji Art Centre is the art management program ‘Stories, Art, Money’ (SAM) system. This program is the main online Art Centre database which is used to
catalogue, document, pay, invoice, receipt, issue certificates of authenticity and store artists’ biographies. Although this program has been beneficial to the Art Centre in many areas there are problems with the flexibility of the program, which has created inaccuracies in financial data. The manager stated that although SAM is not an accounting tool, accountants use the program to obtain financial information. The lack of business reports that the system can be programmed to produce was also an issue for Ikuntji Artists. For example, number of sales per year, number of works per artist, and individual artist’s sales per year were recorded but this information could not be used to generate more complex reporting. Although information can be obtained from the system, reports and charts need to be developed manually. The manager and executive committee note that improved data extraction would be beneficial to improving governance and reduce the manager’s time in retrieving comprehensive information. A further point raised in connection to SAM is that the program cannot support large files of painting images. This is an issue for reproducing images of works for catalogues and archives. Finally, the art workers at Ikuntji Artists are responsible for the photographing and cataloguing of work, however the use of SAM requires good literacy. This is potentially a very difficult issue to address as many art workers have low literacy and numeracy skills and low engagement with technology.

An important issue raised by the manager was the lack of standard policies and procedures across Art Centres and the difficulty of developing individual policies and procedures at each site. The manager raised the idea of Desart developing a comprehensive policy and procedures manual in a Microsoft Word format that each Art Centre could adapt for their own use. A high proportion of the manager’s time is spent on administrative tasks, the sales and marketing of artworks and maintaining relationships with galleries.

Ikuntji Artists have developed a pricing policy for artwork in line with the current art market and in competition with neighbouring Art Centres. In order to accomplish this task the manager remains cognizant of factors such as sales performance, feedback from clients (including galleries) and market trends in terms of popular size and price of paintings to determine the market price of paintings. This assessment ensures that the Ikuntji Artists maximises its selling and marketing capacity.

Unlike Papunya Tula and Warlukurlangu Art Centres, Ikuntji makes no advance payments for completed work. Apart from “rushing” the artwork, the manager stated that due to the Art Centre being relatively small it does not have the cash flow to advance commissions. The payday for
commissions on sold works is held once a week on a Tuesday, as people receive money from other sources (included government benefits) on the other weekdays.

8.4.5 Resources
Refer to Figure 12 number 13

8.4.5.1 Financial Resources

<table>
<thead>
<tr>
<th>Ikuntji Arts Centre</th>
<th>2012/2013</th>
<th>2013/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from grants</td>
<td>$168,164</td>
<td>$330,753</td>
</tr>
<tr>
<td>Commission retained by Art Centre from sales</td>
<td>$59,515</td>
<td>$97,198</td>
</tr>
<tr>
<td>Artists’ payments</td>
<td>$32,136</td>
<td>$82,380</td>
</tr>
<tr>
<td>Sale of goods</td>
<td>$91,653</td>
<td>$179,579</td>
</tr>
<tr>
<td>Total Expenditure for running Art Centre excluding artists’ payments</td>
<td>$313,104</td>
<td>$437,940</td>
</tr>
<tr>
<td>Wages</td>
<td>$130,058</td>
<td>$226,099</td>
</tr>
<tr>
<td>Loss or profit from activities after tax for financial year ending</td>
<td>$74,794 Loss</td>
<td>$2,297 Loss</td>
</tr>
<tr>
<td>Number of artists</td>
<td>Eight principal artists with an additional 40 registered</td>
<td>Eight principal artists with an additional 40 registered</td>
</tr>
</tbody>
</table>


The Art Centre has a triannual funding agreement with a one-year extension through the Commonwealth Government’s Indigenous Visual Arts Industry Support program for operational funding and also for funding art workers through the Jobs Package. In 2014, the Commonwealth Government had a protracted funding round and for many months the Art Centre was not advised if their funding was approved. This uncertainty of funding placed the Art Centre and staff under financial and personal stress as the Art Centre staff members were unsure if their jobs were secure and the Art Centre would continue. This practice of late notification of funding by the Commonwealth Government contributes to Art Centres becoming unsustainable. Without government funding Ikuntji Artists lacks the fiscal resources for operational and staff payments.
Although the Art Centre has now been funded, this situation raises concerns about the timing of funding and funding cycles. The Art Centre manager reported that late notification was again received in 2015.

In relation to the gathering of financial records, MacDonnell Regional Council holds all records prior to the Ikuntji Artists incorporation in 2007 and as a consequence records prior to that year are not readily available. The Art Centre holds the records for the 2007 to 2012 financial years and the ORIC website has digital records for the 2013 and 2014 financial years that are publicly available. The manager raised concerns in relation to the validity of the Art Centre’s data between 2007 and 2012 (Schmidt 2015a; 2015b, pers. com). It was reported (Schmidt 2015a, pers. com) that the SAM database, which they use, has limited functionality in some areas and that has contributed to errors in the database. For example, some data for 2013 and 2014 in the database for artists’ payments are incorrect. As a consequence of this inaccurate database there is limited value in interrogating the financial data for Ikuntji Artists. The lack of accurate financial data is not conducive for the manager developing a meaningful growth and loss trajectory with concomitant strategies for sustainability. The current manager and the board are committed to improving the financial management systems and developing transparent processes for financial management and control. Despite data integrity issues this case study has drawn on Ikuntji Artists’ audited financial reports 2013 and 2014 (Office of the Registrar of Indigenous Corporations 2015) to provide a basic assessment of the Art Centre’s utilisation of funding (Wright and Morphy 1999).

Table 17 indicates that Ikuntji Artists have nearly doubled its commission for sales of art between the 2013 and 2014 financial years. The Centre has been well supported by grants and other funding. However, due to a number of external and internal factors the Centre has recorded a loss over those two financial years despite an increase in saleable art. The manager reported that the loss in the 2014 financial year was attributed to the depreciation of the Art Centre house and car. The current manager and board have made carefully calculated capital expenditures and written a detailed Business Plan (Ikuntji Artists Aboriginal Corporation 2014) in order to develop strategies to enable a more sustainable enterprise in the future.
### Table 18: Ikuntji Artists’ sales divided by grant funding from various sources (Office of the Registrar of Indigenous Corporations 2015).

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Income</th>
<th>Grants Income</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$91,653</td>
<td>$168,164</td>
<td>0.545</td>
</tr>
<tr>
<td>2014</td>
<td>$179,579</td>
<td>$330,753</td>
<td>0.542</td>
</tr>
</tbody>
</table>

Table 18 points to the relative efficiency of grants in relation to generating fiscal returns to the Art Centre. In both the 2013 and 2014 financial years, Ikuntji Artists generated approximately 54 cents for every $1.00 of grant funding. The substantial difference in funding between the two years is accounted for by an additional $110,230 in the Jobs Package funding. Additionally, $33,200 was granted for building works in 2014.

### Table 19: Artists serviced by Ikuntji Artists’ grant funding, calculated per $1,000 (Office of the Registrar of Indigenous Corporations 2015; Ikuntji Artists Aboriginal Corporation 2014).

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Artists</th>
<th>Grants Income</th>
<th>Ratio per $1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>48</td>
<td>$168,164</td>
<td>0.285</td>
</tr>
<tr>
<td>2014</td>
<td>48</td>
<td>$330,753</td>
<td>0.145</td>
</tr>
</tbody>
</table>

Table 19 reveals that grant funding is benefitting 48 artists at Ikuntji and the cost per artist is relatively low considering the benefits to artists from Art Centre participation (refer to Section 2.6.).

The Ikuntji Artists’ Business Plan 2014-2017 (Ikuntji Artists Aboriginal Corporation 2014) notes that there have been a number of changes and improvements in the financial management of Ikuntji Artists since the appointment of the current manager. These include a significant reduction in operating costs (the manager states by almost two thirds), a positive account balance by December 2013, appointment of an external accountant with experience in the art industry and a pricing review of artwork in line with current market prices.

One of the critical factors in the financial sustainability of Ikuntji Artists is the low number of artists that produce paintings and the number of artworks that are being produced. Currently at the Centre there are 48 registered artists, with only eight artists painting regularly. The number of paintings produced has risen significantly from 139 in 2010-11, to 632 in the 2013-14 financial year (Schmidt 2015c, pers. com.). Considering the number of artists who paint, this is an
outstanding achievement as the quality of the painting has also improved. However, sales have fluctuated and in the 2010-11 and 2011-12 financial years the art centre sold more paintings than it produced relying on back stock to fill the void. In 2012-13 Ikuntji Artists sold 215 paintings and produced 357 and in 2013-2014 they sold 473 paintings and produced 632 (Schmidt 2015c, pers. com.), representing a one hundred percent increase in sales. This increase indicates a positive trend for the sustainability of the Art Centre. However, in order for it to be more sustainable strategies to encourage new artists to attend the Centre whilst motivating existing artists to paint more regularly are needed. This action will ensure a more continuous flow of work into the Art Centre and enable it to develop a more comprehensive marketing strategy. It appears there is little to be gained in building market expectation for Ikuntji Artists’ work without the ability to fulfil consignments. Currently the manager has capped painting production at 500 artworks to ensure quality.

The manager noted that one way to create value for the Art Centre was to undertake a *significance assessment* of the works that have been collected by Ikuntji Artists since it began. This process would lead to the registration of the collection with the National Library of Australia in Canberra and ultimately to a valuation. Ensuring that the Art Centre’s collection is a registered asset would create value. Additionally, if the collection was digitised, it could be accessible for researchers who could be charged a fee for access or for the development of an Ikuntji art book of past work. The creation of added value for the Art Centre is an issue that could be addressed as an enabling strategy for enduring sustainability.

Outgoings for electricity at the Art Centre are high even though the Centre has reduced its expenditure from $5,500 in the 2010-11 financial year to $4,200 in the 2012-13 financial year. One of the opportunities being discussed at the Art Centre is the installation of solar air-conditioning and solar electricity for the Centre and staff house. The manager stated that an initial capital outlay may benefit the Art Centre in the long term, as solar energy is not only renewable but also sustainable. Investment in this technology by the Centre could make it a cost effective capital expenditure.

8.4.5.2 Personnel Resources

Since the commencement of Ikuntji Artists in 1992, there have been a significant number of managers, with the longest tenure being approximately five years (II). The Ikuntji Artist’s Business Plan 2014-2017 (Ikuntji Artists Aboriginal Corporation 2014) notes that some of the previous managers lacked competent financial management and art advisory skills. Altman
(1989) and Wright (1999) highlighted the management role as a significant contributor to the successful functioning of remote Art Centres. The consequences of these factors for Ikuntji Artists have been two-fold, firstly the quality of paintings declined over time and secondly, the Centre has been fiscally compromised (Ikuntji Artists Aboriginal Corporation 2014). This situation highlights the importance of employing managers with appropriate skills, as inadequate operational and financial managerial competencies are the major cause of business failure (Altman 1989; Crutzen and Van Caillie 2008; Argenti, 1976; Peterson et al. 1993b; Wichman 1983; O'Neill and Duker 1986; Haswell and Holmes 1989; Thornhill and Amit 2003). The current manager began her tenure in 2012 and has skills and experience in business and art administration. She has worked for a variety of university and cultural institutions, including the Australian Institute for Aboriginal and Torres Strait Islander Studies, the National Museum of Australia and fine art auction houses in Australia and Germany prior to employment at Ikuntji. In addition to the manager, the Art Centre has five staff members who operate under standard employment contracts and job descriptions and who undertake a variety of roles (refer to Figure 13):

- Christian Koch (studio mentor/ assistant manager position); Christian is an experienced metal tradesman and is responsible for the maintenance of the Art Centre. Additionally, he works in the men’s area, oversees staff training and IT at the Centre.
- Gordon Butcher (Aboriginal art worker and Chairperson); Gordon is a founding member of the Warumpi Band. He works in the studio and is responsible for the maintenance of the Art Centre grounds and paints/carves in his spare time.
- Alison Multa (cultural liaison worker); Alison is a full time art worker and provides cultural liaison for the Centre. Alison is the contact person for all questions about Luritja culture. Alison is an accomplished painter and mainly paints at home with her family.
- Christine Multa (Aboriginal art worker); Christine is responsible for the photographing, numbering and cataloguing of all artwork. Christine is an accomplished photographer.
- Walter Jugadai (Aboriginal art worker); Walter stretches and primes canvas and works in the men’s area. Walter is also a painter and carver of spears, boomerangs and men’s tools.

Although the Art Centre had the financial capacity through funding from the Government’s Job Package for art worker positions to be full time, all workers chose to work part time. One staff member interviewed (I5) stated that working full time as an art worker was very difficult as she had family responsibilities, funerals, cultural responsibilities and her own art practice to consider.
The worker noted that jobs had to be flexible otherwise staff would not stay and the Art Centre would have difficulty recruiting community staff.

**Organisational structure**

![Organisation Structure Diagram](image)

**Figure 13:** Ikuntji Artists’ Organisation Structure (Ikuntji Artists Corporation 2014).

The literature highlighted that staff in remote communities without family and peer support can feel isolated (Office of the Registrar of Indigenous Corporations 2010). The current manager and studio manager of Ikuntji Artists are a couple, which can be seen as an organisational strength as it provides support. However, having a couple in management positions in remote Art Centres raises personnel issues that can paradoxically be viewed as a weakness. Issues such as leave arrangement (with both positions wanting to take leave together) and staff management can be difficult to address within this context. Personnel problems can be managed by ensuring strategies are in place to deal with arising issues. The chairperson of the Art Centre raised an issue in relation to gender balance and sustainability, stating that having both male and female staff members was good from a cultural and social viewpoint because it encouraged and supported both genders to attend the Art Centre.

There was a lack of occupational health and safety procedures and first aid training at the Art Centre, however the manager noted that a first aid course is planned for 2015. The lack of occupational health and safety procedures could be an issue in relation to insurance premiums and indemnity and as such may affect Art Centre sustainability.
Volunteers

Ikuntji Artists undertake a limited volunteer and intern program with a minimum of three weeks volunteer work at the Centre. Volunteers and interns are only accepted if they have skills that are needed at the Art Centre at specific times including, fine art studio skills (priming and stretching canvases, basic understanding of colour theory, ability to mix and prepare paints and art shows), computer skills, graphic design, general carpentry skills, general labouring and handyperson duties, botany/horticultural experience, curatorial, museum or gallery background and art history/theory or anthropology tertiary qualifications. Accommodation is provided free of charge either in a small government complex or in the unit attached to the manager’s house. The manager noted that all volunteers, interns and consultants who donate their time have their own special projects at the Art Centre. The manager stated that this method ensures that people have an ownership of the projects they undertake and become ambassadors for the Centre. The manager asserted that the ownership of projects encouraged people to publicise the Art Centre on their return home by showing what they had achieved, for example a volunteer designed a calendar. The manager noted that many volunteers and consultants return over time to undertake new projects. The volunteer program can be viewed as an organisational strength and a method to assist in the sustainability of the Art Centre by accessing skilled labour in return for accommodation and the chance to experience life in a small very remote Aboriginal community. A further point to note is Ikuntji Artists’ involvement with the Justice Department and Correctional Services. The Art Centre has negotiated an agreement whereby Haasts Bluff residents who have community service orders can work at the Art Centre. This program provides mutually beneficial outcomes for all parties. The Art Centre also works together with Ngurratjuta to help with training of local community members.

8.4.5.3 Business Resources

8.4.5.3.1 The Consumer and the Customer Relationships

The case study research identified that there are five categories of business customers who have consumer relationships with Ikuntji Artists:

- Customers who purchase for themselves at the Art Centre
- Art Galleries
- Art dealers
- Customers who purchase via the web site
• Customers directly connected to the Art Centre such as community employees, Shire and Council staff, government employees, stakeholders, peak agencies and Art Centre employees

The importance of employing managers with appropriate customer relation skills cannot be underestimated in enabling Art Centres to become more sustainable (Kalwani and Narayandas 1995; Anderson and Narus 1990; Han et al. 1993). The manager spent considerable work time initiating and improving relationships with suppliers and buyers to enable savings and profit gain (II). The manager noted that customer creation is a less cost effective business strategy than customer retention, which is supported in the literature (Achrol 1997; Kalwani and Narayandas 1995). In light of this, the manager initiates regular contact with the galleries and art dealers who purchase from the Centre.

All customers who purchase art at the Centre in Haasts Bluff are invited to view the Centre and have a chance to speak with the artists. A number of customers stated that buying directly from the Art Centre gallery provided an insight into the community, how the artwork was produced and ensured the paintings’ provenance. Customers also noted the attention they received at the Art Centre was a positive aspect of their business practice. Additionally, four customers stated that having a cultural liaison art worker with whom they could talk about culture and art had led to an increase in the number of their purchases.

Ikuntji Artists hosts a range of visitors and art tours such as the Palya Art Company, Ken Duncan Photography and Art Tours. These tours provide an opportunity to not only sell products and market the Centre but also provide an insight into the other activities at the Art Centre. Ikuntji Artists’ Centre have encouraged significant private Aboriginal art collectors to visit the centre in order to strengthen their appreciation of the work of the individual artists and to purchase work directly. The Art Centre hosts gallery directors to strengthen the relationship and support sales through that gallery. Whilst these visits are time consuming for staff, they are critical to sustainability as they provide collectors the opportunity to observe the work of emerging artists.

8.4.5.3.2 Distribution and Marketing

Ikuntji Artists have close Art Centre neighbours and the manager noted that they compete for sales with both Papunya Tjupi and Warlukurlangu (especially in the tourist market) and also with many APY Art Centres (with the high-end works). This competition has led to the Ikuntji Artists pricing its artwork similarly to their neighbouring Art Centres.
The Ikuntji Artists’ Business Plan 2014-2017 notes that before 2012 the Centre did not have a good relationship with many galleries. The Art Centre had a large number of works in commercial galleries on consignment that had been there for a long period. According to Woodhead and Acker (2014b) this was not unusual when compared with other Art Centres. To compound this situation Ikuntji Artists had a record of poor control of the payments made by galleries (Ikuntji Artists Aboriginal Corporation 2014). To ameliorate this situation and to develop marketing and distribution strategies, Ikuntji Artists have concentrated on a range of strategies including:

- Developed better communication with galleries
- Consolidated relationships with current galleries
- Developed new gallery contacts
- Developed professional administrative procedures including consignment contracts with galleries
- Developed Art Centre promotional material
- Entered works by Ikuntji Artists into national prizes and awards including the Telstra Awards (Christine Multa an Ikuntji Artists and art worker won the Desart Art Worker Photography Prize in 2013)
- Actively pursued positive publicity by writing press releases for Northern Territory of Ikuntji Tourism and the art industry
- Developed relationships with international galleries including the Aboriginal Art Museum Utrecht in The Netherlands, ArtKelch Gallery in Germany, Booker Lowe in USA, and Guisinepe De Giosa in Singapore
- Instigated a t-shirt range and calendar
- Submitted painting images for the Jukurrpa calendar
- Established retail outlet representation where market is not saturated with stock
- Developed strategies to work with tourist and lower end market outlets such as Glen Helen Resort and Ormiston Gorge to sell the lower-priced artworks
- Encouraged men to produce traditional artefacts
- Regularly participate in Desart Mob (refer to photograph 89), the annual art fair co-ordinated by Desart in Alice Springs, the Darwin Aboriginal Art Fair (DAFF) and Mbantua Festival.

The painting sales at Ikuntji Artists show a marginally different story from the research by Woodhead and Acker (2014b) in that the painting sizes that are selling on consignment from the
Centre are in the 90cm x 120cm range and in the 60cm x 60cm range in the Ikuntji gallery. However, small Ikuntji works under $1,000 are popular with the market (the average price for Ikuntji Artists work in 2011-12 was $700 and in 2012-13 was $800) and Ikuntji artists could consider increasing production numbers in response (Ikuntji Artists Corporation 2014) to this research.

8.4.5.3.3 Technology

The Haasts Bluff community has no mobile phone access but has an Internet service that is operated by satellite. The Art Centre has incorporated technology into their business practices utilising computers, the Internet, digital cameras, photocopiers, printers, email and fixed line phone technology. The availability and use of the satellite Internet has enabled the Art Centre to have digital connectivity to the world however, the manager stated that the Internet connection was extremely slow. Notwithstanding this issue, the use of technology is an enabling factor in sustainability. The Art Centre completed the redesign of the website in June 2014, which now incorporates information about the Centre’s history, volunteering and links to the gallery shop and which enables the successful generation of online sales. The website is a valuable tool for both the selling and marketing of the Centre and artwork. The use of computers has enabled the implementation of the computer based art management program, ‘Stories, Art, Money’ (SAM). This program is the main online Art Centre database, which can export data to MYOB and Quickbooks for accounting. The use of a digital camera for the recording of painting images for incorporation into the management system and the online gallery is an important tool. The capture of good image quality is critical to best management practice and marketing. The studio manager is adept in making time-lapse movies that highlight the progress of an artwork over the course of production. This is a promotional tool that can be used in a variety of media such as “You Tube” but also in static displays in galleries and art fairs. The manager has established an active Facebook site, which disseminates information about upcoming events, artist’s awards and articles of cultural significance. Additionally, Ikuntji Artists has a large following on Instagram, which the manager notes “has proven to be a great marketing tool for the Art Centre”. The ongoing use of technology and the ability to harness its potential to educate consumers about Ikuntji art and culture is a critical instrument in enabling the sustainability of Ikuntji Artists.
Photograph 47: Ikuntji Artists regularly participates in Desart Mob, September 2014 (Photograph Kim Petersen).

8.4.5.3.4 Reputation

The emphasis at Ikuntji Artists is on making the work the best it can be in order to rebuild its reputation and produce saleable work. The manager stated, “Previous managers undermined the reputation of Ikuntji’s top artists and sold a lot of inferior works that dropped the prices of them significantly and I’ve had to slowly build them up. It’s not enough to have something that sells, every artwork has to be the best it can be”.

Ikuntji Artists, in order to rebuild its reputation and artist skills, has embarked on a series of professional development workshops by significant consultants in the art industry. They have concentrated their efforts on developing better communication and relationships with galleries and by providing professional services to customers. This program of reputation restoration appears to have had positive results, for example:
• The Art Centre was selected as the Tali Gallery’s Showcase exhibition in addition to representing Ikuntji through the sale of artwork
• Ikuntji artists have been selected for solo exhibitions in high-end galleries
• Turnbridge Gallery in Subiaco is showcasing an annual print exhibition featuring work from Ikuntji.
• Galleries in Europe such as Bertrand Estrangin’s new gallery in Belgium will showcase Ikuntji Artists’ work.
• The number of high-end galleries representing Ikuntji Artists has increased from three to nine.
• In order to control the quality of artwork from Ikuntji Artists that was being sold through commercial galleries all painting stock has been recalled. In order to re-establish the artists’ reputation, Ikuntji is now only consigning what the manager decides is high quality art to the commercial galleries.
• The sale of artwork has doubled since 2012.

8.4.5.3.5 Supplier Relations
The manager noted an increasing satisfaction in their business relationships, which according to Geyskens and Steenkamp (1998; 1999; 2000) leads to long-term business partnerships and increased sustainability. The emphasis on making the work the best it can be has restored Ikuntji Artists’ reputation as a supplier of artwork to commercial galleries. The relationship of Ikuntji Artists to the artists who are the suppliers of artwork is also of paramount importance to the success and sustainability of the Art Centre Co-operative. It is within this context that the role of Ikuntji Artists in relation to the community and individual artists is critical.

8.4.6 Share Structure
In Ikuntji’s current business model, the community has full ownership rights of the Art Centre and as such the entire share capital is community owned. Additionally the Art Centre is developing a stronger reputation and links to the art market that is enabling an increased income for artists and is enhancing the overall wealth of Haasts Bluff. Community member and artists who supply work to the Art Centre both contribute and receive social and cultural benefits in addition to financial benefits by way of selling their art. It is interesting to note that artists who sell more work or higher priced art can be viewed as investing more into the Art Centre by way of the funds that the art centre receives and retains from art sales (refer Figure 12 number 14)
8.4.7 Governance

The good governance (refer to Figure 12 number 15) of a co-operative enterprise such as Ikuntji Artists is a critical element in determining its effectiveness (Palmer 2002). Ikuntji Artists is an Aboriginal owned Art Centre Co-operative incorporated under the Office of the Registrar of Indigenous Corporations. It is a registered charity with both deductible gift recipients’ status and public benevolent institution status. Membership of the Art Centre is open to all permanent residents of Haasts Bluff and its outstations. Membership is by written application and carries with it responsibilities and voting rights. Ikuntji Artists is governed by the members of the Art Centre, via an elected Executive Committee of seven members and is chaired by Mr. Gordon Butcher. The manager stated that the chairperson is actively involved in the Centre, “Gordon sees the role as very important and serious. We talk most days about everything”. The chairperson noted, “The committee is really involved in the Art Centre and we support the manager and she supports us as a team to build the Art Centre”. The executive committee talks about, “how to run it as a business and get involved and look after things and make sure things are running smooth”.

