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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 that has been accepted for the award of any other degree or diploma in any university.

Signature: [Signature]

Susan Congreve

Date 15/11/16.
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## SHORTENED FORMS

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<th>Description</th>
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<tr>
<td>AAB</td>
<td>Aboriginal Arts Board (of the Australia Council)</td>
</tr>
<tr>
<td>AACHWA</td>
<td>Aboriginal Art Centre Hub of Western Australia (Perth)</td>
</tr>
<tr>
<td>AbaF</td>
<td>Australia Business Arts Foundation</td>
</tr>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ACA</td>
<td><em>Aboriginal Communities Act 1979</em> (WA)</td>
</tr>
<tr>
<td>ADC</td>
<td>Aboriginal Development Commission (Australian Government)</td>
</tr>
<tr>
<td>ADO</td>
<td>Arts Development Officer</td>
</tr>
<tr>
<td>AEP</td>
<td>(Aboriginal and Torres Strait Islander) Art Economies project</td>
</tr>
<tr>
<td>ANKAAA</td>
<td>Association of Northern, Kimberley and Arnhem Aboriginal Artists (Darwin)</td>
</tr>
<tr>
<td>ATSIC</td>
<td>Aboriginal and Torres Strait Islander Commission</td>
</tr>
<tr>
<td>BIA</td>
<td>Backing Indigenous Arts</td>
</tr>
<tr>
<td>CATSI Act</td>
<td><em>Corporations (Aboriginal and Torres Strait Islander) Act 2006</em> (Cwlth)</td>
</tr>
<tr>
<td>CDEP</td>
<td>Community Development Employment Projects</td>
</tr>
<tr>
<td>COAG</td>
<td>Council of Australian Governments</td>
</tr>
<tr>
<td>CRC-REP</td>
<td>Cooperative Research Centre for Remote Economic Participation</td>
</tr>
<tr>
<td>DAA</td>
<td>Department of Aboriginal Affairs (Australian Government)</td>
</tr>
<tr>
<td>DAA WA</td>
<td>Department of Aboriginal Affairs (Western Australia)</td>
</tr>
<tr>
<td>DCA</td>
<td>Department of Culture and Arts (Western Australia)</td>
</tr>
<tr>
<td>DEET</td>
<td>Department of Employment, Education and Training (Australian Government)</td>
</tr>
<tr>
<td>EPAAAE</td>
<td>East Pilbara Aboriginal Arts Enterprise</td>
</tr>
<tr>
<td>FNQ</td>
<td>Far North Queensland</td>
</tr>
<tr>
<td>GFC</td>
<td>global financial crisis</td>
</tr>
<tr>
<td>IACA</td>
<td>Indigenous Art Centre Alliance (Cairns)</td>
</tr>
<tr>
<td>IEDS</td>
<td>Indigenous Economic Development Strategy 2011–2018</td>
</tr>
<tr>
<td>IBA</td>
<td>Indigenous Business Australia</td>
</tr>
<tr>
<td>ICS</td>
<td>Indigenous Cultural Support</td>
</tr>
<tr>
<td>IEI</td>
<td>Indigenous Employment Initiative</td>
</tr>
<tr>
<td>IVAIS</td>
<td>Indigenous Visual Arts Industry Support</td>
</tr>
<tr>
<td>KJ</td>
<td>Kanyirrinpa Jukurrpa</td>
</tr>
<tr>
<td>NACIS</td>
<td>National Arts and Craft Industry Support</td>
</tr>
<tr>
<td>NACISS</td>
<td>National Arts and Craft Industry Support Strategy</td>
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<tr>
<td>NGO</td>
<td>non-government organisation</td>
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<td>NJP</td>
<td>National Job Package</td>
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Reflecting changes in the way Aboriginal and Torres Strait Islander people are perceived by government and the broader public, language and terminology are constantly being redefined to better describe the social, economic and cultural influences in and on remote communities. Some of these terms are described here.

**Aboriginal and Torres Strait Islander people**

Australia’s first people are of Aboriginal and/or Torres Strait Islander descent. This is the preferred term under the Cooperative Research Centre for Remote Economic Participation (CRC-REP) publication guidelines.

**Aboriginal and Torres Strait Islander art centres**

Aboriginal and Torres Strait Islander art centres are community-based organisations that are governed by artists and members through an advisory group or a committee of management. They have multiple functions, including acting as brokers for artists, facilitating both artistic and arts worker professional development and delivering a range of community support services. They are mostly based in remote or regional parts of Australia, where Aboriginal and Torres Strait Islander people are demographically dominant, and they are heavily reliant on public subsidy to fund their operations. No two art centres are the same, and there is a very broad diversity in governance, physical infrastructure and operational systems (Wright, 1999).

**Aboriginal and Torres Strait Islander art industry**

The network of commercial agents and artists engaged in the marketing, promotion and sale of Aboriginal and Torres Strait Islander art.
Aboriginal and Torres Strait Islander arts sector

The entire network of commercial, not-for-profit and public agencies that contribute to the support and promotion of the work of Aboriginal and Torres Strait Islander artists.

Closing the Gap

Closing the Gap (officially known as the National Indigenous Reform Agreement) is a bipartisan framework developed and endorsed by the Australian Government in March 2008. The framework includes measurable targets set by the Council of Australian Governments to monitor the closing of the gap between Aboriginal and Torres Strait Islander and non–Aboriginal and Torres Strait Islander people in several key areas, including health, housing, early childhood, education, economic participation and remote service delivery (Australian Government, 2013a).

Economy and mainstream economy

Keen’s definition of the economy as the “production, distribution, exchange and consumption of the material means of life, the ways in which they articulate with other valued items, particularly through exchange, and the organisation of these processes” (Keen, 2010, p. 4) emphasises economic practices as processes and behaviours with historical specificities. A distinction is also made between mainstream and Aboriginal and Torres Strait Islander economies using the hybrid economy model, which posits the interaction of customary, state and market domains within remote community Aboriginal and Torres Strait Islander enterprises (Altman, 2006a).

Primary markets

This is the point in the market where artworks are sold for the first time and includes Aboriginal and Torres Strait Islander art centres and private and commercial dealers.

Secondary markets

This is the next stage of the market, when art works are being resold through auction houses and commercial galleries.
Aboriginal and Torres Strait Islander remote communities

The majority of the Australian landmass is classified by government as remote or very remote. Aboriginal and Torres Strait Islander remote communities are primarily homeland outstations and population centres that are distant from major towns and cities, have significantly poorer infrastructure and services than larger centres and are often marginalised both politically and economically (Walker, Porter, & Marsh, 2012). Geographical classifications and relative remoteness from urban centres have come to dominate comparative studies and analysis of economic, health and welfare indicators across Australia.

Figure 1 below shows that significant parts of Australia are regarded as very remote. All three case study communities fall under this category.

![Accessibility Remoteness Index Australia 2006](image)

**FIGURE 1 ACCESSIBILITY REMOTENESS INDEX AUSTRALIA 2006**

Source: Baxter, Hayes, & Gray (2011)

Remote communities – these communities have the following characteristics in common:

- their distance from service centres
usually have populations of 2000 people or fewer
limited infrastructure and services available
higher costs of basic services because of distance and fewer people, therefore more expensive
high percentage of Aboriginal and Torres Strait Islander population.
ACKNOWLEDGEMENTS

I would like to acknowledge the many Aboriginal and Torres Strait Islander artists, art centre managers and board members who have generously shared their knowledge with me over the past 20 years. I especially thank the artists and staff of Martumili Artists, Erub Erwer Meta and Badu Art Centre for allowing me to visit their art centres and undertake this research.

Many people helped make this doctoral research possible. Heartfelt thanks go to my supervisors for their advice and patience. Dr Michael Alfred Dockery offered guidance and support throughout the writing of this thesis, and his academic critiques were always delivered with gentle humour. Professor John Burgess, my second supervisor, offered constant and speedy advice, and I especially appreciated his encouragement in the final stages of writing.

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Special thanks go to Gabrielle Sullivan and Diann Lui. I have a huge amount of respect for the work that they do. I also thank the research respondents who contributed their time and knowledge and showed enormous dedication to the art centres they support. Finally, I am indebted to my partner, Peter Holt, who was always willing to discuss and challenge my ideas and has shared my interest in and love for remote Australia.
ABSTRACT

Art centres across regional and remote Australia support the contemporary cultural expression of more than 14,000 Aboriginal and Torres Strait Islander artists and are a significant part of the local economies in their communities (Acker & Woodhead, 2014a; Altman, 2012). These small enterprises fulfil a range of artistic, commercial, civic and social welfare functions, which places many of them under pressure to meet community needs and expectations (Wright, 1999). Government policies and programs have been determining factors in their success (Altman, 2013). This thesis explores how policies and programs have impacted on art centres, with the aim of better understanding the enabling environment in which art centres operate and why they have succeeded to the degree they have.

The hopes of policymakers, politicians and government staff rest on the art centres as vehicles for economic engagement and independence for Aboriginal and Torres Strait Islander peoples (Minister for the Environment, Heritage and the Arts, 2008). This research surveys the writings about Aboriginal and Torres Strait Islander economic development and the art and craft sector of remote Australia. Case studies from the Pilbara and the Torres Strait have been selected to track the impact of market forces, economic trends and policy on specific art centres, focusing on but not limited to the period between 2007 and 2013. The research demonstrates how poorly defined and understood art centres are in the policy domain and the path dependencies that have evolved as a result of self-determination and, more recently, of normalisation approaches to development in remote Australia (Pierson, 2000; P. Sullivan, 2011a). This thesis identifies some of the reasons the expectations of art centre performance have been so high, what kind of economic engagement policymakers are proposing and what the future outlook for art centres may be.
CHAPTER ONE: INTRODUCTION

BACKGROUND

Accurate estimates of the size and value of the sector are difficult to make, but there can be no doubt about the burgeoning growth in production and sales of Indigenous visual arts and crafts.

This growth is partly attributable to government’s provision of infrastructure and funding support. Art centres, which facilitate artists to create their works, are one of the great success stories of the last thirty years.

(Australia Council for the Arts, 2006, p. 2)

With the widely perceived failure of government to adequately address the many challenges facing Aboriginal and Torres Strait Islander people in postcolonial Australia as a backdrop, the Aboriginal art movement has been a contrasting major national and international success (Morphy, 2008; Walker et al., 2012). At the heart of this success are the more than 90 government subsidised art centres based in regional and remote communities across the nation (Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013). For these micro-enterprises, success has not always been just in the economic form expected but has often found expression in areas difficult to measure, such as community engagement and wellbeing.

The Aboriginal and Torres Strait Islander art movement plays a significant part in Australia’s ever-evolving cultural identity and has supported enterprise-development opportunities for remote area Aboriginal and Torres Strait Islander people for many years. When art centres are operating effectively in terms of sales and marketing, the commission generated from sales can be equal to or greater than the contribution of government funding (see Chapter Seven) (Altman, 2006b).

The communities in which these art centres are based are characterised by their remoteness from mainstream centres and services; historically, they have presented few employment opportunities or avenues to engage with the commercial sector (Walker et al., 2012). As a result, they have been highly dependent on government funding. The uneven development trajectory of most art centres is in part due to the volatile community environment in which they operate and its uncomfortable fit with
the equally unstable and unpredictable art market. Art centres have provided, within their limited capacity, employment and training for local artists and workers and an unsteady but nonetheless highly valued stream of self-generated income. They have also arguably operated as part of a hybrid economy that has enabled Aboriginal and Torres Strait Islander people to connect with the broader art market, while at the same time reinforcing and invigorating their cultural capital and customary practices through the production of art (Altman, 2001).

**Industry and Sector Data**

The history of remote area art centres has been a turbulent one, and there are few documents or data sources with which to gauge the success or failure of these micro-enterprises or map their future trajectories (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). There have, however, been three significant sector reviews commissioned by government since 1981, and a major research report was undertaken in 1999 (Altman, 1989; Pascoe, 1981; Wright, 1999; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007) (Appendix One). Despite these significant inquiries and their associated recommendations, the policy and funding regimes for art centres have not resulted in improved stability or the anticipated increases in sales across the sector (Acker & Woodhead, 2014b).

Extensive literature describing the aesthetic, cultural and market dynamics of the Aboriginal and Torres Strait Islander arts sector already exists (Morphy, 1998; H. Perkins, 2010). Despite this wealth of material, there are critical gaps in the research, which include accurate assessments of the scale and financial make-up of the sector as a whole and the identification of barriers as the basis for charting the future growth and development potential of these micro-enterprises (Altman, 2013). While calls for economic data about the sector dominate discussions, there is no real evidence that this would be useful for policymakers unless it is accompanied by a detailed survey of how the value chain links together, what the variables are between each of the market domains and who is operating in each arena (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). Commercial galleries’ reluctance to provide financial data remains problematic and means that a large part of the market sector is not publicly visible and can only be estimated by extrapolating from art centre and auction sales (Woodhead, 2014). Australian Bureau of Statistics (ABS) research in this area is
now more than 15 years old; while it provides historical context, it does not help provide a clear picture of what has happened more recently (Altman, 2006b; Australian Bureau of Statistics, 2001).

**ABORIGINAL AND TORRES STRAIT ISLANDER ARTISTS AND THE ECONOMY**

To a degree, Aboriginal and Torres Strait Islander people in remote communities live peripherally to the mainstream economy because of their limited discretionary income (Hunter, 2006). However, they have also played a central role in the economic development of the nation, despite their marginalised political and social circumstances. The introduction of this previously largely ignored narrative is challenging notions of Aboriginal and Torres Strait Islander people being excluded from economic endeavours (Beckett, 1987; Holcombe, 2006; D. McLeod, 1984). This thesis builds on this research and examines how art centres have provided Aboriginal and Torres Strait Islander people with another vehicle through which to engage with the broader economy.

Success as artists and the establishment of art centres have brought Aboriginal and Torres Strait Islander people closer to the market and the influence of global economic forces. The scale and reach of these economic influences is often beyond the agency of art centres and artists to change or manipulate, and art centres have limited capacity for responding to challenges or taking full advantage of opportunities. In the past there have been periods of boom when art centres have benefited from increased private and public investment in the arts; however, in more recent times the overall economic trends have been downward, and the impact on some art centres has been significant (Acker & Woodhead, 2014b). While this situation is certainly not unique to art centres, the lack of other types of business activity in remote communities means that artists can be left in a position where one of their few sources of self-generated income becomes financially non-viable.

The 2008 global financial crisis (GFC), subsequent economic downturns and changes to business-related legislation, including superannuation rulings, contributed to a major reduction in sales for art centres and an overall contraction of the sector (Acker & Woodhead, 2014b). Remote community art centres surveyed by the ABS reported a 52.1% reduction in sales since 2007. This is an indicator of the fragility of the sector and its vulnerability to external market fluctuations (Office of the Registrar of Indigenous Corporations, 2012, p. 2). Between 2004/05 and 2012/13, the Aboriginal and Torres Strait Islander Art Economies project (AEP) in
the Cooperative Research Centre for Remote Economic Participation (CRC-REP) reported a 33% contraction of sales from art centres, and in 2010/11 grants became art centres’ major source of income (Acker & Woodhead, 2014b). This has implications for how art centres determine their strategic direction in the future. It is likely that in order to gain access to much-needed funding, art centres will have to be more responsive to government goals and initiatives rather than proactively developing their own.

These changes came at a time when government was (and still is) aiming to get more Aboriginal and Torres Strait Islander people economically engaged and to energise entrepreneurial thinking and activities in remote Australia (Australian Government, 2011a). This remains a notoriously difficult and contentious policy area as government increasingly has to acknowledge that without government support in the form of subsidised loans, grants and training, remote community businesses are vulnerable and unlikely to become financially viable in the long term (Altman, 2013; Business Council of Australia, 2012; Collins, Morrison, Krivokapic-Skoko, & Butler, 2014; House of Representatives: Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2008; Rola-Rubzen et al., 2011).

Decades of underinvestment in infrastructure and training for Aboriginal and Torres Strait Islander people has led to a state of affairs in remote Australia where most businesses start up at the most basic level without the safety net of an active business network around them (Walker et al., 2012). This has been the experience of art centres over the past 40 years. Examining this experience provides an insight into the challenges involved and how government support can be strategically brokered and adapted to meet local needs.

**The Need for the Research**

Over the past four decades the federal government has pursued successive waves of policy and program reform that have profoundly reshaped the way Aboriginal and Torres Strait Islander art centres are funded and defined their instrumental value in the achievement of social, economic and political goals beyond their role as art brokers (Altman, 1989; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). The hopes of policymakers, politicians and segments of the general public rest on art centres as
vehicles for economic engagement and independence for Aboriginal and Torres Strait Islander peoples (Minister for the Environment, Heritage and the Arts, 2008).

The need for a study about the complex relationship between government and art centres is indicated by the increase in reliance on government funding in the period between 2007 and 2013 and the high level of intervention and support provided by state and federal agencies since the 1970s when the notion of an emerging Aboriginal and Torres Strait Islander art industry gained political credence and momentum (Acker & Woodhead, 2014b; Myers, 2002). Given the lack of research in this area, it is timely to investigate, through three case studies, the factors that contribute to the ongoing economic and socio-cultural viability of art centres, including government funding and support. This thesis will examine some of the reasons the expectations of art centre performance have been so high, what kind of economic engagement policymakers are proposing and what the future outlook for art centres may be.

The development of art centres is inextricably entwined with the history of government support and intervention (Australian Government, 2011b). Government subsidy of business and industry in Australia is a highly politicised issue; in the case of art centres, it is also embroiled in the debates concerning approaches to economic development in remote communities (Peel, Campbell, & Denniss, 2014). This research explores how economic development models have been applied to art centres and what on-the-ground impacts there have been as a result of theorising Aboriginal and Torres Strait Islander economic development on a national rather than a local scale.

The history of the Aboriginal and Torres Strait Islander art movement as it transitioned from local economic endeavour to international phenomenon has been comprehensively researched and documented, as has the ethnographic investigation of Aboriginal and Torres Strait Islander art and its place within customary practices as a contemporary creative and political expression of identity (Morphy, 1991, 1998; H. Perkins & Fink, 2000). Anthropologists, art historians and cultural theorists have all extended our understanding of how this art movement was born and how it has changed perceptions of Aboriginal and Torres Strait Islander people and their connections to country (J. Biddle, 2007; Sutton & Asia Society, 1988).
The evolution of the Aboriginal and Torres Strait Islander art industry was characterised by the formation of a network of commercial and cultural institutions that supported its development (Myers, 2002) and, most importantly, by the establishment of remote community art centres. Government’s role in the initial founding of art centres and its ongoing influence on their operating environment since the 1970s has shaped how art centres function. In turn, government policies and programs have adapted in response to art centre and sector lobbying and the broader political context. Although art centres had an important role to play in the evolution of the Aboriginal and Torres Strait Islander art movement, their development as institutions and businesses and the factors that contribute to both their success and failure are not well understood.

Art centres are intercultural spaces within which Aboriginal and Torres Strait Islander people have been able to exercise agency on a political, civic and business level within broader market and government complexes. Art centres have provided a platform for staff, members and artists to negotiate with the dominating force of government and navigate through changing policies and programs with the aim of securing sustainable community-based enterprises. This has mainly been done on an ad hoc basis, with the emphasis on reactive rather than proactive strategic planning. At times, it has resulted in a disjunct between what art centres represent to their participants and what they denote to their government and business partners.

At the time of writing (2013–2016), the future of most art centres is tied to how the federal government interpret and action its policies of normalisation and economic rationalism. The debate over whether Aboriginal and Torres Strait Islander culture is the reason for the Closing the Gap initiatives (Australian Government, 2013a) failing to deliver or is an essential part of Australia’s national diversity, and therefore worthy of protection and public funding, continues to be disputed among researchers and public commentators (Altman & Hinkson, 2010; Hughes, 2007; Sutton, 2001).

**Description and Scope of the Study**

Preconceptions about the compatibility of remote Aboriginal and Torres Strait Islander peoples’ notions of business development and economic engagement with those of the state underpin government policy development (Altman, 2011a). The Aboriginal and Torres Strait Islander arts sector is often subsumed into the bigger
goals and initiatives framed by the Closing the Gap policies, thereby greatly increasing the stakeholder base and institutional complexity, a characteristic of “wicked problems” (Australian Government, 2013b; Head, 2008a).¹ This means that art centres have rarely been the primary focus of policymakers, and that the hybrid cultural–business models used in art centres were defined at a federal level within the economic rationalist parameters of the Indigenous Economic Development Framework (Australian Government, 2011a). In this framework, Aboriginal and Torres Strait Islander culture and identity are regarded as tools or potential assets for economic development, not as ends in themselves. This is most apparent in the Culture and Closing the Gap fact sheet, which states, “keeping Indigenous culture strong is a necessary part of the solution to Indigenous disadvantage in Australia”, thus emphasising culture as an instrument to deliver other outcomes (Australian Government, 2013b, p. 1). In this manner, art centres have become implicated in the wicked problem of Closing the Gap. This situation is further complicated because the operating environments of art centres are dynamic, and the expectations of key outcomes among stakeholders are divergent. This disjunct in values and goals has meant that government has had different priorities for art centres than those identified by the artists and community leaders, who have contributed to the establishment of the centres through, at times, significant investment and have equally high expectations of their benefits to the community (Koenig, Altman, & Griffiths, 2011). Government’s interaction with the art centres within the broader Closing the Gap agenda tried to solve a wicked problem but failed to deal with the subsequent contradictions in practical terms through more considered and consultative program development.

Given the widely perceived failure of government policy to deliver better outcomes for Aboriginal and Torres Strait Islander people living in remote communities,

¹ Researchers have described these types of social issues as wicked problems, which evade clear definition and are characterised by the absence of definitive solutions (Head, 2008a). Head (2008a) argues that the key parameters of wicked problems can be distilled into two broad dimensions: complexity and diversity. This can be useful for understanding how wicked problems pose a challenge for public management and administration. His definition of the complexity dimension includes an inadequate knowledge base; processes and structures that are interdependent; and social issues, which are dynamic not fixed. The diversity dimension refers to the range of stakeholders and institutional locations and contexts that are engaged in solving the problems or are subjected to proposed solutions. In this arena, divergent interests and values can come into conflict over the definition of a problem and strategies for overcoming it.
researchers have looked to developing new frameworks that reject the neoliberal approach to managing the economy and the primacy it gives to markets as agents of change and growth (Sullivan, 2010). Altman’s hybrid economy model is a good example of this, and his response to these debates has in some ways been defined by his thinking about art centres (Altman, 2001). His model describes how the existence of the Aboriginal and Torres Strait Islander art centres at the intersection between market, state and customary domains defines them as a kind of hybrid entity that resists government and market transformation. What this actually means for art centres has not been researched and requires further examination so that art centres can be better supported to undertake the transformations and changes that may be necessary to meet the challenges of the future.

These issues are not specific to the contemporary policy environment. Complementary to Altman’s model is Beckett’s exposition of “internal colonialism” and his accounts of business development in the Torres Strait (Beckett, 1987). It offers a lens through which to view particular historical and social circumstances within which Aboriginal and Torres Strait Islander people were excluded, socially controlled and exploited by government administration on the basis of race and cultural difference. These types of histories highlight the competitive nature of the relationship between mainstream Australia and Aboriginal and Torres Strait Islander people for access to resources and country and provide a contrast to public narratives of benign interventions aimed at managing Aboriginal and Torres Strait Islander lives and Closing the Gap (Billings, 2009).

Evidence of earlier attempts at Aboriginal and Torres Strait Islander entrepreneurialism (Holcombe, 2006) can be seen in the histories of Aboriginal people mining in the Pilbara and of the pearling industry in the Torres Strait, examined in Chapter Seven and Chapter Eight. These show the deeply contradictory responses of government to the actual or potential commercial success of these industries. Governments tried to encourage, but often disrupted, Aboriginal and Torres Strait Islander economic endeavours through their broader political and policy agendas. Many of the key dramatic events associated with these narratives have occurred within the lifetimes of older artists and are part of local oral histories. While not the sole shapers of contemporary economic engagement in communities, these types of histories have been a factor in how Aboriginal and Torres Strait Islander people perceive work, business and employment through the art centres and other organisations.
Closing the Gap agendas and the associated economic and employment goals have redefined the relationship between art centres and government. In their exchanges with government, art centres have a gained a greater role as service providers, in addition to their role as social enterprises in remote communities. Set within the context of a growing reliance by governments upon external organisations to deliver public services and more complex arrangements, art centres and government have increasingly needed to interact with each other in order to negotiate funding and outcomes. Art centres have had to evolve and respond to policy and program changes, with the period between 2007 and 2013 being marked by significant increases in the subsidised employment of Aboriginal and Torres Strait Islander people as arts workers and the resulting pressure on art centres to train and mentor these new staff members at a time when there was a significant downturn in the global art market.

**RESEARCH QUESTIONS AND PROPOSED OUTCOMES**

Four primary questions were identified as key to this research.

1. *How has government (at all levels) supported Aboriginal and Torres Strait Islander art centres between 2007 and 2013?*

If the term is used in the broadest possible sense, the “enabling environment” for art centres includes the global, national and local arenas and incorporates customary practices, laws, regulations, policies, international trade agreements and public infrastructure as well as cultural, community health and social impacts (Wright, 1999). While government is not the only external influence on art centre development, its support and intervention in art centre operations and activities has made it a dominant stakeholder in the enabling environment (Altman, 2013; Myers, 2002).

Public investment has not been limited to direct funding for art centres. Government has also supported essential business enablers such as opportunities for the establishment of business networks, mechanisms for market engagement, the provision of support services, the introduction of standards and regulations, the development of infrastructure and the protection of property rights (Christy, Mabaya, Wilson, Mutambatsere, & Mhlanga, 2009, p. 150). This research investigated and analysed the extent to which government has played a role in establishing art centres and the development of the Aboriginal and Torres Strait Islander arts
industry. How art centres operate in the market and meet community needs (as articulated by artists) has been well documented; however, it is equally important to study the policy environment and how it helps and hinders art centre development (Altman, 1989; Morphy, 1980; Wright, 1999). The hypothesis of this research was that government has a widespread impact on Aboriginal and Torres Strait Islander businesses and business environments through its policy design and implementation and that there is a misalignment between government expectations and art centre capacity. The theoretical proposition was developed through examination of the available literature and documents and my professional knowledge and experience in this area. As this is a relatively new area of research, there was little extant literature (Stolte, 2010).

Governments at both federal and state levels have changed the way they deliver support to art centres and how they perceive and prioritise their roles in communities over time (Craik, 2007; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). The research considered public initiatives from the 1970s onwards in order to provide a context for contemporary policy settings, including government funding since the 2007 Senate Inquiry.

The thesis examined primary documents concerning state and federal government policies and programs as well as existing literature concerning their evolution and historical development. Semi-structured interviews were conducted with the staff of government arts agencies regarding the programs available, their impact and how they related to broader policies. Art centre documentation was also examined so as to gain a multi-level perspective of the funding environment.

2. What benefits and opportunities have Aboriginal and Torres Strait Islander art centres received through government support and policy development in this period?

This research has described and assessed how government funding and initiatives have shaped and changed the priorities of art centres and the way they interact within their communities to deliver services. Art centres have been the beneficiaries of government funding for many years, and this thesis explored how current government policies and programs have contributed to the success of art centres and to what degree these settings have defined how art centres operate.

3. Have there been any negative results or impacts on Aboriginal and Torres Strait
The increasing reliance on public funding is a matter of concern for art centres; for their future sustainability, they need to know and understand which programs are effective and which detrimental to their long-term development (Acker & Woodhead, 2014b). Art centres can be entrepreneurial in their approaches to obtaining government funding and are quick to respond to new initiatives. By examining how art centres have taken up funding opportunities and what this funding is used for, a far more comprehensive picture emerges of why art centres operate the way they do and why steady development is the exception rather than the rule.

4. Which government policies and programs have been effective or ineffective, and how are these impacts measured or assessed?

Government-funded reviews and investigations of the Aboriginal and Torres Strait Islander arts sector have been critical in helping governments understand better what art centres are and how they work with artists and communities, but they have only partly guided how governments do business with art centres (Altman, 1989; Pascoe, 1981; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007; Wright, 1999).

Recent academic research has focused on evidence-based policy and highlighted the need for information and data, both quantitative and qualitative (Belfiore & Bennett, 2007; Finlayson, 2004; Head, 2008b). In the absence of data and narratives about how government policies impact on art centres, program design has been left largely in the hands of public servants, many of whom have had minimal contact with art centres and artists and have only a rudimentary understanding of how the sector is structured and works. This has led at times to a misalignment between program goals and on-the-ground needs and practice (Stolte, 2010). In response to this mismatch, some frontline government workers have used their local knowledge and understanding of government processes to reinterpret program guidelines and broker successful funding agreements for art centres as evidenced in the case studies (Moran, 2016).

RESEARCH SIGNIFICANCE

This research contributes to the Aboriginal and Torres Strait Islander economic development literature by providing insights into how remote enterprises have
managed and responded to change. The research period was chosen because of the upheaval in funding and support programs for Aboriginal and Torres Strait Islander non-government organisations (NGOs) and remote communities that occurred at this time, a period when Australia was transitioning from self-determination as the dominant philosophy towards an era of neoliberal assimilation and normalisation (P. Sullivan, 2011b).

The three case studies provide an opportunity to examine the government and art centre relationship in closer detail and identify the factors that contribute to the stability or instability of these small remote enterprises. The outcomes of this study will: (i) identify strengths and vulnerabilities in the art centre / government relationship; (ii) challenge traditional neoliberal notions of successful development; and (iii) provide insights into the enabling role of government in the development of arts and cultural enterprises in a remote community context.

Artists, art centres and their peak agencies are increasingly active participants in the debate about their roles and capacity and are more informed and empowered participants in discussions with government about how best to support the sector over the long term. This study contributes to the future resilience of art centres by providing art centres with a stronger and historically informed platform from which to engage with government.

**The Case Study Approach**

The case study approach was used to examine the recent histories of three Aboriginal and Torres Strait Islander art centres. There is an extensive literature that supports case study evaluation and comparison (LeCompte & Goetz, 1982; Yin, 2009) as a means of understanding how programs and policies impact on remote communities (Moran, 2016). The objectives of the study were to provide a historical account of the development of three art centres from their establishment phase through to their current business models. The focus of the case studies was on the art centres as institutions and not the specifics of the relationships artists have with them or how money circulates within the private domain. The case studies examine:

- the vision driving the art centres on a local level and contrast it with external perceptions of what the art centres are expected to achieve
• the influence of government on how the art centres operate within a business environment and how coordinated the various levels of government and their programs are in their approach
• the enabling and disabling factors that have contributed to their successes or failures
• the historical impact of government on Aboriginal and Torres Strait Islander business initiatives in Torres Strait and Pilbara regions.

They describe how various levels of government and their programs have impacted on art centre development by examining:

• the process whereby they were established
• the level of government support
• the degree of community engagement
• the extent of their programs and activities
• their performance in terms of sales, employment, training and market engagement.

Using the diverse case study method, case studies were chosen that demonstrated divergences in their enabling environments and offered perspectives on why some art centres have performed better or worse than others when responding to similar external circumstances (Seawright & Gerring, 2008). Some of the factors taken into consideration in their selection were management and business models, regional peculiarities, scale of operation, remoteness, infrastructure and levels of funding.

Each of the case studies provided a unique perspective on how the enabling environment impacted on their operations and their ability to perform sustainably. This was supported through a literature review and analysis of historical records, quantitative data, interview responses and observation. In selecting the case studies, I aimed:

• to represent a mix of both emerging and established art centres
• to offer a perspective on how federal, state and local government support varies from region to region and state to state
• to compare degrees of remoteness
• to represent art centres with an Aboriginal or Torres Strait Islander membership
• to compare art centres with and without corporate sponsorship
• to compare auspiced and incorporated models
• to compare ‘hub and spoke’ against one-community models
• to compare the different ways art centres were established and the degree of
government involvement in this process
• to examine the role of key individuals in the establishment of art centres.

Three remote art centres were considered as appropriate case study sites
(Martumili Artists in Newman, Western Australia; Erub Erwer Meta on Erub Island,
Torres Strait; Badu Art Centre on Badu Island, Torres Strait). Table 1 below
summarises the key similarities and differences between the three art centres that
led to the selection of each one as a case study site.
The managers at each of the three art centres were approached to ascertain their interest in the research and willingness to participate. The manager of Martumili Artists was keen to be involved and responded very quickly to the initial request. She resigned from the art centre just prior to my visit, but her replacement was also interested and agreed to be involved. The manager at Erub Erwer Meta was supportive of the research and set aside time for my visit. The manager at Badu Art Centre was at first uncertain about the research and wanted more information about
its purpose. After consideration of the information sheet (Appendix Two) and a subsequent phone call to discuss possible ramifications for the art centre, the manager agreed to participate.

**OUTLINE OF THIS THESIS**

The thesis comprises an introduction and eight further chapters. The introduction outlines the topic and the scope of the research. Chapter Two provides detailed information about the methodology and ethical issues. The third chapter provides an introduction to the Aboriginal and Torres Strait Islander art centres and an examination of their place in the market and some of the challenges they face. The fourth chapter provides a theoretical framework for analysing how and why art centres have become central to debates about broader Aboriginal and Torres Strait Islander issues and what value they have in the eyes of their members, communities, government and the public imagination. Chapters Five and Six explore the role of government in the development of art centres and the positioning of Aboriginal and Torres Strait Islander people within broader political debates. These chapters provide historical context of art centre development since the 1970s and review federal, state and local government policies and programs as they relate to Aboriginal and Torres Strait Islander art centres within the research period 2007–2013. Chapters Seven and Eight are case studies of the three art centres: Martumili Artists, Erub Ewer Meta and Badu Art Centre. The final concluding chapter summarises the findings of the research and the responses to the research questions. The contribution made to policy, business and management literature and avenues for future research are also discussed.
CHAPTER TWO: RESEARCH DESIGN AND METHODOLOGY

INTRODUCTION

The intent of this primarily qualitative multiple case study research was to gauge the impact of government policies and programs on remote community Aboriginal and Torres Strait Islander art centres and examine the role government plays in the enabling environment (Christy et al., 2009). Rather than attempting to predict or measure the impact of these policies and programs, the research aimed to explain and describe the complex operating environment art centres face and how they maximise the potential and minimise the threats associated with these unique settings. Three art centres were used as case studies. Two are based in the Torres Strait and one is located in the Pilbara.