Whilst research shows that the approximate gender breakdown of the executive committees of Aboriginal Art Centres comprises 60 percent women and 40 percent men (Office of the Registrar of Indigenous Corporations 2012), the board at Ikuntji is different. In past years, women were represented, however the executive committee now comprises of all men. The current manager explained to members early in her tenure that the board, not the manager was in control of the Art Centre. This encouraged the men in the community to become involved in the Art Centre and become responsible for the overall management. The manager stated, “As soon as everybody understood this was about Anangu taking control and me going, I do what you want me to do, all the men stepped up”.

In order to achieve community legitimacy, Aboriginal governance structures in communities should be, according to Dodson and Smith (2003), permeated by local cultural standards. The critical point of having representative structures and cultural integrity in relation to the executive committee (Office of the Registrar of Indigenous Corporations 2010) is addressed by the Ikuntji Artists. The manager noted, “Every single family is represented through one of the men, so nobody is excluded and that was always my approach to make everybody feel welcome and have a say...and they do”.
A point to note in the membership of Ikuntji Artists’ executive committee is that the majority of the board members are not artists. The manager said, “members might speak for someone in the family or some family members who are artists but they are not themselves”. This fostering of the general community’s involvement in the Centre can be viewed an enabling factor for increased sustainability. The development of a positive relationship between the chairperson and the manager is essential for the good governance of the Centre. The current manager and chairperson have developed a trusting relationship based on honesty, respect and cultural appropriateness. The manager stated, “The role of the chairperson is really important and they should be in negotiations with me all the time and not disappear and be unavailable for meetings. I want the chairperson to be in the loop and take responsibility and speak up and that is what Gordon has done”. The chairperson concurs with this view, which is supported by comments made in section 8.3.1.7.1 on trust.

Research suggests that the most common reasons for the business failure of Aboriginal corporations are poor management and poor corporate governance. This research specifically noted that one of the reasons leading to corporate failures was how the manager conducted the business of the co-operative (Office of the Registrar of Indigenous Corporations 2010). Since the current manager began in 2012 a number of issues have been rectified. For example:

- A trusting relationship has developed between the artists and executive committee and the manager as evidenced by the chairperson comments.
- Governance training is a priority and a governance code of conduct has been developed.
- Job descriptions have been developed for all staff members.
- The inherited poor gallery relationships are being addressed.
- The manager has cut operating costs by almost two thirds. Additionally, the $67,000 of inherited debt has been reduced and Ikuntji Artists now operates with a small surplus.

An individual’s capability and an organisation’s capacity are linked in that building an individual’s skills can help the organisation meet its goals (Hunt and Smith 2007). Ongoing governance training is vital as boards that do not have expertise in management can become more reliant on the managers (Silvertsen 1996). This is especially important where board members have low literacy and numeracy skills. At Ikuntji Artists all executive committee meetings are conducted both in English and Luritja, with the chairperson translating and explaining issues. Desart has assisted in governance training for the executive committee in addition to activities that Ikuntji Artists has organized independently. The chairperson noted it was like being “back at
school” but said that it was good to do training. Regular meetings are conducted at Ikuntji Artists with an emphasis on the financial situation of the Art Centre.

Ikuntji Artists have developed an innovative governance code of conduct agreement for the executive committee entitled “Working Together”. This training is well supported in the literature, which suggests that focusing on developing governance skills and a capacity for future planning and decision-making is pivotal (Dodson and Smith 2003).

Mazzarol et al. (2011a; 2011b; 2012a; 2012b) and Cornforth (2004) found that in organisations where co-operative members were also board members, the impact on governance could be pivotal. In remote Art Centres all board members are Art Centre members although, as is the case with Ikuntji Artists, some board members are not artists. An additional issue for Ikuntji Artists is that the chairperson is also an employee of the Centre. This situation is intrinsic to many remote communities given the lack of appropriate staff and community members with skills to be on the executive committee.

**8.4.7 Entrepreneurship and Innovation**

The importance of the staff and executive committee in entrepreneurial roles and their capacity to effect economic, social and cultural development, sustainability and resilience should not be under-estimated (refer to Figure 12 number 16). Entrepreneurial and innovative strategies have the capacity to increase the sustainability of the Ikuntji Artists by developing new business strategies. The Art Centre has undertaken a number of entrepreneurial activities including; the 21st birthday celebrations and cultural weekend, the development of the new men’s area, ability to negotiate advantageously for goods and services, partnerships with overseas galleries, partnerships with universities, the implementation of sustainable practices and the successful marketing of the Art Centre. These activities can be viewed as creating value for Ikuntji Artists and Haasts Bluff and as such are entrepreneurial (Gartner 1990; Bessant and Tidd 2007). Whilst the Centre has undertaken a range of entrepreneurial activities many are conceived and coordinated by the manager. In relation to Indigenous entrepreneurship, Art Centre participants are gradually becoming engaged in the “creation, management and development of new ventures” (Hindle and Lansdowne 2005, p132) such as the development of a native garden with the capacity to sell native products and the development of a coffee shop.
8.5 The Member Level

A number of investors (refer to Figure 12 number 17) can be identified in relation to Ikuntji Artists. Firstly, artists invest financially in Ikuntji, as the Art Centre retains 50 percent of the sale price of artwork. Secondly, artists invest both social and cultural capital in Ikuntji Artists, as the Art Centre is a social hub of the Haasts Bluff community and a place of intergenerational learning and cultural exchange. Thirdly, the Commonwealth Government invests by providing funding for the Centre through the Indigenous Visual Arts Industry Support (IVAIS) program. Fourthly, there are business relationships with mining companies who provide program funding. Fifthly, peak agencies such as Desart can be viewed as an investor through providing professional services. Lastly, volunteers invest by providing support for a range of services. Artists can be seen as patrons (refer to Figure 12 number 18) of Ikuntji Artists by virtue of investing financial, social and cultural capital in the Centre. However, the level of involvement and business dealings an artist has differs between artists. Some artists’ financial contribution to the Centre may be high due to the sale price of their work whilst other artists may produce many artworks per year, but at a lower sale price. It can be argued that both groups of artists have a vital role in Ikuntji Artists however their level of capital contribution and the form it takes varies. Other patrons include for example:

- The Commonwealth Government given the direct funding relationship
- Individual buyers and not-for-profits organisations as they purchase their art from the Centre.
- The National Art School based in Sydney as they have developed a student internship relationship with the Art Centre

The community of Haasts Bluff and the artists own and govern the Ikuntji Artists (refer to Figure 12 number 19). In relation to Ikuntji Artists, the importance of the Haasts Bluff community although small, cannot be overstated. Without the Haasts Bluff community members (refer to Figure 12 number 20) the Art Centre would not exist. It is through the involvement of the community in the Art Centre and the Art Centre in the community that the Centre will be better placed to contribute to the local economy.

8.6 Summary

Data presented in this case study was validated using triangulation, which involved using different sources of information that responded to the overall research questions. The sources used to obtain information included a variety of written documents and in-depth interviews of Art
Centre managers, artists and stakeholders in the Art Centres. During the analysis stage, feedback from interviewees and written documentation was compared to determine areas of agreement as well as areas of divergence. This case study utilised the combined research framework (refer to Figure 12), research literature and information gained during fieldwork to map the social, cultural, environmental and fiscal business practices that influence the sustainability of the Ikuntji Artists. The painting style of Ikuntji is heterogeneous and includes customary iconography and contemporary styles of painting using bold geometric designs. In 2014 there were 48 recorded artists, eight of whom supplied art regularly to the Art Centre. The low number of artists participating in Ikuntji Artists combined with a low output of artworks, positions the Art Centre as one of the smallest in Central Australia. The Art Centre has fostered and enabled trust, social cooperation and social inclusion and has encouraged social capital by the development of partnerships and collaborations. The Art Centre was described by interviewees as the cultural hub of the Haasts Bluff community and has a major focus on maintaining and preserving culture. Environmentally, the Art Centre is committed to addressing environmental sustainability and has a focus on the recycling of materials. Ikuntji Artists obtains funds from the sale of art, government grants, donations and other funding. Although the Art Centre’s commission has increased from $17,070 in the 2011-2012 financial year to $97,198 in the 2013-2014 financial year (Ikuntji Artists Aboriginal Corporation 2011; 2014) the Art Centre’s fiscal position remains precarious due to low artist numbers. Specifically, the research found three areas that require attention, financial management (including developing new economic opportunities and fiscal discipline), governance (including developing ways to work with a board toward a better understanding of the Art Centre’s business and financial management) and the lack of key artists and the low numbers of emerging artists. These issues require a focus on business management to enable the Centre to be sustainable in the long term.
Chapter 9: Case Study of the Warmun Art Aboriginal Corporation at Turkey Creek in Western Australia

9.1 Chapter Outline
This case study utilises research literature, the Combined Framework for Research (refer to Figure 14) and information gained during a fieldwork trip conducted in 2014 to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Warmun Art Centre.

9.2 Introduction
The Warmun Art Centre is situated in Turkey Creek in the East Kimberley region of Western Australia, two hundred kilometres south of Kununurra. The Warmun Community is one of the East Kimberley region’s largest Aboriginal communities with the traditional owners of the area being the Gija people. The Warmun Art Centre (refer to photograph 48) was established in 1998, although Gija people have been painting on canvas in the Warmun (Turkey Creek) community from the mid 1970s.

Photograph 48: Warmun Art Centre, July 2014 (Photograph Kim Petersen).
9.3 The Combined Framework for Research into the Sustainability of Remote Art Centres

This case study utilises the Combined Framework for Research into the Sustainability of Remote Art Centres (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015) (refer to Figure 14) and information gained during fieldwork to map the fiscal, social, environmental and cultural business practices that can influence the sustainability of the Warmun Art Centre.

![Figure 14: The Combined Framework for Research into the Sustainability of Warmun Art Centre](image)

(Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Petersen 2015)
9.3.1 The System Level

9.3.1.1 The Aboriginal Community of Turkey Creek


History of Turkey Creek

Turkey Creek is an Aboriginal community (refer to Figure 14 number 1) in the East Kimberley region of Western Australia (refer to photograph 49). In 1885 gold was discovered at Halls Creek and subsequently the town of Wyndham was established in 1886. In 1901 the Western Australia Government established a rations depot at Turkey Creek and in 1910 the government created assimilation centres nearby at Moola Bulla and Violet Valley (Ryan et al. 1993). In 1915 the Western Australia Government appointed a Chief Protector of Aborigines, (Ryan et al. 1993) who transformed church missions into self-supporting cattle stations. The Chief Protector used Moola Bulla as the model enterprise of the Government’s new program for controlling the Aboriginal people of this region. However, the Chief Protector did not take into account that Gija people would not freely migrate to these pastoral stations to live and work. Many Aboriginal people camped on the outskirts of stations and towns in preference to living on the stations. To compensate for their misjudgement the Western Australian Government’s Aborigines Department course of action was to withhold food and other supplies to Aboriginal people not living on the
stations. Additionally, the police forcibly relocated Gija people to the pastoral settlements. By the 1950s all the pastoral stations were sold, which once again forced many Aboriginal people to relocate. Turkey Creek has always been an important meeting and camping place for the Gija and Miriwung Aboriginal people of this area and traditionally was used for large seasonal gatherings (Altman 1987). Station owners were unwilling to continue to let Aboriginal people camp on their land and this resulted in a permanent presence at Turkey Creek (Altman and Nieuwenhuysen 1979). The significance of the Turkey Creek community was recognised with the construction of a hotel and later in the 1930s with the establishment of a post office and telephone exchange (Altman 1987). Warmun Community was established in 1975 at Turkey Creek, near the old Violet Valley Station on land that was excised from the Mabel Downs Station. The Western Australian and Commonwealth Governments initially funded Warmun community as an outstation. In 1977 Warmun became an incorporated community and began receiving funding through the Western Australian Department of Aboriginal Affairs (WADAA) (Altman 1987). In 1979 the Warmun community opened a small store to buy food, as previously food had to be purchased from Wyndham (Altman 1987). By 1986 Warmun or Turkey Creek (as it is known to the Gija people) had 26 houses, a health clinic, a new community store, a mechanics workshop, community offices and infrastructure: housed power generator, water reticulation and an unsealed airstrip (Altman 1987).

**Present Day Turkey Creek**

Turkey Creek has a population of approximately 400-500 people including outstations and is in the area classified by the Accessibility/Remoteness Index of Australia system as very remote (Australian Institute of Health and Welfare 2004). The community is the mid point between Darwin and Broome and the closest populated towns are Halls Creek and Kununurra. Turkey Creek is now managed through its incorporated body, Warmun Community Incorporated. The main sources of community funding are Commonwealth and State Government grants and ‘Good Neighbour’ funding from Argyle Diamond Mine. The elected Community Council, made up of local Aboriginal members, manages the Association with the assistance of staff headed by a Chief Executive Officer. Warmun Council is effectively the local government instrumentality, providing a wide range of municipal, social and commercial services (Warmun Council 2013, webpage). In the 2011 Census, the population of Warmun Community (not including outstations) was 297 and was comprised of 44.4 percent females and 55.6 percent males. The median/average age of the Warmun population was 26 years of age, 11 years below the Australian average (Australian Bureau of Statistics 2011). The Warmun community’s residents derive income from a variety of sources, including the pastoral industry, tourism ventures based on the Purnululu
National Park, the Argyle Diamond Mine and the Warmun Art Centre. The community also operates a community store and fuel outlet and has an interest in the Turkey Creek roadhouse (Government of Western Australia 2014).

9.3.1.2 The Natural Environment

The Kimberley region is regarded by many archaeologists to be one of the “Cradles of Aboriginal culture” in Australia as research dates Aboriginal people to have occupied the Kimberley region for at least 70,000 years before the arrival of European settlers (Warmun Council 2013, webpage). The Gija people of the Warmun area believe that they were created here at the beginning of time (Warmun Council 2013, webpage). Knowledge and practices about the Kimberley region's natural environment (refer to Figure 14 number 2) have been handed down through the Gija people for generations. The traditional owners of this region have a strong relationship to their natural environment and the landscape features in many of the Warmun artworks. For example, the region’s Purnululu National Park (Bungle Bungle Range) is listed as a World Heritage site and is featured in many Warmun artworks (refer to photographs 50 and 51).

Photograph 50: Purnululu National Park (The Bungle Bungle Range) is listed as a World Heritage site, July 2014 (Photograph Kim Petersen).

Photograph 51: Jimbo Johnson’s artwork “Rivers through Purnululu”, Warmun Art Centre, July 2014 (Photograph Kim Petersen courtesy of Warmun Art Centre).
The Warmun Art Centre was invited to take part in a research project on climate change and artists have produced stories and paintings in relation to weather events. Artists are working on major exhibitions and publications documenting through painting and in Gija language the plants and trees of the country. The Art Centre has produced a book as part of this project “Jadagen Warnkan Barnden” (refer to photograph 52) documenting the seasons by stories and painting, which sells through the Art Centre (Warmun Art Aboriginal Corporation 2013b).

9.3.1.3 The Industry Structure  
Refer to Figure 14 number 3

9.3.1.3.1 The Warmun Art Aboriginal Corporation

In the 1970s Mary Macha, a Perth based arts consultant recognised the potential of Gija artists and encouraged more people to begin painting in the Warmun community. Already the work of renowned Turkey Creek artists Queenie McKenzie and Rover Thomas had received considerable acclaim and the majority of the Warmun artwork was sold though Waringarri Art Centre in Kununurra. From 1995 to 1997 an art dealer was operating a private art business in the old post office in Warmun, engaging approximately 12 artists. Many of the older Warmun artists wanted a community Art Centre in Turkey Creek similar to Waringarri Art Centre. They wanted a home base for the transmission of Gija culture through the production and marketing of their art and they recognised that a Warmun based Art Centre could be a training place to ensure the development and learning of younger artists. A local Art Centre base was important to enable proximity of older Gija artists to the younger generation in the community.

The Warmun Art Centre was established in Turkey Creek in 1998 as Kelarriny Arts under the auspices of the Warmun Community Council. The Argyle Diamond Mine gave the Art Centre a start up grant of $50,000, which was utilised for the wages of two full time managers. Warmun Community Council also granted a payment of $35,000 and Canila Pty Ltd assisted with an interest-free loan of $50,000. The new Art Centre achieved strong support in the market place and from 1998 to 2001 income from art sales was approximately $655,000 per annum. In 2000 the Art Centre won the Arts and Media category of the Western Australian Indigenous Business Award for the best business in the arts and media category for the development of a purpose designed web site for sales and promotion of Warmun art and culture. “The site resulted in overseas and domestic sales and in under three years the annual sales figure had increased from $121,277 in 1998-1999 to $435,591 in 1999-2000 with a sales target of $500,000 for 2000-2001 as reported to Warmun Community Council in March 2001” (Healey 2002, webpage). The Art Centre’s sales continued to increase over the next six years, generating an income in excess of $1million per annum until the global financial crisis in 2007. In June 2005, Kelarriny Arts was separately incorporated as the Warmun Art Aboriginal Corporation (under the Commonwealth Aboriginal Councils and Associations Act 1976). A key condition under which Warmun Community Council agreed to a separate incorporation was an annual lease payment to the Council for the land occupied by the Centre and staff housing.
In 2008 Warmun Art Centre won the Best Indigenous Business Award in the East Kimberley Indigenous Achievement Awards:

*The award recognised emerging Aboriginal businesses or corporations that have demonstrated good management and strategies to provide better outcomes for Aboriginal people. The art centre was acknowledged for being one of only three businesses that were selected to promote the Savannah Way between Cairns and Broome. It was also acknowledged for being a founding member of the Kimberley Aboriginal Artists collaboration, which was launched in Darwin in August (Aboriginal Art Directory 2008, webpage).*

In March 2011, a natural disaster confronted the Warmun community when Turkey Creek, which runs through the community, burst its banks and inundated most of the community’s houses, the school, the clinic and the Warmun Art Centre. In addition to artwork being damaged, the gallery itself suffered significant structural damage as did the staff housing. Hundreds of artworks were washed out of the Warmun Art Centre complex into the floodwaters and it was estimated that 90 per cent of the collection was lost. The Art Centre staff were able to retrieve some of the historic collection, however all works sustained extensive water damage. Many people came to help stabilise and document the artwork including staff from the University of Melbourne’s Centre for Cultural Materials Conservation, Waringarri Arts in Kununurra, the Argyle Diamond Mine (refer to photograph 53), ANKAAA and the Warmun community. Several hundred works that required extensive conservation were transported by Toll Holdings Company in their refrigerated truck and driven 4,500 kilometres to the University of Melbourne. In part due to this disaster, a partnership between the University of Melbourne’s Centre for Cultural Materials Conservation and Warmun Art Centre developed. The University has restored approximately 200 items of the flood-damaged art and returned them to Warmun. Critical to the success of the conservation treatment was the advice from the senior artists regarding production methods of the ochres and natural binders used in the artworks. From a cultural and community perspective this partnership is of immense value as the art collection documents the start of the Warmun Art Movement. This collection of artwork is one of Australia’s most significant and largest community-owned collections, documenting the origins of an Aboriginal art movement in Australia (Warmun Art Aboriginal Corporation 2014 webpage). Since the floods in 2011, the Art Centre has been in a recovery and redevelopment stage.
Although by August 2012, the Art Centre’s infrastructure had been rebuilt and the business systems were re-established there were still serious repercussions from the flood. For example, Warmun’s exhibition program for 2012 could not proceed. This situation combined with the market downturn has contributed to financial difficulties for the Centre over the last three years:

_The devastation of the 2011 floods has taken a physical, commercial and spiritual toll on the Art Centre, requiring a complex, sustained and slow process of replacing infrastructure, re-establishing systems, rebuilding relationships and regaining momentum across all areas essential to the functioning of such a dynamic enterprise”_ (Warmun Art Aboriginal Corporation 2013, p8).

Warmun paintings are both innovative and distinctive, using natural ochres sourced locally to paint images of country, flora and fauna. There are 80 established and emerging artists at the Warmun Art Centre who paint approximately 1,000 paintings per year in a style that is unique.
Warmun Art Centre exhibits in Australia and internationally and is represented in major public galleries and private collections around the world. The Art Centre is open five days a week to artists (providing production support, marketing and distribution), tourists and community visitors (refer to photograph 54).

Photograph 54: The Warmun Art Centre complex, July 2014 (Photograph Kim Petersen).

9.3.1.3.2 The Association of Northern, Kimberley and Arnhem Aboriginal Artists

The artists at Warmun Art Centre are members of the Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA). This peak advocacy agency provides support for approximately 5,000 Aboriginal artists from 48 Art Centres in the Tiwi Islands and the Darwin/Katherine, Kimberley and Arnhem Land regions - approximately 1 million square kilometres (Association of Northern, Kimberley and Arnhem Aboriginal Artists 2013, webpage). ANKAAA is different from other peak agencies in that membership is open for the artists, not the Art Centre. ANKAAA’s mission is to keep art, culture and country strong and to support the development of strong and sustainable Art Centres. In light of ANKAAA’s membership rules,
Warmun Art Centre does not belong to a peak agency, however the Art Centre staff can access counselling services provided by ANKAAA.

9.3.1.4 The Government Role

The three tiers of Government (refer to Figure 14 number 4) undertake a variety of roles and functions in relation to Warmun Art Centre including funding, policy development from an arts and fiscal standpoint, specific infrastructure funding and community administration.

9.3.1.5 Social Cooperation

Peredo and Chrisman (2006) and Mazzarol et al. (2011a: 2011b; 2012a; 2012c) found that community social cooperation (refer to Figure 12 number 5) is one of the primary building blocks for successful co-operative enterprises. Warmun has a history of inter-generational trauma and alcohol and drug misuse, which has led to community violence and social unrest (interviewees W1, W3, W4). In spite of this however, interviewees stated that the community was socially cooperative (interviewees W1, W5, W8). The manager and staff stressed the significance of the Warmun Art Centre as being a safe place for all community members. The manager noted that it’s “easy for people to focus on negative issues and fail to see how very strong and cohesive the community is and the great things that happen”. The Warmun Art Centre has a high participation rate of community members and if community members do not paint, it does not preclude them from participating in other activities at the Centre. This level of inclusiveness can be explained by the Art Centre’s focus on cultural and social benefits in addition to the fiscal benefits. The issue of providing a community service is important to the community and Warmun artists. This function is embedded into the Art Centre strategic plan through its social objectives (Warmun Art Aboriginal Corporation 2013, p13):

- Encourage self-esteem, self-confidence and pride in traditional culture and artistic achievement through the production and sale of art and performance of dance and song
- Provide care for local people by supporting the Art Centre as a social meeting place
- Provide limited liaison between artists and government agencies by supporting those with no literacy or limited English
- Work with agencies in the community to support health and social well-being initiatives
- Acknowledge and work with Gija knowledge and practices, as incorporated into the daily practice and long term objectives of WAC
The Art Centre has enabled social cooperation by promoting social inclusion and by providing a range of cultural programs. This research concurs with the findings of Cooper et al. (2012) and the Commonwealth of Australia (2013b), which highlights that Art Centres improve community cohesion.

9.3.1.6 Economic Capital

The generation of economic capital (refer to Figure 14 number 6) is critical for the ongoing viability and sustainability of the Warmun Art Centre. The Centre receives and generates economic capital through government funding, specific grants, philanthropic donations and by the sales of artworks. The quantification of economic capital is difficult to measure due to its complexity, however a number of factors can be calculated including the funding level of the Art Centre and funds from the sale of artwork retained by the Art Centre.

The Warmun Art Centre has eight objectives that relate to economic capital in its business plan (Warmun Art Aboriginal Corporation 2013, p13):

- Provide ethical and transparent art production, marketing and distribution services for artists
- To operate within the established national Code of Conduct guidelines
- Encourage the self-sufficiency and independence of Gija people
- Generate additional income for people living in substantial poverty
- Provide gainful employment for local people
- Encourage the use of traditional cultural values in artwork, ensuring that they are not compromised by profit imperative of the art market
- Facilitate sales to public and private art collectors and other visitors
- To operate a sustainable business enterprise

Warmun does not contribute significant economic capital to external community programs and services as the Centre does not have the funds to do so.

<table>
<thead>
<tr>
<th>Warmun Art Centre</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<td>Artists’ Payments</td>
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<td>$565,223</td>
<td>$473,670</td>
<td>$315,933</td>
<td>$508,029</td>
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</tbody>
</table>

*Table 20:* Economic return to Warmun artists from the sales of art (Office of the Registrar of Indigenous Corporations Website).
The Art Centre has an economic impact in the community through art sales and the employment of community members in art worker positions. Between, 2009 to 2013 the return to artists at the Warmun Art Centre was between $315,000 to $565,000 (refer to Table 20). Interviewees (W1; W4; W5; W6; W7) noted that the economic benefits derived from the selling of art and the employment of local people at the Centre was important to the residents of Turkey Creek. Staff members stated that money from the sale of artwork supplemented other income including welfare payments and royalties. Warmun Art Centre Strategic Action Plan 2015 -2017 noted, “In 2014 over 20% (one out of five people) of the community earned money from art sales and there are more young people getting involved with art, culture and business” (Warmun Art Aboriginal Corporation 201, p17).

9.3.1.7 Social Capital

The Warmun Art Centre plays a significant role in the generation of social capital (refer to Figure 14 number 7) in the Turkey Creek community, especially in terms of being “brokers of access” (Woolcock 2001, p155). Social capital can be defined as the norms and networks that enable collaborative effort for shared benefit (Woolcock 1998). Warmun Art Centre in this context can be viewed as providing a critical role in brokering and linking individuals to a broader economic market by accessing resources and through investing in the development of human capital, training, employment and infrastructure. The Art Centre fulfils its mission statement by encouraging social cooperation both within the Art Centre and the wider Turkey Creek community and by enabling a safe, supportive and neutral space for all people in Turkey Creek to meet and socialise. The Art Centre has a policy on social inclusion, however the staff are aware that some residents will not attend the Centre because of the presence of other individuals. Staff stressed that the Centre is there for everyone in the community and although some community residents are not interested in painting they may attend the Centre for cultural reasons. The Art Centre is also used as a meeting place for the community, “Community and staff from the other organisations come to the Art Centre to talk about issues other than art, it’s a big meeting spot” (interviewee W4).

A way of developing and fostering social capital is by the development of partnerships and collaborations. The manager stated, “we develop partnerships with anyone we possibly can because they are such a great idea and because they have a great deal of political currency”. Examples of Warmun’s partnerships and collaborations include:

• Argyle Diamond Mine provides funding and support for programs and infrastructure.
• National Climate Change Adaption Research project
• Sling Air Company transport by helicopter some of the older artists back to country.
• The Warmun inter-agency group focuses on how the community’s organisations can work together to support each other’s programs.
• The supportive alliance between the Art Centre and Warmun Community Council

The partnership with the University of Melbourne’s Centre for Cultural Materials Conservation has resulted in the opportunity for artists and University staff to engage in cross-cultural learning processes. The Art Centre notes:

*This partnership enables the Centre for Cultural Materials Conservation to understand Gija knowledge as a demonstration of Australian Aboriginal knowledge in order to improve its teaching, research and engagement programs. For Warmun Art Centre it validates and acknowledges the value of Gija knowledge in a tertiary institution, as well as the more pragmatic outcomes of providing enhanced opportunities for Gija employment, education and shared learning which are not available at the moment. The program is developed through teaching, research and engagement programs, focused on curriculum content that is developed by Gija people with support of the University of Melbourne* (Warmun Art Aboriginal Corporation 2014, webpage).

### 9.3.1.7.1 Trust

The issue of trust within a remote community and Art Centre is a complex issue. Ware (2014, p2) states, *“Creating a safe place through arts activities, where trust has been built, allows for community members to work through challenges and potential community and personal change without fear of retribution or being stigmatized”.*

The work of Mayer et al (1995) and Schoorman et al (1996 & 2007) provide a valuable construct for examining this issue. Warmun management and artists demonstrated a *benevolent approach* to their relationships that was built on recognising that they must give a benefit back to the other party. Second, both demonstrated the *integrity* to honour their commitments to the each other. Finally, the Warmun management and artists demonstrated *competence* to deliver on their side of the relationship. This trust construct is demonstrated in by the following points.

Warmun Art Centre remains a safe place for the community where trust has been built through art and cultural activities. Artists and the community have developed strong relationships with past and current staff. The manager stated:
Trust is important. I find the mob think with their hearts and stomach not the head, I believe they trust me but other managers have not enjoyed that same level of trust and I think they are very good at seeing through people and seeing what kind of person they are. For me trust is a particular challenge because I know I am trustworthy but the subsequent managers may not be, so it’s important that we set up the right kinds of processes and do the right kind of governance training so there is the level of expectation there that follows across subsequent managers.

All staff and artists who were interviewed considered honesty as a very important attribute between all people at the Art Centre. One interviewee (W1) stated:

Honesty is one of the most important things you need to have in staff. There is a lot of room for manipulation when you’re dealing with written records with people who are unable to read those records. It immediately puts you in a very powerful position even when you are communicating on behalf of people in the art world, there is a lot of responsibility how you choose to represent Warmun any artist is very important.

One staff member (W3) commented on the importance of communication in the process of trust:

I think it’s easy for us to cause distrust because it’s simple for us just not to communicate enough with people. I think the kind of experiences people have had has given them a lot to be suspicious about because there is a history here of brutality. Gija people have experienced and seen a lot at the hands of powerful white people. Staff can have a lot of control over certain aspects of running this business because the money side and administrative side is not something a lot of Gija people have the skills in. So even if the manager is not doing anything wrong, just not communicating, long-term mistrust can develop.

9.3.1.8 Cultural Capital

The manager of Warmun Art Centre stated, “What we put back into the community is cultural capital, we don’t have the money to provide support or programs outside of our cultural objectives. This is strictly an Art Centre, that’s us, we are fine art and culture and in the future increasingly culture because it’s the corner stone of everything that happens”. (Refer to Figure 14 number 8).
The Warmun Art Centre is governed by its constitution that sets the rules as to how the Art Centre must operate. Included in its mission are six objectives that relate specifically to culture (Warmun Art Aboriginal Corporation 2013, pp12-13):

• Encourage the preservation of Gija culture and its dissemination throughout the local and broader community
• Provide cultural education for local young people
• Promote Gija culture to the world outside the community
• Educate non-Aboriginal Australians on the value of Aboriginal culture and in particular the unique characteristics of Gija culture in the Kimberley region
• Support and develop both established and new ways of expressing Gija culture through the arts
• Develop new projects that promote and strengthen Gija cultural knowledge and the Gija Living Cultural Archive

The Warmun Art Centre was described by interviewees as the cultural hub of the Turkey Creek community as it maintains, reinforces and reinvigorates cultural practices through painting, carving, storytelling and Joonba (ceremony and corroboree). The case study participants who are staff and artists (interviewees W4; W5; W7; W8; W9; W10; W11) stated that the most critical role of the Warmun Art Centre was to ‘keep culture strong.’ One art worker interviewed (W7) said the Art Centre was just not about art but “combining art and culture”. A senior artist (interviewee W11) explained, “White people have photographs but we have country painting and we tell our family, we teach them how important our country is”.

The importance of keeping culture strong was emphasised by the manager who noted that culture was an integral component of Warmun’s business model and a factor in the employment of a cultural liaison position. The manager stated:

The art component of the Centre is a constant and it allows us to focus on supplementary programs that support the work in different ways principally for Gija culture in general such as Joonba, trips to country and the language classes. All of those things that connect the current Gija generation with historical Gija mob is a beneficial thing. The more that we do it, the stronger the cultural cohesion is and that leads to better paintings.

These comments highlight the significant role of culture in the sustainability of art practice and the concomitant fiscal benefits to Art Centres.
Ceremony and Joonba is an integral part of life in Turkey Creek and the Art Centre. The Art Centre has an important role in funding and supporting the Joonba (refer to photograph 55). These distinct forms of performance and oral stories incorporate song, dance, painting, theatre, story and history.


The Warmun Art Centre has a primary goal of conserving culturally and socially significant objects and knowledge systems. The Art Centre has fostered the production of art as a “powerful means of cultural continuity, transmission and innovation” (Warmun Art Aboriginal Corporation 2014, webpage). The Centre has purpose built storage (refer to photograph 56) within the Media Lab to house the community collection. Additionally, the chairperson is developing an exhibition area within the existing gallery to enable cultural objects to be shown to the community and general public. Given that this collection of artwork is one of Australia’s most significant and largest community owned collections (Warmun Art Aboriginal Corporation 2014, webpage), it has significant cultural value. This new exhibition could assist in the sustainability of
the Centre by developing further synergies with art tourism. The Government of Western Australia (2014) noted that the tourism industry makes a significant fiscal contribution to the Kimberley region's economy. The Government estimated that there are 350,000 overnight visitors per annum who spend approximately $256,000,000 within the Kimberley region, accounting for 15.5 percent gross regional product.

The Art Centre funds two staffing positions that directly relate to the cultural objectives of the Art Centre. Firstly, the Art Centre employs a local Gija man as the Cultural Liaison Officer. This position is responsible for conducting educational sessions and tours of the Art Centre that concentrate on delivering information about Gija culture to the general public. Secondly, the Art Centre has established the position of a Linguist and Cultural Programs Coordinator. This staff person manages the Media Lab, supervises the Pilbara and Kimberley Aboriginal Media trainees, organises bush trips and conducts Gija language classes at the Art Centre.

Photograph 56: Purpose built storage within the media lab to house the community collection, Warmun Art Centre, July 2014 (Photograph Kim Petersen).

**Intergenerational learning** of culture and painting can have a substantial influence on the sustainability of the Art Centre. To continue to be sustainable Warmun needs to focus on identifying, encouraging and supporting emerging artists. The manager stated, “With less uptake
of the traditional way of life within the younger generations we need to do everything we can to capture and record telling those stories and any form of cultural knowledge.”.

The artists also thought this was critical, one interviewee stated, “the Art Centre is important to us, we want it for the future, we got the young ones coming up and doing painting and we want to make this place strong” (W11). The manager noted that Warmun Art Centre plays a critical role in facilitating the transmission of traditional cultural knowledge to young people. Due to high morbidity and mortality in all remote communities, including Warmun (Australian Government 2014d; 2014g; Australian Health Ministers’ Advisory Council 2008), there are a declining number of older people left who know the stories and who are responsible for passing them on. The Warmun Art Centre age profile is similar to other remote Art Centres (Woodhead and Acker 2014). Currently the high profile artists at Warmun are over 50 years old and the Art Centre is reliant on income from sales of their work. Woodhead and Acker (2014) found that Art Centres need to increase their retention and mentoring of talented younger artists as over 30 percent of Aboriginal artists are over 55 and produce 55 percent of all products by value. From a sustainability point of view, the Art Centre has a critical role to play in identifying young emerging artists and ensuring that the social and cultural role Warmun undertakes is preserved and enhanced. As a response to this the Warmun Art Centre has established the Media Lab, which records the cultural stories of the older people for teaching the younger generation (this project is discussed under Section 9.4.9.). Interviewees (W1, W11, W10, W9) all commented that the Art Centre was an important place for retaining and passing on culture. This issue was commented on by a staff member:

In an environment where old people don’t think they are being heard enough by young people, painting makes them feel good because it can be left behind even when they are not there and in the way it’s a long term method of teaching when the short-term methods are not working.

The Art Centre has invited local children into the Centre for specific cultural sessions and children are encouraged to paint. The Art Centre devotes a wall of gallery space to selling works by young artists. The Art Centre will need to continue to focus on engaging with Turkey Creek’s younger generation to ensure there are emerging artists now and into the future. The Art Centre ensures that ‘trips to country’ occur on a regular basis to assist in transmitting cultural and artistic knowledge and techniques to both the emerging artists and to the young Gija artists of Turkey Creek. These trips are also critical for passing on knowledge associated with song, dance,
language, food and artistic materials such as ochre, tree sap and wood for carving. The Art Centre website notes:

_Bush trips directly benefit the senior and emerging artists and the wider community, through cultural maintenance and cultural/professional development opportunities. Teachings have a direct impact on deepening the quality of Warmun art through increasing the knowledge of emerging artists and building respect and pride in cultural identity_ (Warmun Art Aboriginal Corporation 2014, webpage).

The Art Centre conducts language classes every week at the Centre as part of intergenerational learning. The manager stated that the classes are very important to both generations and are augmented and maintained by trips to country with young and older generations.

The manager noted that the Warmun Art Centre would like to be involved in more research and education and train more Gija people to undertake their own research. In this way knowledge can be transferred to the younger generation, assisting in the sustainability of cultural knowledge. In discussions with the Media Lab coordinator and trainee, the point of developing all forms of media for the teaching and learning of the younger Gija mob was strongly reiterated.

Warmun has undertaken a range of activities that foster the **sharing of culture** and cultural objectives of the Art Centre. Interstate and overseas travel for artists provide an opportunity to meet other artists, major collectors and curators and to enjoy the experience of travelling to new places and seeing their art being appreciated. Warmun hosts a range of visitors and art tours which although time consuming, is a way to share culture and make a contribution to the art industry. The manager viewed these activities as methods to enhance the sustainability of the Art Centre through cultural exchange and increased sales.

A high profile example of sharing culture is the collaborations between Warmun Arts, the Australia Council, the Musée du Quai Branly in Paris and Lena Nyadbi, a senior Warmun artist. Lena was born around 1936 and began painting at Warmun in 1998. In 2006, Lena created the work Jimbirla and Gemerre (spearheads and scarifications), the imagery of which was transferred onto the external façade of the Musée du Quai Branly. Lena was then commissioned to design a specific artwork for Musée du Quai Branly’s 700-square-metre rooftop terrace (refer to photograph 57). The work Lena designed is called Dayiwul Lirlmim (Barramundi Scales) and the artwork is one of the largest created by an Australian artist. The painting tells the story of three women who were fishing for barramundi. One of the fish escapes through the fishing net and then
through a gap in the rocks. The fish loses its scales in the process of escaping, which in time became the Argyle Diamonds of the Kimberley region. The enlarged version of the painting is 46 times bigger than the ochre and charcoal original and is made of rubberised paint. The artwork was designed to be visible from space via satellite mapping technology, watched on Google Earth and viewed from the Eiffel Tower, which on average has seven million visitors every year (Musée du Quai Branly promotional brochures). This collaboration and sharing of culture has contributed to the national and international reputation of Warmun Art Centre.

Photograph 57: Lena Nyadbi’s artwork “Dayiwl Lirlmim” on the Musée du Quai Branly’s rooftop terrace, October 2013 (Photograph courtesy of Tony Grobowsky and the Australia Council).

9.4 The Art Centre Co-operative Enterprise Level

9.4.1 The Value Proposition

The Warmun Art Centre has not clearly established a value proposition (refer to Figure 14 number 9) that encapsulates why the customer should purchase a product or service from them. Warmun Art Centre has the following statement at the beginning of their website:
Warmun Art Centre is owned and governed by Gija people with 100% of income returning to the community. The centre was established by founding members of the contemporary painting movement in Warmun such as Queenie McKenzie, Madigan Thomas, Hector Jandany, Lena Nyadbi, Betty Carrington and Patrick Mung Mung. These elders recognised and responded to the need for a community owned and controlled centre through which they could support, maintain and promote Gija art, language and culture (Warmun Art Aboriginal Corporation 2014, webpage).

The statement however does not strongly persuade prospective consumers to purchase an artwork from Warmun instead of purchasing from another remote Art Centre. However, it does tell the story of the Centre being community controlled and owned which has the potential to interest consumers who want to fiscally support remote communities.

### 9.4.2 Purpose, Mission and Core Values

One of the essential components of a co-operative’s business model is a mission statement that clearly establishes the purpose (refer to Figure 14 number 10) of why that co-operative exits (Mazzarol et al. 2011a; 2011b; 2012a; 2012b). From the inception of Warmun Art in 1998 under the auspices of the Warmun Community Council, the Art Centre has had a constant purpose and mission which has been articulated in consecutive business plans (Warmun Art Aboriginal Corporation 2009; 2013; 2014; 2015). Collins and Porras (1996) noted the importance of having a constant purpose and mission and its relevance to long-term favourable business outcomes. The purpose of the Warmun Art Centre is established in their Articles of Association (Warmun Art Aboriginal Corporation 2013, p12), which is part of their formal incorporation. The objectives state:

- **Encourage Aboriginal art in Warmun Community**
- **Promote the welfare and advancement of the Warmun Community**
- **Relieve poverty in the Warmun Community by improving the standard of living, the quality of life, and the social and economic conditions of the Warmun Community, including to address all issues relating to the social and economic disadvantage which affect the Warmun Community**
- **Work towards providing the Warmun Community with resources and facilities to maintain a standard of living on a level equitable with the broader Australian community**
- **Foster the development and preservation of Aboriginal traditional and other cultural and recreation activities**
- **Support cultural activities through the arts**
The Warmun Art Centre’s current Mission Statement was developed in 1998 and focuses on fostering the social and economic well-being of the Warmun community by providing programs and projects that have the potential to relieve impoverishment and dependency on welfare. Specifically the Mission Statement states:

*Warmun Art Centre’s mission is to celebrate and encourage the expression of Gija culture through the arts, and to support the continued development of innovative contemporary art by both established and emerging Warmun artists. We strive to facilitate this through developing and maintaining a commercially viable arts enterprise which provides a diverse range of cultural and economic opportunities for both individuals and the community as a whole* (Warmun Art Aboriginal Corporation 2013, p4).

The opening sentence of the mission statement does not reflect the community’s ownership of the Centre or its model of operation. However, the mission statement does reflect the purpose and the cultural imperative that is crucial to the Art Centre enduring over time.

### 9.4.3 Profit Formula

One of the critical elements of a co-operative’s business model is the profit formula (refer to Figure 14 number 11). Since the beginning of the Art Centre, Warmun has had a 60/40 percent split on profits with the larger share going to the artists.

### 9.4.4 Process

This section addresses noteworthy aspects of operations, procurement, product design and infrastructure (refer to Figure 14 number 12). Aspects of business and management processes are discussed in other sections for example, human resource management (9.4.5.2), technology development (9.4.5.3.3), consumers (9.4.5.3.1) and marketing (9.4.5.3.2).

What makes the Warmun Art Centre **unique artistically** is both the subject matter of the artwork and that the artists paint using natural ochres sourced from their own country (refer to photographs 58 and 59). The Art Centre’s business plan notes, “*paintings are a physical sample of the artist’s country – a piece of the earth - as well as a representation of the cultural essence of that country*” (Warmun Art Aboriginal Corporation 2009). These two factors distinguish the artwork produced in this region from the rest of the Art Centres across Australia. All artists crush and mix their own ochre and add either a commercial glue or sap from certain trees to make an individual artist’s blend. This process ensures a distinctive artwork that has become synonymous with Warmun Art Centre. In many ways the look of the artwork from Warmun can be viewed as a
form of branding, given its unique appearance. Warmun notes that their art is different from other Aboriginal art that is produced using commercially manufactured ochre. This view is shared by collectors such as Janet Holmes à Court who wrote about the paintings of the famous Warmun artist Rover Thomas. Holmes à Court (2003, p44) stated that his “painting is distinctive and the deceptively simple use of form and pigments are at once stark representations of the country he painted and stunning examples of contemporary art”.

Photograph 58: An ochre pit in a dry riverbed, July 2014 (Photograph Kim Petersen).

Photograph 59: Locally sourced ochre waiting to be ground into a fine powder and mixed for painting at Warmun Art Centre (Photograph Kim Petersen).

The manager and staff have introduced a range of best practice processes and procedures in the purchasing and production side of the business. The changes in practices will enable Warmun to continue to be more fiscally sustainable into the future. Examples include:

- Warmun now uses 50 percent Belgium linen for the senior artists, reflecting the need to use quality material for the fine art market.
- The cost of freight is a large operating expenditure for the Art Centre due to its remote location. The Centre has to constantly assess the cost of freight as it can markedly affect the financial sustainability of the Centre. For example in 2014, the Art Centre purchased a large supply of cardboard for the boxing of paintings ready for shipping. The Centre
asked the cardboard supplier to send the cardboard with Toll transport but instead the cardboard supplier contracted TNT transport to deliver the consignment. The shipment cost incurred by the Arts Centre by using TNT was $11,000 whereas the cost would have been $3,000 by contracting Toll transport. The cost of transport if not adequately monitored could increase the operational budget exponentially, which would affect the sustainability of the Centre over time. Although the Art Centre needs to capitalise on transport options, often the Art Centre frequently needs products immediately thereby creating difficulty in consolidating transport costs.

- Frames are purchased by Warmun, both ready made and in a flat pack which the art workers assemble. All artwork has to be sold on the frame it was painted on due to the fragility of the ochre paint. Warmun utilises a company in Darwin for frames as they assessed that making the frames from scratch was too difficult and increased overall costs. The manager noted that although the Darwin company was twice the price of other firms they were very reliable and had been very supportive during the 2011 flood. Additionally, the Art Centre recognised that although cheaper products were available, they were of an inferior quality. The studio manager noted that to date the Art Centre has not had the time to investigate comparable products and pricing to a large degree, although this task was recognised as important. From a sustainability view point the issue of dealing with reliable companies is critical when an Art Centre is remote with limited choice however, options that can deliver quality and competitive prices need to be investigated.

- The Centre has an emphasis on quality over quantity as the preferred business model (the Centre produces approximately 1,000 paintings per year). It was noted that although the consistency of the work was up to the individual artist, Warmun would not send poor quality work to an exhibition.

- Artists and staff actively discuss painting styles, colour and the quality as the manager stated that artist development was critically important to the success and sustainability of Warmun. The studio manager noted:

  We want to nurture artist and I don’t see my job as telling people how to paint. I talk to artists about style and colour in the work but they are artists not machines. There is a danger in talking about neatness to artists as neatness does not necessarily make a powerful painting and we are more interested in getting those powerful works out.

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Warmun Art Centre has not developed a range of licensed products, however the Centre is considering a manchester range, as no other Art Centre has commercialised this idea. Manchester products would assist in creating a continuing income stream for the Art Centre.

The Art Centre has received funding to produce catalogues, which accompany exhibitions (refer to photograph 60). Although catalogues are expensive to produce, they are popular with the public and sell well at the point of exhibition and later in the Art Centre. The Art Centre uses the catalogues not only as a revenue stream but to support the overall marketing strategy.

Photograph 60: The Lena Nyadbi catalogue from the Melbourne exhibition “Painting my Country Always” (Photograph Kim Petersen).

The appropriate mix of infrastructure for Art Centres can have a substantial impact on staffing and services in remote communities. Warmun Art Centre has been successful in obtaining grants for the building and maintenance of Art Centre facilities, staff housing and volunteer accommodation. Additionally, the board of Warmun had a policy of reinvesting a substantial amount of profits into the building of the new gallery. The Warmun Art Centre infrastructure is
relatively new and most has been recently renovated as a result of the flood in 2011. The infrastructure (refer to photograph 53) consists of:

- The main galley with office and painting space (refer to photographs 61, 62, 63)
- A work building comprising three main areas, artwork storage and photographic cataloguing area, framing and packing area, and ochre/tool storage area (refer to photograph 66)
- The media Lab building has an open work area for painting, a meeting area and kitchen and bathroom facilities (refer to photograph 64)
- Three staff houses
- The grass area in the middle of the Art Centre buildings is an area for painting and meeting (refer to photograph 65).
- The Joonba area across from the Art Centre (refer to photograph 55)

The Commonwealth and State Government and the Warmun Art Centre funded the new gallery. The contribution by the Art Centre was achieved by limiting the expenditure of the operational funding of the Centre and by the substantial profits that were achieved before the global financial crisis. Notwithstanding this however, the 2009 Warmun Business Plan (Warmun Art Aboriginal Corporation 2009) noted that the contribution of funds for capital works impacted on the Centre’s operational budget, making the necessity of budgetary control even greater. A new gallery was seen as essential to Warmun’s sustainability as the Art Centre’s development was inhibited by poor infrastructure (Warmun Art Aboriginal Corporation 2001).
Photograph 61: The external view of the Warmun Art Centre, July 2014 (Photograph Kim Petersen).

Photograph 62: The internal view of the Warmun Art Centre and reception area, July 2014 (Photograph Kim Petersen).
Photograph 63: The internal view of the Warmun Art Centre gallery, July 2014 (Photograph Kim Petersen).

Photograph 64: The Media Lab of Warmun Art Centre where many artists work outdoors and among the stilts of the building. July 2014 (Photograph Kim Petersen).
Photograph 65: The work building, the green house of the manager and outdoors work area. Warmun Art Centre, July 2014 (Photograph Kim Petersen).