This chapter is broken into two sections. The first section provides an outline of the research design and the reasons why the topic was chosen. This section also examines and discusses the collection of data, its relevance and how issues relating to reliability and validation have been addressed. The second section outlines the case study approach and why this was selected as a tool for testing the hypothesis that government was a primary factor in the enabling environment for some art centres. An iterative approach was used to analyse and compare the performance of art centres and the policy and funding environment in which they operate (Yin, 2009).

SECTION ONE: RESEARCH DESIGN

Since the 1950s, most academic research relating to Aboriginal and Torres Strait Islander artists, their communities and later their art centres has been anthropologically based and primarily focused on understanding the cultural, physical and socio-economic environments within which artists work and art is produced (Berndt, 1962; Berndt & Stanton, 1992; Elkin, Berndt, & Berndt, 1950; Munn, 1973). In more recent years, visual anthropology has become an accepted discipline, with many researchers working closely with artists and art centres to document the meaning of cultural objects and their transformation into objects for sale in a market at times far removed from their original makers (Morphy, 1991).
Many of the leading researchers in this area, including Howard Morphy and Fred Myers, are aware of the political issues surrounding anthropological approaches to contextualising and understanding the art and cultural forms of Aboriginal and Torres Strait Islander people and have attempted to extend the anthropological investigation into the practices of the dominant settler culture in order to address these issues (Morphy, 2008; Myers, 2004). As a result, the work of Myers in particular has included explorations of how a notion of Aboriginal high art developed in Australia and what political and economic mechanisms were at play in its creation (Myers, 2002).

Using Myers’ work on the Papunya Tula artists and art centre as an initial reference point, this thesis is conceived as an extension of the anthropological and historical foundations of his research. Taking up some of the subject matter he examines in his book *Painting culture: The making of an Aboriginal high art*, including the role of government and policy in the creation of an Aboriginal and Torres Strait Islander arts sector, this research is focused on the causal effects of changes in this critical environment and its impact, not on individuals, but on art centres (Myers, 2002). Nor has the research focused on how the market adds value to the artwork, although this is discussed from an institutional development perspective in Chapter Four.

Academic writing about Aboriginal and Torres Strait Islander economic development have also influenced how this research design has been developed. A substantial literature base now exists on the history of Aboriginal and Torres Strait Islander economic engagement in Australia, on the political implications of this engagement and on theories about what forms this engagement has taken (Altman, 2004; Fuller, 2003; Hunter, 2013). Much of this research has been developed within a political climate of crisis management and a push to reach Closing the Gap targets as quickly as possible. The resulting focus on a national rather than local scale has meant that learning from particular examples and case studies has taken a secondary role in favour of analysis of large-scale data sources, such as the ABS’s National Aboriginal and Torres Strait Islander Social Survey by statisticians, and the development of overarching models by economic anthropologists, such as the hybrid economy proposed by Altman (Altman, 2009; Altman & Hunter, 2006).

The focus on statistical data is problematic, and art centres and their peak agencies have long been concerned by the overemphasis on financial performance and participation numbers, arguing that this is only one side of a complex story (Altman, 2000). Some of the intangibles that are not captured in such an approach are the
ease or difficulty of doing business, the assessment of the human and financial resources required to adapt to change, including funding availability and access to services, and the impact on the autonomy and agency of art centres when they are reliant on project- or outcome-specific funding.

Almost all art centres are reliant on government funding for their core operations and often for their capital infrastructure. This reliance on public financing is unlikely to change in the short or long term because art centres are not profit-focused; rather, they are service delivery organisations with a mandate from government to support and professionalise the Aboriginal and Torres Strait Islander arts industry. While the market has had a major impact on them as businesses in terms of art production and demand, the relatively limited economies of remote and very remote communities discourage long-term private investment, even when they are located near mines or other natural resources, making government funding important for the establishment and ongoing operations of art centres (Moran, Porter, & Curth-Bibb, 2014; Walker et al., 2012). This study is focused on government impacts for several key reasons:

- Government has arguably had the greatest long-term impact on art centres because of its relatively constant engagement since the 1970s and art centres’ ongoing reliance on its funding (Myers, 2002).
- The period on which this study focuses (2007–2013) has been transformational for art centres and characterised by a growing dependence on government funding and a downturn in the market (Altman, 2013).
- At the majority of art centres, a portion or often the whole of the manager’s salary is paid through grants. The manager is one of the key enabling/disabling roles in art centres (Seet, Jones, Acker, & Whittle, 2015).
- The majority of art centres are micro-enterprises generating small amounts of sales income and with limited direct contact with the broader art market. Most are reliant on a small number of relationships with trusted dealers or on local sales (Acker & Woodhead, 2014b).
- Data from the market sector (comprising commercial galleries and retailers) is largely unavailable because of the highly politicised and commercially competitive environment in which these businesses operate and commercial-in-confidence issues (Woodhead, 2014). Commercial gallerists are very cautious about providing financial data, and few have direct experience of how art centres operate in communities.
• The Aboriginal and Torres Strait Islander art market and its impact on art production has already been extensively researched largely by anthropologists (Morphy, 2008; Myers, 2002).

• The focus on commercial performance in research by government and other researchers has drawn attention away from the impact of government on art centres.

For a small number of art centres, self-generated income has provided a degree of autonomy and has helped them respond effectively to changes in the levels of government subsidies, while others have never generated enough income to ameliorate the potential negative effects of future funding withdrawal.

ASSUMPTIONS, LIMITATIONS AND DELIMITATIONS

In terms of limitations and delimitations, this research focuses on art centres and how governments over time have changed the way they both define and work with these enterprises. The broader political and economic environment are discussed to the extent that they are relevant to art centres. The research is mainly limited to the specific period 2007–2013, although sections of the thesis explore historical events that have contributed to current circumstances. The study is also limited to Aboriginal and Torres Strait Islander visual art.

The majority of art centres are located in regional and remote areas, and this study has focused on the political, economic, social and cultural factors that impact on these communities in particular. This thesis assumes that Aboriginal and Torres Strait Islander people living in remote communities experience economic and social conditions that differ markedly from those in larger centres. This assumption is supported by extensive academic literature and government-funded research (Altman, 2009, 2010; Austin-Broos, 2011; Australian Government, 2014b; Department of the Prime Minister and Cabinet, 2014; Walker et al., 2012).

It is also acknowledged that cultures are multifarious and unbounded (Ang, 1996). In discussing Aboriginal and Torres Strait Islander people I am confining myself to those living in the regional and remote communities, where the majority of art centres are based, and I am using models and definitions that are embedded in government discourse. The story of urban-based Aboriginal and Torres Strait Islander artists is not discussed, even though it has an equal importance in the
broader discussion of how Aboriginal and Torres Strait Islander people can become less excluded from the global economy without losing their identity and values.

The research design has determined the types of data identified for collection and analysis. The interviews were limited to staff and did not seek to investigate how individual artists navigate their way through local economies or are personally impacted by the services and activities of their respective art centres.

This research was limited to three case studies in order to permit a detailed examination of the external environment to provide a deeper understanding of the interaction between the art centres and the government domain. The case studies have been developed in an attempt to explore the risks and benefits associated with external factors. While this is a small research base, findings from each of the case studies have applications to the situation of many other remote and very remote community Aboriginal and Torres Strait Islander art centres and deserve further investigation in the future. In choosing three art centres, the research was designed to go beyond a purely quantitative analysis of art centres’ external environments and internal management in recognition that research which is reliant on quantitative methods may restrict a researcher’s ability to ask questions that reveal underlying processes and subjectivities (Yin, 2009).

Finally, art centres come in various forms, and generalisations can only be made about their broader activities, aims and directives. The case studies provide greater detail about how some of them operate and what support they receive from government, but these three case studies are not representative of all art centres. The study has set out the limitations in detail to assist future researchers to interpret and transfer the findings (Thomas & Magilvy, 2011).

**DATA – RELEVANCE AND RELIABILITY**

Nicholas Biddle, in his 2014 Closing the Gap Publication *Data about and for Aboriginal and Torres Strait Islander Australians* investigates who the users of data about Aboriginal and Torres Strait Islander people are and how they use it (N. Biddle, 2014). Data about Aboriginal and Torres Strait Islander art centres falls within this general scope, therefore some of his findings are highly relevant to this research. In particular, his observations regarding poorly resourced local collections and the limited nature of government trial and program data highlight the difficulties
of developing programs in the future without a clear picture of what has occurred in the past and if and how it achieved expected outcomes (N. Biddle, 2014, p. 2).

In the case of the Aboriginal and Torres Strait Islander arts sector, not only is data inconsistent and rarely centrally collected or managed, but it has also been historically under-utilised because of resource and access issues as well as a failure to perceive its value in improving and developing the sector. The only art centre–specific research done by the ABS was criticised for its limited definition of art centres, and government-held data has generally not been consolidated or analysed within agencies, even though government departments and Aboriginal and Torres Strait Islander organisations are seeking better and more detailed statistical data about Aboriginal and Torres Strait Islander economic activity (Altman, Hunter, Ward, & Wright, 2002; Australian Bureau of Statistics, 2001; N. Biddle, 2014). The inconsistent collection and availability of data are perennial problems across most other Aboriginal and Torres Strait Islander sectors, and many sources share the following issues as identified by Biddle:

- not comparable with other non–Aboriginal and Torres Strait Islander, national or international sources
- not collected consistently over a period of time
- not current
- quality is mixed
- not available in the level of detail needed to make particular assessments.

(N. Biddle, 2014)

This general lack of longitudinal and case-specific information about Aboriginal and Torres Strait Islander people and their organisations in Australia has made it harder for government to tailor programs that are responsive to their needs.

DATA SOURCES

This research utilised a number of different data sources, both qualitative and quantitative. The initial analysis was focused on published materials about Aboriginal and Torres Strait Islander art centres and their development, particularly over the past 40 years. This foundational literature provided key information about the nature of art centres and how they operated both within communities and as a broker for communities. State and federal policy documents were also examined in
Since 1981, there have been three significant reviews of the Aboriginal and Torres Strait Islander arts sector commissioned by government (Altman, 1989; Commonwealth of Australia, 2007; Pascoe, 1981). Each of these reviews involved the compilation of data about the state of the sector at the time and included submissions from a variety of stakeholders. Extensive recommendations were made in each case, and these reviews proved very useful for this study because they provided a snapshot of the state of affairs for art centres at key points in history. The 2007 Senate Inquiry set the context for the period immediately prior to the research time frame.

Central to the study of how government has impacted on art centres has been the research conducted in a sub-project of the AEP. Funding data from federal and state government departments was collected for the period spanning 2000/01 to 2012/13 (Acker & Woodhead, 2014c). This data offered a valuable insight into how government has supported art centres through its various programs, which regions have benefited most and what changes in funding have occurred. The data collected was filtered by source (state/federal/department) and year, and it included funding information for all the peak agencies, as well as some of the smaller project activities.

The AEP research indicated that the bulk of the funding directed at art centres has been for operational and infrastructure costs. Data was collected from audits (many publicly available through the Office of the Registrar of Indigenous Corporations [ORIC] website), which allowed comparative research by providing a national perspective of how art centres have performed financially during this period.

Another significant data source from the same AEP sub-project are the reports related to production and business practices (Acker & Woodhead, 2014a; Woodhead, 2014, 2015). These reports presented data relating to the scope of art production in remote and very remote Aboriginal and Torres Strait Islander communities and its sale by private agents and galleries.

In addition to the data sources noted above, qualitative information was collected about each of the case studies. This qualitative research sought answers to questions about respondents’ perceptions of events and processes that impacted on art centres and how they interpreted their significance. The interviews and
responses were then examined to determine if there were recurring themes, viewpoints or concepts that could shed light on events, people’s relationship to events and possible causal links (McKee, 2003; Neuman, 2003).

**Research Instruments**

Research instruments used in the investigation were:

- Interviews (semi-structured) were carried out with consultants, government staff, community and corporate partners and art centre managers. These provided firsthand accounts of how art centres were established, how funding was sourced and utilised and what impact government policies and programs had on the availability of funding and focus areas.

- Interviews (structured: tailored questionnaires) were developed for government and art centre staff (Appendix Three). These questionnaires provided a framework for the interviews and ensured consistency in data collection (King & Horrocks, 2010).

- Observational visits to all the case study art centres were undertaken. These visits provided the opportunity to view the day-to-day operations of the art centres, albeit within a limited time frame (Ritchie, Lewis, McNaughton Nicholls, & Ormston, 2014). Direct observations were made of the operating environment, working conditions and facilities in each of the art centres, and notes were taken during the visit.

- Archival research of materials was undertaken, including of art centre documents, policy documents and related academic literature. This material was used to define the research questions and provide a contextual framework (Yin, 2009).

Five types of respondent were selected for interview based on their experience and understanding of either how the art centres were established and funded and/or how they currently operate within a broader policy and program context. The five categories were art centre managers, government staff, consultants and key community partners and corporate partners identified by the art centres. In one of the art centres, the Chairperson was interested in the scope and purpose of the research and was willing to be informally interviewed (Table 2).
TABLE 2 CASE STUDY INTERVIEWS

<table>
<thead>
<tr>
<th>Respondent type</th>
<th>Martumili Artists</th>
<th>Erub Erwer Meta</th>
<th>Badu Art Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art centre manager</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>(handover in progress during visit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government staff</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Consultant</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Community partner</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Corporate partner</td>
<td>1</td>
<td>0</td>
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<td>Chairperson</td>
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<td>1</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>10</strong></td>
<td><strong>6</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

Respondents received a fact sheet and, where appropriate, a verbal briefing outlining the research parameters and were asked to provide written consent (Appendix Four) for the use of their interviews and information. They could withdraw at any time. All respondents received a copy of the interview notes to verify accuracy.

The lists of interview questions were developed early in the research process and provided a broad outline of topics to be raised based on a review of existing literature. The full list of interview questions can be referred to in Appendix Three. All interviewees were provided with a list of questions prior to the interview. Interviews were taped and transcribed or minuted and their content analysed. The identity of participants has been masked.

To minimise the influence of researcher bias, certain aspects of bracketing were used in the approach to semi-structured interviews (Chan, Fung, & Chien, 2013). In accordance with bracketing methodologies, interviewees were asked open-ended questions that invited elaboration and narrative accounts. As the interviewer, I followed rather than led the interview process, asking study participants to review my notes for accuracy. Each questionnaire was designed to capture information about the art centres, their activities and performance with a degree of consistency.
and were intended to elicit both qualitative and, to a more limited degree, quantitative information. The government questionnaires were also aimed at discovering how these agencies worked with art centres and in what light they perceived their own performance and that of the art centres.

The art centres that agreed to participate in this study were very generous in providing copies of their records, which included minutes of board meetings, grant applications and acquittals, constitutions, annual reports and planning documents. State and federal government departments were also extremely supportive and helpful in referring me to or providing me with planning documents, policy documents, public announcements, evaluations and annual reports.

**RESEARCH TIMELINE**

This research was undertaken between February 2013 and November 2015, with travel funded through a CRC-REP scholarship. There were three visits to art centres. Martumili Artists in Newman was visited in October 2014, and Erub Ewer Meta and Badu Art Centre were visited on a combined trip in December 2014. In the lead-up to each visit, I undertook extensive research of economic and employment data and of the available literature about the history of economic development in each region, the art centres and the Aboriginal and Torres Strait Islander people with whom they worked. A list of the documents required was taken to the art centres and permission formally secured to access their records prior to the visit. All art centre participants were asked to sign a consent form after reading a detailed information sheet.

Other community stakeholders were interviewed during the visits, and advice was sought from each art centre concerning additional people who should be approached for feedback. Art centre managers have responded to additional email or phone enquiries as the research has progressed.

Interviews with industry stakeholders and government representatives were scheduled according to their availability. Five interviews were conducted with six federal and state government employees, and one interview was completed with a local government representative. Three of the interviews were face to face and the other two were by phone. Interviews with consultants were conducted mainly by phone, and notes of the interview were provided to the interviewees for review.
WORKING IN A POLITICISED CROSS-CULTURAL CONTEXT

There is growing concern and sensitivity regarding the relationship between researchers and Aboriginal and Torres Strait Islander communities across Australia (Jackson-Barrett, Price, Stomski, & Walker, 2015). In part, these issues have been addressed through the development of guidelines for ethical conduct by research institutions (Australian Institute of Aboriginal & Torres Strait Islander Studies, 2012). Even with stringent guidelines for ethical research applied, in a highly politicised environment where blame is often perceived to be assigned to artists and art centre staff if an art centre does not perform as expected, research participants have expressed concern that the information they provide will be taken out of context and used to argue that their funding be withdrawn or further undermine the public perception of Aboriginal and Torres Strait Islander communities and art centres (Laurie, 2014). This fear was repeatedly articulated by art centre staff, who revealed how vulnerable they believed the art centres to be in light of the push for government to cut costs across all sectors and within the context of an unpredictable art market.

This research is part of the AEP being undertaken by the CRC-REP. The overall objective of the project is to investigate “the production, sale and consumption of Aboriginal and Torres Strait Islander art and identify opportunities for improving the livelihoods of artists, agents and other participants” (Acker, 2013a). My work as a researcher within the AEP eased some of these tensions and legitimised my position because of the following preparatory work undertaken by project staff:

- extensive consultation with artists, art centre staff, peak agencies and government departments about the scope of the research and its potential applications for the sector
- regular meetings with artists, art centre staff and peak agencies to update them on the aims of the project and research findings
- the establishment of an advisory committee with the relevant expertise and knowledge to guide the project
- overarching research undertaken into the Aboriginal and Torres Strait Islander arts sector value chain.

Without this foundational work, this research and access to art centres would have been far more difficult and the findings not developed within a broader research context of the whole sector. Similarly, the identification of the research focus and its
potential applications for art centres was informed by my work with more than 60 art centres over a period of more than 20 years. In my professional life, I have been an art centre manager at Warlukurlangu Artists in Yuendumu (1995–1999), the Executive Officer of the Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA) (2001–2003) and a consultant working with art centres since 2003.

**DATA COLLECTION AND ETHICAL ISSUES**

The research has been approved by the Curtin University Human Research Ethics Committee (Appendix Five). All research activities, including interviews with Aboriginal and Torres Strait Islander participants, have been conducted according to national guidelines (Australian Institute of Aboriginal and Torres Strait Islander Studies, 2012).

Data collection from key stakeholder respondents has been through structured and semi-structured interviews. Appropriate written consents are in place, and findings have been made available to participants. No personal information was collected. The majority of people interviewed were non–Aboriginal and Torres Strait Islander government and art centre staff. This highlights a long-standing issue in the sector: Aboriginal and Torres Strait Islander people are rarely employed in management positions.

Art centre staff interviews were confined to gathering information about how many arts workers were employed, income flows, artist participation levels and sales, dealings with government and planning. Government respondents were asked about relevant policy areas, the nature of their responsibilities and how government, in their experience, has performed in these areas (see Appendix Three).

**DATA ORGANISATION TECHNIQUES**

All data and documents were filed within EndNote for its capabilities of easy access, searching and adding notes. All files are stored on a backup drive and in a password-protected Dropbox folder. I alone had access to all raw data collection files and analysed the data.

All information collected has been treated as the property of the art centres. Any future public distribution will only occur with the approval of the community.
participants. Confidential information has been stored on password-protected storage devices and backed up on a secure password-protected server.

**DATA ANALYSIS AND VALIDATION**

Two strategies for analysing case study evidence were used: pattern matching and cross-case synthesis (Yin, 2009). Analysis of the interviews and supplementary documents was founded, as noted above, on the development of the theoretical proposition that there was a potential mismatch between public policy and program statements by government and the impact government actually has on the ground in art centres. This was further explored through comparing the interviews with art centre staff with those of government representatives and examining art centre documents and financial records. A variety of perspectives were provided by stakeholder interviewees to give a broad view of the art centre sector and the factors that affect the way people in the sector do business and the context within which art centres are established.

The qualitative research was validated through the formulation of well-defined categories to guide the stakeholder interviews and to be used later to analyse the records of these interviews (Sekaran, 2003). These categories included Aboriginal and Torres Strait Islander and cultural policy, funding and programs, whole-of-government approaches and collaboration, community development and services and art centre operational issues. Written documentation and administrative records were also then analysed to provide a context for the qualitative feedback provided by the interviewees and to cross-reference factual information.

Both the internal and external validity of the qualitative data was tested. Data triangulation was used to assess how well the research results represented the collected data (Maxwell, 2013). Data was collected from several sources and compared, which permitted a better understanding of how the research findings applied to the specific case studies as well as their potential applications to art centres and Aboriginal and Torres Strait Islander businesses in remote communities generally. The qualitative aspects of the research and the potential for case study findings to be generalised or replicated remains problematic because of the interview process where opinion and individual perspectives are key to the analysis and to the wide range of different art centre models (LeCompte & Goetz, 1982).
SECTION TWO: CASE STUDIES

Using Yin’s iterative multiple case study model (Yin, 2009), with its multiple individual and cross-case studies, three art centres were selected to analyse levels of funding, access to government programs, financial performance, levels of staffing, level of participation, production and engagement with the market, promotional profiles and engagement with the rest of the sector through industry forums and events. The strength of the case study model in this instance is the detailed analysis of individual art centres and their particular business, policy and funding environments to reveal the complexity of their activities and responses and the networks within which they are required to function. This was supported through access to particular business documents and financial records.

The use of multiple tools for data collection, including questionnaires and semi-structured interviews with key participants, has been driven by a desire to present a holistic picture of art centres and the multi-layered nature of their operating environments. Part of their complexity is due to their reliance on art centre managers and government staff and how they perceive and respond to external factors, including policy development and resource availability.

The case studies revealed the causal chains of action and reaction of selected art centres based in two remote regions of northern Australia. Analysis of the art centres was made on two levels. Firstly, a regional perspective was explored, including studies of state and federal funding and support levels, relative stages of economic development and geographic location (in relation to services and social exclusion) (Rowse, 2010). The second level of analysis looked at art centre size, participation levels, financial performance, geographical reach and resilience.

A detailed account of the art centres’ operating environments was provided and included historical narratives concerning Aboriginal and Torres Strait Islander economic development in their respective regions and descriptions of the cultural groups within their geographic boundaries. Financial data was also examined to determine the correlations between sales income and grant funding.

SUCCESS AND FAILURE FACTORS

The research seeks to counter arguments that success and failure factors are limited to the internal organisation and management of Aboriginal and Torres Strait Islander organisations (Office of the Registrar of Indigenous Corporations, 2010).
The case studies provide examples of why it is important to look to the external environment as well as internal management in order to understand the influences brought to bear on art centres and the way they shape them as cultural and economic development organisations.

The majority of remote community art centres have proven themselves to be a robust and dynamic force in communities, despite the art centre model not varying greatly over the past 30 years. They have not, however, been an unqualified success due to a mix of internal, local and external factors. In this research, I am looking at three levels of interaction: internal operations, how an art centre engages and responds with its local community and what external factors impact on how it does business. These various aspects are interlinked, and the success or failure of an art centre hinges on how good its internal systems are, how well it works with the community and whether external circumstances help create beneficial opportunities or pose a threat for the organisation.

There are now several major bodies of research about the success factors for various Aboriginal and Torres Strait Islander business sectors, including most recently tourism (House of Representatives: Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2008; Whitford & Ruhansen, 2009). Key recommendations arising from these investigations indicate that properly researched business cases and financial viability studies are essential for Aboriginal and Torres Strait Islander businesses to succeed and that limited financial literacy and poor governance contribute to failure (Morley, 2014).

**ART CENTRE OPERATIONS**

This first level of research examines how an art centre internally manages its day-to-day business, what systems it uses and how directly it engages with artists, suppliers and clients. There has been a lot of improvement in professional practices, much of it derived from best practice models developed by individual art centres and then shared with other art centres through coordinated programs delivered by the peak agencies. Many of the art centres operate using effective financial, stock control and information management systems and strategically market their work through all tiers of the market. However, not all art centres are operating efficiently, and it has been recognised for some time that it is critical for local people to understand the business and be trained and supported to take greater responsibility in order to retain capacity in the community (Australian Government, 2012a).
How an art centre plans for the future, consults with the community, shares information and juggles priorities are all aspects of its internal operations that have a direct bearing on whether staff burn out and the community remains supportive and engaged, as well as on the quality of the art and the health of business relationships. The art centres participating in this research provided financial, planning and reporting documents, which provided a perspective on how they were managed and what procedural and administrative systems were in place.

**Art Centres and Communities**

The second level looks at where the art centre is located within a community; what services, resources and support it can access; and how it is perceived within its local community or communities. In some of the smaller and more remote communities, art centres may be the only business enterprise apart from a community store, and support from other agencies is limited. In *The Art and craft centre story* (Wright, 1999, p. 143), the majority of art centres reported that community issues had a negative impact on their capacity to function and cited poor infrastructure and social issues as the key factors (Appendix One): “We seem to bear the brunt of everything. We feel it first. For example, if people are starving or want lifts they come to the art centre first” (Wright, 1999, p. 144).

To fully understand how an art centre is functioning, it is important to know how easy or hard it is to undertake basic business functions. Access to the internet and transport can make a world of difference to how well art centres can maintain communication with clients. Secure building facilities and workshop spaces can improve the quality of the work. Education providers that are based in the community or visit regularly can facilitate training. Adequate aged and health care can improve artist health and lessen the demand for assistance from art centre staff.

**Art Centres and External Factors Contributing to Success**

The third and largest area analyses some of the external factors, including government policies and programs, tax concessions, regulations and local infrastructure. Researchers in the cultural policy domain have developed frameworks to assess the qualitative and quantitative outcomes of policy implementation and funding in Australia, but their work seems to have very little traction in shaping how art centres are assessed, even though this research has
been widely used by the Australia Council for the Arts for other art forms (Throsby, 2010).

**CHAPTER SUMMARY**

The purpose of this multiple case study research was to develop an understanding of how government impacted on art centres. This study abided by local cultural protocols and was conducted according to national guidelines. All participants were provided with a detailed information sheet and were asked to complete a consent form prior to the art centre visits and interviews.

Four art centre managers were interviewed and their organisations’ archival and financial data evaluated (Appendix Three). Federal, state and local government representatives were interviewed; they described at length the reasons their agencies supported art centres and the mechanisms whereby they did so. These interviews provided a context for understanding how policy and program guidelines are interpreted and implemented by staff and revealed an understanding of the cultural and financial outcomes art centres seek to deliver. Research of the policy and program documents provided the starting point for an analysis of government discourse regarding Aboriginal and Torres Strait Islander economic development and the place art centres have in this broader agenda.

A variety of qualitative and quantitative data sources were used in this research. The primary sources were art centre archives and files, published academic research, government policy and program documents and funding data and related reports on production and business practices compiled by the AEP. Field trips were undertaken to each of the case study art centres. The visits to the art centres provided an opportunity to observe daily activities and working conditions, including physical infrastructure, and to access their hard copy and digital files.

The following chapters have set out the current policy environment that has been characterised by inconsistent program approaches and ad hoc reporting throughout the different levels of government. Unsurprisingly, the picture is incomplete; much of what has been reported is done so through various policy lenses or from a particular ideological perspective. What is lacking is a closer examination of how these shifting programs and policy goals are navigated by art centres and their funding partners. The case studies are a bid to address this gap.
CHAPTER THREE: ABORIGINAL AND TORRES STRAIT ISLANDER ART CENTRES

INTRODUCTION

Over the past 30 years, the art centre model has not changed dramatically, although the art world’s perception of the art and artists has. Aboriginal and Torres Strait Islander art centres have survived market and political turmoil, seeded an international art movement and supported artists in their art and cultural practice for decades. Aboriginal and Torres Strait Islander art became one of the strongest forces in Australian art and gained an unprecedented foothold in international markets in the middle years of the 1990s (Smith, 2008).

As with most Aboriginal and Torres Strait Islander community organisations, there is very little public awareness of how art centres operate. Much of the literature available is targeted at small and specialised audiences and primarily focuses on the artists and artworks rather than the inner mechanisms of the organisations that support them. Art centres face four major challenges: gaining and maintaining a foothold in volatile markets; working within communities with high unemployment, chronic illness and social dysfunction; operating in a cross-cultural context; and securing adequate funding.

This chapter provides contextual information about art centres and sets the scene for the discussion of government policies and programs in Chapters Four, Five and Six. It describes and examines:

- what art centres do and their role in supporting communities, cultural maintenance and contemporary cultural expression
- the incorporated associations model and how this has impacted on the way art centres do business
- national funding data and the difficulty associated with assessing art centre performance
- the role of art centres within the broader arts industry and their performance in terms of sales and payments to artists
- the role of art centres in supporting remote community livelihoods.
BACKGROUND

Remote communities are by no means monocultural; however, commonly there are disjuncts between settler aspirations and Aboriginal and Torres Strait Islander people’s attitudes to work/life balance, money and responsibilities to family (McRae-Williams & Gerritsen, 2010). For people working in art centres, many of these life choices have had a positive impact and contributed to the strength and vibrancy of cultural expression and community cohesion. There are, however, also frequent difficulties and areas of tension when the demands of a hierarchical market clash with the principles of customary practice and when the obligations associated with business compliance and reporting standards conflict with community expectations. Navigating this can be very difficult for art centre staff and funding agencies.

Arts centres are attractive places for Aboriginal and Torres Strait Islander people to work, as evidenced by the large number of artists and arts workers who utilise the services and contribute to art centre success (Acker & Woodhead, 2014a). Art centres are also often stretched in their resources yet deliver services beyond their artistic and cultural briefs, placing added stress on them as organisations.

Art centres are crucial for the ongoing success of the Aboriginal and Torres Strait Islander art market, and a network of secondary businesses and public institutions is reliant on their continuing output and brokering role with remote community artists. They are also vehicles through which artists can engage with the market and audiences and promote positive representations of culture. To continue to do this, art centres require the freedom and funding to explore their community development roles and a refinement of government evaluation practices to ensure they are not judged on their commercial performance alone.

From the beginning, art centres represented several divergent and interrelated things for communities and their government sponsors. For Aboriginal and Torres Strait Islander people, art centres were a vehicle through which to communicate their culture, assert their position as Australia’s First Peoples and generate income for their community and families (Wright, 1999). From a government perspective, art centres were to fulfil these goals but were also to draw Aboriginal and Torres Strait Islander people closer to the mainstream economy and encourage them to adopt normalised lifestyles and behaviours, making them less reliant on government funding in the long term (Altman, 2013).
**WHAT ART CENTRES DO**

One of an art centre’s stated purposes is to generate income from the sale of artwork for the benefit of artists and the community. An art centre is commonly defined as a not-for-profit, artist-owned cooperative, which is governed by an Aboriginal and Torres Strait Islander board in the majority of cases and acts as the broker for the production and sale of artworks for community members (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007, p. 27). While this is the norm, there are examples of art centres managed by local government and resource agencies, as well as one that is operated as a limited company. The majority of art centres are classified as micro-enterprises or small businesses as defined by the ABS, meaning that they have an aggregated turnover of less than $2 million per year (Commonwealth of Australia, 2012a).

Art centres are the main brokers for Aboriginal and Torres Strait Islander artists across regional and remote Australia, though a number of high profile artists also work for private dealers and commercial galleries directly. All art centres take a set commission in return for the delivery of services to artists, including the provision of art materials, training, marketing and administration. They also have their differences. Some are auspiced projects; others are large-scale incorporated associations. There are small art centres with fewer than 10 artists and others with hundreds of participants. A small number of art centres rely on prints for income, while most produce paintings on canvas or bark. All are shaped by the functionality of their local communities, the availability of resources, social cohesion and cultural robustness.

The majority of the 13,000 artists working for art centres are women (70%), with almost a third of artists being over the age of 55. Women produce by far the largest number of artworks; however, value in the sector is concentrated on older artists, and men’s artwork attracts a higher average sale price than that produced by women (Acker & Woodhead, 2014a, p. 9).

Art centres define their service reach both geographically and through language and kin relationships. Hub-and-spoke model art centres work with artists who are broadly dispersed or resident outside of their home communities, while art centres working with one community will limit their services to local residents.
ART CENTRES AND CULTURE

High on the list of priorities for many art centres is cultural maintenance, which has become an umbrella term for both encouraging and supporting the production of art but also sustaining people’s sense of cultural wellbeing by visiting country, documenting cultural information and supporting customary practices. This is clearly and frequently articulated by artists, arts workers and board members and is a recurring theme in submissions to government from the sector (Desart Inc., 2006). In a joint response to the National Cultural Policy: Discussion paper (Department of Prime Minister and Cabinet, 2011), the three peak agencies ANKAAA, Desart and Ananguku Arts and Culture Aboriginal Corporation stated that, “For Indigenous people art is an important method of maintaining cultural identity” and sought recognition of “the special and crucial role of Indigenous culture, as a living contemporary culture” in Australia (ANKAAA, Desart Inc., & Ananguku Arts, 2011, p. 5).

In this context, Aboriginal and Torres Strait Islander art is understood as a form of cultural production, dependent on a dynamic cultural base and complex social relations and produced by artists who have a particular understanding of where they are positioned in this system. The success of the sector can in part be attributed to the fortuitous congruence between Aboriginal and Torres Strait Islander values and aesthetics and fine art market demand, which has been reinforced through the positioning of Aboriginal and Torres Strait Islander artists by curators and commentators as custodians of a form of cultural integrity or authenticity (Morphy, 2005; T. Smith, 2008).

Seemingly irresolvable is the tension arising from Aboriginal and Torres Strait Islander artists viewing culture as an end in itself as well as a source of income versus government’s perception that culture is private and not the primary focus of business. Much of the statistical data collected for Closing the Gap–related initiatives are underpinned by assumptions “that non-Indigenous ways of life are the norm to which Indigenous people should be aspiring to and moving towards” (Biddle, 2014, p. 13). Maintenance of culture, for example, rather than being seen as an asset generally or in more specific economic terms as an end in itself, is relegated to being an instrument for achieving other things such as health and wellbeing in the community (Australian Government, 2013b). Cultural maintenance is categorised within ABS surveys as belonging to the private domain of individual behaviours rather than as a dynamic and integral part of life (Pholi, Black, &
Richards, 2009). Positioned this way, cultural maintenance is never assumed as a primary goal, so there is often no evaluation framework that relates to it and therefore no hard data gathered to support the value of it.

Assessments based on economic, operational and participation data alone provide only a limited insight into the dynamics of art centres; despite attempts to the contrary, these assessments cannot be used as direct evidence of cultural engagement or value. Ironically, given the avalanche of culturally significant art forms produced in art centres, not much is understood about the place of these institutions in local cultural systems. Most researchers have relied on interviews and anecdotal accounts to support their observations that art centres are culturally significant and valued in communities but have struggled to measure this impact and status against actual outcomes. A clear assessment of the cultural contribution made by art centres in communities remains elusive because of the fractured nature of most cultural data collection and its overdependence on statistics (Australian Bureau of Statistics National Centre for Culture and Recreation Statistics, 2010; T. Cooper, Bahn, & Giles, 2012). The difficulty associated with evaluating cultural contributions makes it easier to gloss over them with motherhood statements about culture being important without a real understanding of the role culture plays in Aboriginal and Torres Strait Islander people’s perceptions of art centres as appropriate places to work and the reinforcement of cultural difference and distinction. When asked by researchers if they would advise other people to work in art centres, overwhelmingly arts workers responded yes (90%): “Yes, because they can learn about their Dreaming and get paid” (Acker & Congreve, 2016, p. 10).

**THE VARIOUS ROLES OF ART CENTRES**

Academic literature about the performance and functions of art centres is also limited. By far the best source of information is the three-volume *The art and craft centre story*, which was jointly managed and funded by Desart and the Aboriginal and Torres Strait Islander Commission (ATSIC) and included extensive interviews with key stakeholders in the arts sector in the 1990s (Wright, 1999; Wright & Morphy, 2000b; Wright, 2000c). This report described the complexity of art centre operations in great detail and, despite its age, still has relevance to art centres today. In many ways, the challenges and issues facing art centres have not dramatically changed in the intervening years.
This major study informed government programs and raised awareness of art centre issues within ATSIC, the primary funding body in the late 1990s and early 2000s. Its findings showed clearly that most art centres had a much broader role to play in communities than as simply brokers for art sales and how stretched staff and resources were overall. Art centres delivered, with no direct subsidy, a range of welfare, social and cultural services that significantly contributed to the sustainability of communities (Wright & Morphy, 2000). Most art centres were providing services outside of their art production brief because there were so few local social services being delivered adequately, and it was not unusual for an art centre to operate as a de facto Centrelink office for artists on benefits; as a call centre for the many people with no phone; and as a welfare provider to the aged, the disabled and the disadvantaged (Desart Inc., 2006).

While internal and external pushes to professionalise art centre practices continue, many still extend, and at times overextend, their capacity by responding to other community needs and expectations. Similarly, as will be discussed later, the introduction of paid Aboriginal and Torres Strait Islander arts workers through programs such as the Indigenous Employment Initiative (IEI) and the Remote Jobs and Communities Programme (RJCP) saw some art centres adopt broader training briefs that included basic numeracy and literacy, as well as art practice and administration, because of the difficulty in accessing external trainers and the poor performance outcomes of some remote community schools (Guenther, 2013; Tracker Development, 2012) (Appendix Six).

In light of this, the research on social entrepreneurship in Canadian Indigenous communities has parallels here in Australia (Anderson, Dana, & Dana, 2006). Like the enterprises discussed by Anderson and his team, many art centres here are perceived by their artists as having a community-wide social benefit; only one distributes profits to shareholders. Profit or surplus in all the others, when available, is reinvested in the business with the aim of benefiting the community through the ongoing delivery of services, training and employment.

Art centres and their memberships reflect a broad diversity of aspirations and circumstances. Individuals access and benefit from art centre services in different ways. For most, an art centre will provide small and often irregular sources of income, while elite artists generate enough money from sales to support themselves and their families independently. For some artists, an art centre may be the primary source of social services because of their age, state of health or mental wellbeing.
The definition of what constitutes priority goals for art centres is a contested arena. Many remote community artists see the following roles as central to the success of art centres: maintenance of culture within the art centre working environment, income generation, ongoing and secure government support and flexible working conditions. Government has had a different list of priorities, headed by the drive to encourage Aboriginal and Torres Strait Islander people into mainstream employment and into the market where eventually they will no longer require government subsidy (Altman, 2011a; Australian Government, 2011a; Desart Inc., 2006; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007; Wright, 2007).

**Governance**

All incorporated art centres have Aboriginal and Torres Strait Islander boards, and many of those auspiced by other agencies have Aboriginal and Torres Strait Islander advisory committees made up of a mix of artists and community members. There has been an emphasis on having locally representative boards since the 1970s as part of the push towards self-determination and in recognition that good local governance contributes to breaking cycles of marginalisation and disadvantage (J. Hunt & Smith, 2007).

The majority of art centres are incorporated associations, and this has enabled them to access government funding, trade within the broader market and sustain local governance structures (Office of the Registrar of Indigenous Corporations, 2012, p. 37). As voluntary incorporated associations, these art centres have a membership base that elects a board of management, which in turn oversees the delivery of services and benefits for the membership. In many art centres, boards of management are required to be culturally as well as legally representative, and they have responded in a variety of ways to this challenge. Some art centres require representation from different clan, language or family groups to be on their boards, while others appoint regular participants or representatives from all of the communities they service. Cultural legitimacy has often meant that some of the most senior people in the community are on the board because of their knowledge and expertise, and they play an important role in both giving the art centre authority and purpose within the community as well as carrying the responsibility of guiding the strategic direction and ensuring reporting requirements are met. Their presence on boards validates the art centre as a community-owned and -managed organisation.
Cultural legitimacy does not, however, always equate to expertise in western governance modalities, and many art centres experience skills gaps in the make-up of their boards and poor understanding of the official roles and responsibilities among members (Desart Inc., 2006). This creates problems, as increasingly the sign-off of grant contracts and commercial agreements is expected to be done by the Chair of the board, with the endorsement of the committee, rather than by staff. Staff management, with the large turnover in employees, can also become an onerous task for board members, and peak agencies are often asked to assist with recruitment and employment issues (ANKAAA, 2015; Indigenous Art Centre Alliance, 2014).

The availability of and delivery mechanisms for government funding can have a major impact on the governance of art centres. The lack of stable and adequate resourcing has put enormous pressure on some boards, which struggle to find workable solutions despite meeting the reporting requirements of funding agencies and the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cwlth) (the CATSI Act) (Appendix Seven) (J. Hunt & Smith, 2007). Similarly, the provision of community services that are not funded or are only partially funded places additional pressures on what are effectively voluntary governance bodies.

**INCORPORATED ASSOCIATIONS – IMPLICATIONS FOR ART CENTRES**

While criticism directed at the community art centre model and network has suggested it is an ineffective and monopolising cartel which limits the commercial and artistic potential of remote community artists, no other models have been successful in bridging the gap between remote economies and the global market with nearly as much success or durability (Jorgensen, 2011; McDonald, 2010; Rothwell, 2009a, 2009b, 2014). However, there are issues with the incorporated associations model that do limit the potential commercial success of artists and the art centres because of the focus on developing and providing opportunities for all interested artists despite limited resources.

The history of the establishment of the Aboriginal and Torres Strait Islander community services sector is now well documented in the work of Patrick Sullivan (P. Sullivan, 2010). In the 1970s, government – spurred on by the recommendations of C. D. Rowley and Nugget Coombs – established Aboriginal incorporated associations for the purpose of handing special welfare activities over to them,
bypassing the states in the process. While service delivery and self-determination were priorities, the push for Aboriginal people and their communities to set up incorporated associations was also driven by a need for government to be financially risk-averse, and legislation (see below) meant that Aboriginal associations were financially accountable and could be given government funding for specific purposes.

Government at the time was committed to investing in Aboriginal communities and enterprise partly in order to deliver services but also in the hope that businesses would be established that would be independent and sustainable in the future (Rowse, 2005). The Aboriginal and Torres Strait Islander not-for-profit sector came to be defined by the *Aboriginal Councils and Associations Act 1976* (Cwlth), which set out the process of incorporation, locked in their social purpose and determined their governance and reporting requirements (Australian Government, 1976).

Over the next four decades, more and more art centres became incorporated associations and were thereby able to access government funding. The decision to incorporate and the public funding that became available once this was achieved had unexpected implications for how these enterprises were run, including:

- a convergence of values in the sense that culture and land in many remote communities were still communally owned, therefore control through voluntary associations of community members resonated with customary practices
- a shared responsibility for decision-making that was typically not driven by business logic
- multiple stakeholder participants who were not selected for their business expertise
- an expectation that art centres would be there to service everyone in their community or region, because most available funding was designated as for the community and not for individuals.

Aboriginal and Torres Strait Islander public commentators such as Noel Pearson have noted there are issues that arise from having communally owned and managed organisations (and assets), arguing that collectivism in the Aboriginal and Torres Strait Islander domain may actually be an impediment to enterprise development as well as an opportunity (Pearson, 2000). The result of the collective approach was that artists who were unlikely to be commercially successful still got
to paint in art centres and participate in activities that cost the art centre money. In this sense the art centres were not and still are not driven by market demand; with such big expectations of what they can do and who they will service, they remain financially and operationally vulnerable but also – importantly – inclusive.

Four decades on, most of the art centres are well and truly locked into their current business / social enterprise model and are unlikely to make radical changes unless forced to by a withdrawal of public funding or a collapse of the market. A lot of the business planning that consultants do is predicated on keeping the status quo (namely, stay incorporated) or propose incorporation for those as yet unincorporated because it eases access to government funding (Tracker Consulting, 2009; Wright, 2009). These plans are developed without serious consideration of market forces, which in some cases would indicate that artists may be better off as sole traders or small family companies (e.g. when and where there is an artist showing artistic ability and a responsive market interest). Some of the key benefits of sole trading or setting up a small family business are being able to focus on marketing and promoting the work of a small group of established artists, no requirement to work with emerging artists, fewer administrative requirements and not having to be accountable to or representative of the whole community.

**Art Centre Staff**

One of the areas in which there has been a massive transformation in the period 2007–13 is the staffing of art centres. Aboriginal and Torres Strait Islander employment in art centres can take various forms, with some people working in administrative and support roles, some as artists and many as a combination of the two. Art centres also employ many non–Aboriginal and Torres Strait Islander managers, who often stay in communities for only a short period of time.

**Arts Workers**

For many Aboriginal and Torres Strait Islander people, being able to work in their home communities means not only economic independence if they can find jobs, but also allows them to maintain family networks and connections to country (Acker & Congreve, 2016). This type of cultural engagement has been shown to impact on people’s sense of wellbeing and health and is one of the hard-to-quantify benefits of having businesses in the bush, even if they do not generate a lot of income (Dockery, 2012).
Major national changes to employment programs, including the incremental closing down of the Community Development Employment Projects program (CDEP) activities in remote communities from 2007 onwards, led to art centres becoming the direct employers of arts workers (see Appendix Six). Prior to this, many arts workers were employed through CDEP initiatives managed by local councils and resource organisations; while art centres took some of these participants and delivered training, they were not responsible for administration beyond the provision of timesheets, although some CDEP positions were paid a top-up on their base wage by the art centre. While the number of Aboriginal and Torres Strait Islander arts workers has fluctuated over time and almost three-quarters of the positions are part-time, art centres have been a source of wages as well as sales income since the 1990s (Acker & Congreve, 2016).

There has been a change from art centres operated by one or two staff, including part-time or casual local Aboriginal and Torres Strait Islander arts workers, to one where in some cases art centres have up to 16 full-time or part-time trainees funded through the IEI, managed by the Ministry for the Arts (Appendix Six). Many Aboriginal and Torres Strait Islander arts workers are employed in these government-subsidised positions that most of the art centres do not have the turnover to fund themselves.

From 2009 onwards, significant funding was provided to art centres to employ Aboriginal and Torres Strait Islander arts workers, with increased expectations of industry-relevant training and supervision. Between $35 million and $40 million was invested in IEI positions for art centres in the period 2009–13, and overall more than 310 positions were created across the country (Acker & Woodhead, 2014b; Australian Government, 2013c). Examination of audit reports through the AEP research indicated a dramatic increase in wages at all art centres, driven primarily by the IEI funding, resulting in more than half (57%) of all art centres outlaying more in wages than they did in payments to artists (Acker & Woodhead, 2014b).

A diverse range of skills were needed across the newly recruited arts workers; although some already had considerable experience working in art centres, others required intensive training and mentoring. Duties were various and included storing and packing artworks, material preparation, making artworks, cleaning, maintenance, data entry and general office or retail duties (Acker & Congreve, 2016). Not all arts workers were confined to working in the art centre; some were
employed to deliver teaching art programs at local schools or for language and cultural maintenance activities and expertise (Tracker Development, 2012).

Ongoing and appropriate training was identified as critical for the success of this program, as many of the art centre jobs in both the studio and the office required specific industry and technical knowledge or experience with administrative systems where accuracy is important, particularly when dealing with money (Tracker Development, 2012). Most of the training delivered in art centres remained informal and was delivered as part of the art centre’s everyday activities (Tracker Development, 2012). As a result, very little training resulted in formal qualifications, although the peak agencies ANKAAA and Desart devoted considerable resources to funding arts worker programs for their members and providing them with access to industry specialists and public collecting institutions (ANKAAA, 2014). If courses are delivered locally, they are usually very expensive. As a result, acquiring formal qualifications has been challenging for many arts workers, as it often involves having to leave their home communities for extended periods of time.

Few art centres are able to adequately train the number of arts workers they are funded to manage through the program. For smaller art centres, providing enough work activities for arts workers can also be difficult as many are operating on a very small scale. One research participant said that increasingly, more time is spent by art centre managers on supervising, training and administering the IEI arts workers than is spent on working to develop artists or marketing and selling art.

**ARTISTS**

Artists, the raison d’etre of art centres, approach working in a variety of ways. Some artists work full time, coming to the studio every day; others work part time or take materials home to work on in their personal time. Most artists work part time in the studio and are paid per artwork, not hours worked (Woodhead, 2015). One of the realities of the Aboriginal and Torres Strait Islander arts sector is that most artists receive only a nominal amount of income through their art activities, so find it highly
desirable to supplement their income from other sources.\textsuperscript{2} Not all artists view making art as work; for many senior artists it is also a meditative and culturally resonant practice that strengthens their connections to country and kin (J. Biddle, 2007).

Some artists work solely for their local art centre and are committed to its long-term health and viability in the community, while others see the value of art centres but are willing to work with private dealers by choice or when they need to, and a smaller group of artists work solely with private dealers. Very few are what would be termed ‘Indigenous entrepreneurs’, although there is a growing contingent of highly successful Aboriginal and Torres Strait Islander artists from communities who have managed their own careers and navigated the market effectively.

A small number of art centres that paid their artists as CDEP participants for their work now receive IEI payments, while other art centres never paid wages for art production, with artists relying completely on sales for income. There has been a degree of resistance from a number of more professionally advanced art centres to paying wages for the production of artwork, believing it stultifies creative expression by creating a clock-on/clock-off attitude to making art (Acker & Congreve, 2016). Other art centres have embraced the opportunity to pay artists wages, with one research respondent seeing it as a means of increasing participation as well as benefiting the community.

Artists who do not receive IEI payments for their creative work are treated as self-employed by most art centres, and are therefore able to work flexible hours, sell their work through the art centre and potentially have other paid employment. The majority of art centres hold money in trust but do not withhold tax, and artists are expected to manage their own personal finances and obligations.

**ART CENTRE MANAGERS**

To be successful, art centres must have skilled and committed managers who have the ability to work cross-culturally (Altman, 2005a; Wright & Morphy, 2000). The

\textsuperscript{2}Woodhead found that more than 70% of artists generated sales of less than $10,000 (Woodhead, 2015). In 1989, Altman found that very few producers earned more than $5,000 per year and that many were reliant on other types of income including wages (14%), CDEP (5%), unemployment benefits (55%) and other government subsidies (23%) (Altman, 1989).
majority of managers are currently non-Aboriginal and Torres Strait Islander, although there are efforts being made to Indigenise these positions. Most art centre managers stay in the job for only two to three years, and attracting and retaining new staff in remote Australia has been challenging. Art centre managers have been described as “accidental entrepreneurs” because of the need for them to be innovative and creative in their approach to work (Seet et al., 2015). Most art centres rely on the manager to forge relationships with commercial galleries, collectors and public institutions, to secure government funding, to remain abreast of industry changes and opportunities and to proactively seek out new opportunities to market and sell work. Few managers come with all the prerequisite skills, and there is no formal preparation for these positions, although the peak agencies have at times assisted with induction training and Desart has published an introductory guide to art centres (Culpitt, 2010). Finding staff with the ability to run the business side of the enterprise as well as support artists creatively is difficult, and the responsibility of building a business on behalf of remote community artists can be very demanding, with relatively low wages and often poor housing.

FUNDING

GOVERNMENT GRANTS

Art centres access a mix of federal, state and local government funding programs, some of which offer longer term operational funding, while others are for specific projects. Between 2000/01 and 2012/13, Aboriginal and Torres Strait Islander visual arts initiatives, art centres and peak bodies working in remote regions received a total of $180,458,395 in federal and state funding (Acker & Woodhead, 2014b, p. 11). This figure does not include local government contributions, which have been relatively small by comparison, but have included critical administration, housing and facility subsidies in the case of some art centres.

Funding sources have included core tailored programs such as Indigenous Visual Arts Industry Support (IVAIS) and Backing Indigenous Art (BIA); Aboriginal and Torres Strait Islander–focused arts and cultural programs with applications for art centres, such as those provided by the Australia Council; and mainstream initiatives with general aims to support the arts or social services. The main federal funding programs for art centres over this 12-year period were:
• IVAIS: operations, professional development and peak bodies

• Indigenous Cultural Support (ICS): maintenance and promotion of cultural activities

• IEI: employment and training in the art and cultural sector

• Australia Council for the Arts: funds artists and arts organisations (see Appendix Six for program information).

State and territory arts agencies also made available competitive grant funding. Some programs were specifically targeted at providing operational assistance, like the BIA program managed by Arts Queensland, with the aim of supporting general industry development (Appendix Eight). Unlike Queensland, most states and territories did not contribute operational funding but focused on supporting discrete arts projects and specific marketing and training initiatives. Details of these specific government programs are discussed in Chapter Six.

**PEAK AGENCIES**

In addition to direct funding to art centres, federal, state and territory governments provide operational grants for peak agencies. There are five peak agencies currently working with art centres in Western Australia, the Northern Territory, South Australia and Queensland: ANKAAA, Desart, Indigenous Art Centre Alliance (IACA), Ananguku Arts and Aboriginal Art Centre Hub Western Australia (AACHWA). Table 3 below shows where the five agencies are located and their national share of art centre members.
TABLE 3 PEAK AGENCIES INFORMATION

<table>
<thead>
<tr>
<th>Peak agency</th>
<th>Location of art centre members</th>
<th>No. of art centres / members</th>
<th>Year est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANKAAA</td>
<td>Arnhem Land, Tiwi Islands, Katherine (NT) and Kimberley (WA)</td>
<td>28</td>
<td>1987</td>
</tr>
<tr>
<td>Desart</td>
<td>Central Australia, Western Desert (NT, SA and WA)</td>
<td>37</td>
<td>1992</td>
</tr>
<tr>
<td>IACA</td>
<td>Far North Queensland and the Torres Strait (Qld)</td>
<td>12</td>
<td>2011</td>
</tr>
<tr>
<td>Ananguku Arts</td>
<td>Anangu Pitjantjatjara Yankunytjatjara lands (SA)</td>
<td>8</td>
<td>1997</td>
</tr>
<tr>
<td>AACHWA</td>
<td>Great Southern, Pilbara, Murchison (WA)</td>
<td>6</td>
<td>2009</td>
</tr>
</tbody>
</table>

Source: Congreve & Acker (2015)

The peak agencies were established in response to sector need. They gained government funding to improve the business enterprise capacity of their members so they could engage more robustly with the market and work towards having more Aboriginal and Torres Strait Islander people employed (Australian Government, 2013d; Congreve & Acker, 2015). The peak agencies are recognised as integral enabling organisations by government and have expanded their briefs to correspond with the increasing professionalism of their members.

Peak agencies operate in the knowledge that many of their members need support and benefit from working with and learning from each other. The cost benefits to members of the peak agencies coordinating training and marketing opportunities are also potentially significant, allowing some of the smaller, more vulnerable art centres to access information and resources that would not otherwise be available to them. Over the years, the peak agencies have also increasingly promoted and championed the cultural aspects of art production at art centres, showcasing the artworks and the stories behind their creation through annual events such as Desart Mob (Alice Springs), Revealed (Perth) and the Cairns Indigenous Art Fair (Cairns) (Appendices Eight and Nine).

Aboriginal and Torres Strait Islander art centres and their peak agencies provide a good example of what Porter describes as clusters or critical masses that mark concentrations of commercial success (Porter, 1998). By his definition, clusters are made up of interconnected industry stakeholders that include suppliers and
providers at all levels of commercial activity and are tied together by their involvement in a particular sector. Aboriginal and Torres Strait Islander art centres and their peak agencies work within a web of intertwined businesses, institutions and government agencies (Congreve & Acker, 2015).

**PRIVATE SECTOR AND PHILANTHROPIC FUNDING**

Private sector and philanthropic contributions to art centres remain small despite the incentives provided by tax concessions such as the Deductible Gifts Recipients program. The majority of corporate sponsorship and contributions from philanthropic foundations are one-off and for particular projects, exhibitions, publications or initiatives rather than for core funding. It is hard for arts organisations across the board to attract private sector funding for operations, and this is a reflection of the relative low public impact of administration when compared to live performances, recordings and public exhibitions.

Harold Mitchell’s 2011 report was the most comprehensive examination of the state of corporate and philanthropic funding of the arts in Australia and provided a much-needed local context for research in this area, which had previously been dominated by literature concerning models in the United States and Europe (Mitchell, 2011). Mitchell reported an important link between government funding and private sector support:

> It became clear through consultations that when the Australian Government is seen to endorse an arts organisation or particular project it can provide the funding recipient with much needed leverage to seek further support and partnerships … Many stakeholders indicated that government investment in a particular project can be regarded by the private sector as a tick of approval, and indicator that a project is viable and will lead to quality work. (Mitchell, 2011, p. 22)

He also found that there was a lack of skills and resourcing for effective fundraising in the small to medium arts sector, including remote community art centres, and that this posed a significant obstacle to attracting funds (Mitchell, 2011, p. 31). Few art centres have the resources to fund development staff or engage consultants to

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3 The BHP Iron Ore money given to Martumili is the exception rather than the rule – see Chapter Seven.
assist with this; as a result, the private sector contribution remains at less than 6% of total income (Acker & Woodhead, 2014b).

The introduction of the Australia Business Arts Foundation (AbaF) in 2000 and Art Support (Australia Council), both with dedicated state and territory managers, did offer support to art centres seeking philanthropic and corporate funding, and several art centres successfully forged relationships with sponsors through these networks (The Christensen Fund, Rio Tinto Aboriginal Fund, & Greenstone Group, 2010) (Appendix Six). The GFC in 2007, however, saw a downturn in philanthropic and corporate funding, increased competition and a greater focus on the larger and higher profile art centres (Centre for Corporate Public Affairs, 2009).

Traditionally established government-funded institutions have attracted the most philanthropic and private-sector funding, and the Aboriginal and Torres Strait Islander arts in general have received only a small percentage of the overall contributions. Figure 3 below shows that Aboriginal and Torres Strait Islander arts attracts relatively little private sector support, especially when compared to public art galleries and festivals.

![Chart: Total private sector support by art form](image)

**FIGURE 2 PRIVATE SUPPORT FOR THE ARTS, 2009/10**

Source: Repucom International (2011, p. 9)

**ART CENTRE EVALUATION**

There are very few recent examples of art centre evaluations, and holistic assessments of what these organisations do are rare. There are substantially more
examples of comparative case study research of Aboriginal and Torres Strait Islander cultural tourism than of art centres, and the impact of government policy on tourism has been more closely scrutinised through the work of the CRC for Sustainable Tourism. Within this body of research, art centres are often used as generalised examples within a larger cultural tourism focus. A report completed in 2009, *Indigenous tourism businesses in Queensland: Criteria for success*, examined the primary drivers, inhibitors and opportunities for Aboriginal and Torres Strait Islander tourism enterprises in Queensland (Whitford & Ruhanen, 2009). The tourism, particularly cultural tourism, enterprises set up by and with Aboriginal and Torres Strait Islander people are seen to have many overlaps with Aboriginal and Torres Strait Islander art centres, and many of the challenges facing tourism are also faced by art centres. One of the findings from the relatively small sample taken as part of the research was that more than three-quarters of the comments made about government support were negative, and that government processes are seen by respondents as the most significant inhibitor to the success and sustainability of Aboriginal and Torres Strait Islander tourism businesses.

During the period of ATSIC oversight of art centres, a number of regional reviews were commissioned, including one of the art centres in North East Arnhem Land and another of those in the Katherine region (ANKAAA, 2003; Congreve & Wright, 2004). These external reports provided a snapshot of activities, assessed how well the art centres were functioning and identified key areas where support was required. This type of review process has now been largely replaced by self-assessment, through business and strategic plans as well as key indicator reporting.

As government investment in the arts increased, particularly in the area of Aboriginal and Torres Strait Islander art centres, the focus, as described by one research respondent, was on quantitative approaches to evidence collection, structured around outputs such as sales and employment measured against statistical frameworks such as the Closing the Gap policy base. Another respondent said that at the same time, funding agencies across the board found it harder to make evaluations based on direct experience, as funding for remote travel was cut from government budgets. Other respondents found that government staff in state and federal offices were forced to rely on sourcing information through attendance at conferences and art fairs, phone conversations, reporting and art centre websites. While government agencies overseeing art centre funding programs were good at collecting reports – indeed, they made this a requirement of funding agreements –
very little longitudinal data analysis was ever undertaken. Arts agencies are some of the most moved-around departments in government, and each time they are shifted they lose access to historical records. For example, one respondent said that the introduction of new IT systems often results in data loss. As a result, most of the intensive research has been undertaken by external consultants, employed for limited periods and required to provide a snapshot of the most recent state of affairs.

Art centres and government agencies have at various times commissioned evaluation reports, but most are targeted at securing future funding and do not examine risks and failures in any great detail (Lang, 2012; Rentschler & Bridson, 2015). Sector politics and poor record keeping have further problematised research in this area. Many art centres have been understandably reluctant to participate in evaluation processes if they have had no say in the evaluation terms of reference, and there has been very little work done on the part of government to identify common terms or guidelines for possible evaluations in the future. Art centre records have also been historically very patchy, with many holding records for only the immediately preceding years (Altman, 2000). This situation is slowly changing with the introduction of the Stories, Art & Money (SAM) stock control program, where data about products, sales and artists is held on a central server and may become externally accessible to government agencies.

All arts and cultural organisations struggle to define appropriate evaluation frameworks for what they do and tend to either rely on cost–benefit analysis to demonstrate their value for money or on qualitative information collected from stakeholders about how they perceive the impact of their activities. The Edith Cowan University, in partnership with the Department of Indigenous Affairs (WA), has undertaken one of the most complete evaluations of an art centre in a bid to create a template for other researchers and art centre management (T. Cooper et al., 2012). Combining historical, social and financial information, with a comparative analysis of the business plan against performance and an extensive collection of interviews with stakeholders, the evaluation report provides a broad scope assessment of the main inputs and outputs of the art centre.
ART CENTRES AND THE ABORIGINAL AND TORRES STRAIT ISLANDER ART SECTOR

Art centres are one part, albeit a central part, of the Aboriginal and Torres Strait Islander sector that comprises a complex value-creation chain that spans from producers through to the consumer via a network of mainly non–Aboriginal and Torres Strait Islander retail and wholesale agents, collectors and public institutions (Bryceson, 2008; Porter, 1985). At the community level where art centres operate, this chain functions within a wider context of government service delivery, policy, community politics and local infrastructure. As one of the main sources of art product, art centres have developed alongside a network of other national and international art businesses to market and sell the work of a large and increasing number of Aboriginal and Torres Strait Islander artists. Aboriginal and Torres Strait Islander art businesses include agents, commercial galleries, auction houses and suppliers. While art centres are a central part of the market, they are distinct from the commercial for-profit galleries and retail outlets that onsell the work they produce.

The secondary market for Aboriginal and Torres Strait Islander art is dominated by for-profit businesses that are mainly owned by non–Aboriginal and Torres Strait Islander people. This mix of commercially focused businesses and community-based not-for-profit enterprises has been an uncomfortable one for many years and has created competitor pressures between art centres and their commercial agents. The tensions arising from the fundamental differences between how community-based associations and commercial operators do business have been exacerbated by the fact that in many instances art centres provide the product from which commercial operators make their profit (Woodhead, 2014).

Not surprisingly, most commercial enterprises are primarily interested in getting a quality product at a good price. While the art market does absorb a broad range of product, there is no business incentive for commercial operators to purchase sub-

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4 According to Australian Taxation Office definitions, Indigenous community enterprises are – as the name implies – community-based, not-for-profit incorporated associations that often have charitable status and can access taxation concessions (Australian Government, 2009c, p. 14). This category is defined as having a more communal purpose and makes indirect reference to the social enterprises concept developed by Anderson and others in Canada (R. B. Anderson et al., 2006). Art centres in remote communities mainly fall within this category.
standard artworks from art centres. This places many art centres in a difficult financial position, as they are expected by their community owners to permit everyone to create work and are obligated to pay for materials; yet the decline in sales and the volatility of the market mean that there is even more pressure on commercial operators to only purchase what they can sell and discourages them from making speculative or socially conscious purchases from art centres. Art centres, on the other hand, have a history of operating with a mix of formally and informally expressed commercial, social and welfare objectives. In keeping with many other community development agencies, particularly in remote regions, they are expected to keep going whether they are financially successful or not.

**The Market – Art Centres as Catalysts**

Aboriginal and Torres Strait Islander artists have, since the 1980s, been a leading force in the Australian art market with an international profile (H. Perkins, 2010; T. Smith, 2008). Increased knowledge of and interest in the Aboriginal and Torres Strait Islander art market have led to a better understanding of the future potential for Aboriginal and Torres Strait Islander artists and art centres and to awareness of the issues associated with the selling and marketing of this artwork (J. Anderson & Wilson-Anastasios, 2011; Hoegh-Guldberg, 2002).

Industry estimates suggest that more than 78% of the Aboriginal and Torres Strait Islander art products bought by commercial galleries and retailers are sourced from remote communities, although this is not necessarily all from art centres (Woodhead, 2014, p. 5). Due to the institutional structure of the secondary market and the low uptake by Aboriginal and Torres Strait Islander people of positions within this domain, the majority of income and profit resulting from the market’s expansion since the 1970s have not been realised by Aboriginal and Torres Strait Islander artists (Australia Council for the Arts, 2006). Non–Aboriginal and Torres Strait Islander stakeholders, including private gallery owners and collectors, have been the primary beneficiaries; this presents a challenge for the industry and policymakers in their attempts to boost Aboriginal and Torres Strait Islander economic development.

A general uncertainty about the appropriate level of government subsidy for the arts prevails across the broader cultural sector and within government circles, even though the creative economy grew throughout the 1990s and the first decade of the 2000s (averaging 5.8% growth per year) (Acker & Woodhead, 2014a; Craik, 2006,
Australia’s creative economy in 2007 was estimated to be worth $31 billion and employed approximately 5% of the workforce in some capacity (UNESCO, 2013). As part of this broader creative economy, the Aboriginal and Torres Strait Islander art market has been part of this boom period, and the general recognition of the importance of arts and culture in the development of disadvantaged communities has led to increased national and international pressure to continue government support.

Art centres are catalysts in market terms for two reasons. The first is that as a collective, they are a benchmark for cultural integrity and provenance of Aboriginal and Torres Strait Islander art. Their ongoing operations fuel market interest in the art as an expression of a vibrant customary practice. The second is that art centres are major producers of original work that circulates in the secondary market gaining value and generating income for associated businesses at various stages of the supply chain.

No comprehensive research about the size and scope of the whole Aboriginal and Torres Strait Islander art market has been undertaken, partly because of the difficulty in determining the extent of market reach without commercial galleries and retailers’ turnover figures (Australia Council for the Arts, 2006). Most for-profit retailers and wholesalers are not incorporated and are therefore not required to make their financial statements public, unlike most art centres. Despite this, there are silos of data available for research, including published auction house, art centre and art fair sales. Put together, they offer an incomplete but intriguing view of the market value chain, with products ranging from high priced fine art through to licensed merchandise (Acker & Woodhead, 2014c, 2014d; Australian Bureau of Statistics, 2001).

Estimates of the scope and scale of the Aboriginal and Torres Strait Islander art market vary considerably, although none of the figures suggested have any great degree of statistical integrity. Some commentators have suggested that the market may be between $100 and $300 million, and estimates have gone as high as $500 million (Altman et al., 2002; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007).

In 1981, Pascoe undertook a major analysis of the Aboriginal and Torres Strait Islander visual arts and craft sector (Pascoe, 1981). His research indicated that approximately $2.5 million was made in sales in the 1979/80 financial year.
Altman Report was the next review of any major significance, and it presented a conservative estimate of the size of the market as being approximately $18.5 million but speculated that this was increasing rapidly (Altman, 1989) (Appendix One).