Photograph 66: The internal view of the work building where frames are made and the packaging of artwork is undertaken. Warmun Art Centre, July 2014 (Photograph Kim Petersen).
The Art Centre building was opened in August 2007 and provides a large space for the gallery, an office, a display area and front and back decks for painting. The gallery is a significant attraction for tourists whose numbers average 4,000 to 5,000 per annum (W1). This number of tourists accords the Art Centre with considerable marketing opportunities and advantages in the region. An important issue in terms of sustainability is the cost for the heating and cooling of the gallery. The gallery was constructed with poor insulation properties and substantial air-conditioning is required in the summer when temperatures can reach 45 degrees Celsius. This cost potentially affects not only the financial but also the environmental sustainability of the Centre.

All of the capital investments made by Warmun will benefit sustainability by supporting Art Centre activities now and into the future by providing a gallery space for artwork, culturally appropriate spaces for artists to paint, accommodation for staff, consultants and visitors and valuable transport for artists and staff to remote events.

The implementation of **management systems** impact on a business’s sustainability and enhances their chance of trading into the future. Ames (2011) found the reason for greater business survival is because businesses with management system standards have increased sales. The main arts management tool utilised at Warmun is the art management program ‘Stories, Art, Money’ (SAM) system. This program is the main online Art Centre database which is used to catalogue, document, pay, invoice, receipt, issue certificates of authenticity and store artists’ biographies. Although this program has been beneficial to the Art Centre in many areas there are problems with the flexibility of the program. A point raised in connection to SAM is that the program cannot support varying file sizes of painting images. This is an issue for reproducing images of works for catalogues and archives. The art workers at Warmun are responsible for photographing and cataloguing of artwork, however literacy and information technology expertise are important skills required for the use of SAM. This is potentially a very difficult problem to address as many art workers have low literacy and numeracy skills and are not technically proficient in the use of computers.

In relation to general policies, Warmun, like many other remote Art Centres lacks documented policies and procedures relating to the operation of the Art Centre. The manager stated:

> We have zero policies and lots of good intentions. We do have policies around cultural engagement and unofficial ones around expenditure. Thankfully we have a strong enough cash flow that we can simply pay for the bills as they come.
All staff at Warmun noted the lack of documented policies and systems as an area that was in need of improvement. However, a major policy and procedure area that Warmun has been developing is in relation to Occupational Health and Safety. Warmun have been working in partnership with Jawun Corporation, which forms partnerships with organisations in the Kimberley to benefit corporate, government and Indigenous Australia. Together they are developing a workplace Health and Safety Strategy and documents for the Art Centre. The manager noted that they would develop a comprehensive pro-forma Art Centre based Occupational Health and Safety package that could be used by not only Warmun, but by other remote Art Centres across Australia. Potentially this is a sustainability issue as its use by Art Centres may reduce the cost of insurance premiums and make the workplace safer. Additionally, this package has the potential to be funded either by government or private grants leading to Australia wide partnerships and value creation.

9.4.5 Resources

Refer to Figure 14 number 13.

9.4.5.1 Financial Resources

The Warmun Art Centre has a triennial funding agreement with the Commonwealth Government, which is primarily expended on salaries. In addition, three full time staff positions are funded predominantly by the sale of artwork and the National Jobs Package funds trainee art worker positions. The manager reported that triennial Commonwealth Government funding is extremely valuable as it enables longer-term staff planning.

As Table 21 demonstrates, Warmun has earned considerable funds from the sale of art as well as being supported by grant and other funding. Due to a number of external and internal factors the Centre has recorded a loss over the last three financial years. A review of the financial operations of 30 Aboriginal Art Centres by Tucker found that for 2011-12 financial year, Warmun was placed sixth in terms of overall sales income, however it was placed 30th in terms of income from operational grants (Warmun Art Aboriginal Corporation 2013). The manager stated:

We have been over budget largely due to the depredations that is factored into those figures. We have new buildings that have gone up each year and we have to write off $170,000 of capital. We also run at a loss because we do too much in our programming in order to make sales. For example we send artists to support exhibitions interstate, which may cost us $10,000 but insures we have increased our profile. We let the mob do the advertising by being present and also via the catalogues we produce. We have run at
a loss for the last three years but we have enough philanthropic help and a sizeable rump to support that deficit. We are either breaking even or we are $50-$60,000 in the red but we get regular and substantial cash donations which go into our reserves and give us a buffer.

In relation to State Government funding the manager stated:

The funding pool is abysmal and the State Government hasn’t seen the potential of Aboriginal art to bring investment into the State with value added tourism.

The manager noted that because Warmun is an Art Centre they do not receive recurrent state funding and a recurrent amount of funds would assist with planning programs and activities. Both staff and the manager found that the funding that is provided by the State Government by annual application is beneficial and Warmun use State Government funding for projects such as exhibition catalogues.
<table>
<thead>
<tr>
<th>Warmun Art Centre</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Grants</td>
<td>$50,000</td>
<td>$196,450</td>
<td>$376,697</td>
<td>$442,250</td>
<td>$440,351</td>
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<tr>
<td>Commission retained by A/C from sales</td>
<td>$233,156</td>
<td>$517,423</td>
<td>$264,868</td>
<td>$265,652</td>
<td>$303,145</td>
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<tr>
<td>Artists’ Payments</td>
<td>$483,626</td>
<td>$565,223</td>
<td>$473,670</td>
<td>$315,933</td>
<td>$508,029</td>
</tr>
<tr>
<td>Sale of Goods</td>
<td>$716,783</td>
<td>$1,082,646</td>
<td>$738,539</td>
<td>$581,585</td>
<td>$811,174</td>
</tr>
<tr>
<td>Total Expenditure for running Art Centre excluding artists’ payments</td>
<td>$557,675</td>
<td>$680,564</td>
<td>$886,553</td>
<td>$958,973</td>
<td>$1,023,031</td>
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<tr>
<td>Wages</td>
<td>$141,555</td>
<td>$234,385</td>
<td>$303,949</td>
<td>$340,194</td>
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<td>Loss or Profit from activities after tax for financial year ending</td>
<td>$249,261</td>
<td>$77,587</td>
<td>$172,762</td>
<td>$172,099</td>
<td>$214,859</td>
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<tr>
<td>Number of Artists</td>
<td>71</td>
<td>79</td>
<td>79</td>
<td>80</td>
<td>80</td>
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</tbody>
</table>

Wright and Morphy (1999) suggested the use of four key indicators to provide a basic assessment of an Art Centre’s utilisation of funding and income to artists:

- Art centre sales divided by grant funding from various sources
- Returns to producers divided by grant funding
- Producers serviced by grant funding (calculated per $1,000)
- Returns to artists as percentage of Art Centre sales

This research has drawn on Warmun’s audit reports 2009-2013 (Office of the Registrar of Indigenous Corporations 2014) to construct the data tables (refer to tables 20-25).

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Income</th>
<th>Grants Income</th>
<th>Ratio</th>
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<tr>
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<td>$716,783</td>
<td>$50,000</td>
<td>14.32</td>
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<td>$376,697</td>
<td>1.96</td>
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<tr>
<td>2012</td>
<td>$581,585</td>
<td>$442,250</td>
<td>1.32</td>
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<td>2013</td>
<td>$811,174</td>
<td>$440,351</td>
<td>1.84</td>
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</table>

**Table 22:** Warmun Art centre sales divided by grant funding from various sources.

Table 22 demonstrates the relative efficiency of grants in relation to generating fiscal returns to the Art Centre. In 2010 sales income peaked however since that time due a range of causes sales have fallen. Between 2009 and 2013, Warmun has generated between $14.32 and $1.32 in sales for every $1 of grant funding. In 2012 the ratio was lower as sales had fallen and grants income had risen significantly since 2009.

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments to Artists</th>
<th>Grants Income</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$483,626</td>
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<tr>
<td>2013</td>
<td>$508,029</td>
<td>$440,351</td>
<td>1.15</td>
</tr>
</tbody>
</table>

**Table 23:** Ratio of fiscal returns to artists divided by Warmun grant funding (Office of the Registrar of Indigenous Corporations 2014).

Table 23 demonstrates the ratio of fiscal returns to artists in relation to the grant money received. The table shows that the peak return was in the 2009 (where the sales income was also high and the grants income was low). In 2009 the grant money was low and Warmun artists received $9.67 for every $1.00 of grant money received by the Art Centre. However this figure dropped to 0.71 in 2012 and to $1.15 in 2013 as the grant money rose significantly.
<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Artists</th>
<th>Grants Income</th>
<th>Ratio per $1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>71</td>
<td>$50,000</td>
<td>1.42</td>
</tr>
<tr>
<td>2010</td>
<td>79</td>
<td>$196,450</td>
<td>0.40</td>
</tr>
<tr>
<td>2011</td>
<td>79</td>
<td>$376,697</td>
<td>0.21</td>
</tr>
<tr>
<td>2012</td>
<td>80</td>
<td>$442,250</td>
<td>0.18</td>
</tr>
<tr>
<td>2013</td>
<td>80</td>
<td>$440,351</td>
<td>0.18</td>
</tr>
</tbody>
</table>

**Table 24:** Artists serviced by Warmun grant funding (Calculated per $1,000) (Office of the Registrar of Indigenous Corporations 2014).

Table 24 demonstrates that grant funding is benefitting many artists at Warmun and the cost per artist is relatively low considering the many benefits to artists from Art Centre participation (refer to Section 2.6.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments to artists</th>
<th>Art centre sales</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$483,626</td>
<td>$716,783</td>
<td>67.4</td>
</tr>
<tr>
<td>2010</td>
<td>$565,223</td>
<td>$1,082,646</td>
<td>52.2</td>
</tr>
<tr>
<td>2011</td>
<td>$473,670</td>
<td>$738,539</td>
<td>62.1</td>
</tr>
<tr>
<td>2012</td>
<td>$315,933</td>
<td>$581,585</td>
<td>54.3</td>
</tr>
<tr>
<td>2013</td>
<td>$508,029</td>
<td>$811,174</td>
<td>62.6</td>
</tr>
</tbody>
</table>

**Table 25:** Fiscal returns to artists as a percentage of sales made by Warmun (Office of the Registrar of Indigenous Corporations 2014).

Table 25 shows that between 2009 and 2013, the payments to Warmun artists have varied between 67.47 percent and 52.2 percent. Unlike Warlukurlangu Art Centre, Warmun makes no advance payments for completed work. The manager noted the Art Centre does not have the cash flow to advance commissions. Since the beginning of the Art Centre, it has had a 60/40 percent split on profits between the Centre and artist with the artist allocated the larger share. Given the policy of Warmun to pay artists 60 percent of the wholesale price on the completion of the work, these figures show that artists have either been over or under paid over the course of the last five years between 2009 and 2013. Over that period the differential is approximately 12 percent either way.

The split between artists and Art Centre needs to be more carefully monitored and regularly reviewed, as in 2013 had the artists received 60 percent of sales as agreed in principle, then the art centre would have retained a further $21,324 thereby halving the Art Centre loss for the year.
Warmun Art Centre receives funding from a variety of sources in addition to grant funding from Government, examples include:

- Melbourne University hosts ‘A Friends of Warmun Group’ that raises funds for the Art Centre and the programs they are creating with Melbourne University.
- The Art Centre receives a bequest from the estate of a senior Warmun artist Patty Bedford. A Melbourne firm of trustees manages the estate and when one of his paintings sells, Warmun receives 50 percent of the commission and the family receives the other 50 percent.

Warmun plans to establish a committee whose purpose is to manage cultural capital and cultural funding. The Art Centre receives substantial funds that are given for cultural projects and not for the general operation of the Art Centre. The manager stated:

*In the future there will be more pressure on us to balance the books but at the same time a lot of money we are currently spending on culture won’t be coming out of the general budget line.*

### 9.4.5.2 Personnel Resources

Warmun currently employs a manager, a gallery coordinator, a studio coordinator, a media lab coordinator, six half time trainees through the National Jobs Package and six half time staff paid through the Art Centre funding. All staffing positions have written job descriptions that are updated regularly and contracts are renewed subject to the budget. Unlike many other remote Art Centres, Warmun has an identifiable career path for staff. Additionally, all current staff have been employed in other positions at the Centre increasing the understanding of how the Art Centre operates.

The competent management of human resources is an important sustainability issue in remote Art Centre Co-operatives, as retaining professional staff with an appropriate skill set over the long term can be difficult (Office of the Registrar of Indigenous Corporations 2012; Dodson and Smith 2003). The manager noted, “*Staff turnover was two to three years, which is typical of remote Art Centres*”. The Warmun Business Plan (Warmun Art Aboriginal Corporation 2013, p8) stated:

*Appropriately qualified staff are often difficult to attract or retain in this remote area, limiting the continuity of service and the benefits of accumulated corporate knowledge.*
The workload is excessive and burnout of staff is an ongoing risk for this organisation, as it is for most Aboriginal Art Centres in Australia’s remote regions.

The Art Centre introduced a new staffing model in 2013 to encourage longer tenure, enhanced staffing stability and continuity and to ensure that corporate knowledge was not lost. The manager’s position is full time over 12 months whilst the other three positions work six months at the Centre and have six months away from the Art Centre and community. The strategy behind this model is that the Art Centre would reduce its staff turnover as people could maintain another life and identity away from the community. The manager stated however:

*Our experience since then is that we have lost 1.5 positions, we have retained two positions and one position has changed from 0.5 to full time so in balance it’s not looking that great. We lost positions in the media lab and gallery because it didn’t work for them.*

Despite the manager noting that to date the new structure was not a success, the staff have agreed to continue until a new strategic plan is developed and implemented.

Staff thought there was not enough support provided at the Art Centre and that understaffing was an issue. Although ANKAAA coordinates an employee assistance program, (which allows staff to either remotely or personally access counselling services), this was perceived by some as inadequate, for example:

*There is no support for staff in Warmun, we talk at the staff meeting sometimes but we don’t often have time for staff meetings because there is so much pressing work to do (interviewee W3).*

*The manager doesn’t have time to give you a lot of support. In reality, I’ve never seen a manager have the capacity to really manage staff in a way that large organisations in the city would manage staff* (interviewee W3).

Staff commented on the difficulty of living and working remotely:

*You get connected emotionally with the community and live in an environment where suicide becomes commonplace as does certain kinds of violence and alcohol abuse. A lot of younger people are on medication, it’s a very extreme and sometimes a totally dystopian environment. It’s hard to see the horribleness and you cope by not dealing with it so much. People don’t grieve the same way, they grieve powerfully in the moment but it*
seems to pass quickly because you’ve so much sorry business you cannot dwell on one person’s death for long (interviewee W4).

It’s a constant struggle with loneliness but at the moment we’re too busy to be lonely but you get home at night and there is no one there, it’s definitely a growing process, you have to develop the right perspective, it’s not automatic you have to work on it. You would think the thing to do is to make friends in the community but I’m too buggered to do that. I think women are probably better at making friends (interviewee W1).

Whilst staff noted the absence of formal support structures, all found their work rewarding. Staff stated that the Warmun community was also a source of strength and support. One staff member stated:

*What sustains me is I like my life here, I like my vegetable garden, I love all the old people and the relationships you have with them. Some of them are really strong, all of them are lovely and some in particular I know I could call on if I was in need. I try to work less and knock off at 4 pm* (interviewee W).

The issue of enabling factors for longer tenure of employment was raised with staff. One interviewee (W3) stated:

*In order to have people staying here it’s about giving people meaningful work and the right support and not burning them out. It’s about improving communication between the board and staff and the artists. Often when staff complain about working overtime the board replies well don’t it we never asked you to work overtime, which is true but they have asked you to do XYZ.*

One of the ways the staff at Warmun work overtime is through the Art Centre organising a range of cultural activities on the weekend, including bush trips. All staff commented on the high work load and interviewees noted:

*We do a lot of bush trips so often we don’t get a weekend off, it’s a lot of fun but don’t get paid for it* (interviewee W3).

*The managers overwork themselves and find it hard to find a sustainable balance within themselves* (interviewee W2).
9.4.5.3 Business Resources

9.4.5.3.1 The Consumer and the Customer Relationships

During the research, five categories of business customers who have consumer relationships with the Art Centre were identified:

- Customers who purchase for themselves at the Art Centre
- Art Galleries
- Art dealers
- Customers who purchase via the Warmun website
- Customers directly connected to the Art Centre such as community employees, Shire and Council staff, government employees, stakeholders, peak agencies and Art Centre employees

The manager of Warmun demonstrated a comprehensive knowledge of customer relationships. The manager, gallery coordinator and studio coordinator all spent considerable work time initiating, augmenting and improving relationships with suppliers and buyers which according to the literature, (Kalwani and Narayandas 1995; Anderson and Narus 1990) enables profit gain and savings.

The manager and gallery coordinator initiate regular contact with the galleries who purchase from the Art Centre, as Warmun is reliant on these relationships, with approximately 50 percent of the total sales income generated through galleries on commission.

All customers who purchase art from the Centre directly at Warmun are shown around the Art Centre Gallery. Customers noted the time and attention they received at the Centre as being a positive aspect. However, a negative matter raised by some customers was the issue of not being allowed to speak with the artists when they were working. Whilst speaking with artists is allowed in many Art Centres, including other Kimberley Art Centres, Warmun strictly enforces this rule. Staff at Warmun noted that in other work places visitors were not able to speak with workers and felt that an Art Centre work place should not be treated differently. In the other two case study sites many artists appreciated contact with potential purchasers as a means of promoting their work and the no contact policy of Warmun negates this potential marketing tool.
9.4.5.3.2 Distribution and Marketing

The Warmun Art Centre is engaged in producing work for the fine art market where their product is both acknowledged and recognised. The Art Centre produces approximately 1,000 paintings per year and therefore needs to maintain a high return for each item to generate income.

Warmun has developed a pricing policy for artwork in line with the current art market. In order to accomplish this task the manager remains cognizant of factors such as sales performance, feedback from clients (including galleries) and market trends in terms of popular size and price of paintings to determine the market price of paintings. This assessment ensures that Warmun maximises their selling and marketing capacity. The manager noted:

*We sell 50 percent of our paintings here at Warmun and 50 percent at other galleries. We sell an average of 800 paintings and 10 to 15 percent are not saleable.*

The Art Centre organises four to five curated exhibitions interstate at high-end galleries. The gallery coordinator noted that Warmun currently works with 12 partner galleries. The artists, manager and gallery coordinator work together to finalise the exhibition timing and content. The exhibitions are supported by a range of digital media so “the exhibition is not just painting but stories being told for a white audience that builds up a texture and nuance around the work” (interviewee W1). Additionally, the Centre produces colour catalogues for exhibitions of 50 to 100 pages, which consist of essays from a Gija cultural and language point of view and storytelling from a western arts perspective. The manager noted:

*We build up a critical discourse around the work ourselves and don’t wait for others to do it. We are trying to promote and guard the territory because of our connection to the old people.*

Warmun staff stated that producing catalogues was expensive but noted it was an excellent way of marketing and promotion and it also returned money to the organisation by the sale of the catalogues. One interviewee (W1) stated:

*Over the life of the catalogue you will make money on them, its an investment strategy that we need to look at carefully in a way that’s venture entrepreneurialism.*

The tourist market generates considerable sales at the Art Centre in the peak four months of the dry season. During this time, approximately 200 people per week or 3000 to 4000 people visit the Art Centre. The Centre hosts art tours and have participated in major tourist ventures. This has
included tours organized by cruise ships where tourists are transported to the Centre. The manager noted that the Art Centre sold $115,000 worth of artwork in one day from one visit from cruise liner passengers. A staff member stated:

Tourists to the Art Centre purchase all sizes and prices and they don’t necessarily want small or inexpensive works. Often they have the paintings sent home. People come here to Turkey Creek and the Art Centre in a targeted way knowing they are going to do the Kimberley Drive.

The Art Centre has been developing and improving their merchandising by selling bush medicines and jewellery. However the manager stated:

Our plan is to avoid anything naff such as tea towels or trinkets. Whether or not they would sell is not the point, it’s not how we want to be seen. We want to do stuff out of the ordinary, that is how we maintain our position in the market strategically.

The Art Centre does not sell many works from their website. The manager noted:

Our website is more of an education and marketing tool for us. We need to develop our website further, we need to get the shopping cart setup and sell less expensive work by the kids and merchandise and catalogues and bush medicine and jewellery.

The manager noted that the website is a place for selling low end products which is in contrast to the high sales revenue from the website in 2000:

Maybe because buying these things does not demand a personal experience because buying art is a very personal experience and we only sell three or four paintings per year on the web, so we will phase that facility out (interviewee W1).

In conclusion, the studio coordinator found that from a sustainability point of view it is very important to develop strong relationships with galleries and collectors. However, she stated:

This often gets turned upside down when a new manager comes in with new visions and new galleries who they want to pursue. It’s important for businesses to sustain strong relationships with other business partners, galleries, curators and collectors.

As a result of Lena Nyadbi’s artwork on the Musée du Quai Branly’s rooftop terrace, Warmun is uniquely placed to capitalise on their relationship with Branly.
9.4.5.3.3 Technology
Large distances characterise the Kimberley Region and communication is a vital aspect of the technology utilised however, a major challenge is delivering telecommunications services. The Art Centre has incorporated technology into their business practices utilizing computers, the Internet, digital cameras, photocopiers, printers, email, and fixed line and mobile phone technology. The availability and use of the Internet has enabled the Art Centre to have digital connectivity to the world. A Media Lab has been established at Warmun and is an important aspect of the business plan (refer to 9.4.7.).

9.4.5.3.4 Reputation
The Warmun Art Centre is one of the most widely known Art Centres in the Kimberley and Australia. It has both an Australian and international profile and has been featured in countless publications and exhibitions worldwide including, notably, the Musée du Quai Branly in Paris.

9.4.5.3.5 Supplier Relations
The manager of Warmun Art Centre noted a high level of satisfaction with their business relationships, which according to Geyskens and Steenkamp (2000) and Geyskens et al. (1998; 1999) leads to long-term business partnerships and increased sustainability. The relationship of the Warmun Art Centre to the artists who are the suppliers of artwork is also of paramount importance to the success and sustainability of the Art Centre Co-operative. It is within this context that the role of Warmun Art Centre in relation to the community and individual artists is critical.

9.4.6. Share Structure
In Warmun’s current business model, the community has full ownership rights of the Art Centre and as such the entire share capital is community owned. Additionally the Art Centre has developed a strong reputation and extensive links to the art market that has increased the income of artists and has enhanced the overall wealth of Turkey Creek. Community member and artists who supply work to the Art Centre both contribute and receive social and cultural benefits in addition to financial benefits by way of selling their art. It is interesting to note that artists who sell more work or higher priced art can be viewed as investing more into the Art Centre by way of the funds that the art centre receives and retains from art sales (refer to Figure 14 number 14).
9.4.7 Governance

The good governance (refer to Figure 14 number 15) of a co-operative enterprise such as Warmun Art Centre is a critical element in determining its effectiveness (Palmer 2002). The Art Centre is incorporated under the Corporations Aboriginal and Torres Strait Islander Act 2006 (Australian Government 2015) and historically, has been managed by a board or executive committee made up of 12 artists with a mix of gender and age. In order to achieve community legitimacy, Aboriginal governance structures in communities should be permeated by local cultural standards (Dodson and Smith 2003). Warmun Art Centre addressed the critical point of having representative structures and cultural integrity in relation to the board of management (Office of the Registrar of Indigenous Corporations 2010). The governance structure of the Art Centre corresponds to the four different family housing areas in the community. This housing distribution pattern is representative of the country north, south, east and west of the Art Centre where the families’ traditional land is situated. This model is reflective of an organisation that is cognizant of cultural respect, the importance of inclusion and its positive impact on sustainability.

The manager noted:

*When we started we realised we didn’t have enough young people on the board and they are important as a bridge between the white fellows and the old people because they can often explain things properly and urge the old people along to think about things.*

Although under the Corporations Aboriginal and Torres Strait Islander Act 2006 the Warmun Art Centre Board is legally responsible for the organisation, the preferred forum for decision-making is the artists’ meeting that takes place weekly. The manager noted that the board did not like to make decisions on behalf of everyone:

*The board does not see themselves as we do in white society where if you are a board you’re expected to make a decision on behalf of everybody. The Art Centre board likes to reach a consensus at the artist meetings, they do not think they are there to speak for other people, they are there to fulfil an obligation that has been placed upon them in the constitution and incorporation. The real way to make a decision and consensus is that everybody talks about it and the old people make the decision.*

Governance training is regularly conducted including workshops with ANKAAA and other outside facilitators. An issue raised in the literature by Dodson and Smith (2003) was that remote organisations could be vulnerable to financial misconduct due to the low rates of literacy and numeracy within boards of community organisations. The manager and chairperson noted that
very few of the older board members are literate or numerate and many missed cultural education because of working on cattle stations. However, there is no suggestion of financial misconduct and the Art Centre manager is very aware of his fiduciary duties.

The Art Centre is deliberating the merit of co-opting an independent person to sit in on board meetings that is not Gija and has a good sense of finance. The manager suggested that this would be a good counterpoint and provide independent oversight so the board could see that the story is consistent. This view is supported in the literature (O’Conner & Thompson 2001) where it is suggested that boards need to have members or ex officio members with pertinent skills. The manager found that there is a substantial failure to understand the implications of financial and legal obligations. The manager stated:

_We constantly explain things as simply as we can and try but you often lose out on a lot of the fine points. You just cannot explain some things and a lot of the nuanced implications are lost to them and so there is a great deal of trust involved._

The Chairperson noted that meetings are held in both Gija and English and that charts and drawings are used frequently to assist in communicating financial details. The Art Centre organises for the bookkeepers to attend the board meeting at the end of the financial year to explain the financials as a counterpoint to the manager. However, the manager noted:

_Because the bookkeepers are not based here in the community they often speak too fast and expect a level of understanding that isn’t there or they don’t think about how it’s going to be heard, so those talks are generally a waste of time because people don’t really understand. However the fact that they are here is enough at some level, it’s reassurance to people and is not just me talking._

Mazzarol et al. (2011a; 2011b; 2012a; 2012b) and Cornforth (2004) found that in organisations where co-operative members were also board members, the impact on governance could be pivotal. In Warmun Art Centre all board members are Art Centre members however, an additional issue for Warmun is that the chairperson is also an employee of the Centre.

This situation is intrinsic to many remote communities given the lack of appropriate staff and community members with skills to be on the board. This therefore makes the Art Centre vulnerable.
9.4.7 Entrepreneurship and Innovation

The importance of the staff and board of management in entrepreneurial roles and their capacity to effect economic, social and cultural development, sustainability and resilience should not be underestimated. Entrepreneurial and innovative strategies (refer to Figure 14 number 16) have the capacity to increase the sustainability of the Warmun Art Centre by developing new business strategies. The manager stated:

*All the programs we run are entrepreneurial in their own way, really everything we do is entrepreneurial. More entrepreneurial activities are limited in what they would achieve because of the availability of the workforce. We are already pushed to do many things we want to do.*

The Art Centre has undertaken a number of entrepreneurial activities, for example:

- The Art Centre is currently developing plans for short-term accommodation for organisations that are partners in various programs. The Art Centre has been entrepreneurial in developing a funding arrangement with Argyle Diamonds who have agreed to pay for the additional accommodation if the Art Centre organises the connection of essential services such as power and water. A major concern is the placement of the accommodation, which will be on a flood plain. This has potential sustainability issues due to flooding from Turkey Creek.

- From a natural resources and sustainability point of view, Warmun has between 250 and 310 days above 30 degrees Celsius each year and high annual average solar exposure (Government of Western Australia 2014). This amount of solar exposure has positive implications for **solar technology** that could be used for generating electricity in Warmun instead of the current diesel generators. The Art Centre is investigating using their cash reserves to invest in solar power technology to offset the cost of electricity. The Art Centre has an annual electricity cost of approximately $15,000. In relation to developing solar power technology, Warmun Art Centre was approached by a Melbourne based company, which funds sustainable community enterprises. Warmun Art Centre has the potential option of generating power for itself or investing in a larger solar plant to supply both the Art Centre and the community. In principal, the Art Centre could reduce their reliance on fossil fuels and boost Art Centre revenue. The manager noted:

*The solar plant would be money making after six to seven years payback and the return would be greater than any investment you would have for that money. From a business model it looks solid.*
The Art Centre has enlisted a company to develop modelling in relation to the two options. In order for the Art Centre to supply the community with power, partnerships would be formed to raise the supplementary capital for the project. Additionally, the use of solar roof panels would add additional sun protection for the poorly insulated gallery and house roofs reducing the high power demand for cooling. The manager stated:

*Its about diversity and about an economic direction that might reduce our costs and make money at the same time, but also about the best thing for the environment, it’s a win-win situation.*

In relation to Indigenous entrepreneurship, Warmun Art Centre participants are becoming increasingly engaged in the “creation, management and development of new ventures” (Hindle and Lansdowne 2005, p132). The project “Jadagen Warnkan Barnden” discussed in 9.3.1.2 and the Media Lab are examples of Indigenous entrepreneurship. The Media Lab (refer to photograph 67) began in 2013, building on a range of projects and ideas from Warmun artists. The Lab facilitates training for artists in media technology as well as developing a digital living cultural archive for the Turkey Creek community and Gija people. The Media Lab received an initial grant of $150,000 to employ the Media Lab and Culture Program coordinator, and to develop media training programs in partnership with Pilbara and Kimberley Aboriginal Media. The Media Lab works with a variety of mediums including photography, video, social media and web based art practices. The Media Lab explores, reinterprets and passes on Gija language, Joonba performance and ecological and cultural knowledge. The manager stated:

*This is a major new initiative aimed at supporting the aspirations of the next generation of Gija artists, as well as expanding the capacity of Warmun Art Centre to cater to a wider contemporary art audience.*

The media coordinator noted:

*The media lab and the studio are about making projects exciting for people who see the digital media in the galleries along side other artwork but also relevant for people here in the community. We work closely with the galleries in coordinating exhibitions so to produce good media content.*
Photograph 67: The Media Lab Coordinator and one of the Media Lab art workers working on a video in the Media Lab, Warmun Art Centre, July 2014 (Photograph Kim Petersen).
9.5 Member Level

A number of investors (refer to Figure 14 number 17) can be identified in relation to Warmun Art Centre. Firstly, artists invest financially in Warmun, as the Art Centre retains 40 percent of the sale price. Secondly, artists invest both social and cultural capital in the Art Centre as it is a social hub of the Turkey Creek community and a place of intergenerational learning and cultural exchange. Thirdly, the Commonwealth Government invests by providing funding for the Centre through the Indigenous Visual Arts Industry Support (IVAIS) program. Fourthly, business relationships are established with companies who provide program funding or support. Lastly, peak agencies such as ANKAAA can be viewed to invest by providing professional services. Artists can be seen as patrons (refer to Figure 14 number 18) of Warmun Art Centre by virtue of investing financial, social and cultural capital but the level of involvement and business dealings an artist has with Warmun Art Centre differs between artists. Some artists’ financial contribution to the Centre may be high due to the sale price of their work whilst other artists may produce many artworks per year, but at a lower sale price. It can be argued that both groups of artists have a vital role in Warmun Art Centre however their level of capital contribution and the form it takes varies. Other patrons include for example:

- The Commonwealth Government given the direct funding relationship
- Individual buyers and not-for-profit organisations as they purchase their art from the Centre.

The community of Turkey Creek and the artists own and govern the Warmun Art Centre (refer to Figure 14 number 19). In relation to the Art Centre, the importance of the Turkey Creek community (refer to Figure 14 number 20) cannot be overstated. Without the community members the Art Centre would not exist. It is through the involvement of the community in the Art Centre and the Art Centre in the community that the Centre will be better placed to contribute to the local economy.

9.6 Summary

Data presented in this case study was validated using triangulation, which involved using different sources of information that responded to the overall research questions. The sources used to obtain information included a variety of written documents and in-depth interviews of Art Centre managers, artists and stakeholders in the Art Centres. During the analysis stage, feedback from interviewees and written documentation was compared to determine areas of agreement as well as areas of divergence. This case study utilised the combined research framework (refer to
Figure 14), research literature and information gained during fieldwork to map the social, cultural, environmental and fiscal business practices that influence the sustainability of the Warmun Art Centre. The artwork is distinctive using natural ochres sourced locally. The Centre is very clear about its role, being that of generating fine art and promoting culture. The Warmun community was severely tested by the flood in 2011 and it is a testament to the commitment to the Art centre and the important role it plays in the community that the Warmun Art Centre has been able to rebuild using its business acumen, cultural ties and corporate supporters. Warmun Art Centre has a high participation rate of community members and has fostered and enabled trust, social cooperation and social inclusion. Social capital has been encouraged by the development of partnerships and collaborations. The Art Centre was described by research participants as the cultural hub of the Turkey Creek community and has a major focus on maintaining and preserving Gija culture. Environmentally, the Art Centre is committed to addressing sustainability through projects such as “Jadagen Warnkan Barnden” and the investigation of solar technologies. Warmun Art Centre obtains considerable funds from the sale of art, government grants and other funding including philanthropic bequests, however a loss has been recorded over the last three financial years. Specifically the research found three areas that require attention, financial management (including developing new economic opportunities and fiscal discipline), governance (including developing ways to work with a board toward a better understanding of the Art Centre’s business and financial management) and human resources (including staff management and support). These issues require a focus on business management to enable the Centre to be sustainable in the long term.
Chapter 10: Discussion and Conclusions

10.1 Chapter Outline

This Chapter summarises the research findings of this thesis and considers the contribution to business and management literature of the development of a culturally appropriate research framework, based on that of Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c), but further developed to incorporate the unique features of Aboriginal community enterprises. The research for this thesis has enabled a systematic analysis of business models and sustainability across remote Aboriginal Art Centres and through the extension of the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework, identified opportunities for increased sustainability. Additionally, this chapter considers avenues for further research for Art Centres, Peak Art Industry Agencies and Governments in relation to the sustainability of remote Aboriginal Art Centres.

10.2 Introduction

This thesis is presented in 10 Chapters, which can be divided into four main sections. Section one (Chapters 1 to 4) establishes and considers the research environment of this thesis including an introduction to remote Aboriginal Art Centre Co-operatives and the art market. It introduces the concept of sustainability, explores the balance between the economic, social, cultural and environmental factors and develops the notion of the hybrid economy that exists in Aboriginal communities. Additionally, section one provides an introduction to Aboriginal Art Centres as co-operatives and addresses the strengths, weaknesses and characteristics of co-operatives with particular reference to remote Aboriginal Art Centre enterprises. Section two (Chapters 5 and 6) introduces the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework for Co-operative Enterprise Research and the research methodology used in the thesis. The Framework’s principles of increased sustainability, democratic governance and the fostering of social capital via the building of mutual reciprocity are pertinent to the business models of remote Aboriginal Art Centres. A Combined Framework was developed for the thesis research that allowed expansion of the original Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework to include components that are relevant to Art Centres. The Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework was adapted to configure a new culturally appropriate model as a research tool for studying the sustainability of remote Aboriginal Art Centre Co-operatives. Section three (Chapters 7, 8 and 9) discusses the application of the culturally appropriate Combined Research Framework in collecting the data and analysing the business practices and sustainability of three remote Art Centres. Furthermore section three outlines the assessment of the Combined Research
Framework’s contribution in facilitating enhanced sustainability for Aboriginal Art Centres. Section four (Chapter 10) provides a conclusion utilising the evidence provided in the preceding Chapters.

10.3 The Conceptual Framework for Research into the Sustainability of Remote Aboriginal Art Centres

As discussed in Chapter 2 there is a paucity of literature investigating the performance and sustainability of remote Aboriginal Art Centre Co-operatives (Petersen & Congreve 2015a). However, as evidenced in this thesis, particularly Chapters 3, 7, 8 and 9, the sustainability of Art Centres is of critical importance to remote communities as they contribute to the economic, social and cultural capital of the communities and provide the artists and their families with benefits through enhanced economic security, access to training and potential employment. This PhD research has investigated the enabling factors and opportunities for the sustainability of remote Aboriginal Art Centres and has identified critical factors for Art Centres endeavouring to achieve long-term viability. Furthermore, this thesis has extended and complemented relevant past research by investigating and analysing, through comparative case studies, the functions and business practices that underpin the performance of remote desert Aboriginal Art Centre Co-operatives and identified opportunities for increased sustainability. A critical component of this research is its contribution to the development of a research tool for analysing the sustainability of remote Art Centres. This is explored in detail in Chapter 5.

A conceptual framework (Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c) which has had considerable practical application for the assessment of the viability of co-operatives in mainstream commercial settings has been evaluated in Chapters 5, 7, 8 and 9 for its appropriateness for the measurement of sustainability of the identified Art Centre Co-operative enterprises chosen as case studies for this research. The principles of the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework, as outlined in Chapter 4, are increased sustainability, democratic governance and the fostering of social capital, all of which are useful touchstones for analysing remote Aboriginal Art Centre business practices. Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) considers in their model three primary objectives that are essential for successful co-operative enterprises. These are for the enterprise to:

- Build identity
- Develop social capital
- Enhance and increase sustainability
However, the Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) Framework, whilst incorporating many common business elements, did not feature components that are significant for research into Co-operative Art Centres in remote Aboriginal communities. These are cultural capital, Aboriginal sense of community and attachment to ‘country’ (place) and entrepreneurship and innovation. Furthermore, Cultural Capital has been incorporated into the Combined Framework at the system level and also included is an additional objective ‘the need to develop cultural capital’. This PhD research utilised and extended the work of Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) to develop a culturally appropriate Combined Research Framework (refer to Figure 8), outlined in Chapter 5. This enabled a systematic and disciplined approach to mapping the functions, business practices and sustainability of remote desert Aboriginal Art Centre Co-operatives. The resulting Combined Framework was used to investigate and test the sustainability of remote Art Centre Co-operatives in the three case studies, outlined in detail in Chapters 7, 8 and 9. Application of the Combined Research Framework at the micro level of Art Centres or the macro level of the Art Industry will enable consistent research that can be replicated.

More specifically, the thesis has sought to answer the research questions in order to:

• Provide an understanding of the interplay between community, cultural forces, commercial opportunity and Art Centre Co-operative business practices
• Identify factors that contribute to the economic, social and cultural sustainability of selected Aboriginal Art Centre Co-operatives in remote Australia
• Identify how and why these factors contribute to the success of the selected remote Aboriginal Art Centre Co-operatives
• Contribute to the business and management literature by providing insights into what factors contribute to the economic, social and cultural sustainability of Aboriginal Art Centre Co-operatives in remote Australia
• Contribute to the business and management literature by providing insights into the understanding of remote enterprise and intercultural business in remote Australia
• Identify potential improvements to Art Centre business and management practices allowing improvement in value creation and sustainability
10.4 Background to the Research: Remote Aboriginal Art Centre Co-operatives

As discussed in Chapters 1 and 2 and demonstrated in the thesis case studies (Chapters 7, 8 and 9) remote Aboriginal Art Centre Co-operatives can be defined as community owned and governed organisations that enable, facilitate and foster economic, social and cultural capital through the production and marketing of arts and crafts. Currently the Commonwealth Government subsidises approximately 100 remote Art Centres by way of grant funding, to cover operational costs and salaries. Watkins (2013) notes that remote Aboriginal Art Centre Co-operatives need to continue to thrive and grow in two worlds, a world of commerce and a world of creative cultural expression that has Aboriginal culture as the foundation. Discussion of the need to straddle these ‘two worlds’ for sustainability is a key theme of Chapter 2. In many remote desert communities the creation of artworks (painting, fibre, sculpture and carving) is the only economic enterprise that is generating additional financial benefit for individuals. However, as evidenced in the three case sites explored in detail in Chapters 7, 8 and 9, additional income for some families was also obtained from royalties from mining. As discussed in Chapter 2 and confirmed by the three case studies, remote Aboriginal Art Centre Co-operatives underpin the creation, manufacture, sale and marketing of Aboriginal art and the intergenerational transmission of culture through the art. The case studies demonstrated that Art Centres impact on training, economic development, leadership and employment for Aboriginal people in remote communities.

The three case studies highlighted that remote Aboriginal Art Centres are the hub of Aboriginal community life and can be central to the social and economic well-being of remote communities and individuals. As discussed in Chapter 2 and highlighted in the case studies, there are a multitude of benefits to both individuals and Aboriginal communities from participation in Art Centres. These include enhanced mental health and well-being, a decrease in social exclusion, greater community cohesion, greater connection to culture and improved social skills (Cooper et al 2012). Additionally, painting coupled with ceremony, is integral to cultural continuity and cultural maintenance in Aboriginal communities (Ware 2014). The literature noted (Australian Government 2013c; Wright and Morphy 1999; Cooper et al. 2012; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Australia 2011) and the case studies confirmed that remote Art Centres subsidised other services in their communities such as nutrition, numeracy and literacy programs, training and employment schemes, leadership
development, youth services and after-school holiday programs, animal welfare programs as well as facilitating access to government services.

10.5 Research Learnings

The findings of the three thesis case studies detailed in Chapters 7, 8 and 9 concur with the work of Morphy (2009) who noted that Aboriginal Art Centres are central organisations in remote communities, which place appreciable significance on the whole community and its socio-cultural well-being. The element of community was added to the Combined Framework, as arguably, to deny Aboriginal people their cultural lands and communities is to divest them of their identities and induce adversity on an economic, social and cultural level. As documented in the thesis case studies, Aboriginal artists depict their country through various art mediums. The natural environment is critical as it underpins the hybrid economy and it is a vital element of Aboriginal community, culture and art. The case studies confirm the findings of Edwards (2011) who noted that Aboriginal people have significant attachment with, and obligations to, their country and the art that is painted in remote Art Centre Co-operatives is a reflection of that relationship. A senior artist interviewed at Warmun Art Centre explained:

White people have photographs but we have country painting and we tell our family, we teach them how important our country is.

This thesis has sought to explore the critical role of art production through co-operative art enterprises in remote communities where connection to country and cultural belief systems underpins the function of the community. Art production through the co-operative art enterprises has enabled community members to reinforce their deep connection to country and culture while also reaping economic and social benefits, which have measurable benefits in the mainstream public policy and economic arenas.

As highlighted in Chapter 2 and by the three case studies, remote Aboriginal Art Centres are community centred co-operatives with many focusing attention on social programs and welfare services with art production and marketing as an ancillary activity. The Commonwealth Government’s Ministry for the Arts, funds the case study Art Centres through the Indigenous Visual Art Industry Support Program. Current funding programs do not distinguish between Art Centres that are more socially focussed and those that concentrate on the production of fine art. Warlukurlangu Art Centre described in Chapter 7, for example, subsidises other support services in its community such as nutrition, training and employment schemes, leadership development, youth services and after school holiday programs, animal welfare programs as well as facilitating
access to government services (Australian Government 2013c). However, both Warmun and Ikuntji Art Centres, described in Chapters 8 and 9, do not have the fiscal capacity to fund external programs.

As discussed in Chapter 1, one of the main aims of this thesis was to develop a Research Framework that could be used as a research tool to investigate and analyse the functions and business practices that underpin the performance of remote desert Aboriginal Art Centre Cooperatives to identify opportunities for increased sustainability. The Conceptual Framework for Research into Co-operative Enterprise developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) was a highly applicable model to adapt, as one of the primary objectives recognised in the model was the necessity of an enterprise to enhance and increase sustainability. Mazzarol et al (2011a, p29) noted that:

*The long-term sustainability of the co-operative enterprise lies at the heart of this research framework. Although many co-ops are amongst the most enduring business enterprises, many have failed to survive and there is a continuous loss of co-ops around the world.*

As discussed in Chapter 3 and demonstrated in the case studies, the context of remote Art Centre sustainability can be seen as:

- **Economic;** activities that focus on viability, income generation, business efficiency, business models, productivity and profit
- **Social;** activities that focus on maintaining and developing trust and mutually beneficial relationships with artists, the Board of Management, the community, employees, service providers and customers
- **Cultural;** activities that focus on the ability to retain cultural identity, intergenerational equity, keeping culture strong and intergenerational learning
- **Environmental;** activities that focus on the impact of resource usage (for example; power, water, natural products used in art production) and the natural environment

As outlined in the research framework developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) the Government has a key role in the system level of co-operatives by regulating the economy and through legislation and policy development. The importance of the Government’s role in generating an enabling environment (Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c; Christy et al. 2009) is discussed and highlighted in Chapters 3 and 5 and
Additionally in the case studies. The case studies confirmed that the three tiers of Government (local, state and Commonwealth) undertake a variety of roles and functions in relation to remote Art Centre Co-operatives including funding, policy development from an arts and fiscal standpoint, specific infrastructure funding and community administration. As discussed in Chapters 1 and 2, one of the most pressing challenges for Australian Governments is the persistent disadvantage faced by Aboriginal Australians (Australian Government 2014d; 2014g; Marmot et al. 2008; Marmot 2011; Tedmanson and Guerin 2011; Dodson and Smith 2003; Nguyen and Cairney 2013; Australian Institute of Health and Welfare 2011a; Biddle 2010; Australian Government 2009b). Issues such as high morbidity and mortality rates (Steering Committee for the Review of Government Service Provision 2014) and low literacy and numeracy skills (Ministerial Council on Education, Employment, Training and Youth Affairs 2008) of Aboriginal people impact at a macro level reducing Australia’s Gross Domestic Product (Evans 2013). It has been calculated that Australia’s real Gross Domestic Product would increase by 1 per cent (the equivalent of $10 billion) if the Australian Government’s policies and programs positively impacted life expectancy, employment and income of Aboriginal people and raised them to levels commensurate with those of non-Aboriginal people (Evans 2013).

Despite over four decades of policy and program initiatives by Australian Governments, Aboriginal people remain the most disadvantaged Australians (Australian Government 2014d; 2014g; Steering Committee for the Review of Government Service Provision 2014). Chapter 3 notes that these issues impact even further at the micro level affecting the sustainability of remote communities as well as local enterprises. These findings were corroborated in the three study sites, as managers and staff noted the low literacy and numeracy levels of Aboriginal art workers and boards of management and the high morbidity in communities, as issues which undermine the quality of governance and longevity of artists and cultural/community leaders. Warlukurlangu Art Centre has funded a range of health initiatives in response to the high morbidity of its artists in Yuendumu. The manager of Warlukurlangu Art Centre noted that if the Centre had not funded eye operations for artists they would be legally blind and unable to paint and look after themselves. Additionally, if the Centre had not involved itself with the provision of dialysis in the community, artists would have to reside in Alice Springs with deleterious outcomes for the individuals and the community. All of these issues affect the sustainability of the Art Centre and the ongoing demand for health and support services in Yuendumu.

As discussed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c), the introduction and implementation of government policy can have major financial, social and cultural implications.
for co-operatives and communities. In the application of the Combined Research Framework at each of the case study sites, evidence of the effects of government policy was demonstrated. For example, in July 2011 the Australian Government introduced changes to the Australian Superannuation Laws as a result of the Cooper Review (Commonwealth of Australia 2010b) to ensure investments were really used in retirement. As a consequence, self-managed superannuation funds are now only allowed to invest in specified assets such as property and shares. Artworks and collectibles are only classified as assets provided they are not displayed (otherwise they are deemed to be “used” and no longer qualify as superannuation investment assets). The three case study Art Centres commented on this major Government legislation change and the negative consequences for the sustainability of Art Centres. Furthermore, the thesis and case studies highlighted Government policy pertaining to the Australian Government’s Indigenous Art Centre Plan (2013c) that provides a cooperative framework for Aboriginal Art Centres, industry service organisations and the government to work together to strengthen the Aboriginal arts industry. The application of the Combined Research Framework provided a consistent method of gathering and collating information that enabled an assessment of the weaknesses and strengths of the Government’s role in relation to Art Centre sustainability. For example, three main issues in relation to government funding that served to undermine Art Centre efficacy were raised by all three case study Art Centres. The issues were the lateness of funding notifications, the length of funding agreements and the degree of financial support. The Warmun Art Centre noted, “reliance on art sales alone to achieve such a broad range of cultural, employment and social outcomes without appropriate levels of funding is unrealistic” (Warmun Art Aboriginal Corporation 2013, p13). The managers of the case study Art Centres asserted that triennial funding agreements would assist in longer term planning, financial security and staff retention thereby enabling greater sustainability. Ikuntji Artists reported that due to the late notification of their funding in 2014, the manager had considered that there was a possibility of closure, as the Centre did not have funds to cover wages. This practice of late notification of funding by the Commonwealth Government can contribute to Art Centres becoming unsustainable. The Warmun Art Centre manager expressed a view that ongoing financial support from the State Government would assist in activity programming. In order for Art Centres to be financially sustainable they need to manage capital resources effectively both in raising capital and in investing. As noted in the case studies, all three Art Centres receive capital from government grants, the sale of artwork and Aboriginal Benefit Account funding in addition to funding from a range of external partners such as mining companies, medical companies and philanthropic donors. Additionally, Warmun Art Centre receives a bequest from a deceased estate
that ensures a benefit to the Art Centre on the sale of estate paintings. In order to remain financially sustainable all three Art Centres have developed comprehensive business plans that combine strategies for increasing sales, decreasing costs and implementing fiscal restraint in addition to developing strategies to increase funding (including philanthropic collaborations, developing new corporate partnerships, developing new funding streams such as sponsorship and initiating entrepreneurship activities). All three case study Art Centres are dependent on government funding, however, only Warmun and Ikuntji Art Centres receive more in grant funding than they retain from the sales commission determined by their profit formula. Both the Warlukurlangu and Ikuntji Art Centres split their profits on a 50/50 percent basis between the Centre and artists. Since the beginning of the Warmun Art Centre, the split has been 60/40 percent with the larger share going to the artists. At Ikuntji Artists the chairperson noted the percentage of 50/50 was unlikely to change, as it was perceived as a fair way to conduct business for both parties. From a sustainability point of view, the percentages retained by the Art Centres may need to be re-negotiated with the boards and artists. Additionally, greater fiscal scrutiny of the actual profits retained by Art Centres will need to be implemented as the case studies showed a lack of consistent adherence to the agreed profit formulas. Warlukurlangu being one of the three largest Art Centres in Central Australia has retained more sales commission than grant funding for the past five years. Thornhill and Amit (2003) and Crutzen and Van Caillie (2008) postulate that the genesis of businesses’ failure is due to inadequacies in the business’s resource base. This is a significant factor for all Art Centres given that in the last 10 years Woodhead and Acker (2014) report there has been a 126 percent fall in the retained earnings of an average Centre. However, the three case study Art Centres reflect a different story. Warlukurlangu Art Centre has experienced a fall from $883,511 in 2009 to $449,158 in 2013, Warmun has experienced an increase from $233,156 in 2009 to $303,145 in 2014 and Ikuntji Artists has retained an increase in sales commission for the last two years.