The ABS has intermittently undertaken research into commercial galleries, with two reports released: one for the year 1996/97 (Australian Bureau of Statistics, 1998) and the other for 1999/2000 (Australian Bureau of Statistics 2001). The 1996/97 report presented results from the first survey of Australian commercial galleries and estimated the total sales of Aboriginal and Torres Strait Islander artworks was 11% of total gross sales or $15 million (Australian Bureau of Statistics, 1998). The 1999/2000 figures estimated the sale of artwork by Aboriginal and Torres Strait Islander artists as $36 million (17% of total sales), a 140% increase on the 1996/97 figures (Australian Bureau of Statistics, 1998). Both these reports under-reported art centre sales, listing only 31 art centres in the 1999/2000 figures, even though a larger number were listed as being currently funded through the federal government’s art centre program, and the report stated that an even smaller number than this had been included in the previous report (Australian Bureau of Statistics, 2001). The ABS figures are therefore highly selective and do not represent the sector as a whole.

In 2002, Rupert Myer undertook a comprehensive review of the visual arts and crafts sector that had far-reaching and positive consequences for artists and arts organisations, as it triggered the release of substantial increases in funding (Myer, 2002). The Myer Report, as it is commonly referred to, used the figure devised by ATSIC in its National Aboriginal and Torres Strait Islander cultural industry strategy, which estimated that the Aboriginal and Torres Strait Islander art and craft market was generating $200 million per year (Aboriginal and Torres Strait Islander Corporation, 1997).

Figures for auction sales of Aboriginal and Torres Strait Islander art are much more robust and have been published annually by the Australian Art Sales Digest (Australian Art Sales Digest, 2016). Auction houses curate their sales, so while quality and price vary considerably, as a whole their sales are not representative of all the work available for sale, being skewed towards the higher end of the market. The figures clearly show the dominance of non–Aboriginal and Torres Strait Islander artists over Aboriginal and Torres Strait Islander art sales, although both groups experienced boom and bust scenarios at similar times. The price of high-end work by Aboriginal and Torres Strait Islander artists, however, is on average less than
that of other leading contemporary Australian artists, despite commercial dealers’ attempts to generate price parity (J. Anderson & Wilson-Anastasios, 2011).

The most recent data regarding art sales comes from the AEP research. In 2013, 260 private art businesses (galleries and agents) and 80 public art centres and galleries were invited to participate in a survey. Slightly more than half responded; however, in the early stages of survey development, it became apparent that many commercial galleries were not willing to provide direct information about their turnover. In response to this, the researchers focused their questions on perceived changes over time, annual income from employment and the volume and value of artwork sold (T. Acker personal communication, 28 April, 2014). As a result, the research was unable to determine how much money was generated through the sale of Aboriginal and Torres Strait Islander arts and crafts by the private sector, and it is unlikely that this segment of the market will ever be accurately estimated unless through a form of compulsory ABS survey conducted in partnership with industry specialists. The survey results did, however, indicate that the last five years had seen a 13.5% downturn in sales. This was accompanied by some optimism among respondents that this trend would be reversed within the next five years.

**ART CENTRE PERFORMANCE**

“Most operate in very remote locations under very difficult circumstances.” (Wright, 1999, p. 5)

Data collected about the art centres for the AEP showed substantial differences in production and income. The reasons identified for these erratic performances were manifold. Influencing factors included local community circumstances, the skills of staff, fluctuations in the art market and changes to the regulatory environment (Acker & Woodhead, 2014c). Most art centres 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” (Wright, 1999, p. 5). The majority of art centres were shown to be poor economic performers if judged by sales alone, and very few art centres reported sustained market demand for their product.

In the case of art centres, the nature and value of cultural capital is under intense scrutiny; value cannot be solely calculated on the basis of markets or competitiveness, but is also based on cultural maintenance, social cohesion and
political expression (Bourdieu, 2000; Morphy, 1991, 2008). While a critical issue for art centres is the generation of income for artists, it is also widely recognised by the sector that art gains part of its value in the eyes of fine art consumers from its cultural integrity. International attention attracted by the high-end art market has given a small number of artists a very high profile and a competitive advantage in the global arena, but most art centres and communities face many obstacles in their bids to engage in the mainstream economy (Morphy, 2008).

Largely excluded from national and global markets because of distance, nascent business development, poor levels of education and social disruption in the communities in which they are based, art centres have nonetheless performed remarkably well as cultural hubs for the community (Altman, 2001; Arthur, 1999). Art centres and artists have been outstanding adaptors in this regard, and constant innovation and development in art production – both in terms of form and style – have meant that Aboriginal and Torres Strait Islander artworks remain in market demand (J. Biddle & Stefanoff, 2015). By occupying a space between cultural integrity and innovation, art centres have achieved a status in the market that permits the constant transformation and redefinition of Aboriginal and Torres Strait Islander art.

**FINANCIAL PERFORMANCE**

The most detailed reports about how art centres have performed financially are the *At the heart of art* report (Office of the Registrar of Indigenous Corporations, 2012) and the AEP *Art centre finances* report (Acker & Woodhead, 2014b). Both reports present statistical information about art centre funding and sales income within a national context, and their data and trend analysis broadly correspond.

The AEP research was based on data from 69 art centres and encompassed detailed analysis of 391 audit years covering the period 1990/91–2012/13. The raw

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5 In terms of innovation, Porter argues that the economy is far more dynamic and success is no longer simply aligned to comparative advantage but rather is tied to how well companies or organisations innovate and make the best use of their inputs or particular circumstances (Porter, 1985). To understand how companies create competitive advantage in this way, taking account of both what happens inside companies and what happens in the surrounding business environment is important.
data was drawn from audits where available and from profit and loss statements from those art centres unable to provide audited accounts because they were not required to audit their financials or were not meeting their reporting requirements. Histories of poor record keeping in art centres and government departments meant that recent financial records from the last four years of the study were the most complete and reliable, although earlier data assisted in the identification of general trends in the sector.

The research found that a small number of art centres (20) significantly outperformed the others, generating between them 70% of the total art sales, while 60% of art centres made less than $250,000 per year. Of the 69 art centres that provided data, three-quarters made less than $500,000 in annual sales and more than half made less than $250,000 (Acker & Woodhead, 2014b, p. ix). Table 4 shows the averages over a nine-year period, providing a picture of how weighted art centre financial performance is towards the lower end of the income spectrum.

**TABLE 4 ANNUAL ART CENTRE INCOME SALES COMPARISON, 2004/05–2012/13**

<table>
<thead>
<tr>
<th>Annual sales</th>
<th>Number of art centres</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $150,000</td>
<td>47</td>
<td>34.30%</td>
</tr>
<tr>
<td>$150,000 to $250,000</td>
<td>33</td>
<td>24.10%</td>
</tr>
<tr>
<td>$250,000 to $500,000</td>
<td>27</td>
<td>19.70%</td>
</tr>
<tr>
<td>$500,000 to $1 million</td>
<td>18</td>
<td>13.10%</td>
</tr>
<tr>
<td>$1 million to $2 million</td>
<td>8</td>
<td>5.90%</td>
</tr>
<tr>
<td>$2 million+</td>
<td>4</td>
<td>2.90%</td>
</tr>
</tbody>
</table>

Source: Acker & Woodhead (2014b, p. 29)

Table 5 below shows the average total sales and government funding for art centres between 2004/05 and 2012/13. This data shows that grant funding steadily increased each year. There was a yearly increase in sales between 2005/06 and 2007/08, followed by a 28% fall. Wages generally reflected the increase in government funding, while payments to artists generally followed the income from sales trend. Not only was there a drop in artists’ income in nominal terms between 2007 and 2013 but an increase in the price level of 17.6% over the same period meant a much larger fall in real incomes. While the 2012/13 sales mean indicates that some art centres started to recover after the decline, other art centres continued to show decreased or flattened sales (Acker & Woodhead, 2014b).
The reasons for the fall in sales are complex, and major financial events such as the GFC in 2007–08 had a flow-on effect on art centre sales and for investor confidence. The downturn in Aboriginal and Torres Strait Islander art sales was compounded by the focus on bad practice in the media at the time, which created uncertainty about who the reputable operators were in the sector. The relative speed with which Aboriginal and Torres Strait Islander art gained popularity in the collector’s market and the high prices for the works of some artists reinforced these uncertainties. High-end works are purchased as investments, as well as for their perceived aesthetic and cultural qualities, and reservations about their authenticity and provenance in a speculators’ market created price uncertainty and buyer caution (Booth, 2014).

### TABLE 5 ART CENTRE MEAN INCOME AND EXPENDITURE, 2004/05–2012/13

<table>
<thead>
<tr>
<th></th>
<th>Mean sales</th>
<th>Mean grant income</th>
<th>Mean wages</th>
<th>Mean artist payments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2004/05</strong></td>
<td>$492,060</td>
<td>$141,132</td>
<td>$109,429</td>
<td>$281,070</td>
</tr>
<tr>
<td><strong>2005/06</strong></td>
<td>$457,861</td>
<td>$112,322</td>
<td>$113,524</td>
<td>$285,952</td>
</tr>
<tr>
<td><strong>2006/07</strong></td>
<td>$519,958</td>
<td>$166,540</td>
<td>$124,880</td>
<td>$316,907</td>
</tr>
<tr>
<td><strong>2007/08</strong></td>
<td>$552,301</td>
<td>$211,300</td>
<td>$146,229</td>
<td>$305,568</td>
</tr>
<tr>
<td><strong>2008/09</strong></td>
<td>$396,935</td>
<td>$229,441</td>
<td>$141,458</td>
<td>$220,368</td>
</tr>
<tr>
<td><strong>2009/10</strong></td>
<td>$409,343</td>
<td>$295,358</td>
<td>$183,089</td>
<td>$252,068</td>
</tr>
<tr>
<td><strong>2010/11</strong></td>
<td>$301,658</td>
<td>$303,169</td>
<td>$196,596</td>
<td>$179,766</td>
</tr>
<tr>
<td><strong>2011/12</strong></td>
<td>$307,249</td>
<td>$307,798</td>
<td>$220,611</td>
<td>$178,012</td>
</tr>
<tr>
<td><strong>2012/13</strong></td>
<td>$330,752</td>
<td>$362,898</td>
<td>$255,429</td>
<td>$191,550</td>
</tr>
</tbody>
</table>

Source: Acker & Woodhead (2014b, p. 26)

### MAKING A LIVING – REMOTE AREA LIVELIHOODS AND ART PRODUCTION

The number of artists that work through each art centre varies considerably and changes over time as people move or pass away and new artists emerge. Large art centres may have hundreds of artists that work either regularly or intermittently; small art centres may only have five to ten artists and struggle to maintain numbers.
Historically, estimates of the number of Aboriginal and Torres Strait Islander producers working as artists in Australia remained surprisingly static over the period between 1981 and 2006. In 1981 there were 5000 producers, and in 1989 Altman saw no evidence of an increase in these numbers (Altman, 1989; Pascoe, 1981). In 2006, the Australia Council estimated that there were 6000 artists being serviced by the then four peak bodies (Australia Council for the Arts, 2006, p. 6).

In 2006, the ABS released the *Aboriginal and Torres Strait Islander Australians: Involvement in arts and culture* report (Australian Bureau of Statistics, 2006). This research found that 9.9% (7600) of Aboriginal and Torres Strait Islander people living in remote Australia received payment for making art compared to 3.1% (6400) of Aboriginal and Torres Strait Islander people living in urban and regional centres. Receiving a payment obviously differs from making a living, and the research found that only 786 Aboriginal and Torres Strait Islander people were making their living through arts and crafts.

Table 5 above supports Altman’s findings from the 1989 review of the Aboriginal and Torres Strait Islander arts industry that the majority of remote artists are not able to live from their art income alone (Altman, 1989, p. 47). The mean artists’ payments by art centres between 2004/05 and 2012/013 were low and peaked in 2006/07 at $316,907, gradually decreasing most years until 2011/12. While a small number of artists have been able to earn enough income to live independently for a part of their professional careers, most are required to supplement their income through other sources; once their production years are finished, they often return to a reliance on benefits (Altman, 2013).

Some researchers and commentators have argued that government financial subvention in Aboriginal and Torres Strait Islander affairs since the native welfare period has made it harder for Aboriginal and Torres Strait Islander people to gain economic independence (Pearson, 2000; Schaper, 1999). Several generations of Aboriginal and Torres Strait Islander people had restrictions placed on how and when they could work, were confined to mission stations and reservations and were not paid wages for the work they did. The resultant dependency on government and welfare officers to broker their relationship with the broader economy and for their basic material needs has, according to these studies, created a significantly disadvantaged underclass (Schaper, 1999). Commentators such as Noel Pearson take this argument even further, claiming that government efforts to assist Aboriginal and Torres Strait Islander people resulted in them as individuals being relegated to
a welfare-dependent ‘poverty trap’ and their organisations tied to a drip feed of government funding (Dodson & Smith, 2003; Pearson, 2000). The majority of older artists living in remote communities have direct experience of the welfare era, and many of the younger generations felt its impact though their parents and grandparents. In remote communities where employment opportunities continue to be limited, many people have turned to art practice to supplement their incomes.

In 2008, the Standing Committee on Aboriginal and Torres Strait Islander Affairs published Open for business: Developing Indigenous enterprises in Australia, which appears to substantiate in part Pearson and Dodson’s arguments (House of Representatives: Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2008). This extensive report found a difference in self-employment rates for Aboriginal and Torres Strait Islander and non–Aboriginal and Torres Strait Islander people, with non–Aboriginal and Torres Strait Islander people three times more likely to run their own businesses and, in the case of remote communities, nine times more likely (Morley, 2014). These figures also reflected the relative lack of economic opportunities in remote communities when compared to regional and urban settings. While art centres are part of the solution and represent an economic opportunity for their communities, they are in most cases not big or successful enough to create economic parity for artists.

**Chapter Summary**

With few exceptions, art centres have worked with all interested community members whether they show potential as commercially viable artists or not. For most of the people who work at art centres, the money from art sales will never be more than a small addition to their income and certainly not a panacea for long-term unemployment and economic disadvantage. Of the few who have established themselves as artists within the market, most have extended families that depend on their income, so they rarely reap the benefits of their higher income in terms of financial independence.

Recent research in the AEP has collected financial, production and participation data from art centres for the period 2001–13. This provides the scaffolding around which a more complex and comprehensive story of what art centres do can be built. The available data tracks the volume of work and the value of financial engagement for art centres and, in the process, reveals how small an income the majority of art
centres draw from sales. Despite their high public profile, art centre sales form a small part of the whole market, and art centres would seem to be far more important and successful at being catalysts through the supply of product, which then journeys through the market generating financial value that primarily benefit collectors, commercial galleries and agents. Their central role in the market confirms the authenticity of the product and conversely fuels interest in new and original works from communities, thereby driving market momentum. The almost total absence of art centres as long-term investors in their own product is concerning and contributes to their financial fragility.

While the socio-economic issues in communities have become reduced in the public domain to collections of statistics and political rhetoric, low literacy and numeracy levels, poor health, interrupted employment histories, substance abuse and violence are all factors that have serious adverse impact on art centres. These issues not only make it harder for artists and arts workers to work, they also impact on other staff and are part of the reason for the high turnover rate and resultant discontinuity in business functionalities (Seet et al., 2015).

In the current political climate there is a risk that art centres will be seen as a solution to the many issues facing remote communities rather than as enterprises equally in need of support. Art centres are subject to the same external pressures as other community organisations. One research respondent said that the fact that the art centre model delivered so much more than economic benefits by maintaining culture and encouraging new art practices has led federal and state agencies to ask what can be learned from the way they operate and can these outcomes be duplicated. A degree of caution needs to be exercised here, as many of the positive social, cultural and economic outcomes of participating in art centre activities are long-term and difficult to measure, and policymakers and researchers have not as yet collected enough hard data to demonstrate their impact on communities.
CHAPTER FOUR: ART CENTRES, DEVELOPMENT AND LOCAL ECONOMIES

INTRODUCTION

Art centres are enmeshed in the debate about appropriate development strategies for remote communities and Aboriginal and Torres Strait Islander people, a debate which has political and theoretical affinities with international discussions in a developed and Third World context (Escobar, 1995). It is useful to see art centres within a development context, as this highlights the externally imposed transformative agenda and permits examination of how art centres are positioned theoretically in policy and programs as well as practically in terms of how they operate. The gap between government discourse and development practice is the space within which the role and capacity of art centres in communities is contested.

This chapter will look at art centres through the lenses of several related areas of discourse:

- The relationships between settler societies and Aboriginal and Torres Strait Islander people have been described by researchers as forms of “internal colonialism” (Beckett, 1987; Hechter, 1975). In this relational frontier, Aboriginal and Torres Strait Islander people both participate in institutions in order to strengthen their sense of identity and are subject to them as vehicles of acculturation (Beckett, 1987; Blagg, 2008; Escobar, 1995).

- The hybrid economy has been proposed as a framework for better understanding local economies in remote communities. This model helps clarify how the customary, state and market domains interact, but its value as a solution for economic marginalisation requires further investigation.

- The impact of First World neoliberalism and globalism on local economies is increasingly being discussed. Art centres act as brokering institutions that link local economies to the global economy and champion cultural difference.
BACKGROUND

Each art centre (often particularised by the art centre manager) has its own approach to working with community. Some art centres are obviously more effective at managing the commercial and social aspects of their activities, while others struggle to define priorities and fail to maintain their relevance, as indicated by poor participation rates in some communities. Most have business plans, but these rarely include formal strategies for managing and planning development, and staff are not actively recruited for this expertise. As a result, art centres are often not prepared to take advantage of new funding regimes and programs and are reactive to these changes rather than strategic in how they can be used to meet long-term development goals.

Historically, many of the art centres have been agents of change, offering a conduit between the market and remote communities and, in the process, redefining customary exchange practices with the introduction of monetary systems of value for cultural product. Aboriginal and Torres Strait Islander people mostly negotiated (not always easily) these changes to their local economies as part of a dynamic cultural exchange (Kimber, 1995).

Within international development literature, it is now more broadly accepted that solutions cannot be designed and delivered from the top down, and that for development strategies to avoid the pitfalls of colonialism and be effective they must reflect the aspirations and be fully understood by the communities they seek to change (Sen, 2005). It is now also acknowledged that this may entail changing or reconsidering the terms of reference, including development models and the definition of good goals and outcomes (Klein, 2015). Within this context, how art centres are defined and what they are expected to deliver has largely been fashioned in reference to traditional definitions of economic success and broader debates about the place of Aboriginal and Torres Strait Islander people within mainstream society (Gulliver, 2015).

A growing contingent of academic researchers are exploring alternative economic models in order to better understand what small Aboriginal and Torres Strait Islander businesses such as art centres represent to their members and local economies and how their means of operation can reshape the way success is defined according to the distinctive modes of social and economic activity within remote communities (Altman, 2001; Curchin, 2013; Russell, 2011). Altman has
repeatedly made reference to art centres as examples of what he calls the hybrid economy. His research has highlighted the role of the customary domain in the creation of much Aboriginal and Torres Strait Islander art, which draws from cultural knowledge for its form and content and derives its value within the fine art market as a marker of an authentic other (Errington, 1998). Customary practices also play a role in determining how Aboriginal and Torres Strait Islander people engage with their art centres and the broader art market (Altman, 2001, 2005a). Altman argues that art centres are “both intercultural and hybrid” and have grown in number and profile alongside a range of associated public and private institutions (Altman, 2007a, p. 43).

Altman regards the state, market and customary domains as interlinked, and in the case of art centres they are intrinsically dependent upon each other. The transformation of artworks, with locally determined customary value, into products of value within a global market is subsidised by government through funding for art centres and public institutions. Most art centres could not continue to operate without government funding and support; they rely on the market for sales (and in turn the market relies on art centres), and without the realm of the customary, one of the key sources of creativity and distinguishing characteristics of Aboriginal and Torres Strait Islander art in the market would be lost. This co-dependence is a factor that needs to be taken into consideration when evaluating art centres within a community context and locates customary practices and knowledge at the centre of the economic and policy discussions.

Altman’s hybrid economy is also potentially a process of interaction and progression as well as a defined realm of economic activity. The interactions between the state, the market and the customary domain are not static. All three domains are now markedly different to what they were in the 1970s, and each domain has impacted on the other and coalesced in the establishment of the art centres in historically specific ways.

**DEVELOPMENT AND ENFORCED CHANGE**

Definitions of development by government and NGOs, when applied to a disadvantaged component of the population, tend to assume that disadvantage can be objectively benchmarked in terms of statistical deficits in the areas of personal wealth, health and education, and that the categorisation of these people as a group
is validated by this evidence (Pholi et al., 2009; Rowse, 2010). That the notion of disadvantaged people is as much a creation of discourse as empirical experience has become a matter of discussion as researchers give accounts of how government policies and programs, driven by externally imposed social and cultural assumptions, impose new orders and idioms on Aboriginal and Torres Strait Islander people that impact on what Rowse calls the politics of recognition (Rowse, 2012). Rowse argues that as a population, Aboriginal and Torres Strait Islander people can be subsumed under broader notions of equality that subordinate difference and relate to how Aboriginal and Torres Strait Islander people are conceptualised and how their rights are acknowledged as part of a social justice agenda.

Aboriginal and Torres Strait Islander people residing in remote communities offer another, more specific and discrete category of people available for scrutiny and analysis in public discourse, and their liminal location in settled Australia – both geographically and in the political imagination – allows them to be conceived as both apart from and part of Australian civic society (Rowse, 2012; Sanders, 2013a). This dichotomy was reinforced by denying Aboriginal and Torres Strait Islander people the rights of citizenship and not counting them as part of the general Australian population until the 1960s (R. Perkins, Langton, & Atkinson, 2008). In more recent times and within this interstitial conceptual space, Aboriginal and Torres Strait Islander people become part of a political and social problem to be addressed by state and federal development strategies such as Closing the Gap and the work of Aboriginal and Torres Strait Islander NGOs. They also become available for management through external development and philanthropic agencies (Mission Australia, Oxfam, World Vision) because of their perceived commonalities with people of the Third World.⁶

⁶In the past 15 years, development agencies have taken a more active role in delivering services in communities – with very mixed results. There is growing resentment of organisations such as Mission Australia, which are seen to be competing with Aboriginal and Torres Strait Islander non-government organisations for government tenders (Howitt et al., 2014). Their success in securing tenders is partly because of their operational size and reach, but also because they are perceived as being of less risk to government than Aboriginal and Torres Strait Islander organisations. This reluctance on the part of government to invest in Aboriginal and Torres Strait Islander non-government organisations is becoming more pronounced; art centres are not immune.
Typical of the Aboriginal and Torres Strait Islander development sector is government’s reliance on external organisations such as art centres to deliver services and improve community capacity building. Over the past 20 years, government has increasingly used a purchaser–provider model to fund organisations, including Aboriginal and Torres Strait Islander art centres (Australian Institute of Health and Welfare, 2000). This funding approach has dominated in the health and social services fields and presupposed that government could buy specific programs or projects from an administering service provider, thereby outsourcing service delivery and increasing competition in the private sector. One of the issues with this model is how services and their costs are defined, often resulting in an under-resourcing of organisations because their funding is based on what government has available to spend, rather than actual costs of delivery (Australian Council of Social Service, 2014).

The development role of the Aboriginal and Torres Strait Islander NGOs is undervalued and therefore under-resourced but unlikely to be replaced with another model of delivery (Holcombe & Sullivan, 2012). As a result, Aboriginal and Torres Strait Islander organisations frequently attempt to deliver services for which they are not funded and are therefore considered to be high risk. In turn, this leads to an overemphasis by government on management dysfunction and inefficiencies among Aboriginal and Torres Strait Islander not-for-profits and a political shift away from viewing them as key drivers and deliverers of services in communities (Swansson, 2010).

In the case of art centres, government arts agencies broadly support professional artists, art sales, marketing and employment, but no assessment was ever made of what these services actually cost to deliver effectively. Government language in art centre contracts is often vague about what is being purchased, and there is an emphasis on partially funding projects and operational costs, rather than looking at the organisation holistically. Some grant sources such as the IEI program are part of the broader normalisation regime in remote communities and can conflict with some of the central tenets of art centres. In this context, art centres are upholders of cultural values and practices, while at the same time being used as agents of

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7 In this context, normalisation refers to a policy approach as defined by Altman and Hinkson that is posited as diametrically opposed to the recognition of difference and self-determination (Altman & Hinkson, 2010).
change in order to increase the engagement of Aboriginal and Torres Strait Islander people in the mainstream economy.

With external pressure to contribute to the normalisation agenda, self-determination and local governance have remained critical issues for art centres, because from a community perspective one of their key roles is to celebrate difference and strengthen local identities. In the 1990s and early 2000s, artists were the largest contributors to art centre funding and were governed by Aboriginal and Torres Strait Islander committees; as a result, there was a strong sense of local ownership and control (Altman, 2006b). In the larger and more successful art centres this remains the case; however, for the majority of smaller art centres an increased reliance on government funding has reduced their independence and weakened their ability to set local agendas. In these instances, self-determined development is in danger of being replaced with externally directed development and has contributed to the political marginalisation of some art centres.

**DEVELOPMENT, BUSINESS AND THE COMMUNITY**

Art centres are part of the broader Aboriginal and Torres Strait Islander not-for-profit sector, which in turn is a subset of the so-called third sector that is made up of collectives and membership-based institutions with a community development and advocacy focus (Holcombe & Sullivan, 2012; Lyons, 2001; Rowse, 2005). According to Lyons, these types of organisations and associations are different from the first (state) and second (for-profit business) sectors and are typified in part by their heavy reliance on government funding and the fact that they do not distribute profit. These characteristics define how art centres operate, as their institutional structure in many cases determines that a group rather than individuals will benefit; that income will be reinvested back into the business rather than be distributed as profit; and that this money will be used to provide some benefit to the membership. In other words, art centres are administratively set up for development; they plan and make decisions based not exclusively on financial imperatives, but on community benefit factors as well.

Like the CDEP scheme, art centres were envisaged as an alternative to welfare and as vehicles for meaningful activities and employment in communities. Arguably, many art centres had a welfare focus until well into the 1990s, when the aesthetic value of the artworks was increasingly recognised by curators, critics and collectors (T. Smith, 2008). While government-funded art centres were seen as a stage in the
process towards financial independence and business success (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007, p. xii), very few have achieved that goal, despite having been foundational players in the development of the Aboriginal and Torres Strait Islander art market and contemporary art movement. Art centre advocates, including the peak agencies, have for decades argued that this development role was open-ended and that in order to positively impact on the whole community over time, art centres needed to be seen in terms of long-term development and investment (ANKAAA, 2006; Wright, 1999). Even the larger and more successful art centres do not see their missions as complete, and the nature of the art market – with its tiers of established, emerging and trainee artists – means that art centres are always engaging with new artists, particularly as the more senior and established artists pass away, and this requires ongoing investment.

If, as Rowse and Sullivan argue, not-for-profit organisations are vehicles through which Aboriginal and Torres Strait Islander people are represented in the polity (Rowse, 2005; P. Sullivan, 2010, p. 4), then art centres can be seen as providing an important platform for civic engagement as well as business opportunities and employment, even though they are not in any sense the complete answer to issues of inequality in communities. There is an incongruity here. By investing in art centres, government seeks to provide an alternative to welfare reliance, even though artists often rely on income from both art sales and welfare benefits. Art centres, like other businesses in remote Australia, are limited in size and scope because of their location and offer most artists only a small and unsteady income stream. But the services they provide are invaluable in development terms and are essential to future capacity building in communities with few alternatives.

Equally contradictory is the criticism art centres attract for poor business practices when they are being scrutinised for development and for poor development practices when they are being scrutinised for business priorities (Eccles, 2011a; Levi & Davis, 2008; Rothwell, 2008). The dual nature of cooperative social enterprises is common across all business areas, and the tension between economic and non-economic values means they do not fit easily into business or welfare categories (Levi & Davis, 2008). According to critics, art centres are either concentrating too much on high-end artists at the expense of emerging and recreational artists, or devoting too much attention to artists with no career
expectations (Eccles, 2011b). Finding a balance between the two is one of the key challenges managers face and is critical for the future sustainability of art centres.

**WHAT KIND OF DEVELOPMENT**

The relative value of different modes of development in the art centre context needs to be deconstructed. In the broadest terms, development refers to social, health, education, economic and cultural factors and is reflected in the broad scope of activities undertaken by relief organisations with a development focus (Howitt et al., 2014). The relationship of art centres to health and social development is largely accepted, and discussions mainly revolve around how to measure these impacts (T. Cooper et al., 2012). The relationship between the concepts of cultural and economic development in the discourse about art centres and the arts in general, however, is fiercely debated; the two are rarely seen as compatible. Here Throsby's (1995) articulation of culturally sustainable development is useful, because it proposes that neither cultural nor economic goals have primacy when thinking about the advancement of the material and non-material wellbeing of society across generations, and cultural capital is prized equally to financial capital in the achievement of development goals. He goes on to suggest that this type of systems analysis (Miser & Quade, 1985) could provide an evaluation framework for future government policies and programs by posing questions about cultural and financial capital and what intergenerational benefits are achieved (Throsby, 1995). More importantly, it offers a perspective on cultural development not just as an exercise of elitism, but as a core and essential part of a society’s development as a whole.

If art centres are therefore seen from the perspective of sustainable cultural development rather than as development organisations per se, they can be allowed to focus on what they do most effectively: increase cross-generational cultural capital rather than function as tools to achieve a broader normalisation strategy. The alternative is to push or encourage them into a broader development role that they are poorly equipped and placed to deliver. Art centres are to a degree complicit in this problem, as many do behave like development agencies in an environment where many of the basic social services are absent, even though this is not a long-term or sustainable strategy.
ART CENTRES AND THE GLOBAL ECONOMY

While the dominance of neoliberalism with its emphasis on healthy markets supported by small government and enforced property rights and regulations is widely accepted, it has certainly not remained unchallenged within public debates by economists and academics (Altman, 2009; Henry, 2007). A major criticism of neoliberal policy settings is the resultant inequalities between First World and Third World people and between the colonisers and the colonised. One of the responses to these inequalities in Australia has been the development of normalisation approaches, including the facilitated engagement of Aboriginal and Torres Strait Islander people in global and national economies through government interventions. At the same time and within the First World international context, remote-dwelling Indigenous people and their cultural knowledge and products have been increasingly positioned as external to the global economy, despite indicators that through local commercial enterprises such as art centres, improved native title rights and their negotiations with the resource sector they are becoming increasingly engaged in it.

While the Aboriginal and Torres Strait Islander arts sector is small, it has become a widely recognised part of both Australia’s self-identity and its international image. Its commercial presence within the global arena is growing, as the fine art end of the spectrum becomes more collectable and increases in value. Much is made in fine art market discourse of the perceived social, cultural and geographic distance between Aboriginal and Torres Strait Islander artists living in remote communities and the international art world (Radok, 2009). Distance is both a strength and a weakness for the sector, on the one hand authenticating Aboriginal and Torres Strait Islander artists but on the other making it harder for independent artists and art centres to engage with the market directly. Few art centres trade directly with international markets, with most relying on intermediary commercial and public galleries and museums to raise the profile of artists and artwork. In this sense, Aboriginal and Torres Strait Islander artists and art centres are represented – like so many other Indigenous peoples and minority groups – through a mediating presence (i.e. artworks, music, traditional knowledges) and as both outside the global economy yet central to it (B. Smith, 2000).

8 These intercessions include programs like the various remote community job programs that have replaced CDEP and have had a major impact on how art centres do business.
ECONOMIC ENGAGEMENT AND EXCLUSION

International interest in remote community Aboriginal and Torres Strait Islander art has made it a valued tool for cultural diplomacy and kept political interest in the debates about Indigenous people and remote communities alive in world development forums as well as in art and anthropological circles. Artists are both revered as practitioners of arcane and elusive art forms that conjure up the real Australia and confirm their status as first peoples, as well as marginalised and excluded from the market networks of dealers and collectors (Australia Council for the Arts, 2006).

While Aboriginal and Torres Strait Islander artists and their artwork are fundamental to the arts sector, most associated art businesses, including art centres representing remote community artists, are owned or managed by non–Aboriginal and Torres Strait Islander people (Woodhead, 2014). Through decades of government subsidisation of the art centres and the Aboriginal and Torres Strait Islander art market, an extensive and now established network of commercial galleries, auction houses and retail outlets has emerged, as part of the multiplier effect. This secondary market sector is much larger in scale than the art centre network, yet it is largely ignored by government analysts and statisticians.

Aboriginal and Torres Strait Islander people are arguably not the main financial beneficiaries of the broader art market, with most of the positive outcomes for artists and communities being reflected in their local economies and in the political/cultural platform their artwork has provided (Acker, 2014b). The Aboriginal and Torres Strait Islander art market, as all art markets, trades in signs and symbols; artists are positioned as holders of ancient knowledges with powerful connections to remote and exotic locations rather than as commercial agents dependent on the sale of their artwork. Their absence from commercial networks therefore goes almost unnoted.

ART CENTRES – LOCAL ECONOMIES

Aboriginal and Torres Strait Islander art centres are remarkable examples of enterprises that operate within both the commercial constraints of regional and remote communities and, to varying degrees, as part of a global art market. As part of regional and remote Australia’s economy, art centres are subject to the same political, logistical, social and economic pressures that have been well described
within the literature (Ingamells, Holcombe, & Buultjens, 2011; Rola-Rubzen et al., 2011).

History tells us that regional and remote development policies are developed in urban political centres, away from the small communities they are seeking to support or change. While other countries in the developed world have found a place for local economic growth strategies, whether they be driven by the private or the public sector, there continues to be debate in Australia over whether resources should be devoted to regional and remote initiatives in preference to the large-scale and generalised national interventions that now dominate the political landscape (Beer, 1998; Walker et al., 2012). This value-for-money approach to supporting outlying communities has been particularly targeted at Aboriginal and Torres Strait Islander people and has been encapsulated in former prime minister Abbott’s statements that Australia cannot afford the lifestyle choices of Aboriginal and Torres Strait Islander people living in economically unviable communities (Medhora, 2015).

Attempts have been made to address issues of economic marginalisation through the support of networks such as Supply Nation and the introduction of procurement thresholds for services and supplies to be sourced through Aboriginal and Torres Strait Islander businesses. For most Aboriginal and Torres Strait Islander people living in remote Australia, however, these initiatives have had little impact; most gain their business experience through the negotiation of land-use agreements and the development of small local enterprises. These businesses are characterised by their local sphere of operations, the employment or engagement of primarily community members and their focus on economic opportunities specific to their location, whether it be agricultural, pastoral or, in the case of art centres, cultural.

Local economic development activities in Australia, including Aboriginal and Torres Strait Islander businesses and not-for-profits, are less well developed than those of some other countries because of Australia’s relatively small population base and the concentration of the majority of the population in the major cities (Beer, 1998; Walker et al., 2012). The relative size of the Australian economy compared to that of the United States or the European Union and the ensuing lack of economies of scale have meant that Australia has relied heavily on the resources boom to fund regional economic development in regions such as the Pilbara, rather than through its taxpayer base alone. As the income from the resources boom dwindles, more pressure is placed on communities to justify investment or else risk being closed down (Coddington, Bird, & Bird, 2015).
Policies in Australia have primarily prioritised national prosperity and the global economy over local economies (Ingamells et al., 2011). In an attempt to address the spatial inequities and consequences of national economic restructuring on regional communities, state and local governments became active in the 1980s and 1990s with the aim of stimulating local economic development (Beer, 1998). With the election of the Howard government in 1996, funding to regional programs was rationalised, and it was largely left up to the states to support regional development. If remote enterprises are to be sustainable, government policies and initiatives have to focus on long-term and tailored strategies for the local economies at the community and regional levels. One proposed solution is to have location-specific economic agendas that are managed by local agencies (Ingamells et al., 2011).

It is now widely recognised that infrastructure and services in regional and remote Australia have been distributed unequally and have been overall inadequate, even in places where more permanent economic development is the aim (Walker et al., 2012). The debate about how government should target its activities and funding continues to oscillate between the extremes of a national intervention and the notion of subsidiarity, where control and influence are concentrated at the community and individual level, with government only directly acting in areas beyond local capacity (J. Hunt & Smith, 2007; Ingamells et al., 2011; Pearson, 2010).

In the context of current debates about welfare-dependent communities and the need to develop regional economies, it is critical to understand what role small enterprises such as art centres play and how they are affected by the shifting of resources as government policies move away from self-determination and towards assimilation and statistical parity. For the majority of Aboriginal and Torres Strait Islander people residing in regional and remote communities, the local economy of small, often communally owned and -managed organisations is the primary way that they engage with the broader economy and express their political and civic rights as well as earn a wage or generate income through their art practice or Native Title rights. Local organisations, including art centres, are often woven into the power structures of their local communities, and their governance often reflects the community’s internal order (P. Sullivan, 2011b).

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9 It was during this period that Western Australia established nine Development Commissions in the regions and introduced the Area Consultative Committees to advise on employment initiatives and economic development (Beer, 1998).
Chapter Four: Art Centres, Development and Local Economies

Studies such as Kerins’ work on caring for country initiatives reveal the aspirations associated with these programs, and, in many ways, his observations are also relevant to art centres. He notes that there has been a marked difference between the conceptualisation of caring for country programs by Aboriginal and Torres Strait Islander people and the programs that have actually evolved (Kerins, 2012). Rather than providing a means for people to connect with country and strengthen their cultural practices, he argues that some programs have become narrow in their focus and emphasised employment and economic engagement instead. In a similar manner, art centres were conceived as powerhouses for cultural knowledge and expression but are being pushed towards being employment programs and businesses with much narrower objectives. In the same way that caring for country became working on country in Kerin’s account, caring for culture can be seen as having changed to working on culture.

Art centres in particular often have boards of management that reflect customary social and cultural groupings and form a powerful nexus of community ownership. These funded organisations operate as brokers not only within the broader art market but within local exchange systems as well. In this way, art centres are a very particular kind of expression of what Altman calls the hybrid economy. Art centres have been successful in maintaining their relevance in communities because they are shared territories, spaces where local and mainstream economies of value can coexist. The most successful art centres have operated as extensions of the community’s local economy and customary order rather than as independent for-profit businesses, and communal ownership has reinforced this fluid and rarely articulated intercultural enterprise model. It is in this context that the efforts to normalise artists and communities can be seen as dismantling vibrant, productive and evolving economic relationships that have underpinned a market for decades and have permitted artists to carve out a locally valued way of life close to country both physically and metaphorically.

**NORMALISATION, ART CENTRES AND THE ART MARKET**

Normalisation has received much critical attention in the writings of academics such as Patrick Sullivan, who explores its implications for Australia’s Aboriginal and Torres Strait Islander citizens and how it is expressed in policy terms (Altman, 2011b; P. Sullivan, 2011b). For Altman and Sullivan, the danger of normalisation approaches is the over-reliance on statistical equality and deficit assessments,
rather than on what Sen has referred to as freedoms and capabilities (Sen, 2005). In the international development sphere, normalisation agendas have come to be regarded with increasing suspicion and as part of an ongoing colonisation of the Third World that has only a limited impact on economic and health outcomes (Escobar, 1995). The notion that Third World people have to leave behind existing social, cultural and economic institutions in order to progress economically has been rigorously refuted by Escobar and set within a political and historical construction of the world as divided into the developed and undeveloped.

The normalisation agenda has been taken up by both the major parties in the Australian context and has seen publicly commissioned reports such as the Forrest Review extend the debate about how Closing the Gap targets can be met as quickly as possible and with little regard for Aboriginal and Torres Strait Islander self-determination or agency (Forrest, 2014). Framed within a perspective in which Aboriginal and Torres Strait Islander cultural and social practices are either a problem or of no relevance, Forrest’s report makes no references to art centres or other local enterprises and recommends Aboriginal and Torres Strait Islander people be encouraged to move away from their commercially limited communities into larger centres where employment and training are more readily available. His plans for change are unapologetically assimilationist and justified, he argues, because of the disparities in health, education and employment. While few would deny these disparities and the need to address them, the mechanisms whereby this can be achieved are still poorly understood. Government, despite all the research indicating local solutions and diverse strategies adapted to specific environments and circumstances are potentially the most effective, has a poor history of developing rhizomatic programs responsive to local needs and circumstances (Deleuze, 1987).

Forrest’s report also represents a complete turnaround from the policies of the 1970s that triggered the restoration of land rights and a return to homelands and unexpectedly led to a renaissance in art production that fit well with the government’s agenda of supporting economic opportunities for people living on country. While art centres are not posited as the alternative to Forrest’s plan, they do highlight the polar nature of the debate that focuses on enforced change for the sake of development and positions culture, identity and customary practices as outside the concerns of government and peripheral to the creation of “real” jobs, within the “real” economy. This significantly limits the opportunity to view culture,
identity and customary practices as central to remote community economies and discourages exploration of alternative economic models that might help better articulate how they function.

Two aspects are worth exploring here: firstly, the rejection of the hybrid economy model as a solution or framework for future market development, because of its subordinate position and the lack of commercial opportunities in communities, including through the art world, which is highly competitive and sensitive to changes in global financial circumstances; secondly, the value of the hybrid economy model as a means of revealing how art centres (and landcare programs) operate in communities and why it is likely to have limited application to other types of commercial enterprise.

**ALTERNATIVE ECONOMIC MODELS**

**THE HYBRID ECONOMY**

The hybrid economy model developed by Altman has received a lot of attention in academic circles; however, policymakers – who are arguably the intended audience for his work – have not applied his findings to policy frameworks and programs, possibly because of a lack of clarity about how to do so and the model’s inherent contradictions with certain fundamental presumptions upon which their current policies are based (Busilacchi, Williams, Sutton, Begg, & Russ, 2013; Codding et al., 2015; Curchin, 2013, 2015). This is certainly the case in the Aboriginal and Torres Strait Islander arts sphere, which Altman has used as an exemplar of his model (Altman, 2001). No arts policies at a federal or state level make use of the term hybrid economy, nor do any of the associated strategies refer to customary practice in economic terms. There are repeated mentions in these documents of the importance of cultural maintenance and vitality, but the connection is not directly made that cultural vibrancy is a foundational part of an art economy, without which artists and art centres would struggle to succeed in a very competitive marketplace (Arts Queensland, 2011a; Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013; Government of Western Australia, 2012).

It could be argued that the policy documents assume that art centres have a role to play in developing and sustaining cultural practices but do not recognise that these practices are the currency in which art centres trade and thereby secure a place in
the broader global economy. Where industry development is discussed, the notion of economy starts at the point of production when objects are made and sold. In this traditional interpretation of the art economy, it is external money-based markets that need to be developed, funded and supported, not the private realm of the customary economy, which is invisible once the work leaves the hands of the artist and art centre. How to make visible the economic value of customary practices is a challenge for academics and researchers, and it is likely that the arts and landcare sectors are the clearest examples of how they financially contribute to the economy.

If it is accepted that customary practice plays a role in the economic world of Aboriginal and Torres Strait Islander people in regional and remote communities, then it becomes difficult to argue that Aboriginal and Torres Strait Islander people are not engaged, or are engaged in only a limited way, with an economy. Altman’s argument is that there is a parallel and at times intersecting economic sphere that is local and community specific, within which people exchange and create value that at times and in various forms is then exchangeable within the mainstream economy through art centres, landcare programs and the development of industries based on traditional knowledge. Underpinning his model is the assumption that customary practices and economies are of equal significance to mainstream economies when examining how Aboriginal and Torres Strait Islander people exchange, consume and create value within their own communities and country. It is therefore not that Aboriginal and Torres Strait Islander people are less engaged with “economy”, but rather that they are less engaged with the mainstream market economy. Altman argues that “important Indigenous contributions remain unquantified and unrecognised in mainstream calculations of economic worth” (Altman, 2001, p. v). The question then becomes: How can the value of what Aboriginal and Torres Strait Islander people contribute to the mainstream economy – as well as the labour and learning that are involved in being part of the customary system – be recognised, costed and understood better?

**ART CENTRES AND THE HYBRID ECONOMY MODEL**

Altman is seeking a major shift in thinking about remote communities. He charges government and the market with the tasks of reassessing how success in communities is defined and how customary practices can be acknowledged as a central part of local economies with potential and realised value in the broader market. Aboriginal and Torres Strait Islander agency is apparent in his model, as
artists and art centres have had to respond to the pressures brought to bear by successive government administrations and economic forces. However, in the case of hybrid economies, customary practices are conceptualised as a strength, not as a point of vulnerability open to exploitation and permitting a different set of standards to be applied to wage levels, working conditions and management from those widely accepted in the mainstream economy.

His model by no means demonises the market or the state but is rather a bid to better understand how Aboriginal and Torres Strait Islander people in remote communities devise and experience their economic relationships and activities. In his model, the state and the market are potentially part of the solution, provided that the dominant discourse can be changed to accept a non-monetary and locally based definition of an economy being of equal value to a fully monetised economy and to recognise the commercial potential of Aboriginal and Torres Strait Islander customary practices and knowledge as expressed in caring for country and art production. In the case of art centres, this requires ongoing government investment in what he calls the “intercultural infrastructure” that underpins the broader Aboriginal and Torres Strait Islander arts sector (Altman, 2007a, p. 49).

**FIGURE 3 HYBRID ECONOMY MODEL**

Source: Altman (2005b, p. 1)
From a semiotic perspective, Altman’s model is highly problematic, as it utilises broad categories such as state and market as named and bounded domains that are juxtaposed with the customary domain (Figure 3). Similarly, the positioning of the customary as an entity is also counterintuitive when viewed within the context of anthropological debates about structuralism and the difficulty in sustaining closed-system approaches to cultural studies and intercultural relationships (Bourdieu, 2000; Merlan, 2005). Altman’s customary domain reduces the complexity and multi-positional nature of cultural experience and would seem to suggest that there is a foundational difference between customary practices and the contemporary world of the state and market. Each of his three categories refer to patterns of production and are populated by people, hierarchies and institutions. As such, they are defined by multiple layers of social behaviours as well as socially constructed systems of order. Using art centres as case studies makes this all the more apparent and calls into question the usefulness of the model in deconstructing programs of normalisation and as an alternative to more traditional definitions of the economy.

In many of his early articles about the hybrid economy and its applications to economic futures in remote and very remote Australia, Altman has the state positioned at the top of the model and represented as the largest domain (Figure 3). From this dominating position, the state would seem to override the influences and impact of the customary and market; this reflected Altman’s suspicion that the state was indeed the major enabling/disabling factor or agent for communities (Altman, 2005b). In later versions of his papers, the state domain was positioned as equivalent in size to the two other sectors, marking another shift in his thinking and a growing concentration on the nexus between the market and customary practices and knowledge (Altman, 2009).

So how does Altman see art centres as an embodiment of his hybrid economy model? The model arose from a mix of anthropological and economic discourses and can confusingly be used to describe both Aboriginal and Torres Strait Islander people in remote communities and how they engage with each domain in the course of their day-to-day lives, but also more specifically to describe organisations such as art centres, which in his thinking somehow embody all three states within the one operational practice. He shifts between the two concepts without comment in his writings, never articulating what the differences are between the model as experienced by individuals and the model as expressed through an organisation like an art centre that embodies its fundamentals.
In Figure 4 below, some of the characteristics of each of the domains are outlined as they relate to art centres. The state, which in his earlier work Altman set as the dominant stakeholder in remote communities, both defines Aboriginal and Torres Strait Islander people and communities as in need of support and provides this support in very particular focused and politicised ways. The customary realm provides the product and context for the artwork and is sustained by ongoing connections to country. The market attributes its own set of monetary values and provides a pathway through which artworks accrue value as they journey from communities to galleries, auction houses and the hands of private collectors.

Curchin has argued that the hybrid economy could be regarded as an approach in that it offers an alternative to mainstream economy behaviours (such as set work hours) and permits a more flexible approach to how people can be supported to manage their paid work and their familial and cultural obligations (Curchin, 2013, 2015). While some art centres do in this sense provide a hybrid economy approach...
to employment, there is growing pressure from government to be less flexible and to have set work hours for all funded employees (Curchin, 2015). There is also a danger that her argument may seem reductionist, reflecting work/life balance debates occurring across the First World economies and focusing on a symptom of the clash between values rather than systemic change.

If the model is applied from the point of view of an artist or individual, the art centre becomes the representative of the market and state and, at times, the customary (depending on the projects and cultural activities it hosts). The art centre, from this perspective, can be better described as a hybrid business rather than a part of a hybrid economy, and the possibility arises that Altman’s model can only be applied to a very limited range of enterprise types. The characteristics of these businesses would be that they exist in commercially marginalised environments because of state funding, they rely on the customary domain for product, and they broker the transition of customary-based labour into the monetised economy. When operating in a hybrid way effectively, art centres as publicly funded cultural businesses appear to be commensurate with Aboriginal and Torres Strait Islander world views, art market demand and government expectations. They are regarded by artists as of value, not only because of the money they generate but also because of the cultural authority they project in both the market and government settings.

**Art Centres and Contested Values**

Art centres are a locus for contested views about what constitutes Aboriginal and Torres Strait Islander culture and whether culture is something to maintain and cultivate or one of the reasons for disadvantage and marginalisation (Sutton, 2001). In the first case, culture is associated with creative expression and customary practices. Art and culture are synonymous in this context (Throsby, 1995). What is valued and considered worthy of support are local knowledge, stories, art forms, songs and ceremonies. Culture in the sense of creative outputs is part of a particular domain of value in the arts sector and is considered to make a positive contribution to national identity. In the second case, culture has been used as a term to refer more broadly to less containable sociological practices and beliefs that define different social groups and can include customary and contemporary practices. The

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10 This mismatch in expectations has led to many Remote Jobs and Communities Programme and IEI positions being part-time rather than full-time.
term culture is applied to everyday behaviours and beliefs as well as to creative expression and can include but is not limited to attitudes to work, family, community and money. In this context, traditions of demand-sharing and high mobility between communities are considered to impact negatively on Aboriginal and Torres Strait Islander people and are therefore viewed to be of limited economic and social worth and value. There are tensions and overlaps between these definitions of culture as being either desirable or problematic. How these two value-laden interpretations of culture are linked and depend on each other is overlooked by policymakers, with strategies of maintenance and enforced change targeted at constructed notions of “good” and “bad” customary practices.

Economists such as Throsby have argued that “culturally sustainable development” embraces both of these interpretations of culture, which are part of the social, cultural and economic variables that come into play within institutions like art centres and systems of value generation (Throsby, 1995, p. 202). In the case of art centres and the art market, the issue of relative values and the processes for the creation of cultural capital are well recognised, and Altman’s hybrid economy model adds another dimension to the discussion by highlighting the processes of producing cultural capital through customary practices and art production in remote communities (Altman, 2005a; Myers, 2002).

The hybrid economy model does not stipulate how active or widespread customary activities need to be in order to be considered economically relevant; rather, it seeks to highlight the existence of these practices and their interrelationship with business and the state. Altman’s definition of customary practice embraces both subsistence and cultural activities, and his research is supported by a small but growing body of statistics collected through the National Aboriginal and Torres Strait Islander Survey, which shows that in remote communities many of the adult population are hunting and fishing and do participate in paid or non-paid cultural activities (Busilacchi et al., 2013). The lack of longitudinal and detailed subsistence economy data is evident across the country and means that the dynamic interplay between customary livelihood practices and the mainstream economy is poorly documented; this represents one of the major limitations to applying Altman’s model.

There are multiple layers of value at play within these cultural development and hybrid economy frameworks when they are applied to art centres and the production of artwork:
• the intrinsic (customary – private and or collective) associated with the acknowledgement of difference and an enhanced understanding of the world
• the instrumental (policy – public) associated with achieving social, health and economic benefits and development for individuals and the community
• the monetary (market – public) associated with the assignation of monetary values to tangible and intangible commodities.

The terms intrinsic and instrumental are used as defined in cultural policy discourse and relate to how the provision of public funding changes the nature of the debate about social value and the arts (Craik, 2007; Throsby, 2010). Belfiore and Bennett argue that if government funding were not available, the public interest or public-value scrutiny of the arts would not be so focused on justifying expenditure or seeking to quantify social and economic by-products of art production and participation (Belfiore & Bennett, 2007). In the case of art centres, government is seeking a public good as defined by the contemporary political context of Closing the Gap and as articulated, for example, in the Indigenous Visual Arts Industry Support (IVAIS) program fact sheet, where Aboriginal and Torres Strait Islander visual art is stated to be “fundamentally important to Australian culture” (Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013, p. 1).

Altman’s pragmatic approach to Aboriginal and Torres Strait Islander economic development through landcare projects and art centres limits his model to being an exemplar of the instrumental and monetary outcomes that could arise if Aboriginal and Torres Strait Islander contributions and expertise were valued economically, although he recognises that they are not a panacea for disadvantage, as the opportunities for employment and income generation in remote communities are limited. Like the state, market and customary sectors of the hybrid economy, the three layers of value are intrinsically linked, and it is common for art centres and artworks to have all three types of value associated with them simultaneously.

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11 In some ways there is a historical logic to using cultural policy terms, as the early art centres funded through the Australia Council initially came under this umbrella. It was only with the shift of the funding program that they came under the rubric of Aboriginal and Torres Strait Islander affairs and were subject to the increased emphasis on economic performance as well as cultural engagement.
THE ART CENTRES AND INTRINSIC VALUES

Art Centres have a pivotal role in the practice of culture and the recording of culture.  
(Desart Inc., 2006, p. 10)

The intrinsic value of Aboriginal and Torres Strait Islander art has remained strongly in the minds of not only artists but also the state and market, which have a vested interest in seeing the art industry succeed. Fortuitously, the art has been co-opted into the art market because of its aesthetics and exotic cultural value.

Statements by Aboriginal and Torres Strait Islander artists about the importance of culture abound, and Desart – the peak agency for Central Australian art centres – has as its tagline “Culture First” to reinforce its message that its art centre members help to support and sustain a living cultural heritage. Art centres have an intrinsic value for artists and their communities as institutions for cultural maintenance and expression. Many art centres have their own community collections of artworks, held in trust for future generations, and a role to play in supporting ceremonies by assisting with logistics, money, storing objects or providing a space for meetings and performances. In the eyes of many artists, these activities are part of the logic behind having an art centre and are complementary to their commercial functions.

While ultimately much of the artwork produced in art centres is destined for sale, the designs, forms and stories are part of a highly valued and cultural complex of social relationships and give corporeal form to customary beliefs (Morphy, 1991, 2008). A lot of attention has been paid to examining the value of Aboriginal and Torres Strait Islander art in the eyes of the artists and/or their community and that of the customer or audience (Coleman, 2005; Van Den Bosch & Rentschler, 2009). The obsession with confirming authenticity within the market is not just about ensuring that an artwork was created by the artist/s as stated but also, in the case of remote community artists in particular, that the art reflects a complex of customary practices that define Aboriginal and Torres Strait Islander artists as “other”. While this attitude is gradually being eroded as different art forms and subject matter are introduced in the repertoire of artwork from art centres, the notion that the art is resonant with ceremonial and spiritual information is dogmatically supported by curators and critics and is perceived as central to its ongoing value. Art centres are a major and trusted source for this authentic artwork and have become both purveyors and arbiters of authenticity because of their close association with artists and their position at the entry level into the market. The art centres do work directly with producers, and, because of the general professionalisation of the sector over the
past 30 years, systems are in place to provenance work. However, there is also a sense in which this authority within the market is overemphasised. Art centres cannot and will not limit their work with artists to solely customary art forms and content, and more emphasis has been placed on provenance rather than authenticating Aboriginality as the market has become more sophisticated and discerning. As a result, more attention is paid to the artworks themselves as loci of value and objects with meaning, both economic and cultural.

Such is the power of Aboriginal and Torres Strait Islander art as a signifier of value, it has been commandeered as an important tool for cultural diplomacy (where it has instrumental value); Australian governments have promoted this work to improve the image of the country and brand it both internally and overseas (Department of Foreign Affairs and Trade, 2006). It is used to promote Australia as tolerant and multicultural and to advocate and frame Australia’s international negotiations regarding human rights and cultural heritage protection. According to Desart Inc. (2006, p. 10):

> Aboriginal art makes a significant contribution to the culture of the nation. Australia is increasingly defined and promoted internationally in terms of Indigenous art and culture. It provides the nation with a rich cultural foundation and contributes to the cultural fabric in this country where we value many diverse heritages.

As art centre production has become part of the work to save and create both Aboriginal and Torres Strait Islander identities and Australia’s national identity (goals with no direct monetary value), the question of how they are placed in relation to other settler cultural institutions comes into play. Many of the public collecting institutions rely on art centres and their associated gallerists to provide artwork for their collections. While in some ways this is just a business transaction, on other levels the art centres are extensions of the cultural preservation networks as they gather relevant information and support local cultural practices. Art centres have become one of the major means by which collecting institutions build their collections of Aboriginal and Torres Strait Islander art; these institutions rely on art centres to maintain this support. Similarly, the creation of locally held collections in small museums and media centres is also part of a broader preservation push with public benefits.
The increasing number of Aboriginal and Torres Strait Islander art centres that identify as cultural organisations or as cultural organisations that have studio and retail roles further confuses categories (Jones & Birdsaill-Jones, 2014). Some of these art centre / cultural organisations have combined business, collection and preservation activities under the one umbrella (Mowanjum Arts, Maningrida Arts and Culture, Buku-Larrnggay Mulka Art Centre), while others have aimed to become holding places and distanced themselves from art production and sales (Laurie, 2014). In any case, it is now well documented that art centres perform many duties that are not directly costed yet do contribute to Australia’s cultural capital (Throsby, 1999). How to set an economic or monetary value on these efforts is problematic. Assigning monetary value to the intrinsic and socio-cultural instrumental fields outside of the economic domain has proven to be almost impossible; as a result, these statistically intangible results are rarely seen as a legitimate part of a more broadly defined economy (Hutter & Throsby, 2008; McCarthy, Ondaatje, Zakaras, & Brooks, 2004).

Curchin has argued that Aboriginal and Torres Strait Islander art in this context has been only partially commodified because its value is not completely defined by the market, and that across many sectors of society one of the main strategies to avoid the full commodification of products and services is to apply to government for funding (Curchin, 2015). In this sense, government funding partially shields the Aboriginal and Torres Strait Islander art centres from the full force of the market and allows for non-market activities and values to be part of art centres’ spheres of activity. The fact that these are areas that have long been valued by the cultural sector as a whole and that to some degree modalities of funding delivery have been developed within bodies like the Australia Council to account for this has helped the Aboriginal and Torres Strait Islander art centres navigate between industry-focused and arts-focused programs in order to achieve both commercial and cultural goals (Australia Council for the Arts, 2014).

**ART CENTRES AND INSTRUMENTAL VALUE**

In some ways it may seem obvious that organisations are set up for a purpose and that they therefore have an instrumental value and are structured in order to achieve these external goals. These goals might be societal change, production, or income generation, among others. Art centres as organisations are no different. They have been set up for specific reasons and purposes and are expected to deliver particular
outcomes. What these purposes and outcomes are for members and participants can and does differ from what funding agencies expect.

In the case of the arts, the term instrumental value is applied to art and cultural practices that contribute to a common or community good beyond their intrinsic value. These benefits can be health, education, economic or employment benefits and are often used to justify public investment in the arts (Glow & Johanson, 2009; McCarthy et al., 2004). Art centres are viewed as having instrumental value by both their members/participants and their government funders. Each of these perspectives is discussed separately in the sections below.

MEMBERS/PARTICIPANTS

It is well understood that the role of an Art Centre goes far beyond the production of artworks, and (they) exercise a charter that amounts to a social responsibility in their own communities. They are a place where issues of health, family, education, transport, communication, IT awareness, training and financial management are dealt with as well as providing safe havens for people suffering the effects of dysfunctional communities. They are often the only well-managed communal spaces in communities, and provide social and supportive functions for artists and their families.

(Desart Inc., 2006, p. 10)

This quote emphasises and summarises the very personal benefits that art centre members can expect from their organisation and the notion of responsibility to the community. The art and craft centre story lists the range of such social services over three dense pages, noting that the mix of services varies from art centre to art centre (Wright, 1999, pp. 154–157). For many Aboriginal and Torres Strait Islander people living in remote communities, there is a less-fixed interpretation of what organisations can and should do. Art centres are not just there for art production but also to look after the artists in more general ways, as evidenced by Wright's list. Many of the social demands and responsibilities imposed on organisations such as art centres are done so because of real need and an absence of alternative modes of assistance.

12 Parallel to developments in the United States, the 1990s in Australia saw an emphasis on arts as a vehicle for achieving broader, social and – more importantly – economic policy goals as reflected in the Creative Nation: Commonwealth Cultural Policy (Commonwealth of Australia, 1994).
None of the activities listed above is actually funded directly by government. They are an indirect outcome of funding infrastructure and staff but not a primary target of grant programs. These activities often rely on staff performing additional duties outside of set work hours and investment from art centre sales. In some cases, these extraneous activities have impacted badly on art centres, stretching staff and resources to breaking point. The corollary is that they have also been one of the reasons for art centres being so highly regarded in the community and maintaining such high participation levels. In the absence of other agencies to deliver these types of social and educational services, art centres are – as noted above – the only managed and community-accessible spaces. The tension in art centres between fulfilling their business and cultural roles as well as the perceived social obligations are often cited as a reason for staff burnout and departure (Seet et al., 2015; Wright, 1999).

The community-driven push in some art centres to have an impact on community health and wellbeing beyond the delivery of only cultural services can be relentless, and staff can find it difficult to say no. The closure of women’s centres in many communities because of a withdrawal of funding saw art centres take on many of those social support roles, although with less ability to deliver comprehensive and consistent programs. Local committees of management are well aware of the needs and expectations of the membership and are accountable to them, resulting in management endorsement of these services as part of art centre core business.

**GOVERNMENT**

*Many art centres and artists subsidise other support services for their communities such as nutrition, numeracy and literacy, training and employment, leadership, youth services and after school holiday programs, as well as facilitating access to government services.*

(Australian Government, 2013d, p. 1)

While art centre representatives have for decades tried to convince government of the auxiliary responsibilities set by communities in the hope that this would permit a more coherent and responsive policy position, instead this appears to have resulted in an expectation that art centres will contribute to community wellbeing without public subsidy (Wright & Morphy, 2000). The positive association of cultural retention and participation is now well documented, and the links between culture and economic development – particularly in the burgeoning creative industries – are
widely accepted, but there are also other more practical and tangible ways in which art centres are considered to serve communities (Dockery, 2010; UNCTAD, 2008).

Government’s description of art centre services in the quote above does not diverge altogether from the aims and objectives of the art centres, but the expectation that art centres will facilitate the delivery of government and social services is clear. Art centres are a means for government to ameliorate the impact of minimal staffing and services in communities. Aboriginal and Torres Strait Islander organisations such as art centres have therefore become implicated in the wicked problems of economic and social disadvantage within the Closing the Gap context and are measured against these standards. Art centres are expected to directly improve school attendance, community health, education and economic development as well as function as business and cultural enterprises. As a result, there is a gap between what government expects and what art centres actually have the capacity to achieve.

Art centres are also positioned as agents of change in ways that are not always commensurate with community aspirations and are not articulated explicitly in policy and program documentation. The assignment of expectations occurs at a much earlier and higher level of policy and program development, when overarching goals and approaches are confirmed and committed to. How goals and issues are defined as part of the policy development process has come in for regular criticism from researchers and activists, who emphasise that solutions can only be developed from the ground up and in response to localised agendas and needs (Beer, 1998; Brueckner, Pearson, Chatterjee, Wise, & Marika, 2011; Mowbray, 2006). In this way, the agendas for art centres diverge, leading to different questions being posed and strategies being suggested. Table 6 below summarises some of the key differences observed during this research between the priorities of the state and of remote communities.
### TABLE 6 COMPARISON OF CLOSING THE GAP AND ART CENTRE PRIORITIES

<table>
<thead>
<tr>
<th>Art centre priorities</th>
<th>Closing the Gap policy and program priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to maintain social, cultural and economic customary practices within existing kin networks?</td>
<td>Are customary practices part of the solution or part of the problem for Aboriginal and Torres Strait Islander disadvantage?</td>
</tr>
<tr>
<td>How to maintain links with country?</td>
<td>Are communities, outstations and homelands commercially and financially viable? Should government fund this?</td>
</tr>
<tr>
<td>How to keep culture strong?</td>
<td>How to reduce the economic, social and cultural differences between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander people?</td>
</tr>
<tr>
<td>How to generate income through art production to sustain local livelihoods?</td>
<td>How to support people into mainstream work and towards commercial centres?</td>
</tr>
<tr>
<td>How to engage in meaningful work activities and balance this with customary obligations?</td>
<td>How to encourage and support Western work practices and attitudes?</td>
</tr>
<tr>
<td>How can we become healthier and better educated communities?</td>
<td>How can Aboriginal and Torres Strait Islander people access the same level of services as non-Aboriginal and Torres Strait Islander people?</td>
</tr>
</tbody>
</table>

A distinction needs to be made here about how art centres are defined within policy and program documents and how they are regarded by government staff. The key government staff working directly with art centres and interviewed for this research have a benign attitude and nuanced understanding of the multifaceted role played by art centres. They described in detail the challenges facing them in their work in community organisations. They were also very aware that policy and program documentation could be very one-dimensional and did not reflect the complexity of art centres. Staff also recognised the need for whole-of-government approaches to funding for art centres, an aspect that is not reflected in current program documentation on a state or federal level, although it was recognised as critical in
both the Altman report and submissions to the 2007 Senate Inquiry (Altman, 1989; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007, p. 69).

**ART CENTRES AND MONETARY VALUE**

Art centres make and attract money and are clearly part of the mainstream economy. While funding levels and sales are discussed elsewhere in this thesis (Chapter Three), there are three areas that should be considered at this point. Firstly, the past 40 years have seen a rapid increase in the commodification (Appadurai, 1986; Bourdieu, 1985) of Aboriginal and Torres Strait Islander cultural knowledge and forms, including artwork (Gray, 2000; Jorgensen, 2007; Mosby, 1996; Rothwell, 2015a). The movement towards better understanding and finding practical and commercial applications for Indigenous knowledge has occurred over the same period of time as the rise of the Aboriginal and Torres Strait Islander art industry (Janke & Dawson, 2012; Ross & Pickering, 2002). The interest in local knowledges and their contribution to research and innovation in industry are increasingly recognised as valuable and requiring protection (Indigenous Advisory Committee Secretariat, 2012).

Secondly, very little research exists about what art income means for artists and how this relates to the local economy in communities. Altman’s 1989 report tried to calculate art centre income as a proportion of the total income of communities (Altman, 1989); such a comparative study if applied today could provide an insight into the economic impact of art centres on local economies. The size and scale of the art centre contribution in terms of direct sales and payments to artists has, as noted in Chapter Three, been scoped by the CRC-REP AEP research. According to their estimates, artists have earned more than $94 million dollars in the period between 1990/91 and 2012/13, and art centre sales have been almost $160 million (Acker & Woodhead, 2014b, p. 23).

Finally, while a lot of attention is focused on the sale of artwork and the generation of income at all levels of the industry, art centres also save government money through their substantial non-financial contributions, or positive externalities. The value of these savings is almost impossible to calculate but is reflected in the underspend on services to Aboriginal and Torres Strait Islander people across the country and all areas of government activity (Havnen, 2012; Howitt et al., 2014).
CHAPTER SUMMARY

The emphasis on funding art centres as agents of change in remote communities capitalises on their capacity to positively represent cultural difference and strengthen local identities. Their legal structure is administratively set up to provide Aboriginal and Torres Strait Islander people with a voice and to direct art centre activities and income to the benefit of their communities. They provide an important platform for civic engagement and local leadership. In this sense, art centres play an important development role in communities. However, these frameworks are in danger of being hijacked by government to achieve program goals of normalisation and mainstream economic engagement.

Development in this context refers not only to increased engagement of Aboriginal and Torres Strait Islander people in the market economy but also to their role as innovators in the market. Great artists are not simply discovered; they require support and training and the keen eye of art specialists who can recognise outstanding talent. In order to secure their own future financial relevance in the community, art centres must work with emerging artists or carry the risk of having only a handful of artists, if any, experience market success. Commercial galleries are reluctant or unable to take on this level of risk and depend on the art centres to do this development work on their behalf. In this sense, art centres are part of the research and innovation component of the industry and have met the market’s demand for new artists and art forms for decades.