Mazzarol et al (2011a, p20) note, “A co-operative enterprise exists within its industry context and as such is not immune from the forces that drive and shape the industry”. The research found that Desart peak industry body and Art Centres are reflecting on whether Art Centres should be strictly for the production of art or co-operatives where the manufacture and sale of art is supplementary to the social and cultural capital benefits gained by remote communities. Researchers such as Woodhead and Acker (2014) assert that there is a compelling argument to review Art Centre funding in light of the multiplicity of programs and services undertaken by Art Centres. They state that Art Centre funding should be recalibrated to better reflect the diversity of
Art Centre activities and stress that the ongoing production of fine art and artistic accomplishment in remote Aboriginal Art Centres should be a priority. However, as discussed in Chapter 7, Warlukurlangu Art Centre undertakes extensive provision of social service programs and if they were to discontinue that role, it could be argued that the supply chain and inevitably the sustainability of the Art Centres could be undermined by diminished relationship satisfaction and lower trust. These challenges are discussed in detail in Chapter 5 and in the case studies (Chapters 7, 8 and 9). Additionally, the application of the Combined Research Framework enabled a system level of analysis. This level of analysis was critical to this thesis in demonstrating that remote Aboriginal Art Centres play a critical focal role in drawing together the multi-faceted features of remote communities’ management, which include the cultural, social, health, and knowledge generation and procreation. While not all of these features necessarily have a direct economic value, it has been argued in Chapter 3 that without the Aboriginal Art Centres in these remote locations, the social, cultural and administrative opportunity costs would be considerable, if measurable. At a time when Art Centres and peak art industry agencies are reflecting on their purpose and objectives, the mix of Commonwealth Government funding has changed from predominantly supporting art production to having an equal focus on employment outcomes resulting in remote Art Centres becoming employment hubs. This new funding through the Commonwealth Government’s Indigenous Employment Initiative is for the delivery of an employment service by remote Art Centres and in some instances is more than the funding for the art program itself. Whilst additional funding will provide greater training and employment opportunities for remote communities, this program will increase the management burden experienced by Art Centres and may impact fine art production. The Warmun Art Centre has rewritten their business plan (after the case study research visit) to enable the Art Centre to have a greater focus on the provision of employment and training at the Centre. In order to achieve this, the Art Centre has restructured their staffing to provide greater supervision of staff employed through the Employment Initiative Funding. Ikuntji Artists utilises Employment Initiative Funding to employ their art workers. The manager of Ikuntji Artists noted that whilst extra staff and funding was a bonus, it required more time in the management of staff and had the potential to shift the focus of the Centre away from the creation of art. Additionally, the three case study Art Centres have been successful in obtaining infrastructure grants for the building and maintenance of Art Centre facilities, staff housing, volunteer accommodation and the construction of a new Art Centre. Warlukurlangu and Warmun Art Centres have a policy of reinvesting a substantial amount of their profits into Art Centre infrastructure. This policy has enabled the purchase, continuous management and regular maintenance and improvement of building
infrastructure. Ikuntji Artists has not had the funds to reinvest in infrastructure but has been successful in obtaining Aboriginal Benefit Account funds for new building work and maintenance. In relation to environmental and fiscal sustainability, it is worth noting that the three case study Art Centres rely on electricity for power. The new gallery at Warmun was not designed in a manner that minimised its environmental footprint and the cost of providing power for the Centre is a fiscal sustainability issue. However both Ikuntji and Warmun Art Centres are exploring funding sources for both the generation of solar power and solar air conditioners.

As highlighted in the Mazzarol et al. (2011a; 2011b; 2012a; 2012c) theoretical framework for mainstream co-operatives, social cooperation is a fundamental community building block for successful co-operative enterprises (Peredo and Chrisman 2006). Cooper et al. (2012) and the Commonwealth of Australia (2013b) recognise that remote Art Centres contribute to a decrease in community tension and conflict and mitigate community and family feuding. As discussed in Chapter 7, the Warlukurlangu Art Centre is a good example of an Art Centre that is a valuable counterpoint to community unrest and is an illustrative example of a co-operative enterprise that has enabled improved community cohesion in times of low community social cooperation. The Warlukurlangu Art Centre case study reinforced this finding as the Yuendumu community has experienced severe community unrest (Neill 2010; Zoom 2012; Gosford 2010; Marshall and Coggan 2010).

Mazzarol et al. (2011a, p24) noted, “social capital is an essential element in the formation and sustainability of the co-operative enterprise”. This thesis research highlighted three principles by which Art Centres can enhance social capital, cooperation and cohesion in the Art Centre and community in which the Centre is based. The three principles are, ensuring a safe place for all community members, maintaining neutrality and establishing social inclusion for everyone. All case study Art Centres considered these three principles were essential for fostering sustainability and implementation of these principles was evident in the three Centres (see Chapters 7, 8 and 9).

Mazzarol et al. (2011a p22) noted that in addition to the important cultural and social roles of co-operatives, the generation of economic capital is critical for their ongoing viability and sustainability however, “the measurement of economic capital by co-ops is a potentially complex issue”. As discussed in Chapter 5 and the case studies, the generation of economic capital is critical for the ongoing sustainability of the remote Art Centre Co-operatives. The three remote Art Centres researched for this thesis receive and generate economic capital through government
funding, specific grants, philanthropic donations and by the sales of artworks. Additionally, the
generation of economic capital derived from the selling of art and employment of community
members is critical for the residents of the three remote communities as shown in Chapters 7, 8
and 9. Although the economic return to artists via the Art Centres in the three case study
communities varied, the economic return continues to be a significant factor in remote
communities as the general income level is low (Australian Bureau of Statistics 2011) as
discussed in Chapters 7, 8 and 9. Artists and staff interviewed for this thesis explained that the
money earned from art sales supplements other income including the fortnightly welfare
payments and/or royalties from mining. Art Centre staff in the three sites noted that many artists
have become dependent on the income they receive from Art Centres. For example, in the
Warmun Community in 2014 over 20 percent of the community earned money from art sales
(Warmun Art Aboriginal Corporation 2015). The managers of Warlukurlangu noted it was
difficult to explain to artists why artwork prices cannot rise or must be reduced in light of the
market downturn. The managers said that the number of people wanting to access the Art Centre
services continues to be very high and people’s demands and expectations of their Art Centre
have not reduced.

Porter and Kramer (2011) argue that enterprises have the potential to create shared value by
strengthening the economic and social conditions of communities as well as augmenting a
business’s competitive advantage. They argue that companies create economic value by
generating social value that in turn produces a virtual circle. A notable difference between the
three case study Art Centres is in their contribution of economic capital to external community
programs and services. Warlukurlangu Art Centre contributes a significant amount of funding for
a variety of community programs and regards the provision of economic capital for community
services as a generator of both social and cultural capital in the community and Art Centre.
However, not all Art Centres have the fiscal capacity or the Art Centre Board mandate to fund
community programs. The managers of Ikuntji Artists and Warmun Art Centre both stated that
they did not have the fiscal capacity to fund external programs and services and the Warmun Art
Centre Board directed the Art Centre manager to concentrate on the production of fine art.

Mazzarol et al. (2011a, p24) noted:

*Social capital is an essential element in the formation and sustainability of the co-
operational enterprise..... One of the key benefits of co-ops for members is their ability to
provide access to information (e.g. about prices) and to link the member to markets and
knowledge that can enable them to overcome structural holes. The membership of a co-
The findings from this thesis confirmed that Aboriginal Art Centres play a significant role in the generation of social capital in terms of brokering and linking individuals to a broader economic market and by investing in the development of human capital, training, employment and infrastructure. Like many other Art Centres, the three Art Centres examined in this thesis operate with a high level of community participation and engagement and have a social impact in the community by their involvement in generating community resources. A positive factor in social capital and the generation of community resources is to enable those resources to be available and shared by all community members for outcomes which have more than financial gain for individuals and the community. The research found that out of the three case study sites only Warlukurlangu Art Centre contributes a significant amount of funding to a variety of community programs including animal management programs and significant health programs, both individually and in partnership with other organisations. However, this thesis also identified that direct contribution of funds is not the only method remote Art Centres can contribute to community programs. As shown in Chapter 8 and 9 for example, the staff of Ikuntji Artists are currently raising funds to enable better quality drinking water to be provided in the community and Warmun Art Centre are investigating using their cash reserves to invest in solar power technology to contribute to community power.

The research established that a way of developing and fostering social capital is by the development of partnerships and collaborations, which form a corner stone of the business plans of the three case study Art Centres. For example:

- Warlukurlangu has developed and fostered numerous partnerships with a wide range of organisations; AGL, Bausch and Lomb who donated the lenses for the cataract operations, Boehringer Ingelheim Pharmaceuticals, Canberra Medical Society, Newmont Mining Corporation, Pfizer Pharmaceuticals and Voyages Resorts that have assisted with the funding, support or logistics of many health projects.
- Ikuntji Artists has developed and fostered partnerships with; the Aboriginal Art Museum Utrecht in The Netherlands, Kelch Gallery in Germany, Booker Lowe in USA, Guissepe De Giosa in Singapore, Glen Helen Resort and Ormiston Gorge, Justice Department, Correctional Services and Australian Universities.

*op provides the member with access to resources that would otherwise be difficult or impossible for them to access alone.*
Warmun Art Centre has developed and fostered partnerships with; the Argyle Diamond Mines, National Climate Change Adaption Research project, Sling Air Company, the Warmun inter-agency and Warmun Community Council.

Trust is regarded as a factor that is paramount to a good relationship (Batt 2009; Anderson and Narus 1990) and a foundational structure to any successful organisation (Dietz et al. 2012). This thesis research identified the importance of trust in remote Art Centre sustainability by using the Combined Research Framework in the conduct of research at the three case study sites (Chapters 5, 7, 8 and 9). Research participants noted four factors that in their view enabled trust within the Art Centre, honesty, communication, honour promises made and teamwork. An interviewee at Warlukurlangu highlighted the importance of trust during a case study interview:

Trust and relationships are everything, they are the most important things to have in community. You have to have trust in each other so people can come together and talk. Trust can take us a long way, trust can help us live a good life.

The ability of remote Aboriginal communities and artists to work collaboratively with their Art Centre is predicated on members believing that the Art Centre is going to respond to them with benevolence, integrity and competence (Mayer et al. 1995; Schoorman et al. 1996 & 2007) and consider their economic, social and emotional needs. In return the community and artists must be committed to sustainability of the Art Centre. If either the Art Centre or its members breaches the trust component by failing to deliver on benevolence, integrity and competence (Mayer et al. 1995; Schoorman et al. 1996 & 2007) the usual outcome is an undermining of the relationships and the Art Centre business can potentially become unsustainable. Mazzarol (2015, pers. com) noted, “Poor management or governance within the co-operative can lead to this breach of trust. Similarly, the members that engage in free-riding, or suffer from the horizon, portfolio or other of the “generic” problems that affect co-operatives, will also breech trust and this can result in degeneration”. The work of Mayer et al (1995) and Schoorman et al (1996 & 2007) provided a valuable construct for examining this issue. In the three case studies the Art Centre management and artists demonstrated a benevolent approach to their relationships that was built on recognising that they must give a benefit back to the other party. Second, they demonstrated the integrity to honour their commitments to the each other. Finally, they demonstrated competence to deliver on their side of the relationship.
The case study participants described their Art Centres as a safe place for the community where trust is built through art and cultural activities. The chairpersons of the three case study Art Centres noted that there is an immense trust placed in managers by the boards of management who often have limited capacity in terms of education, literacy and experience to assess the performance of managers who are employed to work for the Art Centre. The manager at Warmun raised an important point in relation to trust, low literacy and governance:

*For me trust is a particular challenge because I know I am trustworthy but the subsequent managers may not be, so it’s important that we set up the right kinds of processes and do the right kind of governance training so there is the level of expectation there that follows across subsequent managers.*

Staff at two case study Art Centres stated that there is a potential for artists not to paint at Art Centres where there is distrust in the staff. This issue has the concomitant effect of reduced painting supply and sustainability:

*Distrust affects the mood of the Art Centre and I have heard where artists have walked away from Art Centres because of distrusting the managers (interviewee W3).*

*Artists would not paint well if they do not trust you and they would go to some carpet bagger and paint for them….artists have to trust that you are going to sell the work (interviewee I1).*

The Research Framework developed by Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) did not include culture or cultural capital in the system level of their Framework. However, the findings of this thesis as outlined in Chapters 5, 7, 8 and 9 concurs with the work of Dodson and Smith (2003) who found that culture is an integral and influential factor in the development of economic and social enterprises in remote communities. The Combined Framework has specifically included cultural capital as a critical component of a culturally applicable Framework. The case study participants interviewed as part of this research described their Art Centres as the cultural hub of their communities. The Art Centres maintain, reinforce and reinvigorate cultural practices through painting, carving, storytelling and ceremony. Staff and artist interviewees asserted that one of the most critical roles of the Art Centre was to keep culture strong for example:

*The Art Centre is just not about art but combining art and culture (W7).*

*Culture needs to be at the centre of the day-to-day operation of Ikuntji (Ikuntji chairman).*
The research identified that the business models of participating case study Art Centres highlighted the significant role of culture in the sustainability of art practice and the concomitant fiscal benefits to Art Centres. For example, in Chapter 9 the manager of Warmun Art Centre noted that cultural capital was an integral component of Warmun’s business model and a factor in the employment of a cultural liaison position:

*The art component of the Centre is a constant and it allows us to focus on supplementary programs that support the work in different ways principally for Gija culture in general such as Joonba, trips to country and the language classes. All of those things that connect the current Gija generation with historical Gija mob is a beneficial thing. The more that we do it, the stronger the cultural cohesion is and that leads to better paintings. What we put back into the community is cultural capital, we don’t have the money to provide support or programs outside of our cultural objectives. This is strictly an Art Centre, that’s us, we are fine art and culture and in the future increasingly culture because it’s the corner stone of everything that happens.*

The Warlukurlangu Art Centre’s Business Plan states that the Art Centre has been the primary cultural organisation in Yuendumu for 26 years and the Ikuntji Artists’ rulebook included two objectives that relate specifically to culture. Intergenerational learning of culture and painting together can have a substantial influence on the sustainability of the Art Centre. Many senior artists in the case study sites were over 55 years old, which is supported in the research of Woodhead and Acker (2014). They note that Art Centres as a priority for sustainability, need to increase their retention and mentoring of talented younger artists as over 30 percent of Aboriginal artists are over 55 years old. An important strength in relation to the sustainability of Warlukurlangu is that it is working with third and in some cases the fourth generation of family members. The continuity of generations of families painting at the Art Centre is an enabling factor towards achieving a more balanced age profile and is a positive example of fostering cultural capital. An interviewee at Warlukurlangu commented that the Art Centre was an important place for retaining and passing on culture:

*This place keeps culture strong, we love young people to come here and paint so when this generation is finished the next one will know the stories (Y6).*

A value proposition is a statement that encapsulates why the customer should purchase a product from the business and persuades a prospective consumer that the product would add more value than other similar products (Barnes et al. 2009; Rackham and De Vincentis 1999; Kaplan and
The three case study Art Centres have all developed written value propositions. The Warmun Art Centre however, has not clearly established a value proposition that encapsulates why the customer should purchase a product or service from them. As the value proposition is an important tool that can assist in attracting customers, it is recommended that the manager and board of management address the wording of the statement.

One of the essential components of a co-operatives’ business model is a mission statement that clearly establishes the purpose of why that cooperative exists (Mazzarol et al. 2011a; 2011b; 2012a; 2012b). The three case study Art Centres have all developed written mission statements, which reflect the purpose and the cultural imperative that is crucial to the Art Centre enduring over time. The Ikuntji Art Centre mission statement does not reflect the community’s ownership of the Centre or its model of operation and does not persuade a prospective consumer to purchase an artwork from Centre. This could be addressed by the mission statement being reworded to ‘community owned, community run, central desert art’. This change could enhance community ownership and governance, which are important sustainability factors for Art Centre Co-operatives.

Mazzarol et al. (2011a, p13) identified in their Framework four key resource categories that the enterprise needs in order to fulfil the mission or purpose:

- **Financial resources**
- **Personnel resources (numbers, depth, quality of people)**
- **Systems resources (for example information technology, planning and control systems)**
- **Business resources (customer relations, market share, supplier relations, distribution processes, reputation.**

*Resources can therefore encompass the coop’s’ “core competencies” or the skills and knowledge that are required to compete at the required level. It can also encompass its organisational structure, governance and team composition, plus the physical facilities that will be needed to house the operations. Another important part of the resource set is the partnerships and strategic alliances that are going to be needed for the entity to fulfil its purpose.*

Critical elements of a co-operative’s business model are the generation and management of financial resources for the co-operative. At present, the three case study Art Centres are dependent on government funding. Art Centres such as Warlukurlangu and Warmun have
developed strategies to retain financial resources that will assist in years when there is a fiscal loss. Art Centres will need to adopt a range of tighter fiscal strategies that are in line with their Centre’s goals to enable the sustainability of the Art Centre in the long term. For example, reducing general expenditure, monitoring payments to artists to ensure correct payment percentages, reducing the amount of money spent on infrastructure and monitoring and pursuing debtors. Ikuntji noted the importance of accurate financial data in developing a meaningful growth and loss trajectory with concomitant strategies for sustainability. Additionally, opportunities for generating additional ‘green’ resources are being pursued by both Warmun and Ikuntji Art Centres. For example both Centres are investigating the installation of solar air-conditioning and solar electricity for the Centres and staff housing.

As identified by Mazzarol et al. (2011a) and outlined in Chapters 5, 7, 8 and 9 of this thesis, there are a number of pertinent issues in relation to personnel resources in remote Art Centres. Firstly, as discussed in Chapter 5, the Indigenous Economic Governance Project 2003 (Centre for Aboriginal Economic Policy Research 2003) noted there is a high turnover of staff in remote communities due to high workload and conflicting community demands. The three case study Art Centres were not representative of this view. For example, the managers of Warlukurlangu Art Centre have held their positions for over 10 years, which the Art Centre views as a strength of their organisation. However, both the Warmun Art Centre and Ikuntji Artists both noted that in general, turnover of managers occurred every 2-3 years. Additionally, staff turnover varied in all three Art Centres. For example, Warmun Art Centre noted:  

_Our experience since then is that we have lost 1.5 positions, we have retained two positions and one position has changed from 0.5 to full time so in balance it’s not looking that great. We lost positions in the media lab and gallery because it didn’t work for them._

Secondly, it was noted in Chapter 5 that staff can feel isolated in remote communities without their family, friends and peer support (Office of the Registrar of Indigenous Corporations 2010). This point was demonstrated to varying degrees in the three case studies, as staff have developed a range of mechanisms for support. At Warlukurlangu the manager drives to Alice Springs on the weekend to be with family and the assistant manager stated that her dogs keep her company;  

_I’m single and people ask if I’m lonely I say, never, because I have somebody breathing close to me all the time. There are bodies there is movement. It is impossible to be lonely because I am never alone_ (Morales cited in Bilton 2014, webpage).
The three other staff members at Warlukurlangu have developed friendships within the community and with volunteers. At Ikuntji Artists the manager’s partner is also employed at the Centre. In Warmun one of the staff members commented:

*It's a constant struggle with loneliness but at the moment we’re too busy to be lonely but you get home at night and there is no one there, it’s definitely a growing process, you have to develop the right perspective, it’s not automatic you have to work on it. You would think the thing to do is to make friends in the community but I’m too buggered to do that. I think women are probably better at making friends* (interviewee W1).

As identified by Mazzarol et al. (2011a, p19) and demonstrated in the case studies in relation to personnel, “*core competencies and skills and knowledge are required for enterprises to compete at the required level*”. It is critically important to engage staff who have the appropriate and relevant qualification, skills and experience to work in Aboriginal communities in remote locations (Limerick 2009). Chapter 5 notes and the three case studies demonstrate that many co-operative boards have less strategic expertise in management (Condon 1987), which can lead to boards becoming more reliant on the managers (Silversten 1996). Altman (1989) and Wright (1999) contend that this unique management role is of primary importance to the successful functioning of remote Art Centres. As shown in the three case studies, the role of an Art Centre manager is very complex and requires competencies in art practice and aspects of business management in addition to cultural competencies and skills that are often not required of other managerial positions. The thesis research identified that the participant Art Centres relied on the skills of Art Centre managers and gallery coordinators to market and distribute their products and establish connection to the art market in an environment where the workload was already stretched to capacity. The process of the distribution and marketing of Aboriginal art varies from Centre to Centre and involves individual buyers, private dealers, galleries and art fairs. The case studies demonstrated that the responsibility for marketing was limited primarily to managers and gallery coordinators. The case study Art Centre managers and gallery coordinators make important decisions about where the product will be distributed and in doing so they assess the needs of the artists, the Art Centre and the needs of the market. Issues of sustainability can arise due to unplanned or poorly planned succession. This was acknowledged by an interviewee from Warmun Art Centre (Chapter 9):

*This often gets turned upside down when a new manager comes in with new visions and new galleries who they want to pursue. It’s important for businesses to sustain strong relationships with other business partners, galleries, curators and collectors.*
In light of the importance of the proficient management of human resources in the sustainability of remote Art Centre Co-operatives (Office of the Registrar of Indigenous Corporations 2012; Dodson and Smith 2003), Art Centres will need to focus on human resource management to assist in the sustainability of the Centre in the long term. For example:

- Conduct annual performance management of staff including the review of duty statements and the development of work plans
- Develop a plan for staff succession
- Develop and conduct training for staff in light of needs highlighted by the performance reviews and Centre needs

Volunteer programs can be viewed as a method to assist in the sustainability of the Art Centre by developing a scheme of labour in return for the opportunity to experience life in a remote Aboriginal community. These programs were discussed in detail in Chapters 7, 8 and 9. This thesis research verified the importance of the implementation of volunteer programs as all three case study Art Centres demonstrated that their structured volunteer programs can enhance sustainability by volunteers undertaking a range of skilled and unskilled tasks. The case study Art Centres involved volunteers in a range of general tasks such as paint mixing and canvas stretching through to very specific skilled tasks such as art conservation and legal assistance. Volunteers and artists participating in the case studies were asked to identify issues that could assist and enhance the volunteer programs. Suggestions included nametags in order to identify volunteers to artists, less volunteers per week and volunteers having a daily meeting with the staff member in charge of volunteers in order to address any issues.

Mazzarol et al. (2011a, p13) identified in their research that sound system resources are required by the enterprise in order to fulfil their mission or purpose. An important issue raised by the three case studies is the lack of standard policies and procedures across Art Centres and the difficulty of developing individual policies and procedures at each site. One Art Centre manager interviewed for this thesis raised the idea of peak agencies developing a comprehensive policy and procedures manual in a Microsoft Word format that each Art Centre could adapt for their own use. Although Desart manage “Go Hunt” (a website for gathering documents and information for Art Centres), it was noted that all documents are in a PDF format, which then have to be completely re-typed for adaptation to individual Art Centres. If the documents were in a Microsoft Word format, the manager noted that it would save considerable time and resources.
Mazzarol et al. (2011a, p13) identified in their research that enterprises need sound business resources in order to fulfil their purpose including a focus on “customer relations, market share, supplier relations, distribution processes, reputation”. The case studies demonstrate that Art Centres such as Warlukurlangu are increasingly marketing artwork under $1000 and Woodhead and Acker (2014) note this trend for nearly 90 percent of all artworks produced in remote Australia. Research by Woodhead and Acker (2014b) ascertained that the market for artwork under $1,000 has been stronger and more vigorous than for more sizable and expensive artworks. However, Art Centres such as Ikuntji and Warmun have not followed this trend, with larger and more expensive works selling both directly from the Art Centre and from partner galleries. The production of small paintings aligns with the potential growth in the consumer tourism markets and Art Centres such as Warlukurlangu produce small paintings suitable for this market. Conversely, Warmun that is on the tourist drive the ‘Savannah Way,’ asserts that tourists who go to the Art Centre with the intention of purchasing art are not looking for small inexpensive work. A staff member at Warmun Art Centre noted:

*Tourists to the Art Centre purchase all sizes and prices and they don’t necessarily want small or inexpensive works. Often they have the paintings sent home. People come here to Turkey Creek and the Art Centre in a targeted way knowing they are going to do the Kimberley Drive.*

Art Centres such as Warmun and Warlukurlangu are now operating as de-facto regional galleries. The three case study Art Centres noted they had expanded their overseas markets and in conjunction with their gallery partners have regularly held exhibitions both nationally and internationally. Many of these exhibitions were curatorial thematic shows in consultation with artists. This type of marketing of exhibitions is a key tool in enhancing an Art Centre’s reputation and sustainability in a saturated market. The three case study Art Centres stressed that from a sustainability point of view it is very important to develop strong relationships with galleries and collectors.

An interesting point to note is that Aboriginal paintings and craft sold in souvenir shops and art galleries around the world are not necessarily authentic Australian Aboriginal works of art. This was reflected in artefacts being marketed at the Musée du Quai Branly in Paris. Art Centres such as Warmun, which already have links with Musée du Quai Branly, are well positioned to market both paintings and other goods to the Musée and ensure international visitors have access to original Australian Aboriginal artwork to sell in their Musée shop. Warlukurlangu Art Centre is the only case study Centre to have initiated commercial alliances in relation to the licensing of products such as, crockery, cutlery, stationery, scarves, dog collars and Ipad covers. Within this
scheme, Warlukurlangu Art Centre has a legal contract with artists to enable the replication of their designs. The licensing and development of quality products was initially an expensive outlay for Warlukurlangu however once developed, the products sold well and created a continuing income stream. Warlukurlangu Art Centre use the products not only as a revenue stream but also to support their overall marketing strategy. Both Ikuntji and Warmun Art Centres have considered developing commercial products but have not progressed the plan.

The managers of the case study Art Centres identified a number of tasks and challenges ahead in marketing and distribution in order to enhance sustainability. These included identifying new markets and avenues for the marketing of artwork, future development of themed exhibitions, developing innovative communication strategies with galleries and outlets and continuing to adapt products to suit market conditions. Case study sites identified that participation in art fairs is a good marketing tool and a way to generate a cash flow.

The three case study Art Centres have digital connectivity to the world and technology is included as a component of business resources as the availability and use of technology impacts on the sustainability of remote enterprises. Large distances characterise the Kimberley region and remote central Australia, which involve major challenges in delivering technology and telecommunication services. Warlukurlangu and Warmun Art Centres both have access to mobile phone and Internet services, however Ikuntji Artists has no mobile phone access but has a satellite Internet service. The three case study sites demonstrated that the use of technology is an enabling factor for sustainability (Chapters 7, 8 and 9). As discussed in Chapter 5, the demonstration by a business of a proficiency in technology is a critical component to a company being perceived as a competent business (Bracey 2012). The three case study Art Centres have websites and Facebook accounts for the promotion of their business, highlighting artists, Centre activities and products for sale. Bendor (2015) noted that 10 percent of Art Centres’ sales were generated by online websites and participants highly rated the importance of their website to their marketing strategy. For example, the website for Warlukurlangu is a professionally designed integrated website that is used as a marketing tool to enable national and international galleries to view art works. This website is a critical marketing factor, as the manager noted that purchases via the website represented approximately 55 percent of Warlukurlangu total sales income, which is a higher percentage than Bendor (2015) noted in her research. Both Ikuntji and Warmun Art Centres noted that sales do occur from their websites, however sales are in line with Bendor’s (2015) estimates. The use of computers in the three case study Art Centres has enabled the implementation of a
comprehensive art management program, ‘Stories, Art, Money’ (SAM). Although this program was identified in the three case studies as being beneficial, case study participants also noted that there is a range of problems including issues with input data flexibility especially the inability to amend the incorrect input of financial data. Furthermore, the program does not accommodate the storage of large artwork image files, which Warmun and Ikuntji Art Centres identified as being an issue for the reproduction of images for catalogues and archives. Art workers in Ikuntji and Warmun Art Centres are responsible for photographing and cataloguing artwork however because literacy and information technology skills are important in the use of SAM this has been problematic. This is potentially a very difficult issue to address as art workers in all three case study sites have low literacy and numeracy skills and many are not technically proficient in the use of computers.

The Media Lab at Warmun Art Centre is an outstanding example of technology, innovation and Indigenous entrepreneurship. The Media Lab facilitates training for artists in media technology as well as developing a digital living cultural archive for the community and Gija people. The Media Lab works with a variety of mediums including photography, video, social media and web based art practices. The Media Lab explores, reinterprets and passes on Gija language, Joonba performance and ecological and cultural knowledge.

Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) postulate that small commercial organisations that form business associations with other small businesses augment their competitiveness by the use of personal networking. This occurs by promoting vertical and horizontal links between local enterprises as well as supporting relationships between them and facilitating organisations (Gálvez-Nogales 2010). Through the application of the Combined Research Framework in all three case study sites it was evident that networking occurred with other businesses but not with other Art Centres in relation to joint purchasing and freight consolidation. In all three case study sites the Art Centres individually purchased their supplies of goods including canvas, linen, paints and cars. As evidenced by the literature referred to in Chapter 4, a cluster approach to the purchase and freighting of goods by Aboriginal Art Centre Co-operatives could be valuable in determining if Art Centres in the value chain would be more innovative and effective if they interacted with supporting organisations and other participants in the value chain. In discussing this with the staff who purchased goods at the case study sites, interviewees thought that there may be an economy of scale in purchasing with other Art Centres.

As identified by Mazzarol et al. (2011a, p13) and discussed in Chapter 5, the reputation of a business is essential to its survival and is often the defining factor in consumer choice (Bracey
In view of this, an Art Centre’s good reputation is critically important as it can lead to a company being singled out as the company to purchase from even if the price is higher than that of a competitor (Delmastro et al. 2012; Landon et al. 1998; Shapiro 1982). Boland (2011a) writing for ‘The Australian’ newspaper is of the opinion that average or poor quality Aboriginal artwork in all forms, no matter the price point, is deleterious to the Aboriginal art industry. This point was further addressed by Woodhead and Acker (2014) who noted consumer concerns about the below average quality of some paintings and the poor recording of provenance. They reported that these issues are undermining the perception of Aboriginal art with consumers. The emphasis at the three case study Art Centres is on creating the best artwork so that they can develop and enhance their reputations as suppliers of well provenanced quality artwork to commercial galleries and other consumers. For example, the emphasis at Ikuntji Artists is on making the work the best it can be in order to rebuild their reputation and produce saleable work.

As discussed in Chapter Five, Aboriginal Art Centres are predominantly community owned and as such do not have a traditional share structure as dividends are not paid to members (refer to 5.4.6). Art Centres can be viewed as having a similar share structure to traditional co-operatives that have a non-distributing structure (Cook and Chaddad 2004). This thesis has argued that in the current model, ownership of the Art Centre rests firmly with the community. Additionally a well-managed Art Centre can develop a strong reputation and links to the art market that can increase the income of participating artists and enhance the overall wealth of the local community. Community member and artists who supply work to the Art Centre both contribute and receive social and cultural benefits in additional to financial benefits by way of selling their art. Cook and Chaddad (2004) and Hindle (2010) all stress that an issue for many Aboriginal business models is the absence of ownership rights and the ability to see individual or community wealth creation. Hindle (2010) notes that one of problems of many co-operatives are inadequately defined property rights. Hindle (2010, p628) notes:

“There is a demonstrated need to address the ways in which property rights operate and how they can be used to develop the various kinds of capital needed to underpin various economic and entrepreneurial initiatives in a community context.”

As the current Art Centre business model is not-for-profit, consideration could be given to investigating and consulting on a for-profit distributing Art Centre business model that would further foster economic and entrepreneurial initiatives as outlined by Cook and Chaddad (2004) and Hindle (2010). Additionally, as discussed in Chapter Four (refer to 4.2), the Corporations Aboriginal and Torres Strait Islander Act - CATSI Act 2006 (Australian Government 2015) has
been criticized for being overly complex and creating a racist segregation of Aboriginal Corporations from mainstream corporations (Foley 2013). In light of this, the benefits of Art Centres incorporating under the Commonwealth Government’s Corporation Act (2001) could be explored. It should be noted however that Art Centres may need to mutualise if registering under a different Act. Any new strategic business model would need to ensure favourable financial outcomes in addition to positive social and cultural outcomes.

Mazzarol et al. (2011a, p19) note,

Attention needs to be given to the quality of the co-op board and their level of training and adherence to legislative and accounting regulations.

As discussed in Chapter 5 and in the case studies, a critical point for enabling good governance in Aboriginal Art Centres is having representative structures and cultural integrity in relation to the board of management (Office of the Registrar of Indigenous Corporations 2010). For example, the manager of Ikuntji Artists stated, “Every single family is represented through one of the men, so nobody is excluded and that was always my approach to make everybody feel welcome and have a say...and they do”. Warlukurlangu is managed by a board made up of 12 artists (six women and six men) and where possible includes one person from the eight skin groups in Yuendumu. In Warmun Art Centre the governance structure corresponds to the four different family housing areas in the community. This housing distribution pattern is representative of the country north, south, east and west of the Art Centre where the families’ traditional land is situated. The manager of Warmun Art Centre noted:

When we started we realised we didn’t have enough young people on the board and they are important as a bridge between the white fellows and the old people because they can often explain things properly and urge the old people along to think about things

These governance models are reflective of organisations that are cognizant of cultural respect, the importance of inclusion and its positive impact on sustainability. As discussed in the three case studies, the Art Centre board members generally had low literacy and numeracy skills. The managers at the case study Art Centres noted that board members often had difficulty in understanding the implications of their financial and legal obligations, which can have major implications for governance. The manager of Warmun Art Centre found that there is a substantial failure to understand the implications of financial and legal obligations:

We constantly explain things as simply as we can and try but you often lose out on a lot of the fine points. You just cannot explain some things and a lot of the nuanced implications are lost to them and so there is a great deal of trust involved.
An interviewee (Y6) raised concerns in relation to low literacy, “Sometimes they don’t understand, they could sign any papers”. As noted by Mazzarol et al. (2011a), consideration needs to be given to the level of training of the board. The case studies found that the board members of all three Art Centres regularly undertake training at the Art Centre or via the art industry peak agency. Given the low literacy and numeracy skills raised by managers and staff in the three case studies sites, the value of training cannot be underestimated in terms of leading to greater participation by artists in the Art Centre and enhanced governance practices. The chairperson at Ikuntji Artists noted it was like being “back at school” but said that it was good to do training.

As discussed in Chapter 5, Mazzarol et al. (2011a; 2011b; 2012a; 2012b) and Cornforth (2004) found that in organisations where co-operative members were also board members, the impact on governance could be pivotal. This complex situation is intrinsic to many remote communities given the lack of appropriate staff and community members with skills to be on the board. As all three case studies found, Art Centre Co-operative members can also be employees of the Art Centre as well as board members. In both Warmun and Ikuntji Art Centres the chairperson is also employed at the Centre as an art worker. The manager at Warmun Art Centre stated this employment situation could create issues, for example if the Chairperson resisted taking direction from a staff member.

As discussed in Chapter 5, co-operative enterprises can be a “potential breeding ground of social entrepreneurship and social innovation” (Novkovic 2008, p2174). The components of entrepreneurship and innovation were added to the Combined Research Framework as they have the capacity to increase the sustainability of Art Centres by developing new business strategies (Chapters 7, 8 and 9). The importance of entrepreneurship in the role of economic, social and cultural development, sustainability and resilience should not be under-estimated in remote Art Centres and the case study research strongly supported this concept (Chapters 7, 8 and 9). The manager of Warmun stated, “All the programs we run are entrepreneurial in their own way, really everything we do is entrepreneurial”. Furthermore the Warmun Art Centre’s new strategic plan focuses on a social enterprise model which “takes a more strategic and entrepreneurial approach to a purpose driven enterprise” (Warmun Art Aboriginal Corporation 2015, p14). In the three case study Art Centres, staff demonstrated a high level of entrepreneurship and innovation, which assisted in the development of new business strategies. However, in relation to culture and Indigenous entrepreneurship, Art Centres need to further develop the entrepreneurial skills of their members in order for Art Centre participants to be further engaged in the “creation,
management and development of new ventures” (Hindle and Lansdowne 2005, p132). An important point was reported by Hindle and Lansdowne (2005 p.140) “Indigenous entrepreneurs can use their heritage— they don’t have to lose it when they set out in pursuit of venture success…. There need be no paradox, no contradiction, no values sacrifice, no false dichotomy between heritage and innovation. The teachings of many Indigenous traditions are rich in stories of brave-hearted, individual men and women in quest of new knowledge, new ways of doing things, new discoveries leading to a better life for many people.”

As discussed in Chapter six, the document ‘Keeping Research on Track’ (Commonwealth of Australia 2005) was used as a research guide during the case study fieldwork. An important theme of the document is the need to provide an outcome and benefit back to the Art Centre where the research was conducted. In light of this, each case study Art Centre has received a copy of their particular case study and will have access to the completed PhD thesis. Additionally each Art Centre received a full copy of all photographs that were taken by the researcher and a 30-minute video that was made by editing the interviews that were conducted at each Art Centre.

10.6 Limitations of the Research and Further Research

This research, while drawing significant conclusions and recommendations for the sustainability of remote Art Centres acknowledges potential limitations. Firstly, the sample size of participating Art Centres was small. However, there were a number of restraints on extending the sample size for this research including, the distance to remote Art Centres, accommodation, time, travel expenses, community willingness to provide an entry permit, the Art Centre’s willingness to host a student and the prescribed length of the PhD thesis. The Centres chosen however represented difference in a range of areas including the number of artists, income, culture, spatial separation community location and business management and structure. A second limitation was that two case study sites were situated in the Northern Territory, which occurred because a South Australian Art Centre chose not to participate after initially agreeing to be a part of the research (as is their right according to the Curtin University and Co-operative Research Centre - Remote Economic Participation ethical guidelines). Thirdly, the sample sizes of the artists and art workers were not consistent between the three case study Art Centres which is not surprising given the differences between each of the case study sites outlined above.

Further research encompassing an increase in the sample size of Art Centres, artists and staff could potentially identify additional insights into sustainability factors. Furthermore, research
conducted in naturally occurring clusters of Art Centres such as in the APY Lands or the Kimberley may highlight similarities and/or differences between clusters and identify additional insights into sustainability issues.

10.7 Conclusion

Mazzarol et al. (2011a, p29) stated in relation to their Conceptual Framework for Research into Co-operative Enterprise:

_The long-term sustainability of the co-operative enterprise lies at the heart of this research framework._

The new culturally appropriate Combined Research Framework developed in this thesis, likewise has the critical component of sustainability and viability of Aboriginal co-operative enterprises at its core. This thesis research has sought to explore the critical role of art production through co-operative art enterprises in remote communities where connection to country and cultural belief systems underpins the function of the community. Art production has enabled community members to reinforce their deep connection to country and culture while also reaping economic and social benefits, which have measurable benefits in the mainstream public policy and economic arenas. Developing and consolidating practices and policies that lead to the continued sustainability and enduring nature of remote Art Centres Co-operatives is of vital significance in remote communities. As Crofts (2014) stated:

_Art Centres are the heartbeat and the heart and soul of community._

The findings of this thesis research identify that remote desert Aboriginal Art Centre Co-operatives need to develop a more comprehensive view of business management and measure the costs and benefits from existing and prospective influences on their business. Whilst a range of issues have impacted on the sale of Aboriginal art since 2007, in particular, the global financial crisis and changes to Commonwealth Government policy, Art Centre Co-operatives can benefit from a range of management and business practices to enable ongoing sustainability. As discussed in Chapter 3, sustainability can be seen as economic, social, cultural and environmental and Art Centre Co-operatives need to integrate these four pillars into their general business practice (Senge et al. 2008; Figge et al. 2002; 2001).

The research found seven principle categories of enabling factors that can contribute to the viability of Art Centre Co-operatives that aspire to achieve long sustainability. Specifically, the enabling factors are, the establishment of competent business management (including financial and human resources), adequate resourcing, good corporate governance, a continued emphasis on
cultural policies, marketing expertise, the development of trust and the implementation of entrepreneurial and innovation strategies (including developing new economic opportunities and revenue diversification).

In conclusion, this thesis has made an important contribution to new knowledge by extending the work of Mazzarol et al. (2011a; 2011b; 2012a; 2012b; 2012c) by developing a culturally appropriate framework. The Combined Framework can be applied at the macro and micro level to assess the strengths and weaknesses contributing to the sustainability of individual remote Aboriginal Art Centre Co-operatives and the remote Aboriginal Art Industry. The Combined Framework enables a systematic analysis of the sustainability of remote Aboriginal Art Centre Co-operatives that need to flourish in two milieu – a domain of industry and commerce and a creative environment of cultural and social expression that has Aboriginal tradition and culture as the nucleus.
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Every reasonable effort has been made to acknowledge the owners of copyright material. I would be pleased to hear from any copyright owner who has been omitted or incorrectly acknowledged.


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Appendix

Appendix 1: Ethics Approval

Memorandum

To
Professor Peter J Batt, Management

From
Professor Stephan Millett, Chair, Human Research Ethics Committee

Subject
Protocol Approval HR 197/2013

Date
4 December 2013

Copy
Ms Kim J Petersen, Management
Dr Louis Geneste, Management
Professor John Burgess, Management

Thank you for your application (AG05) submitted to the Human Research Ethics Committee (HREC) for the project titled "Sustainability of Remote Aboriginal Art Centres in Australian Desert Communities". Your application has been reviewed by the HREC and is approved.

- You have ethics clearance to undertake the research as stated in your proposal.
- The approval number for your project is HR 197/2013. Please quote this number in any future correspondence.
- Approval of this project is for a period of 4 years 04-12-2013 to 04-12-2017.
- Your approval has the following conditions:
  1. Annual progress reports on the project must be submitted to the Ethics Office.
  2. Please amend the data retention period from 5, to 7 years in accordance with the Western Australian University Sector Disposal Authority.
- It is your responsibility, as the researchers, to meet the conditions outlined above and to retain the necessary records demonstrating that these have been completed.

Applicants should note the following:

It is the policy of the HREC to conduct random audits on a percentage of approved projects. These audits may be conducted at any time after the project starts. In cases where the HREC considers that there may be a risk of adverse events, or where participants may be especially vulnerable, the HREC may request the chief investigator to provide an outcomes report, including information on follow-up of participants.

The attached Progress Report should be completed and returned to the Secretary, HREC, C/- Office of Research & Development annually.

Our website https://research.curtin.edu.au/guides/ethics/non_low_risk_hrec_forms.cfm contains all other relevant forms including:
- Completion Report (to be completed when a project has ceased)
- Amendment Request (to be completed at any time changes/amendments occur)
- Adverse Event Notification Form (if a serious or unexpected adverse event occurs)

Yours sincerely

[Signature]

Professor Stephan Millett
Chair, Human Research Ethics Committee
Appendix 2: Information Project Sheet

PROJECT INFORMATION SHEET

Researcher
Kim Petersen,
School of Management,
Curtin Business School,
Kim.linn@legpond.com
041618963

SUSTAINABILITY OF REMOTE ABORIGINAL ART CENTRES IN AUSTRALIAN DESERT COMMUNITIES PHD RESEARCH PROJECT

Description of the project
This research is being carried out by Kim Petersen a PhD candidate from the School of Management, Curtin Business School, Curtin University in Western Australia as part of her thesis. This research aims to better understand the functions and business practices that underpin the performance of remote desert Aboriginal Art Centres.
Findings from this research will help improve service delivery and identify opportunities for increased sustainability.
This project is an activity of the Cooperative Research Centre for Remote Economic Participation (CRC- REP) Aboriginal and Torres Strait Islander Art Economies Project, in partnership with Curtin University in Western Australia. This bigger project aims to be a comprehensive, industry-wide analysis of the Aboriginal and Torres Strait Islander visual art sector, contributing to strong and sustainable economic futures for remote area artists.

What am I being asked to do?
You are invited to volunteer to participate in a research survey and/or interview for the research project called the “Sustainability of Remote Aboriginal Art Centres in Australian Desert Communities”.
Before making a decision about whether to participate, it is important to understand why the research is being done and what it will involve. Please take time to read the following carefully and please ask if you have any additional questions.

What are the research aims?
This study will investigate and analyse, through three comparative case studies, the functions and business practices that underpin the performance of remote desert Aboriginal Art Centres to identify opportunities for increased sustainability. Specifically it aims to:
- Understanding the interplay between community, cultural forces, commercial opportunity and Art Centre business practices
- Identify factors that contribute to the economic, social and cultural sustainability of selected Aboriginal Art Centres in remote Australia
- Identify how and why these factors contribute to the success of the selected remote Aboriginal Art Centres
- Identify factors that have contributed to the failure of selected Aboriginal Art Centres.
- To collect information from Aboriginal Art Centre business models.

Who will be participating?
There are six groups of participants: 1) Desert Aboriginal Artists who produce art in Art Centres, 2) Art Centre managers, 3) Chairperson and members of the Art Centre Board of Management, 4) local Chairperson of community, 5) Peak Body, 6) Government funders/stakeholder.

Why have I been asked to participate?
You have been asked to participate because you are either an artist who produces art in the art centre, a member of the Board of Management, a staff member of the Art Centre/peak body or a Government stakeholder.
What is the value of my participation?
Sharing your information will contribute to a better understanding of remote desert Aboriginal Art Centre business practices and assist to identify opportunities for increased economic, social and cultural sustainability.

What will my participation involve?
If you choose to participate in this research activity you will be asked to sign an Informed Consent form and to complete a survey. The interview will be audio-recorded and should not take longer than 30 minutes to complete and may be conducted in your language of choice by asking the researcher to organize an interpreter. If you do not want to answer a particular question you can skip to the next question.

Will I be paid for my participation?
You will not be paid for completing an interview or survey.

Will my name be used?
Your survey will be assigned a code. When doing an interview you may choose to give your name or no name at all. Unless you ask for your real name to be recorded in an interview the information you share will not be identifiable.
You will retain full Cultural and Intellectual Property and moral rights in respect to the recording of the audio-record of the interview. You will also share copyright in your own interview material with the CRC-REP.

Will my details remain confidential?
All records containing personal information will remain confidential and no information that could lead to your identification will be released unless you choose to be identified as a recorded interviewee.

Do I have to take part?
Your participation in the "Sustainability of Remote Aboriginal Art Centres in Australian Desert Communities" research is entirely voluntary and you may withdraw your agreement to be involved at any time and for any reason without any repercussions.
Are there any risks involved in participating in this research?
It is not expected that this research will be risky or harmful in any way. You will not be expected to discuss any private traditional cultural matters.

What will happen to the information I give to this research project?
Your Information will be thought about with everyone else's information. The results will be written up into reports, presentations and papers.
All information collected as part of the study will be retained by the Principal Researcher, and Curtin University for at least seven years and probably indefinitely. It will be securely stored as electronic information and managed according to Curtin University data management protocols.