Art centres are not limited to being tools for development but are also businesses with their own commercial networks and professional standards. They are, however, primarily cultural development organisations. Their roles as mentors to new and emerging artists and trustees of local cultural knowledge and expression are central to their aims. These roles are valued by the community. Rather than being pushed into a broader development role that they are not funded for and do not have the capacity to deliver, art centres may do better if they are allowed to focus on the development of their local economies and the political/cultural platform their artwork has provided.

Art centres are remarkable in that they have operated within the challenging commercial environment of remote Australia with a measure of success and in some cases for more than 40 years. While they have connected artists and arts workers to the national and global art world, their local sphere of operations is just
as important and is shaped by the general shortfalls in infrastructure and services in remote communities. While they have become embroiled in the neoliberal aspects of the Closing the Gap agendas, they are successful and relevant in communities because they are spaces where local and mainstream economies of value can coexist, albeit in a dynamic state of flux.
CHAPTER FIVE: GOVERNMENT INTERVENTION AND ART CENTRES

INTRODUCTION

It is now widely recognised in research literature that there are significant issues with how governments at all levels respond to the complexity of remote community circumstances and Aboriginal and Torres Strait Islander disadvantage (Moran et al., 2014; Walker et al., 2012). Government does not sit externally from the domain of remote community Aboriginal and Torres Strait Islander affairs; rather, it is a major agent of change, development and support. Government policies and instruments are intricately woven into the history of remote-dwelling Aboriginal and Torres Strait Islander people’s economic, social and cultural development and have been directly responsible for some of the major shifts in how remote community organisations, including art centres, operate and deliver services to their constituents and how Aboriginal and Torres Strait Islander people have been able to navigate their way between mainstream economic engagement and customary practice.

The degree to which governments have chosen to support art centres in remote communities in the past 10 years has been influenced by national debates about Closing the Gap, the economic future of remote Australia and the role of culture and the creative industries (Australian Government, 2013b; Office for the Arts, 2011; Walker, Porter, & Stafford Smith, 2009). Governments at all levels have increasingly seen the potential for art centres to deliver social services where there were gaps, increase the engagement of Aboriginal and Torres Strait Islander people with the mainstream economy and maintain cultural vibrancy. These expectations were increasingly articulated in planning documents and dominated Closing the Gap discourse (Australian Government, 2013b). What is also clear is that in policy development, problem definition has not been directly about art centres but rather about responding to the broader indicators, or “building blocks”, identified in Closing the Gap, and there has been very little attention paid by government to how overarching policies impact on art centres, despite several sector reviews.

Government is the dominant partner for art centres and, for more than four decades, has directly intervened in how they are funded, managed and marketed. Government’s motivations for these interventions were a response to the perceived
market failure associated with doing business in remote regions (Altman, 2003). Indeed, Australia's remote regions as a whole have been described as a “failed state” because of the many impediments to doing business resultant from a long-term underspend by governments, poor governance and limited commercial opportunities (Walker et al., 2012, p. 26).

This chapter explores some of the normalisation approaches embedded in current policy discourse, their expression in the Closing the Gap building blocks and the Indigenous economic development strategy 2011–18 and how art centres are defined within these settings (Australian Government, 2011a; Department of Families, Housing, Community Services and Indigenous Affairs, 2009). By examining art centres within the context of a failed state, the fractured approach of government in its dealings with these small enterprises is unpacked and their part in the conception and resolution of policy problems explored.

**GOVERNMENT, ART CENTRES AND A FAILED STATE**

There is widespread acknowledgement that art centres are a critical institutional component of the arts industry and, as such, have been the beneficiaries of government intervention in the development of national and international markets, the subsidisation of employment for Aboriginal and Torres Strait Islander arts workers and the development of legislation targeted at protecting Aboriginal and Torres Strait Islander artists, their product and their cultural knowledge (Altman, 1989, p. 49). Much of this funding and regulation have been driven by the need to address economic and market deficits in remote Australia, and have been particularly focused on Aboriginal and Torres Strait Islander people.

Aboriginal and Torres Strait Islander organisations and researchers have reported in detail on the impact of government policies and programs on the sector (Australian Institute of Aboriginal & Torres Strait Islander Studies, 2007; Moran, 2016). Common to many of these publications is the awareness that policy aims rarely reflect realities on the ground. Despite the significant investment of money and resources, the results to date have been mixed, in part because of the scale and complexity of the reasons behind Aboriginal and Torres Strait Islander socio-economic disadvantage in Australia. Inflexible policy design and the push to mainstream Aboriginal and Torres Strait Islander communities on non–Aboriginal and Torres Strait Islander terms have led to a widening gap in employment
outcomes (Australian Government, 2015a) and have impacted negatively on remote community economies.

Opinion remains divided as to how Australia’s remote failed state should be managed in the future (Dawkins, Dockery, Doss, & Sullivan, 1996; Forrest, 2014). Closing the Gap and the associated Indigenous economic development strategy, which dominated government policy thinking, were not clear about whether the future in remote Australia lay in the closing down of some communities or the reinvigoration of local economies, and government vacillated between funding development in communities and threatening to withdraw support (Codding et al., 2015; Department of Education, Employment and Workplace Relations, 2013; Keurmelovs, 2014; Medhora, 2015). In the context of support withdrawal, art centres can potentially be seen as part of the problem because of the role they play in strengthening customary residential and economic practices over mainstream economic engagement (Johns, 2008). At the opposite end of the spectrum is the context of subsidiarity, with decision-making being focused back onto local communities and a call for a greater investment in infrastructure and commercial opportunities in remote Australia (Walker et al., 2012). Here art centres are positioned as part of the solution, as they have been in many cases operating in communities for years and are one of the few examples of locally owned commercial enterprise that engage significant numbers of Aboriginal and Torres Strait Islander people. Art centres are central to these debates and demonstrate the contradictions inherent in programs that support remote communities as strongholds for customary law and practices but also conversely as places with few steady employment opportunities and small populations that are geographically isolated from government and other mainstream services (Altman, 2013; Wright, 1999).

On a local level art centres operate within a network of interconnected community organisations that are reliant on each other to varying degrees and equally part of the failed state. The underfunding of key organisations by government has a domino effect within their small local economies (Walker et al., 2012) and the success or failure of other organisations often has immediate or indirect impacts on them.

13 Government policies are focused on a very broad range of activities in remote communities, and their outcomes are not always foreseeable. Policies designed to increase employment and economic development are closely linked to other policy areas relating to community justice, health, education and social inclusion without any overarching coordination of their development or implementation.
These can be positive influences, such as cross-organisational partnerships and shared responsibility (both temporary and ongoing), or negative, resulting in competition for resources, conflicting priorities and poor service delivery. Often art centres are pressured by their membership to fill service delivery gaps as discussed in Chapters Three and Four. The health of the whole community, including that of its organisations, is a prime indicator of whether an art centre can operate successfully; however, government reporting and evaluation data usually does not include assessments of general community organisational health. Nor do these assessments recognise that underfunding essential services in communities has an immediate impact on local businesses including art centres. Table 7 below outlines some of the positive contributions made by service deliverers and the negative ways poor performance or instability in other community organisations can impact on art centres.\textsuperscript{14}

\textsuperscript{14} This list is by no means exhaustive, as many communities also have other types other organisations such as media, legal or language centres.
TABLE 7 COMMUNITY ORGANISATIONS AND HOW THEY IMPACT ON ART CENTRES

<table>
<thead>
<tr>
<th>Government-funded organisation type</th>
<th>Why they impact on art centres</th>
<th>Negative impacts</th>
<th>Positive impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local government</strong></td>
<td>Art centres are based in remote communities where many basic services are delivered by local government.</td>
<td>Lack of support in accessing government benefits; poor maintenance of community facilities, airstrips and roads; erratic power supplies; inefficient postal services.</td>
<td>Provision of basic services.</td>
</tr>
<tr>
<td><strong>School</strong></td>
<td>Art centres require arts workers and artists to have basic literacy and numeracy skills.</td>
<td>Poor education levels, no incentive to remain in community with children, disruption and crime from disengaged youth.</td>
<td>Literacy and numeracy training, structured teaching environment.</td>
</tr>
<tr>
<td><strong>Clinic</strong></td>
<td>Artists and arts workers often have serious health issues.</td>
<td>Poor health reduces participation levels and often draws people to bigger centres where better medical assistance is available.</td>
<td>Provision of health services.</td>
</tr>
<tr>
<td><strong>Aged care programs</strong></td>
<td>The participation rate of older artists is high in most communities.</td>
<td>Transport demands and need to provide meals and other support.</td>
<td>Provision of meals and supported living assistance provided.</td>
</tr>
<tr>
<td>Government-funded organisation type</td>
<td>Why they impact on art centres</td>
<td>Negative impacts</td>
<td>Positive impacts</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Youth programs</strong></td>
<td>Artists and board members want to engage young people in art centre activities</td>
<td>Disruption and crime from disengaged youth</td>
<td>New base of emerging artists and opportunities for cross-generational cultural exchange</td>
</tr>
<tr>
<td><strong>Job providers</strong></td>
<td>Art centres take on job placements from these programs</td>
<td>Pressure to employ more staff; requirements to undertake a lot of reporting</td>
<td>External source of funding for waged positions</td>
</tr>
<tr>
<td><strong>Registered training organisations</strong></td>
<td>Art centres require industry-specific training for arts workers</td>
<td>Training delivered with little on-the-job application and high dropout numbers</td>
<td>Provision of accredited training</td>
</tr>
</tbody>
</table>

**ART CENTRES AND THE JOURNEY FROM SELF-DETERMINATION TO NORMALISATION**

In tackling the perennial issues of the failed state, there has been a broad shift from self-determination to normalisation policies over the past 40 years, eliciting different responses from government and art centres (Sanders, 2013b; P. Sullivan, 2011a). As a result of the transition, government focus has moved from supporting context-determined businesses with a local development purpose to supporting businesses with the potential to become independent in the future and better integrated with the mainstream economy.

In economic terms, government policies and program guidelines developed since the 1970s have used art centres as a tool to achieve self-determination and economic empowerment, sustainable development and normalisation (or assimilation). There have been three associated phases in funding for art centres,
each phase reflecting broader national trends and policy approaches. Figure 5 identifies the key trends that emerged or impacted on the Aboriginal and Torres Strait Islander arts sector under each of the broadly scoped policy regimes and draws from the research undertaken for the Altman Review, *The art and craft centre story* and the CRC-REP AEP (Acker & Woodhead, 2014b; Altman, 1989; Wright, 1999).

Self-determination and economic empowerment 1970s

Art centres set up as not-for-profit; focus on community, cultural maintenance and economic empowerment
Aboriginal and Torres Strait Islander art market dominated by government-owned retail and wholesale company (the Company)

Sustainable and independent in the future 1981–2007

Focus on business practices and market engagement
Increase in commercial galleries and demise of the Company
Dramatic increase in number of art centres established as incorporated associations

Normalisation and mainstream economic engagement 2007–current

Focus on employment and professional development training for arts workers
Commercial galleries and market as a whole threatened by financial downturn since 2007
Art well established in market and general professionalisation of the sector, but remote communities remain marginalised

FIGURE 5 ART CENTRES AND FUNDING PHASES

Researchers have found that in policy development, accurate statements of a problem lead to policy goals that can be clearly defined and used in later stages to conduct useful and reflective evaluations (Bacchi, 1999). In the case of art centres, the problems and policy goals have been so broadly defined that they are often misdirected and bear little relevance to the day-to-day operation of these organisations. Supporting evidence is therefore almost impossible to collect and evaluate and art centres are at risk of being deemed failures when measured against them.

Each of the phases identified in Figure 5 was characterised by particular approaches to problem definition. The first phase of self-determination and
economic development centred around ways to resolve the issue of Aboriginal and Torres Strait Islander people lacking agency and influence over the programs that were developed to address their specific needs. In the second phase, the problem was defined as the lack of economic independence and business opportunities Aboriginal and Torres Strait Islander people had. The third and final phase focused on a state of crisis that required an immediate response on government terms to align Aboriginal and Torres Strait Islander remote communities with mainstream Australia.

**Federal Policies and Art Centres 2007–2013**

The period of this research was a time of enormous change in the policies and programs that impact on Aboriginal and Torres Strait Islander communities and people. Art centres experienced disruptions to their funding and greater, but poorly defined, expectations of their service delivery capacity from government than ever before. Government spending dominated the economic landscape in most remote and very remote Aboriginal and Torres Strait Islander communities, whether it was in the form of welfare payments or funding for the delivery of services. In 2012, the Productivity Commission estimated that direct federal, state and territory government funding for Aboriginal and Torres Strait Islander–specific programs was $5.4 billion, and that when mainstream services were included, the total expenditure was $25.4 billion (Productivity Commission, 2012).

Change did not occur uniformly across the states and territories. The Northern Territory, home to nearly half of all art centres, was singled out with the rollout of the Northern Territory Emergency Response (NTER) in 2007 and the introduction of income management, Business Managers in communities, changed town leasing arrangements and a higher level of health intervention and policing (Altman & Russell, 2012; Havnen, 2007). Northern Territory art centres found themselves in the middle of a fundamental transformation of their relationships with artists, community organisations, local government and funding bodies. For art centres, it meant artists had less control over their personal finances; their operations were being overseen by locally based government representatives; and community governance was thrown into disarray as funding regimes changed and local community councils were replaced with eight super shires. On a national level, these changes coincided with the slow demise of CDEP and its replacement with Work for the Dole, National Jobs Package, Remote Jobs and Communities
Programme (RJCP), the Community Development Programme (CDP) and the Indigenous Employment Initiative (IEI), which fundamentally changed the financial relationship between art centres and arts workers as discussed in Chapter Three.

**Closing the Gap, Remote Australia and Aboriginal and Torres Strait Islander Economic Development – the Role of Art Centres**

Towards the end of 2007, the Council of Australian Governments (COAG) initiated a joint approach across all levels of government to closing the gap on Aboriginal and Torres Strait Islander disadvantage in collaboration with communities (Council of Australian Governments, 2008). In 2008, COAG, which comprises the Prime Minister, state and territory Premiers and Chief Ministers and the President of the Australian Local Government Association, agreed to six targets that would lead to closing the gap between Aboriginal and Torres Strait Islander and non–Aboriginal and Torres Strait Islander Australians. These six targets were to:

- close the gap in life expectancy within a generation
- halve the gap in mortality rates for Indigenous children under five within a decade
- ensure all Indigenous four year olds in remote communities have access to early childhood education within five years
- halve the gap for Indigenous students in reading, writing and numeracy within a decade
- halve the gap for Indigenous people aged 20-24 in year 12 attainment or equivalent attainment rates by 2020

These targets and their associated outputs and performance indicators were framed in the *National Indigenous Reform Agreement*, which was one of six national

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15 The gaps between Aboriginal and Torres Strait Islander and non–Aboriginal and Torres Strait Islander people in life expectancy, education, economic engagement and health are widely documented in research and reflected in the statistics collected by the ABS' National Aboriginal and Torres Strait Islander Social Survey. There is an extended history of government policies and initiatives that have been targeted at addressing these issues.
agreements concerning reforms to the handling of Aboriginal and Torres Strait Islander affairs and was revised in 2011 (Council of Australian Governments, 2008, 2011; Australian Government 2013a). From these initial agreements, the National Partnership Agreements were developed, including the National Partnership Agreement on remote service delivery, which aimed to improve access to government services for Aboriginal and Torres Strait Islander communities and their residents (Council of Australian Governments, 2009a). To achieve the targets listed above, the National integrated strategy for Closing the Gap in Indigenous disadvantage identified seven interlinked building blocks: Early Childhood, Schooling, Health, Healthy Homes, Safe Communities, Economic Participation and Governance and Leadership (Council of Australian Governments, 2009b). Art centres were affected by the administrative changes associated with some of these Closing the Gap targets (Table 8):

**TABLE 8 CLOSING THE GAP BUILDING BLOCKS: ART CENTRE CONTRIBUTIONS AND IMPACTS**

<table>
<thead>
<tr>
<th>Closing the Gap building block</th>
<th>Art centre contribution</th>
<th>Program impacts and issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic participation</td>
<td>Art centres provided a vehicle for engaging Aboriginal and Torres Strait Islander artists and arts workers with the mainstream economy – they offered employment, training, business skills development and the means to generate income (Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013).</td>
<td>Changes to CDEP resulted in loss of arts worker and artist positions funded under this program. Introduction of the Indigenous Employment Initiative (Supporting the Arts and Culture Sectors) provided salaries, on-costs, training and administration funding but often led to art centre managers having less time to run the business (Australian Government, 2013c).</td>
</tr>
<tr>
<td>Closing the Gap building block</td>
<td>Art centre contribution</td>
<td>Program impacts and issues</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Governance and leadership</td>
<td>The majority of art centres were managed by Aboriginal and Torres Strait Islander boards, members of which have undertaken governance training in some form, whether delivered through their peak agency or coordinated by themselves. They also play an important role in supporting emerging leaders (Wright, 1999).</td>
<td>Increased responsibilities for art centre boards and greater reporting requirements with the introduction of the CATSI Act (Aboriginal and Torres Strait Islander Social Justice Commissioner, 2008). While research showed that good governance is responsive to context, governance training and assistance from the Office of the Registrar of Indigenous Corporations is generic and not designed to develop governance structures appropriate to individual organisations and circumstances.</td>
</tr>
<tr>
<td>Safe communities</td>
<td>Art centres promoted customary practice and authority and contributed to the development of social cohesion through communal activities (T. Cooper et al., 2012).</td>
<td>Expectation that art centres worked with people at risk. The link between safe communities and art centres is poorly documented, and appropriate evaluation mechanisms are still being developed. The lack of prima facie evidence leads to the risk of the link being labelled as tenuous.</td>
</tr>
<tr>
<td>Closing the Gap building block</td>
<td>Art centre contribution</td>
<td>Program impacts and issues</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>Art centres contribute to good health (social, physical, mental and cultural) in the community by activating participants, encouraging cultural expression and providing meaningful employment and engagement (Australian Government, 2013b; Wright, 2000).</td>
<td>Expectation that art centres would support cultural maintenance and connections to country. Direct impact of art centres on the health of community members difficult to quantify, and health-related funding provided to art centres on an ad hoc basis.</td>
</tr>
</tbody>
</table>

Source: Council of Australian Governments (2009b, p. 5)

**INDIGENOUS ECONOMIC DEVELOPMENT STRATEGY**

Complementary to the Closing the Gap building blocks were the five key focus areas developed within the *Indigenous economic development strategy 2011–18*: strengthening foundations, education, skill development and jobs, business and entrepreneurship, and financial security and independence (Australian Government, 2011a, p. 13). Table 9 provides a summary of the art centre activities that contributed to each of the focus areas.
TABLE 9 INDIGENOUS ECONOMIC DEVELOPMENT STRATEGY: ART CENTRE ACTIVITIES AND PROGRAM GOALS

<table>
<thead>
<tr>
<th>IEDS focus area</th>
<th>Art centre activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthening foundations:</strong> Referred to the Closing the Gap building blocks. Focused on how government could respond better to the needs of communities.</td>
<td>Art centres improved the capacity of local Aboriginal and Torres Strait Islander leadership through governance training and exposure to small business environment.</td>
</tr>
<tr>
<td><strong>Education:</strong> Targeted at school-aged children and aimed at raising attendance and increasing formal education and training.</td>
<td>Art centres delivered programs for youth (both attending and not attending school), including creating opportunities for intergenerational cultural exchange and art practice.</td>
</tr>
<tr>
<td><strong>Skill development and jobs:</strong> Aimed at getting Aboriginal and Torres Strait Islander people work-ready through training and publicly subsidised waged positions.</td>
<td>Art centres delivered vocational training and managed IEI-funded arts workers.</td>
</tr>
<tr>
<td><strong>Business and entrepreneurship:</strong> Targeted at self-employment and Aboriginal and Torres Strait Islander businesses.</td>
<td>Most artists are self-employed, and art centres brokered their relationship with the broader market.</td>
</tr>
<tr>
<td><strong>Financial security and independence:</strong> Focused on improving the ease of doing business for Aboriginal and Torres Strait Islander businesses.</td>
<td>Art centres created opportunities for artists to make self-generated income and for arts workers to earn a wage.</td>
</tr>
</tbody>
</table>

Source: Australian Government (2011d)

As can be seen above, various art centre activities fit under the different focus areas. However, only one of the related strategies made direct reference to them. Financial Security and Independence, which included Native Title recognition, ease of doing business strategies and the protection of Indigenous Intellectual Property...
had art centres listed in the strategies section as initiatives that were to be supported in order to develop economic opportunities for Aboriginal and Torres Strait Islander people (Australian Government, 2011a, p. 64). This was to be done by continuing to fund the IVAIS (then National Arts and Craft Industry Support [NACIS]) and IEI programs.

**FEDERAL ARTS PROGRAMS AND CLOSING THE GAP**

IEI, introduced in 2009, and IVAIS, introduced in 2011, were the main federal arts programs associated with Closing the Gap. Fact sheets developed by the Ministry for the Arts relating to the IVAIS and IEI programs explicitly linked art centre contributions to the Closing the Gap targets including:

- strengthening culture and social cohesion, thereby contributing to health and wellbeing
- improving employment outcomes
- generating income
- training and skills development
- supporting local governance.

(Australian Government, 2013c; Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013)

IEI funded more than 310 positions in the period 2009–13 for arts workers working in Aboriginal and Torres Strait Islander art centres and had a transformational impact on how they operate (Australian Government, 2013c). While originally the funding for the arts worker positions was managed by the Department of Employment and Workplace Relations, this responsibility was later shifted to the then Office for the Arts, which already had carriage of the IVAIS program. In this agency, Closing the Gap priorities were integrated within IVAIS and IEI program guidelines and combined with arts and cultural development–related outcomes, reflecting the multidimensional approaches to funding art centres as businesses and cultural organisations. Federal funding for art centres through IVAIS was reported on in every Closing the Gap Prime Minister’s Report under the category “economic opportunities” (Australian Government, 2010, 2011c, 2012b, 2013a, 2014a, 2015a).

Even arts policy in the form of the *Creative Australia: National cultural policy* introduced in 2013, just before the national election, categorised art centres as
economic opportunities, although their broader cultural responsibilities were also acknowledged (Australian Government, 2013e).

**ART CENTRES AND GOVERNMENT POLICIES AND PROGRAMS**

**GOVERNMENT AND ITS PART IN POLICY PROBLEMS**

*What has not been recognised (at least within government) has been the extent to which government funding arrangements have reinforced community and organisational dysfunction.*

(Dillon & Westbury, 2007, p. 191)

Government’s poor record of coordination across different jurisdictions and departments and the impact of this on Aboriginal and Torres Strait Islander policy and communities have been well documented by researchers and by the National Commission of Audit (Dillon & Westbury, 2007; Dodson & Smith, 2003; National Commission of Audit, 2014). The maze of funding requirements and constantly changing program guidelines made it harder for art centres to access and secure funding support for the wide range of activities they performed. The defunding of outstations and withdrawal of services also impacted adversely on art centre production and added to the pressures art centres were already experiencing as a result of the GFC.

**THE FAILURE OF WHOLE-OF-GOVERNMENT APPROACHES**

All art centres are affected to varying degrees by government policy and regulation. Each art centre works in an environment where the requirements of maintaining government funding and partnerships form a core part of their everyday business, and these fundamental relationships dictate how they operate as organisations and how they define their goals and activities. Art centres, because of their reliance on public funding, devote significant time and resources to external reporting to government.

In the 2007 *Organising for success policy report* published by the Australian Institute of Aboriginal and Torres Strait Islander Studies, researchers reported that while government partnerships were important for many Aboriginal and Torres Strait
Islander organisations, they also at times made it difficult to provide services because of constant policy and program changes (Australian Institute of Aboriginal & Torres Strait Islander Studies, 2007, p. 34). There has been a tendency for government to silo its administrative responsibilities into different departments with little communication or effective collaboration occurring between them, leaving community organisations in a position where meeting the reporting requirements of multiple agencies and developing long-term plans was difficult and time consuming (Dillon & Westbury, 2007).

Many federal and state government agencies and industry stakeholders have called for whole-of-government approaches to funding, service delivery and industry support; however, there was little evidence of real consultation and cooperation between various agencies, resulting in the duplication of some programs and loss of others (Dillon & Westbury, 2007). As researchers have noted, coordination across different levels of government and business is one of the key enablers for setting up successful enterprises in an Aboriginal and Torres Strait Islander and non–Aboriginal and Torres Strait Islander context (Dillon & Westbury, 2007). As early as 1989, the review of the Aboriginal arts and crafts industry by the federal Department of Aboriginal Affairs (DAA) highlighted the lack of coordination between and within government departments as a major impediment to the future development of the Aboriginal and Torres Strait Islander arts sector (Altman, 1989).

In 2004, the federal government attempted to take a whole-of-government approach to the challenges arising in Aboriginal and Torres Strait Islander communities (Commonwealth of Australia, 2004; Dillon & Westbury, 2007). The regionally based Indigenous Coordination Centres that were introduced were intended to encourage cooperation and consultation between the various federal agencies and the states; however, despite the signing off of several Shared Responsibility Agreements with art centres, the opportunity to jointly approach funding for art centres on a national level across federal and state agencies was never realised (Department of Communications, Information Technology and the Arts, 2007). This was highlighted in the submissions provided to the 2007 Senate Inquiry, many of which were from government agencies, art centres and other industry stakeholders and called for a

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16 Shared Responsibility Agreements (SRAs) were negotiated with several art centres and assumed that there was a mutual obligation between the parties. The Martumili Artists SRA, for example, identified school attendance as one of the KPIs for funding for a new art centre vehicle. How the art centre was going to impact on school attendance was never really clarified within the agreement.
more cohesive and consultative approach to policy development and programs (ANKAAA, 2006; Arts Queensland, 2006; Northern Territory Government, 2006).

Part of the complexity of government funding lies in the various departmental categories under which funding sources are classified and the policies and programs they link to. How art centres are categorised varies from department to department and across federal, state and territory agencies. Art centres are treated as Aboriginal and Torres Strait Islander community, not-for-profit, business enterprises or cultural institutions within different policy and program domains, and categories often overlap or apply simultaneously (Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013; Minister for Families, Community Services and Indigenous Affairs Minister for Disability Reform, 2013; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). As not-for-profit organisations and cultural institutions working with Aboriginal and Torres Strait Islander communities, art centres do not fit neatly into the categories defined by government discourse, which highlights the problems associated with the bureaucratised siloing of government funding (Dillon & Westbury, 2007). Art centres are expected to conform to policy and funding parameters across various agencies, rather than funding programs being adaptive to art centres.

ART CENTRES AND GOVERNMENT LENSES

In Table 10 three primary categories, or lenses, for art centres were identified within government discourse. Each lens was associated with different funding pools as well as with different regulations, contractual arrangements and expectations of service delivery. The categories refer to different aspects of art centre activity and will be discussed in detail in the following sections.
### TABLE 10 ART CENTRE POLICY CATEGORY DEFINITIONS

<table>
<thead>
<tr>
<th>Lens</th>
<th>Aspect of art centre</th>
<th>Government treatment</th>
<th>Government focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aboriginal and Torres Strait Islander and community not-for-profit</strong></td>
<td>Managed by Aboriginal and Torres Strait Islander members, serving Aboriginal and Torres Strait Islander people and located mainly in Aboriginal and Torres Strait Islander communities. Social services delivered to community include cultural maintenance and employment.</td>
<td>Separate from the mainstream. Responsible for the delivery of services that are usually the responsibility of government or business.</td>
<td>Emphasis on communal governance and distribution of benefits. Emphasis on filling service gaps, risk minimisation and cost savings for government.</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>Makes money for members and acts as catalyst within Aboriginal and Torres Strait Islander arts industry.</td>
<td>Perceived as requiring special administrative and program initiatives.</td>
<td>Encouraged to operate in commercially marginal remote or regional communities.</td>
</tr>
<tr>
<td><strong>Arts and Cultural</strong></td>
<td>Vehicle for cultural, political and artistic expression. Part of the creative industries.</td>
<td>Perceived as private rather than public good, but with instrumental value.</td>
<td>Perceived as both supporting cultural difference and facilitating normalisation.</td>
</tr>
</tbody>
</table>

There were tensions and contradictions inherent in the policy and program goals associated with each lens. Aboriginal and Torres Strait Islander organisations were funded to deliver services on behalf of government, but the question of whether they were to deliver services in a manner defined by government or as identified by their members was never clearly articulated and never fully resolved for art centres (as
exemplified by Martumili Artist’s Shared Responsibility Agreement discussed in Chapter Seven and the arts worker funding negotiations for Badu Art Centre discussed in Chapter Eight). As businesses, art centres were tasked with making money and supporting economic engagement, but these two goals were not always compatible (as discussed in Chapter Four). Operating on a not-for-profit basis also precluded them from accessing government programs targeted at supporting commercial businesses. Finally, as cultural organisations, art centres were expected to support cultural expression and maintenance while generating income for their members. Caught up in the larger debates about the economic value of the arts, art centres were both institutions charged with holding culture in trust and participants in the market.

**Lens One: Art Centres and Aboriginal and Torres Strait Islander and Community Not-For-Profits**

Art centres are, in the broadest terms, defined within government discourse as Aboriginal and Torres Strait Islander organisations, with their primary goal being to service Aboriginal and Torres Strait Islander people and communities. As such they experience many of the same challenges as other Aboriginal and Torres Strait Islander organisations, including those providing health, community, legal and cultural services. By definition, Aboriginal and Torres Strait Islander organisations are not mainstream despite repeated attempts to merge services into mainstream departments, and they are the primary entities through which Aboriginal and Torres Strait Islander people engage with government (H. Hunt, 2013; J. Hunt, 2007).

Due to their public profile, art centres are some of the most recognised Aboriginal and Torres Strait Islander community organisations and often appear in the media as both examples of best practice and good news stories from “out bush” or as exemplars of paternalism and exploitation. The good news stories by business analysts in the media have tracked the performance of the Aboriginal and Torres Strait Islander art market, and articles about exhibitions and events appear frequently (Hamann, 2013; Hamlyn, 2015; Lehman-Schultz, 2013; McDonald, 2010). On the negative side, art centres and the Aboriginal and Torres Strait Islander arts sector have been subjected to intense media scrutiny regarding trade practices and the decline in sales, resulting in serious damage to the Aboriginal and Torres Strait Islander art brand that will need strategic rebuilding (Rothwell, 2008).
Funding Modalities

In September 2014, the Closing the Gap Clearinghouse released a report examining the policies and administrative arrangements that determined how government funding was distributed to Aboriginal and Torres Strait Islander organisations and how this impacted on their ability to govern themselves. Moran, Porter and Curth-Bibb noted that new public management reforms had, over the years, resulted in the predominance of small, short-term, project-specific grants rather than block funding over extended periods of time (Moran et al., 2014). They found that in Australia:

(1) performance indicators are imposed, rather than negotiated; (2) few existing public funding modalities reward performance or provide incentives; and (3) funding arrangements do not generally require receiving organisations to be accountable to their constituents.

(Moran et al., 2014, p. 2)

In relation to point one, the majority of funding received by art centres through various government agencies is tied to contracts that establish reporting guidelines and the key performance indicators for the project or activity. In some cases, the indicators have been generated in consultation with art centres and their peak agencies over a number of years and they do genuinely reflect the goals and aims of the organisations. The IVAIS program was a good example of this, having been developed in concert with the Aboriginal and Torres Strait Islander art centres in response to actual need (Mercer, 1997; Wright, 1999).

Other programs, such as the IEI, were less clearly a reflection of what art centres needed or their aspirations. While art centres and other Aboriginal and Torres Strait Islander organisations are well placed to contribute to improving employment outcomes and are major employers of Aboriginal and Torres Strait Islander people, IEI’s focus on increasing employment, rather than improving performance, has placed additional pressure on some art centres. The recent introduction of three- and five-year IEI and IVAIS funding to some of the better performing art centres provided a measure of security, but over the same period (2009–15) funding guidelines were constantly being changed by the Ministry for the Arts, resulting in increasing delays to notifications, which meant art centres on annual contracts had no certainty of funding until well into the financial year.

In relation to point two, art centres have never received incentive payments through the IVAIS program, although consultants have proposed this as a means to
recognise achievement and increase support to art centres that were performing well (Palmer, 2000). Indeed, ATSIC in its final years of managing the program, actually significantly reduced or cut off the funding of some of its star art centres, arguing that the funding was needed to support other struggling art centres (Togni, 2002).

Moran’s last point concerning accountability to constituents also has relevance for art centres. How art centres define themselves has shifted, now that government funding exceeds self-generated income and further threatens their independence. Despite the focus on good governance, art centre members have less say over what they want their art centres to do, and government “authorities typically put controls on local political leaders through administrative arrangements that insist on adoption of pre-defined norms and practices” (Moran et al., 2014, p. 7).

**Partnering with Government**

Throughout the 1970s, 1980s and 1990s, recognition of the right to self-determination led to a prioritisation of Aboriginal and Torres Strait Islander decision-making in the identification of goals and the measures that were needed to reach them (Sanders, 2013b). The policy premise led to the establishment of the Aboriginal and Torres Strait Islander non-government sector through which Aboriginal and Torres Strait Islander people, including those in art centres, could have some say over how money was spent in their community and what sort of services were delivered (P. Sullivan, 2010). The legacy of the self-determination policies is a large community sector made up of Aboriginal organisations that work across a wide range of service-delivery fields, including arts and crafts. They became an instrumental part of government service delivery and could not be easily replaced without incurring massive new costs in terms of infrastructure, training and employment and running the risk of having to rebuild relationships with individuals and communities.

Critics have argued that there has been a gradual erosion of Aboriginal and Torres Strait Islander people’s control over funding that started with the dissolution of ATSIC and continued with the rollout of the NTER and the introduction of the Closing the Gap policy. These events signalled a shift to a state of crisis, which required emergency actions with or without consent of Aboriginal and Torres Strait Islander people (A. Anderson, 2004; Jonas & Dick, 2004). In this transition, sections of the NGO sector were seen as part of the problem rather than as part of the
solution, and many were sidelined from decision-making processes or gutted by funding cuts (P. Sullivan, 2010).

Researchers such as Patrick Sullivan argued that the Aboriginal and Torres Strait Islander not-for-profit sector was largely funded by government to deliver services that are delivered directly by government in mainstream urban Australia. These Aboriginal and Torres Strait Islander service organisations were an underfunded, much-maligned and unacknowledged extension of government and locked in a relationship of co-dependency (P. Sullivan, 2010). Government required services to be delivered at arm’s length through these incorporated associations but expected them to be accountable. Communities required the services but wanted some measure of local control and guidance. Thus was born what Rowse called the “Indigenous sector”, a highly regulated field of contestation where government investment is continuously monitored and government goals collide with community aspirations (Rowse, 2005).

Art centres are contracted by government to deliver services; however, unlike many other Aboriginal and Torres Strait Islander organisations, they generate their own income and require their members and artists to contribute to costs through a commission for service. These two funding streams, one public and the other private, create a contradiction in how these art centres are managed and perceived by local stakeholders and government, particularly given government’s penchant for managing organisations as a whole rather than just the programs they pay for. The relationship becomes even more complex when grant funding subsidises wages fully or in part, making it hard to argue that there are components of an art centre’s activities that are independent from government funding. Seen in this light, art centres are both public institutions that have to meet the regulatory and contractual obligations set for them by government but are also accountable to their artists, because they contribute money to the operations of the organisation as well. Art centres are then expected to operate for both private/community benefit and the public good. While this is not always a contradiction and many art centres manage to successfully navigate between government and their membership, it has contributed to a more standardised model for art centre management that emphasises the institutional over innovative entrepreneurial activities.
ART CENTRES AS ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESSES

Art centres are not just perceived as Aboriginal and Torres Strait Islander organisations but also fall under the rubric of businesses, and are therefore able to access funding through business development programs and initiatives. Government intervention in the operations and operating environment of Aboriginal and Torres Strait Islander businesses has a long history. In Australia, various levels of government fund the development of Aboriginal and Torres Strait Islander commercial enterprises in an attempt to reduce the reliance on government payouts and to alleviate disadvantage.

The work of anthropologists such as Beckett and Cowlishaw in the 1980s explored the unequal power relationships between Aboriginal and Torres Strait Islander people, the state and settler communities. Their work emphasises the importance of examining local histories as a means of better understanding Aboriginal and Torres Strait Islander agency in intercultural interactions and focuses on the impact of state interventions on communities and economic activities (Beckett, 1987; Cowlishaw, 1988). Beckett, in particular, sought to contextualise forms of exclusion and exploitation within the narrative framework of local economic histories in his research about the Torres Strait and provides a more complex account of the impact of government intervention on Aboriginal and Torres Strait Islander entrepreneurship and industry development (Beckett, 1987). His focus on Torres Strait Islanders highlighted the gap between local aspirations and government goals for business development as well as differing perspectives on what constitutes success.

BUSINESS DEVELOPMENT

There is a profound disconnect in the way government perceives business development and the way many Aboriginal and Torres Strait Islander stakeholders perceive success and engagement through art centres (Altman, 2006b). Remote communities are often highly challenging environments for enterprise development, and art centres have provided Aboriginal and Torres Strait Islander artists and arts workers with access to a not-for-profit small-business culture and global markets, while maintaining in many cases a highly valued and supportive community development structure. In some of the older art centres, third and fourth generations are working as artists and arts workers, and there is a strong sense of community.
connection and pride. The operational longevity of art centres such as Buku-Larrnggay and Papunya Tula offer models of economic sustainability and development in a domain where few businesses are established and expectations of services are high.

Art centres in remote communities would seem to have a competitive advantage, with their greater degree of access to artists and cultural content than their commercial and often town-based competitors. However, this competitive advantage also comes with an obligation to care for the community, and artists view art centres as a resource that they own and have entitlements to.

**Differing Approaches to Success**

A growing body of critique focuses on examining what economic development models are being applied within Aboriginal and Torres Strait Islander policies and how their success or failure is to be evaluated (Altman, 2011a; Foley & Hunter, 2008; Jordan, 2012). The main paradigm articulated in *National Indigenous reform agreement (Closing the Gap)* and its associated framework, the *Indigenous economic development strategy 2011–2018* (IEDS), of full-time employment, career development, individual achievement, wealth acquirement and house and business ownership underpins most government policies in this area (Australian Government, 2011a; Council of Australian Governments, 2007). This has led researchers to ask how well these fit with the aspirations of people in remote communities (Altman, 2011a; J. Hunt, 2011).

An example of the poor fit was Indigenous Business Australia, one of the mainstays of the IEDS, which was established in 2001 to assist Aboriginal and Torres Strait Islander businesses. The program focused on individual entrepreneurs and offered loans dependent on business operators being able to prove their financial viability and business case (Indigenous Business Australia, 2008). The impact of IBA on Aboriginal and Torres Strait Islander businesses in general has been limited, with only 95 loans approved in 2012/13. For Aboriginal and Torres Strait Islander art centres its influence has been negligible, as most art centres do not meet the criteria of being commercially focused and have shied away from incurring debt that might

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17 Rigorous evaluations of government policies and programs aimed at improving Aboriginal and Torres Strait Islander economic development have not often been undertaken and are not readily available.
prove very difficult to repay in a volatile market. IBA has in turn generally not supported art centres because of their not-for-profit status and focus on development (Indigenous Business Australia, 2007).

Standard poverty measures applied in Australia show that more than 40% of Aboriginal and Torres Strait Islander people living in the remote regions of the country are living below the poverty line (Hunter, 2006). By prioritising formal economic participation, government is responding to years of research that links low income and welfare dependency to poor levels of health and limited social engagement (Pholi et al., 2009). In order to meet the perceived challenge of creating employment opportunities for Aboriginal and Torres Strait Islander people, some of the realities of art centres, remote communities and their customary practices have been ignored (deprioritised) because of a more conventional definition of market engagement, which includes the sale of labour or the operation of a commercial enterprise (Altman, 2007b). There is also the cost to culture – as Brueckner et al. have noted: “Statistical equality is thus seen to come at the expense of cultural difference” (Brueckner et al., 2011, p. 1821).

The things that make communities stronger, such as close connections to country and kin, are seen by economic rationalists as hurdles to overcome in order to become part of the mainstream economy. Some policymakers assume, and it is implicit within the policy framework, that Aboriginal and Torres Strait Islander people should move to where the jobs and services are, and that cultural and customary practices are somehow peripheral to people’s sense of self and purpose rather than integral to how they shape their lives and interact with the mainstream community.18 Art centres embody these tensions, relying as they do on customary practices and adapting – where possible – business decisions and strategies to remain based in communities despite the added costs and challenges of doing so.

Embedded within the Closing the Gap approach is a potential overstatement of the power of the market to transform remote Australia and an underestimation of the long-term effects of under-expenditure on Aboriginal and Torres Strait Islander people living in these communities on all levels, including health, education, infrastructure and employment services (Altman, 2007a). Institutional barriers amplify existing inequalities, further inhibiting Aboriginal and Torres Strait Islander

18 Though written after the 2007–2013 period of this research, the 2014 Forrest review articulates this even more clearly.
peoples’ integration into the mainstream economy through the imposition of restrictions on where they can live and work, how they can access their money and denying them wages equivalent to their non–Aboriginal and Torres Strait Islander co-workers.

**LENS THREE: ART CENTRES AS ARTS AND CULTURAL ORGANISATIONS**

The last lens to be discussed is that of art centres as arts and cultural organisations. It is in this arena that art centres have achieved the most success. In the general arts and cultural sector, government policy has been developed and implemented in acknowledgement that its role as leader or facilitator is blurred both within and across different state and federal agencies. Government’s twin roles as leader in the preservation of cultural traditions for the public good and facilitator of the development of the creative industries to support economic development have direct applications for art centres, which are both prominently placed in the market and holders in trust of Aboriginal and Torres Strait Islander artists’ creative production and cultural knowledge.

**CULTURAL AND COMMUNITY DEVELOPMENT**

Cultural development in art centres is multifaceted and refers to a range of creative, collaborative and practical activities that define the centres’ relationship with artists and build local sustainability and capacity. Government support of cultural development in remote Australia can be seen both as part of a broader shift towards the democratisation of culture and as another strategy for closing the gap between Aboriginal and Torres Strait Islander people and settler culture (Badham, 2010).

The connection between strong local cultural practice and community building has been acknowledged by government for decades and remains one of the drivers behind government’s commitment to provide remote community artists who experience economic and cultural barriers to participation with access to art centre services. It is also being increasingly recognised that institutions where cultural values align or converge are the most successful in engaging with remote communities, whether it be as a place of work, a place to create or a place to get help when it is needed (Fleming, 2015).
While Australia has gained an international reputation as a country committed to ongoing support for community cultural development, it has also attracted a lot of criticism for the manner in which it has decimated Aboriginal and Torres Strait Islander communities and culture since colonisation (Reynolds, 1982).

Currently, there is a focus on the instrumental value of the arts and recognition of the potential social benefits of cultural practices. This has attracted the interest and limited support of non-art agencies and government departments, including education, health, justice and regional development. As a result, there has been a diversification of funding sources available to some art centres targeted at addressing socio-economic issues such as high unemployment, social alienation and poor health.

**CULTURAL POLICY AND FUNDING**

Aboriginal and Torres Strait Islander arts and culture became central in mainstream cultural policy, and this has been closely tied to increasing recognition of Aboriginal and Torres Strait Islander identity in all its diversity and a revision of its value in the broader Australian cultural landscape. Key areas of government policy and program concern are:

- the protection of Aboriginal and Torres Strait Islander intellectual property (Terri Janke & Michael Frankel and Company, 1998)
- the support of creative vibrancy in communities (Fieldworx, 2008)
- the marketing and promotion of Aboriginal and Torres Strait Islander art and culture (Commonwealth of Australia, 2007)
- the future cultural security and sustainability of the sector (Australian Government, 2013f)
- the inclusion of Aboriginal and Torres Strait Islander culture in mainstream national and international events.

(Austrade, 2007)

Aboriginal and Torres Strait Islander cultural policies and programs have been characterised by their emphasis on instrumental goals aimed at improving the social-cultural and economic wellbeing of Aboriginal and Torres Strait Islander people (Glow & Johanson, 2009). The design of art policies and the debates surrounding them tend to revolve around two key issues. The first is how to measure or prove the benefits of arts and culture in terms of social cohesion,
community health, participation and economic returns in order to justify public funding. This side of the debate has been hampered by the limited data available to assess the more intangible social and health benefits; as a result, the participation rates and economic returns have been overemphasised in most formal evaluations undertaken by independent researchers, government and the sector. The second major issue is the ongoing debate about whether it is possible to determine the qualitative benefits in this way or whether the intrinsic value of the arts is argument enough and the belief that one sign of a healthy society is an active and vibrant arts community focused on artistic excellence and community activation.

The ABS publication *Cultural funding by government, Australia, 2012–13* provides an insight into how cultural expenditure is prioritised across the three tiers of government (Australian Bureau of Statistics, 2014). Much of federal and state arts budgets are dedicated to funding for the major performing arts organisations and major state-based arts institutions, in contrast to local government which focuses on local communities and small- to medium-sized cultural enterprises and activities (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). Grants for major public institutions – including museums, radio and television – and environmental heritage dominate in the funding arena, and recurrent expenditure is by far the largest percentage of overall spending at both federal and state levels. Generally, expenditure reflects population concentrations, with the smaller territories spending significantly less overall than larger jurisdictions (Australian Bureau of Statistics, 2014).

Overall, the arts and cultural sector has been historically marginalised (Craik, 2007). While Australia has been funding arts and culture for decades, with a systematic approach being consolidated with the establishment of the Australia Council at the federal level and arts agencies at the state level, the arts still receives a relatively small proportion of government funding given the sector’s reach. Nonetheless, more than $7 billion was invested in cultural activities in the 2012/13 financial year, an increase of more than a billion dollars from the 2007/08 figures (Australian Bureau of Statistics, 2014).

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19 State spending included Queensland $534.8m, NT $104.4m, WA $581.1m.

20 Despite a relatively low overall spend per capita, the Northern Territory has the highest cultural expenditure ($438.60) per capita; Western Australia spent $234.50 and Queensland ranked among the lowest three with $115.90.
Cultural programs and policies at all levels of government have become increasingly fractured, with some government ministers and bureaucrats pushing for the arts to become more commercial, self-sustaining and responsive to public tastes, while another school of thought supports the state patronage of the established producers of cultural product and is reluctant to fund marginal, experimental or community arts and practitioners (Craik, 2007; Edgar, 2012; McPherson, 2015). Arts and cultural advocates, on the other hand, have argued that all levels of art-making and production are of intrinsic worth, and that government subsidies should be accessible to both emerging and established practitioners.

Certain trends in arts and cultural funding benefited art centres over the years. In the 1970s and 1980s, the development of community arts programs matched well with the community model of art centres. In the 1990s, the increasing focus on business and markets assisted art centres to professionalise and engage directly with audiences and buyers. Running parallel with these developments was government investment in the preservation of national culture that resulted in the establishment of more public collecting institutions, and, on a smaller scale, art centres began to manage small community museums, media centres and cultural centres (Wright, 1999). While some art centres struggle to adequately archive and store cultural material, others have invested significant amounts of money in organising and displaying their collections, supported by a mix of government and self-generated funds, even though cultural maintenance is an area where subsidies are limited.

Since the 1970s, established public institutions and performing arts companies have been funded differently from how other arts organisations, including art centres, are funded. Seen as of national heritage significance, these institutions and major companies have been funded at a higher level than other organisations and have not seen their funding cut when their income from ticket sales, sponsorship and philanthropic funding has increased (Craik, 2013). Art centres, on the other hand, despite their recognised heritage significance, have never been considered for treatment as established institutions, even though they have attracted similar levels of national and international interest and, in the case of the larger centres, have comparable levels of income and audiences.

The recent prominence of Aboriginal and Torres Strait Islander arts and culture has presented challenges for cultural policymakers, including how to acknowledge the important political role of the sector on a local, national and global front within a
broader policy context of normalisation. Some of the older and more stable art centres are well positioned to challenge the definition of major organisation as defined by the Australia Council and the National framework for governments’ support of the major performing arts sector (the MPA Framework), which quarantines funding for these organisations from federal and state governments, providing a measure of financial security that no other non-government arts organisations have ever had (Meeting of Cultural Ministers, 2011). Larger art centres certainly have the turnover, community engagement and audience reach of the major performing arts organisations and would benefit from the development of longer term strategies to support them.

CHAPTER SUMMARY

Current government intervention in art centres is can be seen through three inter-related lenses:

• as Aboriginal and Torres Strait Islander organisations that service Aboriginal and Torres Strait Islander communities, are governed locally, and provide a political and civic platform for Aboriginal and Torres Strait Islander people to engage with mainstream society and the broader economy
• as Aboriginal and Torres Strait Islander businesses that are expected to compete in the market while remaining culturally representative
• as cultural organisations that support cultural expression and social cohesion.

These lenses provide a way to examine the externally defined expectations and outcomes upon which funding decisions are dependent. The resultant pressure on art centres from their membership and funders to meet such broad goals and benchmarks puts enormous stress on them as organisations and is arguably one of the reasons staff retention is such an issue. From an art centre perspective, the three lenses are not always compatible; indeed, they can conflict. Business imperatives are not always well matched with communal ownership and the delivery of equitable services to members; cultural maintenance and expression are not always in marketable form and can be an additional cost and administrative burden to businesses.

Underpinning the reasons government funds art centres are much larger economic and social realities, such as the lack of commercial development and networks in
most of regional and remote Australia and the inequalities in health, education and wealth between people in Aboriginal and Torres Strait Islander communities and in mainstream Australia. These bigger issues consume government resources and planning. Since the 1970s, it has been assumed that art centres would be unable to market and sell their product without government subsidy and that their remote location meant that components of the primary and secondary markets also required support. This will be discussed in detail in the next chapter.
CHAPTER SIX: SUPPORTED INDUSTRIES

INTRODUCTION

Government involvement in market processes should be viewed on a continuum, running from setting basic rules of the game to significant levels of intervention and control.

(Mintrom, 2012, p. 149).

The development of art centres and the market for Aboriginal and Torres Strait Islander art is closely entwined with a history of government support across the whole value chain from production through to marketing and promotion. Examples of government support for the cultural industries in general abound and are not confined to maintaining regulatory environments and incentives, although these are an important part of ensuring that the enabling environment for business activities is development-friendly (Jericho, 2015, p. 9; McLeay, 2006). Successive governments funded the establishment of small remote community enterprises and subsidised a network of commercial galleries and public institutions to mediate their contact with the market (Altman, 1989; Myers, 2002). In the 1970s and 1980s, the federal government owned and managed Aboriginal Arts and Crafts Pty Ltd (commonly referred to as the Company) for marketing and selling Aboriginal and Torres Strait Islander art (see ‘The Australia Council and the Aboriginal Arts Board’ below), funded art centres and activities both on a project and operational level and actively promoted Aboriginal and Torres Strait Islander art through state-sponsored collections and exhibitions.

In more recent times, grant funding has become increasingly important for art centres; since the 2010/11 financial year, this has been the primary source of income for many. By far the main source of funding is the federal government, which manages the IVAIS and IEI programs and provides approximately 79% of all public monies to art centres (Acker & Woodhead, 2014b, p. viii). State, territory and local governments also contribute funding and support both independently and in concert.

This chapter explores some of the key ways in which art centres have been part of a supported industry. The first section traces the history of government support for art
centres between the 1970s and 2006. It provides the context for exploring some of the path dependencies that have shaped art centres and their current implications. The second section considers the contemporary funding environment for Aboriginal and Torres Strait Islander art centres from 2007 to 2013 and how this has impacted on the sector generally. Separate sections are devoted to federal, state and local government programs, the last two with a particular focus on Western Australia and Queensland, where the case studies are based. The state sections also include a brief account of art centres in each jurisdiction to provide a more local setting.

**PATH DEPENDENCY**

As a tool for understanding better the origins of the existing art centre model, the notion of path dependence highlights the importance of certain key events and decisions that shaped not only the art centres but also their dynamic and interactive relationship with government (Ingamells, Buultjens, & Cairncross, 2010). Path dependency is understood as being defined by both enabling and disabling external factors that include policy and program decisions, local histories and contingent events that in turn influence current and future choices. In this context, path dependency is taken to be a self-reinforcing process that gives rise to particular organisational models, in this case art centres (Garud, Kumaraswamy, & Karnøe, 2010). Some of the key decisions with long-term impacts on how art centres conduct business include the public subsidy of their operations in order to benefit communities and the direct management of their market interactions. The notion of path dependency assumes both that increased benefits are gained by conforming and that divergence from these paths is disruptive and costly (Pierson, 2000). Once a business model is established in communities, it is very difficult to change its institutional arrangements. The persistence of the art centre model, despite its mixed financial performance, would seem to indicate that the positive social, cultural and civic outputs that art centres continue to provide are a disincentive for government and communities to change to a more commercially focused and less inclusive type of enterprise with the potential of higher returns for a much smaller base of elite and established artists.

Since the early 1980s, Aboriginal and Torres Strait Islander businesses have been seen as key to developing remote Australia, and governments have largely relied on markets to create industry and employment opportunities (Walker et al., 2012). These policy settings were largely prompted by increased political pressure to see
communities develop a measure of independence and financial sustainability (Beer, 1998; Pearson, 2010). In much of very remote and remote Australia, where economic activity was minimal and business opportunities scarce, government intervention in market development was seen as necessary, and art centres were some of the earliest enterprises to benefit from this government approach (Altman, 1989).

Governments' willingness to fund new art centres despite their distance from markets and because of their proximity to producers also reflected other political and social priorities of the time. In the 1970s and 1980s a return to homelands movement was actively encouraged, and from the early 1990s onwards there was a shift towards the outsourcing of service delivery to non-government providers, many of which were Aboriginal and Torres Strait Islander organisations (Commonwealth of Australia, 1987; P. Sullivan, 2010) (Chapter Five). As a growing number of organisations were set up in communities and the Indigenous sector (Rowse, 2005) was created, issues concerning self-determination and governance also became more prominent as governments introduced complex accountability arrangements that required local governance to be in place.

Elements of art centre operations clearly invite path dependency analysis when viewed in relation to some of these policy and program settings, including their collective governance and membership structures as well as their community development model. Drawing from the case studies research outlined in the following chapters and my professional experience, I describe several aspects of art centre path dependency in Table 11.
### TABLE 11 ART CENTRES, POLICY AND PATH DEPENDENCY

<table>
<thead>
<tr>
<th>Social and political changes</th>
<th>Art centre characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of communal ownership of country and strong customary and familial networks: Aboriginal Land Rights Act (Northern Territory) 1976 (Cwlth)</td>
<td>Set up to be inclusive rather than elitist, with community governance and cultural maintenance the focus</td>
</tr>
<tr>
<td>Return to homelands movement (Commonwealth of Australia, 1987)</td>
<td>Based in remote communities and homelands despite distance from markets</td>
</tr>
<tr>
<td>Special arrangements made for the provision of government funding to Aboriginal and Torres Strait Islander organisations for the delivery of services and to manage traditional lands (Hilmer, 1993; Rowse, 1992; Walker et al., 2012)</td>
<td>Established as incorporated not-for-profit associations rather than as for-profit companies</td>
</tr>
<tr>
<td>Emphasis on self-determination, local governance and civic engagement (P. Sullivan, 2010)</td>
<td>Governed by local boards or advisory groups</td>
</tr>
<tr>
<td>Increased interest and awareness of Aboriginal and Torres Strait Islander culture (Aboriginal and Torres Strait Islander Corporation, 1997)</td>
<td>Focus on cultural maintenance and contemporary expression</td>
</tr>
</tbody>
</table>

As market interest, cultural values and government intervention and support converged, the development path for remote art centres led to the adoption of not-for-profit, communally owned and funding-dependent enterprise models that Altman classifies as examples of “intercultural production” and the “hybrid economy” (Altman, 2010) (Chapter Four). One of the reasons for these models’ success was their fundamental compatibility with Aboriginal and Torres Strait Islander cultural and
social values (R. B. Anderson et al., 2006). The internal and external forces that have shaped the art centres and the path dependencies that their membership, the market and government have set for them are the focus of the next section (Ingamells et al., 2010).

SECTION ONE: AN INDUSTRY EMERGES – EARLY FUNDING AND SUPPORT

THE ESTABLISHMENT OF ART AND CRAFT CENTRES

Art centres in remote communities have their origins in art activities managed by mission and government staff in reserves across northern and central Australia where commercially viable options were limited in most cases to the exploitation of local resources, small-scale manufacturing and the commodification of customary art forms (Morphy, 1998, 2001; R. Perkins et al., 2008). From a government and mission perspective, these precursors to art centres had a utilitarian function from the beginning, which aligned with the assimilationist policies that dominated after World War II, not just in Australia, but also across the colonial world (P. Sullivan, 2011a, p. 3). The primary goal was increased employment in communities, and the production of arts and crafts was seen as a means of providing artists with an occupation within the reserves that also drew them into the market economy (Morphy, 2005). These art activities were also seen as a potential income stream for the missions and a means to protect people from exploitation and anti-social behaviour (Rowse, 2014). This protective approach to employment and economic engagement provided Aboriginal and Torres Strait Islander people living on the missions with income streams, but also limited economic development to initiatives the missions were willing and able to auspice. Outside the missions, Aboriginal and Torres Strait Islander economic initiatives were not always encouraged; indeed, they were at times perceived to be a threat to local interests (R. Perkins et al., 2008).

The first art centre was established in 1948 in Ernabella, a Presbyterian mission in the Anangu Pitjantjatjara Yankunytjatjara Lands of South Australia, and was followed over the next three decades by other mission-initiated art activities in communities such as Yirrkala, Oenpelli and the Tiwi Islands (Morphy, 1998). By 1979/80 it was estimated that there were 5000 Aboriginal and Torres Strait Islander
art producers working in around 60 communities across Australia, generating approximately $2.5 million in retail sales (Pascoe, 1981, p. 13).

The local market for Aboriginal and Torres Strait Islander art was slow to ignite, but publicly funded touring exhibitions contributed to national and international recognition of Aboriginal and Torres Strait Islander art as a contemporary movement and educated audiences about the plight of Australia’s first people (P. Taylor, 1989). In the 1970s and 1980s, exhibitions were toured to other Commonwealth countries and the United States with the support of the Australia Council (Berrell, 2009; Myers, 2002). These major overseas exhibitions triggered the interest of leading international collectors and institutions. Pascoe’s report into the sector, commissioned by the Australia Council, estimated that in 1979/80 between 80% and 90% of Aboriginal and Torres Strait Islander art production ended up overseas (Newstead, 2014; Pascoe, 1981) (Appendix One).

Public institutions such as museums and art galleries also played an important part in establishing Aboriginal and Torres Strait Islander art as a national and international art movement worthy of attention. By collecting representative works and curating major exhibitions, these institutions positioned Aboriginal and Torres Strait Islander art as central to Australia’s national cultural identity. The small network of private galleries and outlets gradually increased from this period onwards and relied on public collections to educate audiences, promote artists and legitimate the artworks (Altman & Taylor, 1990). In turn, curators and other museum staff often researched and monitored the commercial market for new and emerging artists (Johnson, 2010).

THE AUSTRALIA COUNCIL AND THE ABORIGINAL ARTS BOARD

It was only in the 1970s, as the missions handed back control to communities and the movement towards self-determination emerged, that funding of the art centres became more systematic with the establishment of the Aboriginal Arts Board of the Australia Council (AAB) (Altman, 1989). The Aboriginal Arts Board was the major funder and played a transformational role in the establishment of community-based art centres between 1973 and 1981 (Pascoe, 1981).

By 1981, there were 14 full-time and three part-time craft advisers (now referred to as art centre managers) being funded by the AAB at a total cost of $288,000 (Pascoe, 1981, p. 30; Peterson, 1983, p. 64). Their primary role was as buyers and
brokers for artists, and the aim was to support the development of the market in order to encourage wider participation by Aboriginal and Torres Strait Islander producers and provide them with the opportunity to make money through sales rather than fund them as artists directly (Pascoe, 1981, p. 64). The Pascoe report produced for the Australia Council argued:

Despite its small size, the industry is important: economically, as a source of independent income for both producers and their communities; and socially, to allow the expression, communication and development of Aboriginal culture. The Board should continue to support the industry.
(Pascoe, 1981, p. 9)

Early discussions about whether craft advisers should be employed directly by the AAB in a bid to professionalise the sector were dismissed and, despite being funded by government, they were managed by their local communities and organisations (Pascoe, 1981, p. 65). The fact that the proposal was seriously considered indicated how closely intertwined government and the emergent industry were considered to be by the AAB at this time.

In addition to providing some of the earliest direct funding to remote Aboriginal and Torres Strait Islander art centres, in the 1970s and 1980s the AAB funded Aboriginal Arts and Crafts Pty Ltd in an attempt to coordinate a national market for the benefit of Aboriginal and Torres Strait Islander artists. The Company was an ambitious marketing strategy, with retail outlets in Alice Springs, Darwin, Perth and Adelaide and two in Sydney. Originally established in 1971 as a company limited by shares by the Department of Aboriginal Affairs (DAA), ownership was formally transferred to the Australia Council in 1980 after the organisation had been running at a loss for a number of years (Pascoe, 1981, p. 48). In 1982, the Company was registered as a company limited by guarantee in an attempt to make it operationally independent of the Australia Council at a time when it was the largest customer for art centres, purchasing about one-third of all work produced and in some cases 90% of the stock of art centres (Pascoe, 1981, p. 39; Peterson, 1983). This lasted until the Company was closed in 1987.

The primary roles of the Company were to educate potential buyers and establish marketing channels for art and craft produced in communities, in a bid to bridge the gap between artists and consumers. The distance between art centres and service centres, the lack of infrastructure and the nascent state of the industry made it
difficult, if not impossible, to establish markets without assistance (Myers, 2002). The expansion and development of the Company over the course of its history was not driven in response to market demand but motivated by the desire to boost production and create new markets. This approach posed a threat to its financial viability; as a result, the Company had difficulty generating a profit and needed greater government investment as time progressed (Peterson, 1983). The assumption that once marketing channels were established sales would increase had gained credence in federal government circles, but the Company sold mainly low-priced “tourist art” to overseas visitors, and market demand for fine art remained limited. By committing resources to art centres and the Company, government was supporting the production and distribution of Aboriginal art and had extended its brief from direct support of the producers to having a stake in the marketing and sale of the product.

There was a fair degree of internal debate and contention within the AAB and the Australia Council regarding the commercialisation of Aboriginal and Torres Strait Islander art. Some board members shied away from market development, while others believed it held the key to future independence (Myers, 2002). In the main, the Board prioritised cultural development over economic returns and was focused on “promoting … and protecting existing cultural values and practices”; however, it continued to fund the Company despite its losses and a growing accumulation of unsold stock (Myer, 2002, p. 139; Myers, 2002). In 1980/81, the AAB had a budget of $1.7 million out of which $800,000 was directed at the visual arts and crafts, including art centres and the Company. By 1989, AAB and the DAA were contributing $790,996 in grant funding to art centres; the art centres were supplying $1,323,427 to their operational costs from sales (Altman, 1989, p. 53). Other state and federal agencies – such as the Aboriginal Development Commission (ADC) and the Department of Employment, Education and Training (DEET) – also made significant funding contributions to the emerging art centres in the 1980s. Each agency had its own guidelines for funding, with DEET “using a standard labour market approach” due to the arts and crafts industry “being regarded as just another potential sector that can generate Aboriginal employment” (Altman, 1989, p. 146). The ADC had a primarily commercial focus and therefore concentrated its

21 Fifteen years later, in 2004/05, the AAB was distributing approximately $1 million to Aboriginal and Torres Strait Islander art centres, a decline of 26% in real terms from the 1989 funding amount.
investments on funding the development of “manufacturing enterprises” which resulted in grants being provided to art centres that focused on screen-printing and clothing manufacture (Altman, 1989, p. 143). In addition to its role in the set up of the Company, DAA provided grant funding and income support to Aboriginal and Torres Strait Islander producers of art and craft through CDEP.

Despite increasing government support, the industry at the end of the 1980s underwent significant changes when the Company collapsed in 1987. In response to this demise and to art centre concerns, the DAA commissioned a review of the sector by a team chaired by Jon Altman (Appendix One). One of the key recommendations of this report was the creation of the National Arts and Craft Industry Support (NACIS) program, which provided operational funding to art centres throughout the 1990s and 2000s. The collapse of the Company also motivated some art centres to start negotiating with government as a collective, and in 1992 the art centres of Arnhem Land, the Tiwi Islands and Central Australia formed the first peak agency: the Association of Northern and Central Australian Aboriginal Artists (Congreve & Acker, 2015).

**ATSIC and Art Centre Funding**

Just as art centres were establishing an industry voice and the Altman Review recommendations were being considered, ATSIC was established in 1990. ATSIC took over the role of lead agency for the funding of Aboriginal and Torres Strait Islander art centres through a negotiated agreement with the Australia Council in 1991 and thereby became the primary funder and supporter of art centres until its demise in 2004 (Wright, 1999, p. 47). Regarded as a means to coordinate key government programs, ATSIC oversaw an expansion both in the number of government-funded art centres and the national and international art market (Mercer, 1997). This growth was supported through funding from the Arts and Crafts Industry Support Strategy (later known as the National Arts and Craft Industry Support Strategy [NACISS] and then IVAIS), which enabled art centres to employ staff on a part-time or full-time basis and coincided, not surprisingly, with the early professionalisation of the sector. ATSIC was committed to the long-term independence of art centres and emphasised the importance of their business activities over other areas of activity (Aboriginal and Torres Strait Islander Corporation, 1997).
The program came under the umbrella of the *National Aboriginal and Torres Strait Islander cultural industry strategy*, which was developed over a period of two years with extensive stakeholder consultations (Aboriginal and Torres Strait Islander Corporation, 1997). It was complemented by the Regional Art and Culture Support Program that was primarily a source of project funding and later became the Indigenous Culture Support program (Peppercorn, 2003). Between 1991 and 1996 the amount of funding available to art centres increased, as did the overall number of art centres (Mercer, 1997, pp. 16, 32). A core group of art centres received annual funding, with adjustments made by the department depending upon funding availability. Once art centres were accepted into the program, their level of subsidy was based on the amount of funding they had received in previous years and on their general performance, and a small number of art centres received annual operational funding for the next 25 years (Mercer, 1997; Palmer, 2000; Peppercorn, 2003).

The program was one of the most successful managed by ATSIC, despite the relatively small funding base; however, during ATSIC’s administration three external reviews were undertaken to examine funding models, modes of performance assessment and benchmarking frameworks in response to internal government debates concerning the equitable distribution of funding to art centres (Mercer, 1997; Palmer, 2000; Peppercorn, 2003) (Appendix One). The first of these reviews was undertaken in 1997. It noted that the program achieved its objectives “contingently rather than as a matter of policy and effective program and service delivery” (Mercer, 1997, p. 4). Two of the main reasons for this were a lack of coordination and a dearth of historical information and data making it hard to track performance and assess program delivery. The recommendations of this report included better interagency collaboration, a more national approach with the emphasis on the production part of the value chain, triennial funding and support for business planning.

Six years later the second report reiterated that data needed to be collected and provided to art centres in order to allow them to self-assess their performance against previous years (Palmer, 2000). The consultant also proposed a complicated formula-based approach to funding art centres that relied on benchmarking and rewarding performance. Not surprisingly, the formula was not adopted because of the difficulty associated with administering such a complex model; three years later, the Peppercorn review presented a very different set of recommendations.
In contrast to Palmer, Peppercorn proposed a one-size-fits-all funding model, dependent on the achievement of certain benchmarks. Peppercorn’s streamlined proposal was also ignored, and funding continued to be allocated at the discretion of the department.