Will there be any follow-up to this research?
If you choose to be interviewed and to use your real name you will be contacted if the project wants to use any of your words in any publication.
By providing your contact details on the Informed Consent form you will be on our list to be supplied with a copy of the final research report and/or summary of the research findings.

Who do I contact if I want to discuss any further aspects of the study?
If you have any questions regarding this project you can contact the Researcher Kim Peterson, by phone on 0416180963 or by email at Kim.peterson@iinet.com.au.

What if I have any concerns?
If you have any concerns about the project or questions about your rights as a participant please contact the Principal Investigator Professor Peter Batt, School of Management, Curtin Business School Tel: +61 8 9266 7596; Email: p.batt@curtin.edu.au.
Any possible adverse effects of participating in this research can be reported to the CRC-REP Manager Research and Evaluation Dr Kevin Williams (kevin.williams@nintone.com.au) or to Professor Peter Batt.

This study has been approved by the Curtin University Human Research Ethics Committee (Approval Number HR 197/2011). The Committee is comprised of members of the public, academics, lawyers, doctors and pastoral care. If needed, verification of approval can be obtained either by writing to the Curtin University Human Research Ethics Committee, c/o Office of Research and Development, Curtin University, GPO Box U1987, Perth, 6845 or by telephoning 9266 2784 or by emailing hrce@curtin.edu.au.

Thank you for taking the time to read this information sheet.
Appendix 3: Consent Form

CONSENT FORM

SUSTAINABILITY OF REMOTE ABORIGINAL ART CENTRES IN AUSTRALIAN DESERT COMMUNITIES

Kim Petersen
Researcher
Curtin University
School of Management
Curtin Business School

I, ................................................................. (please print name)

Consent and wish to take part in the research project entitled:

SUSTAINABILITY OF REMOTE ABORIGINAL ART CENTRES IN AUSTRALIAN DESERT COMMUNITIES.

I have read, or had explained to me, the Information Sheet called:

PHD THESIS PROJECT INFORMATION PAGE

The researcher, Kim Petersen, has explained both the project and research to me.

By signing this form I agree to take part in this research project.

I understand that I do not have to take part in this research project.

I understand I do not have to answer all questions.

I understand that I may change my mind and stop being a participant at any time.

I agree to this interview being audio taped/ videotaped/photographed. I understand that I can say yes or no to this recording.

I understand that the tape/videotape/photographs will be securely stored, when not in use, at the Curtin Business School, in Perth. When the project is complete, notes, data and copies of audio-tapes and video/DVD will be stored for 7 years, after which time they will be destroyed (unless otherwise requested).
I agree that information gathered for this project may be published, provided my name or other information which might identify me and my community is not used (unless I choose – see below).

I understand that all information provided is treated as confidential and will not be released by the researchers unless required to do so by law.

I will be given a copy of this Consent Form and the Information Sheet to keep.

....................................................... (Signature of participant)

....................................................... (date)

I agree/don’t agree to the publication of my name.

I agree/don’t agree to the publication of my photograph in the thesis.

RESEARCHER:

I have described to ...........................................(name of participant) the purpose, methods, demands, and possible outcomes of the research (including publication of research results).

In my opinion she/he understood the explanation.

Signature: ..............................................................

Date: ........................................
## Appendix 4: Pre-departure Planning and Itinerary for Fieldwork

<table>
<thead>
<tr>
<th>2013</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>September/ October 2013</td>
<td>Discussions with Supervisors re case study sites.</td>
</tr>
<tr>
<td>31st October 2013</td>
<td>Ethics approval lodged.</td>
</tr>
<tr>
<td>November 2013</td>
<td>Informal discussions with Art Centres.</td>
</tr>
<tr>
<td>3rd December 2013</td>
<td>Ethics approval granted- Curtin University Protocol Approval HR197/3013.</td>
</tr>
<tr>
<td>9th to 20th December 2013</td>
<td>Formal discussions with Art Centres.</td>
</tr>
<tr>
<td>Late December 2013</td>
<td>Booking of campervan and air flights.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early March 2014</td>
<td>Apply for police clearance.</td>
</tr>
<tr>
<td>Late March 2014</td>
<td>Apply for permit for APY and check other communities regulations re admittance and notify community manager of fieldwork trip.</td>
</tr>
<tr>
<td>Late March 2014</td>
<td>Organize community accommodation and caravan park site.</td>
</tr>
<tr>
<td>Early April 2014</td>
<td>Complete Case Study protocol package.</td>
</tr>
<tr>
<td>Early April 2014</td>
<td>Organize equipment for fieldwork.</td>
</tr>
<tr>
<td></td>
<td>Print all participant information sheets and consent forms.</td>
</tr>
<tr>
<td>4th May 2014</td>
<td>Fly to Alice Springs, stay overnight</td>
</tr>
<tr>
<td>5th May to 16th May 2014</td>
<td>Collect 4-wheel drive from CRC and drive to Warlukurlangu Arts at Yuendumu for fieldwork visit. Staying at the visitor accommodation in Yuendumu.</td>
</tr>
<tr>
<td>16th May 2014</td>
<td>Drive back to Alice Springs, drop back car to CRC and stay overnight.</td>
</tr>
<tr>
<td>17th May 2014</td>
<td>Fly back to Adelaide</td>
</tr>
<tr>
<td>2nd June to 3rd June 2014</td>
<td>Pick up campervan drive 592 Km to Glendambo, camp overnight.</td>
</tr>
<tr>
<td>Date</td>
<td>Activity</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3rd June 2014</td>
<td>Drive 487 km to Marla caravan park</td>
</tr>
<tr>
<td>4th June</td>
<td>Drive 454 km to Alice Springs</td>
</tr>
<tr>
<td>5th June</td>
<td>Pick up 4 wheel</td>
</tr>
<tr>
<td></td>
<td>Drive to 130 km to Glen Helen</td>
</tr>
<tr>
<td>6th June to 21st June</td>
<td>Haasts Bluff at Ikuntji Arts</td>
</tr>
<tr>
<td>22nd June</td>
<td>Drive to Alice Springs stay overnight</td>
</tr>
<tr>
<td>23rd June to 25th June 2014</td>
<td>Drop off 4 wheel, Drive to 508 km to Tennant Creek and stay 2 nights</td>
</tr>
<tr>
<td>25th June to 27th June 2014</td>
<td>Drive 673 km to Katherine and stay 2 nights</td>
</tr>
<tr>
<td>27th June 2014</td>
<td>Drive to 286 km to Timber Creek stay overnight</td>
</tr>
<tr>
<td>28th June 2014</td>
<td>Drive 425 km to Warmun</td>
</tr>
<tr>
<td>30th June to 12th July 2014</td>
<td>Fieldwork at Warmun Art Centre, Staying at Warmun Roadhouse caravan park</td>
</tr>
<tr>
<td>13th July to 14th July 2014</td>
<td>Drive 286 km to Timber Creek stay 2 days</td>
</tr>
<tr>
<td>15th July to 17th July 2014</td>
<td>Drive 391 km to Mataranka stay 3 days</td>
</tr>
<tr>
<td>18th July 2014</td>
<td>Drive 567 km to Tennant Creek</td>
</tr>
<tr>
<td>19th July 2014</td>
<td>Drive 508 km to Alice Springs, stay 3 days</td>
</tr>
<tr>
<td>21st July 2014</td>
<td>Interview Phillip Watkins CEO Desart</td>
</tr>
<tr>
<td>22nd July 2014</td>
<td>Drive 454 km to Marla, stay overnight</td>
</tr>
<tr>
<td>23rd July 2014</td>
<td>Drive 487 to Glendambo, stay overnight</td>
</tr>
<tr>
<td>24th July 2014</td>
<td>Drive 592km to Adelaide</td>
</tr>
</tbody>
</table>
Appendix 5: Example Letter to Art Centre Managers and Boards

On 10 Apr 2014, at 7:29 am, kim Petersen wrote:

Good morning Chrischona and Mr Butcher,

As discussed yesterday I’m completing a PhD on the sustainability of remote desert Aboriginal Art Centres at Curtin University in conjunction with the Remote Centre for Economic Participation.

I have always been interested in Aboriginal Art, however the 6 years I have spent working in the APY Lands have given me a better insight into the important role that Art Centres play in communities.

I have attached my original research proposal researching 3 remote Art Centres.

I am emailing you both as I would appreciate the chance to come to your community and Art Centre to complete one of my case studies.

If you are willing I would like to visit between the 9th and 21st June.

The research will involve interviewing the manager, chairperson of the Board and some of the artists. Also I would like to be able to read your governance procedures and other relevant documents.

I have attached an information sheet, a consent form and a list of the types of questions that I am trying to find answers too.

If you could consider my request, I would be very grateful.

I look forward to hearing from you soon.

Best wishes

Kim

Kim J Petersen
PhD Candidate Curtin University

Aboriginal and Torres Strait Islander Art Economies Project,
Cooperative Research Centre for Remote Economic Participation

I acknowledge the Kaurna people as the traditional custodians of the Adelaide Plains area where I live and work, and respect their spiritual relationship with their country.

This message may contain confidential and potentially privileged information solely for its intended recipients. Others may not store, distribute, copy or use it. If you have received this communication in error, please inform me by return e-mail and delete it.

<ConfidentialFINAL.doc>
<Question Guide for AC Interview.doc>
<Consent Form.doc>
<Project Information sheet.pdf>
Appendix 6: Example Permit to Enter a Remote Community

Central Land Council

PERMIT TO ENTER AND REMAIN ON ABORIGINAL LAND

COMMONWEALTH OF AUSTRALIA - Aboriginal Land Rights (Northern Territory) Act 1976
NORTHERN TERRITORY OF AUSTRALIA - Aboriginal Land Act (1985)

The person(s) whose name(s) are set out below are authorised to enter onto Aboriginal Land according to the details set out below and subject to the general and special conditions set out below or attached to this Permit.

<table>
<thead>
<tr>
<th>Name of Aboriginal Land Trust(s)</th>
<th>Haustra Bluff Aboriginal Land Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific area(s) of entry:</td>
<td>Ilanji,</td>
</tr>
<tr>
<td>Dates of entry (inclusive) From:</td>
<td>05/06/2014</td>
</tr>
<tr>
<td>To:</td>
<td>21/06/2014</td>
</tr>
<tr>
<td>Purpose of entry:</td>
<td>General Research : SUSTAINABILITY OF REMOTE ABORIGINAL ART CENTRES IN AUSTRALIAN DESERT COMMUNITIES.</td>
</tr>
<tr>
<td>Vehicle description: Registration State/Territory</td>
<td>Toyota Landcruiser not known Northern Territory,</td>
</tr>
<tr>
<td>Address of Permit Holder:</td>
<td>Semaphore South Australia 5019 Australia</td>
</tr>
</tbody>
</table>

Issued without alteration or erasure by the Central Land Council at Alice Springs on 11 June 2014

Authorised by the Central Land Council Permits Department.

PERMIT NUMBER: 22705
Appendix 7: Interview Guide with Supporting References

Section One
Sustainability and creating value
Q. Are there factors and characteristics that contribute to the success of remote arts Centres? If yes, what are they?

Q. Are there factors and characteristics that contribute to the failure of remote arts Centres? If yes, what are they?

Q. How would you define success and failure in relation to Art Centres?

Q. What obstacles exist for the Art Centres to be more culturally sustainable?
(Throsby 2003; Pilotti & Rinaldin 2004; Hawkes 2001; Ware 2014; Cairnduff 2001; Pope & Doyle 2006; Mikhailovich et al. 2011; McHenry 2009; Guetzkow 2002; White 2009; Dunphy 2009; Newton 1985).

Q. What obstacles exist for the Art Centres to be more socially sustainable?
Q. What obstacles exist for the Art Centres to being more financially sustainable?

Q. Is there a business model that you believe would contribute to Art Centres being more sustainable?

Q. Does the Art Centre plan and develop activities and strategies that add and create financial, social and cultural value to community?

Q. Does having a strong community impact on the Art Centre? If yes How, If no why?

Q. What do you believe constitutes a strong Community?

Look at issues such as:
- Inclusion
- Participation
- Leadership
- Resourced,
- Cohesive
- Inclusive
- Trust
Section Two
Business Model.

Q. How would you describe the purpose of the Art Centre?

Q. How would you describe the business model of the Art Centre?

Q. Does the Art Centre have a member value proposition and if so, how is it articulated and enacted?

Q. Does the Art Centre have a Mission Statement?
(CARI 2008; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Hill et al. 2008; Bart 1997).

Q. How are the purpose, values, goals and key tasks of the organization spelled out so that everybody knows and understands?
Profit Formula

Q. How is the profit formula calculated?
(Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; The Office of the Registrar of Indigenous Corporations 2012; Acker 2013).

Processes

Q. Does the Art Centre have effective and responsive management systems to enable and coordinate performance of the Art Centres mission, values, goals and service priorities?

Q. How does the Art Centre keep up to date with research, information, standards, practices and protocols that are relevant to its services and programs?
(Bruno et al. 1987; Sheldon 1994; Crutzen & Van Caillie 2008; Ames et al. 2011; Cua et al.. 2001)

Q. How does the Art Centre ensure services and programs are responsive and have positive outcomes for artists and communities?
(Cairnduff 2001; Pope & Doyle 2006; Dodson & Smith 2003; Harvard Project Website 2013)

Q. How is planning undertaken at the Art Centre?
(Cua et al. 2001; Cooper et al. 2012).

Q. Does the Art Centre have a written strategic plan and a budget to support this plan?
(Bruno et al 1987; Sheldon 1994; Crutzen & Van Caillie 2008).

Q. How is the strategic plan and a budget to support this plan developed and by whom?
(Bruno et al. 1987; Sheldon 1994; Crutzen & Van Caillie 2008; Ames et al. 2011)

Q. How does the Art Centre use its strategic plan to implement its goals and priorities?
(Bruno et al. 1987; Sheldon 1994; Crutzen & Van Caillie 2008).
Q. How, and to what extent does the Art Centre make sure that Artists and community members are engaged in planning and have opportunities to be involved in making decisions about services and program?
(Cairnduff 2001; Pope & Doyle 2006; Dodson & Smith 2003; Harvard Project Website 2013).

Q. Does the Art Centre have performance indicators for services, programs & partnerships?
(Ames et al. 2011; Cua et al. 2001).

Sustaining quality external relationships
Q. Does the Art Centre have collaborations, formal service agreements and other less formal partnerships that contribute to a more effective use of resources, value creation and to more sustainable service?

Q. What working relationships does the Art Centre have with other organisations (for example health and community agencies, local, state and federal government departments, universities, professional membership organisations, peak bodies), to deliver the most positive outcomes for the community?

Q. Does the Peak Body have a role in creating value?
Has this been considered?
(Watkins 2013).
Resources
Finance

Q) Does the Art Centres’ financial management reflect its goals and does it support an efficient and sustainable service and how?


Q. How much money does the Art Centre receive from the following? (Approximately per year?)


- Government (state, federal)
- Investors
- Grants
- Sales
- Entrepreneurial activity
- Partnerships
- Sponsorship
- Fund raising

Q. Are the funds increasing/decreasing?


Q. Are the funds sufficient to cover the activities of the centre?

(The Australian Government 2014 webpage; Newton 1985; Crutzen & Van Caillie 2008; Rothwell 2013)

Q. Does the Art Centre have core activities that its funds? What are they?

Q. What other activities does the Centre use its funds for (list)?

Q. What strategies are in place to improve or to enhance the generation of funds?
(Crutzen & Van Caillie 2008; Healey 2002)

Q. What strategies are in place to reduce costs or to explore efficiencies?

Q. Are systems in place to continually monitor expenditure versus income?

Q. How does the Art Centre procure goods and services?
(Dickinson & Ramaseshan 2004; Gálvez-Nogales 2010; Thornhill & Amit 2003; Crutzen & Van Caillie 2008; Ganesan 1994; Nor Azila Mohd et al. 2010; Sheth & Sharma 1997; Ganesan 1994)

Q. Are costs saving measures in place?
(Dickinson and Ramaseshan 2004; Gálvez-Nogales 2010; Thornhill & Amit 2003; Crutzen & Van Caillie 2008; Ganesan 1994; Nor Azila Mohd et al. 2010; Sheth & Sharma 1997; Ganesan 1994)

Q. How is art sold from this Centre?

Q. Who establishes the budget for the art centre?
Q. To what extent are the artists/community involved? Are often are artists/community consulted?
(Cua et al. 2001; Cornforth 2004)

Q. What strategies are in place to ensure sufficient forward planning is undertaken for the Art Centre to meet its financial obligations?
(Dodson & Smith 2003; Cua et al. 2001; O’Conner & Thompson 2001; Nilsson 1999)

Q. How does the Art Centre ensure that there is, or will be, enough money in the budget to cover its costs?
(Nilsson 1999; O’Conner & Thompson 2001).

**Personnel Resources**

Q How are Human resources managed to create an effective and competent Art Centre?

Q. How does the Art Centre decide what staff it requires in order to provide the services and programs it wishes to deliver, at the required levels of quality and cultural responsiveness?
(Rothwell 2013; The Office of the Registrar of Indigenous Corporations 2012; Commonwealth of Australia 2013a).

Q. How does the Art Centre make sure that staff has the right experience and/or qualifications for their job?
(Limerick 2009; Sanders 2004; Dodson & Smith 2003; Healey 2002; Altman 1989; Wright 1999)

Q. How does the Art Centre provide orientation to new staff when they begin work at the Art Centre?
(The Office of the Registrar of Indigenous Corporations 2010)
Q. How does the Art Centre identify and provide staff with opportunities to do training, and develop new skills or update existing skills?
(Dodson & Smith 2003; The Office of the Registrar of Indigenous Corporations 2010; Cua et al. 2001)

Q. Access to training programs for managers?

Q. How many managers, staff, trainees and volunteers does the Centre have?
(Rothwell 2013; The Office of the Registrar of Indigenous Corporations 2012; Commonwealth of Australia 2013a)

Q. Are reviews of the manager conducted? If so, how often and by whom?

Art Centre Physical Resources
Q. How are Art Centres physical resources managed to ensure an effective, safe and efficient service?
(De Wit & Meyer 2004; Thornhill & Amit 2003; Crutzen & Van Caillie 2008; Cooper et al. 2012; MacDowell et al.. 2009; Palmer 2010; Infrastructure Australia 2012b; Pearn cited in Cooper et al.. 2012)

Q. Does the Art Centre have the right buildings, space, facilities, equipment and supplies to do its job meet its goals?

Q. How does the Art Centre check that its physical resources are adequate for what it is doing at the moment and for what it plans to do in the future?
Q. If the Art Centre is lacking buildings, space, facilities, equipment or supplies, how does it obtain them?

Share Structure
Q. What financial role do artists play in this Centre?
- Investor
- Patron
- Owner
- Community member
- Other
(Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Chaddad & Cook 2004)

Governance
Q. How does the Art Centres governance structure build a collective sense of purpose and direction that enable the Art Centres mission, values, goals and service priorities to be identified and met?

Q. What is the governance model of the Art Centre?

Q. What are the Board’s responsibilities?
(Edwards & Clough 2005; ORIC 2010; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Cornforth 2004; Condon 1987).

Q. How are the responsibilities of the Board different from those of the Manager?
Q. How is the Board’s relationship with the Manager defined?
(Edwards & Clough 2005; ORIC 2010; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Cornforth 2004; Silvertsen 1996).

Q. Does the Board undertake Governance training?

Q. How are community and other people involved and told about the roles, responsibilities and powers of the Board?

Q. How do artists, staff and the community get involved in planning and decision-making for the Art Centre?

Q. How does the Board listen to, consider, and act on, the opinions and ideas of its community, artists, staff and other interested people?

Q. How does the Art Centre put its plans into action?

Q. How does the Art Centre review its progress towards its goals?

Q. What arrangements does the Art Centre have in place to support and manage the development, approval, and implementation of policies and procedures?
Q. How and by whom are Art Centre plans, decisions, findings and recommendations considered and approved?

Q. How does the Art Centre make sure there is alignment between longer term plans and shorter term operational plans, action plans and service and program plans?

Q. How does the Art Centre know that the implementation of these plans helps it achieve its longer-term plans?
(Ware 2014; Kaplan & Norton 1992)

Q. Are decisions made by the manager and the Board, written down and communicated? If so how?
(ANZSOG 2013; Crutzen & Van Caillie 2008; Argenti 1976; Sheldon 1994)

Q. How are management decisions translated into actions?

Q. Are artists, community, Board and staff encouraged and supported to contribute to the improvement of the Art Centre? If so, how?
(Pearn cited in Cooper et al. 2012; Dodson & Smith 2003)

Q. What are the processes for the artists, community, staff and other interested people or groups to be involved in decision-making (for example through the Board and committees) or to have their views heard and considered?
(Pearn cited in Cooper et al. 2012; Dodson & Smith 2003)

Q. Do the Art Centre staff and Board have clearly defined and documented responsibilities?
Q. How does the Art Centre evaluate its programs and services?
(Cua et al. 2001; Porter 1985; Lamb 1984; Ahire 1997; Ames 2011)

Trust
Q. What do you believe constitutes a strong Community?

Q. How are Art Centre Services and programs provided in a culturally safe and appropriate manner?
(Ware 2014; Cooper et al. 2012 Cameron & MacDougall 2000; Tsey et al. 2009)

Q. What processes and practices does the Art Centre use to ensure trust, respect and provide culturally safety?

Technology
Q. Has the use of technology created value? If so how?
(Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Zott 2010)

Q. Has the Art Centre invested in technology to create or sell art?

Entrepreneurship and Innovation
Q. Are entrepreneurial activities employed to create value? If yes what are they?
(Drucker 1986; Crutzen & Van Caillie 2008; Krueger & Brazeal 1994, Zahra 1991; Sharma et al. 1999)

Q. Are new products being developed to create value? How will this work?
Q. Are new ways of buying raw goods being explored?
(Taylor 2011; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Ware 2014; Kast & Rosenweig 1979; Watkins 2013; Nilsson 1999; Dodson & Smith 2003).

Q. Are new ways of selling being explored?
(Taylor 2011; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Ware 2014; Kast & Rosenweig 1979; Watkins 2013; Nilsson 1999; Stolte 2009; Dodson & Smith 2003; Pearn cited in Cooper et al., 2012)

Section Three
Social Capital
Q. How does the Art Centre work to build the capacity of the community it serves and the professional community to which it belongs?
Dodson & Smith 2003; Peredo & Chrisman 2006; Mazzarol et al. 2011a; 2011b; 2012a; 2012b; 2012c; Birchall & Simmons 2004;

Q. Does the Art Centre work with Community to help build community capacity, if so how? What activities does the Art Centre undertake to do this?

Q. Does the Art Centre work with Community to help build community cohesion, if so how? What activities does the Art Centre undertake to do this?

Q. Does the Art Centre work with Community to develop and ensure participation? If so, how?
(McHenry 2009; Guetzkow 2002; White 2009; Birchall 2011; Tsey et al. 2009))
Q. Does the Art Centre work with Community to develop and ensure inclusion? If so, how?
(Ware 2014; Cooper et al. 2012 Cameron & MacDougall 2000; Tsey et al. 2009).

Q. Does the Art Centre work with individuals and community to build self-esteem and identity? If so, how? What activities does the Art Centre undertake to do this?
(Cooper et al. 2012; Eakin 2003; Barraket 2005; Cooper et al. 2012; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs 2011; Pope & Doyle 2006; Williams & Taylor 2004).

Cultural capital
Q. Does the Art Centre work with its artists and community to build cultural capital in the community? If so, how?

Q. Does the Art Centre have a role in keeping culture strong? If yes how? If no, why?
What activities does the Art Centre undertake to do this now?
(McHenry 2009; Guetzkow 2002; White 2009; McLeod et al. 2001; Bromfield & Burchill 2005; Colquhoun & Dockery 2012; Phipps & Slater 2010)

Q. Does the Centre have trips to Country? If yes, for what purpose?
(Shepherd et al. 2010)

Q. Does the Art Centre have activities that focus on intergenerational learning? If yes what activities?
(McHenry 2009; Guetzkow 2002; White 2009; Dunphy 2009).

Q. What is the reason that Artists give as to why they attend this Centre to paint?
(Australian Government 2013c; Ware 2014; Cooper et al. 2012; Morphy 2005; Australia’s Aboriginal and Torres Strait Islander Art Movement 2012; Sabbioni et al. 1998; Morphy 1998; Commonwealth of Australia 2007).

Q. What do you think about when you paint (e.g. songs, land, family)
(Aboriginal and Torres Strait Islander Art Movement 2012; Mikhailovich et al. 2011; Morphy 1998).