In addition to managing NACIS, ATSIC also managed CDEP, which had its antecedents in programs such as the National Employment and Training Scheme and contributed funding to art centres to employ and train Aboriginal and Torres Strait Islander arts workers (Pascoe, 1981, p. 37). By the late 1980s, quite a number of art centres were employing Aboriginal and Torres Strait Islander staff in administrative and studio-based positions, and these employment programs were a vital source of stable, albeit relatively low, wages (Altman, 1989, pp. 116–117). CDEP increased employment in art centres, particularly in the period between 1996 and 2007. By 2007, the Department of Employment and Workplace Relations estimated that 95 CDEP organisations were supporting approximately 2,100 participants through 130 arts-related activities (Department of Employment and Workplace Relations, 2006).

The Australia Council and then ATSIC, as the lead funding agencies between the 1970s and 2004, worked in partnership with art centres. Through their support and subsidies, they set the precedents for the following institutional and financial practices:

- publicly subsidised
  - wages for art centre managers
  - wages for Aboriginal and Torres Strait Islander artists and arts workers
  - operational costs
- government promotion of Aboriginal and Torres Strait Islander art through public collecting institutions and exhibitions
- government support for market activities and a withdrawal from involvement in the direct sale of artwork.

Under ATSIC, it became broadly accepted within government that an economically productive industry could be created through the art centres and that through engagement with the market, Aboriginal and Torres Strait Islander culture would be strengthened and preserved (Aboriginal and Torres Strait Islander Corporation, 1997). This approach to the development of art centres and the cultural industries
was still evident in the programs that were delivered after 2007; they are the focus of the next section.

Section Two: Current Federal, State and Local Government Programs 2017–2013

The matrix of government arts agencies is a complex and broad network that spans federal, state and territory levels (Appendices Six, Seven, Eight and Nine). While there are considerable crossovers in program delivery, many agencies work directly with art centres and there is little coordination between the various jurisdictions. This section provides the funding context for the case study art centres. The first part is dedicated to the regulatory environment and the federal IVAIS and IEI programs. Each of the case studies was a recipient of this funding, and changes to those programs have impacted on them in different ways. The detail of these impacts is discussed within the case studies themselves in Chapters Seven and Eight.

The second part looks at the arts funding programs of Western Australia and Queensland, where the case studies are located. Although the federal government has dominated policy development and discussions in this arena, each state has taken a very different approach to funding and supporting the art centres. Queensland, with its art centre–specific funding program BIA, has injected significant funding into the sector. Western Australia, in contrast, has invested very little arts funding into art centres and has relied more heavily on the federal programs to support them. Finally, the role of local government in cultural development is discussed and the scope of its activities examined in Queensland and Western Australia. The contribution of local government is examined with a specific focus on Western Australia and Queensland. Local government has become increasingly supportive of cultural activities and has been the major local partner in the community for some art centres.

The Broader Context – The Regulatory Environment

While this section concentrates on funding programs that have directly benefited art centres, it is important to note that government also makes significant and less visible contributions to the ease of doing business by providing tax incentives and regulating markets. Australia overall ranks highly in terms of the ease of doing business and business development across nations (World Bank Group, 2016).
However, remote Australia has not fared as well as metropolitan centres and poses particular challenges for business. While services such as transport and freight are often subsidised in remote regions to make them more affordable for small businesses, and essential telecommunications (including phone, broadband and postal services), roads, health care and education are also government-funded or subsidised, the costs are still high and services limited (Australian Government, 2014b, 2015b; Sharma, 2014). Issues over land tenure impede business development and continue to be disputed and defined through the courts despite land rights and native title legislation (Australian Government, 2015c).

Government’s impact on the regulatory environment for art centres has also been significant. A number of key government initiatives had implications for art centres and shaped the business environment in which they operated. One of the most far-reaching government-led changes was the introduction of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cwlth) (CATSI Act) (Appendix Seven). Many art centres transitioned from the old Aboriginal Councils and Associations Act 1976 (Cwlth) as directed by the federal government and were required to rewrite their constitutions and review their governance structures in order to access government funding.

The 2007 Senate Inquiry provided a timely opportunity to review the regulatory environment and collect feedback from stakeholders about the current state of the Aboriginal and Torres Strait Islander arts industry. The Inquiry focused on the mechanisms and strategies required to improve sector capacity and sustainability with the aim of decreasing the sector’s reliance on funding (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). The Inquiry revealed a profound lack of information about the secondary market for Aboriginal and Torres Strait Islander art, exposing the degree to which federal investment and regulatory decisions were based on unsupported assumptions about future market growth and sustainability.

Three other regulatory initiatives have also had an effect on art centres and have been criticised as being out of step with industry needs or perceived as an additional administration burden (Woodhead, 2014): the Indigenous Art Code, the Resale Royalty Scheme and changes to superannuation legislation coincided with the industry experiencing its first major downturn in 10 years and were seen as strategies that potentially increased both buyer uncertainty and financial reporting requirements (Appendix Seven) (Altman, 2013).
The Indigenous Art Code was originally intended to set out guidelines for commercial dealing in the Aboriginal and Torres Strait Islander art sector, but a lack of adequate funding and performance criteria for membership has led to critics arguing it has not improved industry practices and is not enforceable (Woodhead, 2014). Art centres and artists are therefore still vulnerable to unconscionable practices and lack an industry regulator to turn to for restitution.

The aim of the Resale Royalty Scheme was to establish the ongoing rights of artists in their artworks and to provide them with additional income through royalties (Department of Communications and the Arts, 2013). When the scheme was reviewed in 2013, several issues that impacted on art centres were identified in submissions:

- The threshold for sales was set too low and meant that works that were unlikely to resell or increase in value in the future still needed to be administered within the system.
- There was confusion about the appropriate accounting practices and over which transactions are subject to the royalty (Tucker, 2013a).

Finally, the changes to the self-managed superannuation funds legislation had an impact on art centre sales because of the misleading perception that artworks could no longer be purchased by superannuation funds. The legislation also created uncertainty in the market when many self-managed superannuation funds divested themselves of these investments, thereby flooding the market (Tucker, 2014a, 2014b).

**Federal Programs – Indigenous Visual Arts Industry Support and Indigenous Employment Initiative**

Between 2007 and 2013 the introduction of the Closing the Gap policy led to an overhaul of all federal Aboriginal and Torres Strait Islander policies and programs, including IVAIS and IEI, the two main sources of funding for art centres. IVAIS funding primarily supported “the operations of Indigenous art centres, and organisations involved in the production, promotion and marketing of visual art” (Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013, p. 1). IEI funding supported arts worker positions, including wages and training (Australian Government, 2013c). IVAIS and IEI have been treated in particular detail here because of their centrality to art centre development. Both
were managed by the Ministry for the Arts, which continues to be the lead agency in all negotiations with other federal, state and territory agencies.

The strategic goals for the programs were defined by two planning documents devised in consultation with art centres and the peak agencies. The first, completed in 2004, provided a benchmark for funding and was designed to provide the IVAIS program with direction at a time when ATSIC was being dismantled and the Department of Communications, Information Technology and the Arts took carriage of the funding (Australian Government, 2004, 2013d). The second plan, developed eight years later, updated the original and again outlined the strategic directions for the sector (Commonwealth of Australia, 2014). There was no major deviation in the program goals between the two documents, but several key differences are summarised in Table 12 below.
TABLE 12 MINISTRY FOR THE ARTS ART CENTRE PLANS IN 2004 AND 2013 AND THE KEY DIFFERENCES BETWEEN THEM

<table>
<thead>
<tr>
<th>2004 Indigenous art centres: Strategy and action plan</th>
<th>2013 Indigenous art centre plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of clarity of roles and responsibilities throughout the document</td>
<td>Clearer demarcation of roles and responsibilities of art centres, peak agencies and government</td>
</tr>
<tr>
<td>Commitment to more government intervention</td>
<td>No such commitment</td>
</tr>
<tr>
<td>Whole-of-government approach to funding</td>
<td>Commitment to work in partnership with state and territory governments</td>
</tr>
<tr>
<td>Established a network of Arts Development Officers in regional areas</td>
<td>Not continued</td>
</tr>
<tr>
<td>Greater focus on internal capacity building for art centres, artists and staff</td>
<td>Increased focus on improved economic performance</td>
</tr>
<tr>
<td>Raise awareness of moral, cultural and intellectual property rights</td>
<td>Support for Resale Royalty Scheme</td>
</tr>
<tr>
<td>Code of conduct and art centre accreditation proposed</td>
<td>Support for Indigenous Art Code</td>
</tr>
<tr>
<td>Support for more Aboriginal and Torres Strait Islander employees in art centres</td>
<td>Support through the IEI program</td>
</tr>
</tbody>
</table>


In 2013/14, operational funding was distributed to more than 80 art centres (Australian Government, 2013g). The majority of funding was concentrated in the northern and central regions of Australia where most remote art centres are based. Figure 6 below is a map showing the geographical spread of funded activities and the prevalence of art centres in the Northern Territory in particular.
Chapter Six: Supported Industries

FIGURE 6 NACIS MAP OF FUNDED ART CENTRES 2009/10

Source: Department of the Environment, Water, Heritage and the Arts (2012)
Between 2007 and 2013, most art centres relied on federal funding to operate, and over 60% of art centres received more government funding than they generated in sales in 2012/13. The federal government was the biggest contributor of funding and, in some regions, provided 100% of grant funding (Acker & Woodhead, 2014b). In 2012, grant funding represented an average of 35% of art centres’ annual income, and the following year it dropped to 27.1% (Tucker, 2013b).

Since the IVAIS program’s inception, demand was consistently higher than available funding; in 2012/13, the department reported it received requests for more than $22.3 million, double the amount available. The 2007 Senate Inquiry reported that in certain areas, funding for art centres was still piecemeal and that the “amount of funding available through government Aboriginal and Torres Strait Islander programs has not kept pace with the expansion of the industry, or with the proliferation of artistic initiatives in Indigenous communities” (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007, p. 47). The Inquiry recommended significant new investment in art centres and their support organisations, including the establishment of a multimillion-dollar infrastructure program. Funding across all art centre programs was increased by $7.6 million over four years, commencing in 2007/08 and included a $4 million increase to the IVAIS (then NACIS) program over the same period. This meant IVAIS funding nearly doubled between 2006/07 and 2012/13, after remaining relatively static for more than 10 years. The funding available each year is listed in Table 13 below.

**TABLE 13 IVAIS FUNDING 2006/07–2012/13**

<table>
<thead>
<tr>
<th>Year</th>
<th>IVAIS Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>$5.10 million</td>
</tr>
<tr>
<td>2007/08</td>
<td>$6.57 million</td>
</tr>
<tr>
<td>2008/09</td>
<td>$7.14 million</td>
</tr>
<tr>
<td>2009/10</td>
<td>$8.66 million</td>
</tr>
<tr>
<td>2010/11</td>
<td>$8.70 million</td>
</tr>
<tr>
<td>2011/12</td>
<td>$9.29 million</td>
</tr>
<tr>
<td>2012/13</td>
<td>$9.67 million</td>
</tr>
</tbody>
</table>

Table 14 below shows the regional breakdown of funding provided to art centres through the IEI program in the period 2009/10–2012/13. One of the main reasons for grants overtaking sales in art centres was the IEI program. Some regions, such as the Torres Strait, received far more funding than other regions, even though only three art centres were based there. In contrast, the Western Desert, which made the highest percentage of sales, received only 10.4% of IEI funding. As department staff interviewed for this research noted, IEI had been “inherited from other departments and the money was already earmarked to support workers in existing positions in specific regions”. This was the reason for some regions having a greater number of arts workers allocated even though in some cases they had trouble filling these positions. In 2015–16, the department has attempted to distribute arts worker positions more equitably according to need and capacity. This is a long-term strategy that will require ongoing consultation and negotiation with art centres if it is to succeed.

### TABLE 14 IEI FUNDING FOR ART CENTRES, 2009/10–2012/13

<table>
<thead>
<tr>
<th>Region</th>
<th>IEI</th>
<th>% of total IEI</th>
<th>% of artists</th>
<th>Total sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Torres Strait</td>
<td>$5,452,176</td>
<td>15.4%</td>
<td>1.8%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Kimberley</td>
<td>$4,624,738</td>
<td>13.1%</td>
<td>9.6%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Eastern Desert</td>
<td>$1,432,428</td>
<td>4.1%</td>
<td>2.3%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Central Desert</td>
<td>$3,993,212</td>
<td>11.3%</td>
<td>7.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Outback</td>
<td>$1,382,403</td>
<td>3.9%</td>
<td>1.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Arnhem</td>
<td>$4,224,128</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Anangu Pitjantjatjara</td>
<td>$3,316,144</td>
<td>9.4%</td>
<td>5.3%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Yankunytjatjara</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tiwi</td>
<td>$1,229,968</td>
<td>3.5%</td>
<td>3.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Far North Queensland</td>
<td>$2,891,002</td>
<td>8.2%</td>
<td>2.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Central</td>
<td>$1,855,350</td>
<td>5.3%</td>
<td>4.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Western Desert</td>
<td>$3,658,718</td>
<td>10.4%</td>
<td>47.6%</td>
<td>39.4%</td>
</tr>
<tr>
<td>West Coast</td>
<td>$710,343</td>
<td>2.0%</td>
<td>3.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Peak bodies and Industry</td>
<td>$521,176</td>
<td>1.5%</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>$35,291,786</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Acker & Woodhead (2014b, p. 14)
In contrast to IEI funding, IVAIS funding over the same period was distributed on the basis of both past performance and a competitive grant round. Funding assessments were made annually on the basis of funding histories, governance capacity and strategic planning documents. While government staff reported that sales income was one of the measures considered, funding levels showed no direct correlation with art sales (Acker & Woodhead, 2014b), and several other factors were taken into consideration in funding decisions including the ease of implementation for the department and lack of departmental expertise (Altman, 2013). Others were:

- an awareness that the longevity and stability of the IVAIS funding contributed to art centre stability, even when they were experiencing operational difficulties
- a reluctance on the part of department staff to withdraw funding from art centres during periods of poor performance and thereby add to the pressures on the organisation and decrease the potential of long-term stability and financial viability
- recognition that the performance of art centres fluctuated and that support needed to be viewed from a long-term perspective
- the difficulty of restructuring the program and making need- or capacity-based assessments of art centres and their community contexts when the budget for travel to remote communities by departmental staff had decreased.

Despite recognising the need for a long-term approach to funding for art centres, in 2013/14 the department made changes in a bid to streamline the program for administrative reasons. Almost all art centre funding was allocated within a range of $80,000 and $150,000 per year, which the department considered was enough to cover the art centre manager’s wages and some essential operating costs and activities. This led to a small number of high performing art centres experiencing significant drops in funding, including Martumili Artists, one of the case study art centres (see Chapter Seven).
STATE GOVERNMENT PROGRAMS

After decades of playing a secondary role in funding Aboriginal and Torres Strait Islander programs and the arts and cultural sector, some state governments have in the past 15 years taken greater responsibility for developing policies and programs to support Aboriginal and Torres Strait Islander art centres. The states do not fund art centres to the same degree as the federal government; however, they have made a contribution to sector development.

This section is in two parts. The first explores state and territory funding from a national perspective and how it is connected to the federal government. The second is devoted to discussing the current policies and programs in Western Australia and Queensland that relate to the three case studies: Martumili Artists, Erub Ewer Meta and Badu Art Centre.

A NATIONAL PERSPECTIVE – STATE FUNDING FOR ART CENTRES AND PEAK AGENCIES

The states and territories have contributed significant amounts of grant funding to art centres and their peak agencies; however, state funding has been erratic, with at times dramatic increases and falls in funding from year to year. Table 15 below is a summary of the data from 2006/07 to 2012/13. The combined state contribution to art centres of $36,702,314 was less than the $55,130,000 of funding provided by the federal government through the IVAIS program over the same period (Acker & Woodhead, 2014b).

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22 Acker and Woodhead found it difficult to source data prior to 2006/07 from the various state agencies, and only the figures after 2006/07 include data from NSW, the NT and WA. Despite concerns about data collection expressed by Altman as early as 1989, the states did not improve their record keeping until 2006/07, some 17 years after his report was published.
### TABLE 15 STATE FUNDING FOR ART CENTRES, 2006/07–2012/13

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>$661,035</td>
</tr>
<tr>
<td>2007/08</td>
<td>$3,181,927</td>
</tr>
<tr>
<td>2008/09</td>
<td>$13,715,327</td>
</tr>
<tr>
<td>2009/10</td>
<td>$4,930,452</td>
</tr>
<tr>
<td>2010/11</td>
<td>$6,432,529</td>
</tr>
<tr>
<td>2011/12</td>
<td>$3,824,450</td>
</tr>
<tr>
<td>2012/13</td>
<td>$3,956,594</td>
</tr>
<tr>
<td>Total</td>
<td>$36,702,314</td>
</tr>
</tbody>
</table>

Source: Acker & Woodhead (2014b, p. 17)

Table 16 below shows funding for each jurisdiction as a proportion of the total state and territory funding against the number of art centres within their purview. Queensland and the Northern Territory were the highest state funders of art centres, with Western Australia at the opposite end of the spectrum providing the least amount of funding (Acker & Woodhead, 2014b, pp. 12–13).

### TABLE 16 FUNDING TO ART CENTRES FROM THE STATES AND NORTHERN TERRITORY, 2000/01–2012/13

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total</th>
<th>% total</th>
<th>% of Art Centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>$352,900</td>
<td>1.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>NT</td>
<td>$19,201,339</td>
<td>51.4%</td>
<td>43.8%</td>
</tr>
<tr>
<td>QLD</td>
<td>$10,211,912</td>
<td>27.3%</td>
<td>14.9%</td>
</tr>
<tr>
<td>SA</td>
<td>$349,1049</td>
<td>9.3%</td>
<td>10.3%</td>
</tr>
<tr>
<td>WA</td>
<td>$4,127,127</td>
<td>11.0%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Total</td>
<td>$37,384,327</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Acker & Woodhead (2014b, p. 17)

The variable funding levels evident in Table 16 are partially accounted for by changing policies, programs and initiatives. Western Australia, despite establishing the most new art centres over this period, still left its art centres the most reliant on
federal funds. With only 15% of the art centres, Queensland provided more than a quarter (27%) of the total state-by-state funding. In the period between 2000/07 and 2008/09, Queensland funding increased from $125,000 to more than $2 million, a 16-fold increase sourced largely from the BIA program and reflecting a far greater interest in the arts by the Bligh government (Acker & Woodhead, 2014b; Neave, 2011). None of the other states have had such relatively large injections of state money for operations, and only Queensland has maintained this investment over the long term.

**The Federal Government and the States**

Interest in the Aboriginal and Torres Strait Islander arts has waxed and waned depending on the policy priorities of the incumbent state and territory governments. What has not changed is the caution the states exercise around arts and culture funding that is dominated or controlled by the federal government, in order to maintain existing funding and, where possible, leverage more. There is no incentive for the states and territories to spend more in this area if it means losing federal funds, and this has impacted on how they allocate arts and culture funding.

In the arts, as in many other policy and program areas, the relationship between the federal government and the states and territories has been marked by uncertainty about where the responsibilities for funding and delivery lie. Poor coordination, lack of information sharing and a history of the federal bureaucracy assuming a leadership role in discussions have characterised many of the partnership arrangements (Australia Council for the Arts, 2006; Craik, 2007, p. 14).

The Meeting of the Cultural Ministers (MCM) is the main high-level means for the federal and state governments to discuss and collaborate on arts and cultural matters. Coordinating policy and funding programs is a perennial issue for government and was one of the major issues raised in submissions to the Senate Inquiry 2007, which recommended that a more whole-of-governments approach be taken to funding Aboriginal and Torres Strait Islander visual artists (Arts Queensland, 2006). The MCM have recognised the significance of this issue for arts and culture in general and in 2013 developed a framework for national cooperation.

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23 The federal government has placed pressure on the states to undertake more of the burden through bilateral agreements, despite fears that funding earmarked for addressing Indigenous disadvantage would be used in other areas and that the states and territories lack the capacity to deliver the services across such vastly dispersed geographical regions.
in arts and culture (Meeting of Cultural Ministers, 2013) wherein Aboriginal and Torres Strait Islander arts and culture are identified as priorities. While this high-level framework is intended as a guide, state arts agencies such as Arts Queensland have publicly commented on the absence of a coordinated policy for the Aboriginal and Torres Strait Islander arts industry and the limitations that this has placed on bilateral funding and program development (Arts Queensland, 2006, p. iv). State decisions regarding funding are rarely made in consultation with the federal department or vice versa, though there are regular communications between the various departments at management level.

**QUEENSLAND – PROGRAMS**

**The Backing Indigenous Art Program**

There are three key ways in which the Queensland arts sector and policy and program environment differ from those of other states. Firstly, the state has relatively few art centres and they are all small and unstable. Secondly, policies and programs have been guided by recommendations from consultants, resulting in the only statewide program for art centres in the country. Finally, through BIA, the Queensland Government provides operational funding, unlike the other states which focus mainly on projects.

Arts Queensland was the lead agency managing BIA, which supported not only the art centres but also peak agencies and key marketing and promotional activities such as the Cairns Indigenous Art Fair. The stated policy and program goals for BIA were:

- improving industry capacity
- long-term sustainability
- marketing
- export of quality artwork.

(Arts Queensland, 2006, p. iii)

Queensland art centres have been operating in an increasingly supportive state environment since the introduction of the BIA program in 2007. Anna Bligh, the state Premier from 2007 to 2012, stated that events that showcased art centre work were "one of my Government’s key commitments to 'closing the gap" and "Our government is committed to ensuring the Aboriginal and Torres Strait Islander Arts
industry in Queensland’s far north continues to expand and flourish” (Premier and Minister for the Arts, 2009) (Appendix Eight).

QUEENSLAND ART CENTRES

Queensland art centres are mainly confined to Far North Queensland (FNQ), and there are far fewer than in the Northern Territory, Western Australia or South Australia, despite the state having the second largest population of Aboriginal and Torres Strait Islander people (Arts Queensland, 2006). It is broadly recognised by peak agency, government and art centre staff that the art centres are still at a development stage in business terms, although they started in the 1970s. Wik and Kugu Art Centre, Lockhart River Art Centre and MI Art on Mornington Island were some of the earliest art enterprises funded through the Australia Council (Pascoe, 1981).

In 2015, there were 13 art centres in FNQ (Figure 7), and they were all members of the peak agency IACA, which is based in Cairns. Three art centres operate in the Torres Strait on Erub, Badu and Mua islands. The other art centres are spread around the coast of Cape York and on Mornington Island in the Gulf of Carpentaria. Each art centre operates differently, with some managed by local councils or organisations and others incorporated independently.

24 Gab Titui Cultural Centre and regional gallery is an associate member but does not operate as an art centre.
The majority of art centres in FNQ are small or micro-enterprises, and the scale of their operations limits their ability to engage with the market and their financial stability. In a survey of 11 art centre managers in 2011, six responded that their art centres were emerging and the remaining five that their art centres were consolidating their operations after some form of significant change (Arts Queensland, 2011a, p. 35). The art centres in FNQ have experienced high rates of staff turnover and a significant number of employment disputes over since 2011, which have impacted greatly on their operations. The larger and more established art centres have not been immune from these kinds of disruptions, as one government respondent explained: “So the basket case can become the star performer and the star performer can become the basket case quite quickly, as we know”.

Rather than defund poor-performing art centres, a longer term approach was taken by Arts Queensland. A decision was made to support a new peak body that could

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25 Please note that Mua is shown as Moa on this map.
offer direct assistance to art centres, a role which had previously been performed by Arts Queensland staff in the Cairns office. In 2012, IACA was funded through a partnership between BIA and the Ministry for the Arts; however, the organisation receives considerably less funding than most other art centre peak bodies and has found it difficult to deliver services given the high costs of travel in the region (Indigenous Art Centre Alliance, 2015b).

ARTS QUEENSLAND

Queensland, as the largest state contributor to art centres, has remained committed to supporting the sector as it evolves and consolidates its position in the market.26 A turning point in the Queensland Government’s interest in Aboriginal and Torres Strait Islander art and art centres came in 2006, with a two part major scoping study and a review of the sector being commissioned by Arts Queensland. Previous years of neglect meant that even though there had been arts practice in communities for decades, Queensland art centres did not have a high profile in the market and many were struggling (Arts Queensland, 2006, p. iii). The scoping study, Not selling cakes (Positive Solutions and Brian Tucker Accounting, 2006), provided a comprehensive snapshot of what the art centres were doing and formed the research base for later policy approaches and the BIA program.

The study resulted in the implementation of an Art Centre Pilot program that was managed by Arts Queensland and focused on improving IT systems and business practices, including stock control and marketing at four participating art centres (Wik Kugu, Mirndayan Gununa, Mua and Lockhart River). It also led to Arts Queensland adopting a model of support for art centres that took into consideration the whole value chain from cultural maintenance and skills development at a community level through to market engagement and international export. Sustainable development (in an art centre context) was defined as contributing to quality of life rather than independence from government funding, and the art centres were seen as crucial components within this system (Positive Solutions and Brian Tucker Accounting, 2006). In the words of one respondent, their role was to "bridge the gap between the supply end and the demand end".

26 Between 2000 and 2005, Arts Queensland provided $1,688,265 in funding to Aboriginal and Torres Strait Islander art centres in FNQ. In 2007/08, Arts Queensland invested around $5.2 million in Indigenous arts and culture across all its programs and all media. This increase of more than $3 million from the previous year was mainly because of the $2.56 million spent under the BIA program.
The review *I just want to paint* had a broader brief to report on art centre needs and art activities across Cape York Peninsula in order to provide a work plan and operating strategy for a new arts service organisation, UMI Arts, based in Cairns (Positive Solutions and Brian Tucker Accounting, 2006; Wright, 2005). For the preparation of the report, the consultant gathered information about independent artists, retailers, commercial art galleries and art centres and provided evidence of a lack of strategic direction and coordination, without which the sector was unlikely to develop in the long term. The situation was further complicated by the fact that many artists were struggling to define their arts practice, and cultural knowledge and transmission had been disrupted in a large number of communities.

Again, Arts Queensland was responsive to these findings and recognised that investment in cultural retention was critical because, one respondent said, “it’s the social and cultural capital of Aboriginal and Torres Strait Island people and communities that actually underpins this value chain,” and without investment “this value chain will collapse”. As a result, the *Aboriginal and Torres Strait Islander Arts Policy 2009–2013* and BIA funding supported cultural activities, creative development, operations and marketing as part of a holistic funding approach to industry development (Arts Queensland, 2009a). As one respondent noted:

> We are looking for some sort of commitment from the arts centres and their artists to keep producing marketable work of good quality and then supported by sound governance and management practices, with some capacity to increase earned revenue over time … we also recognise the contributions of the arts centres to community life and wellbeing and … their role in cultural retention and the transfer of culture and skills to the next generation. So the evaluation places some importance on that as much as it does on the dollars and the employment, really.

**Western Australia – Programs**

In 2009, the creative industries in Western Australia were one of the fastest growing employment and earnings sectors in the state, and this buoyancy was reflected in the number of new art centres that were established (Department of Culture and the Arts, 2009, p. 29; Telesis Consulting, SGS Economics and Planning Pty. Ltd, & ARC Centre of Excellence for Creative Industries and Innovation, 2008). Surprisingly, the Department of Culture and the Arts was not the lead agency for art centre
development in the state. This role was taken up by the Office of Aboriginal Economic Development instead.

While Western Australia has trailed behind the other states in terms of arts and cultural funding, it has developed large regional development programs such as Royalty for Regions and Pilbara Cities funded through the mining industry (Department of Regional Development and Lands, 2011, p. 4). Several Western Australian art centres have received funding through these programs for projects and infrastructure (Government of Western Australia, 2013a).

**Western Australian Art Centres**

The earliest art centres in the state were established in the early 1980s and included Waringarri Arts in Kununurra and Mangkaja Arts Resource Agency in Fitzroy Crossing. As in Queensland, South Australia and the Northern Territory, the majority of art centres in Western Australia were established in the late 1990s and 2000s when government programs were focused on economic development for regional and remote communities. It has only been in more recent years that art centres were established in the Pilbara, Gascoyne, Mid West and Great Southern regions.

Western Australia currently has 27 art centres, with the majority based in the Kimberley (K) and Western Desert (WD) regions to the far north of Perth and others in the West Coast (WC) region (Figure 8) (Acker & Woodhead, 2014c). There are also several informal art projects and initiatives auspiced by other organisations across the state, which provide the opportunity for Aboriginal artists to make and sell their work and to access training. The art centres vary greatly in terms of location, size, market reach and participation levels, with some operating all year round and others opening for a limited season.

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27 Art centres in the Mid West and Great Southern regions are not shown in Figure 8.
FIGURE 8 MAP OF REMOTE COMMUNITY ART CENTRES
Source: Acker & Woodhead (2014d)
Depending on their location, art centres in Western Australia are members of Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA) (Kimberley), Desart (Western Desert) or Aboriginal Art Centre Hub of Western Australia (AACHWA) (Great Southern, Pilbara and Mid West). AACHWA is the only agency with staff based permanently in Western Australia and is much smaller than the other two.

**Office of Aboriginal Economic Development and Department of Culture and the Arts**

The Office of Aboriginal Economic Development (OAED) was the key state agency providing support and advice to Aboriginal and Torres Strait Islander enterprises, including art centres. Between 2004 and 2007, OAED staff undertook a lot of remote and regional work and travel and worked intensively with art centres and community groups across the state as part of its arts commercialisation strategy. In this capacity it provided:

- grants for business development and training
- advice and referrals
- facilitation of partnerships and collaborations with government agencies and community organisations
- regional arts and cultural reviews and scoping studies
- assistance with business and strategic planning.

One of the WA-based respondents recalled that although OAED had little funding to distribute to art centres it played an important facilitation role in partnership with the Regional Development Commissions, the Department of Culture and the Arts (DCA) and the Ministry for the Arts as well as providing professional expertise in stock control, studio practice, documentation, commercial contracts and human relations. This practical assistance was highly valued by art centres, particularly as the OAED staff member had worked in an art centre and understood the challenges the jobs entailed.

The DCA did not develop an art centre–specific funding program as Queensland did, but it has contributed to art centre development through a biennial showcase event. The Revealed Emerging Aboriginal Artist program has been held in Perth every year since 2008 and provides an important opportunity for art centres to market their work, develop industry networks and access professional development training. The event comprises an exhibition, a professional development
symposium, a marketplace for art centres and a workshop program. Its aim is to raise the profile of emerging artists, develop new audiences and support the professionalisation of the sector (Jones, Coates, & Stewart, 2013).

While the DCA did not provide ongoing operational funding, it was a source of project funding for art centres. Between 2004 and 2007 a total of $1,091,232 was awarded in grants, but only $97,645 (8.9%) was specifically for art centres (Acker, 2008). The majority of this funding was for production or development costs, and more than half went to the Goldfields region (Acker, 2008). Between 2009 and 2013, grants to art centres increased nearly threefold, with $310,000 awarded across the state.

In 2004, DCA (then known as ArtsWA) released its first Aboriginal and Torres Strait Islander arts policy, *Creative Cultures: Supporting and Respecting Indigenous Cultural Expressions* (Department of Culture and the Arts, 2004). The policy had four priorities: arts development, business development, cultural maintenance and capacity building. The goals of the policy were to:

- increase the level of resources, infrastructure and activity to support Indigenous artists and the arts sector
- increase the profile of Indigenous artists and the arts sector
- increase the level of quality and ability of sustainable Indigenous arts practice across all art forms.

The policy was updated in 2012 with the *Indigenous Arts and Culture Action Plan 2012–2014*, which committed support for business development, training and marketing as well as for projects and to strengthen partnerships that are critical for art centres with the Ministry for the Arts, the Australia Council and the then Department of Indigenous Affairs (WA) (Government of Western Australia, 2012). 28 DCA had no formal process for evaluating art centres and took a broad approach to defining success, including support provided to artists, governance, finances and the quality of the artwork produced, into account in their assessments. Community development activities were also viewed as important and legitimate aspects of art centre performance.

OAED and DCA were both part of the informal Western Australian Arts Industry Working Group, which brought together representatives from the Ministry for the

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28 The Department of Indigenous Affairs became the Department of Aboriginal Affairs (DAA) in 2013.
Arts (then Office for the Arts), Department of Indigenous Affairs (WA), the Department of Local Government and Lotterywest. As one research respondent reported, it proved to be an effective government mechanism for supporting the development of art centres in Western Australia and was able to coordinate support for initiatives across the various government agencies, share information and develop joint strategies for program delivery.

**LOCAL GOVERNMENT

**

**CONTEXT**

Local government authorities have played an important role in the establishment of several art centres and the support of cultural activities and facilities across the country. While often the contribution of local government is understated and its access to funding limited when compared to state and federal agencies, local government bodies have contributed and continue to contribute to arts and cultural development in remote communities. There is very little research into local government arts and cultural policies or the scope of their activities, but generally their arts and cultural policies emphasise liveability, community identity and social cohesion, economic and community development, cultural diversity and vitality and social welfare (Local Government Association Queensland, 2011; The Chamber of Arts and Culture Western Australia & CAN WA, 2015).

Local government provides funding and support to art centres in regional and remote communities, and the relationship of regional and remote-based municipalities with art centres varies greatly from community to community. In a small number of cases, art centres are managed or auspiced by their local council, but in the main the relationship of councils and art centres is defined by the grants or funding that councils provide and the level of municipal services they deliver.

Several of the early art centres in the 1970s and 1980s were operated and managed by local councils and employed what were then referred to as craft advisers. The early cooperatives relied on local councils to provide basic office and workshop facilities, as well as working capital (Pascoe, 1981, p. 37). However, currently there are only four remote art centres in Australia that are managed or auspiced by councils. Western Australian councils have been the most active in supporting art centres, with three auspiced in the state (Tjukurba Gallery in Wiluna,
Yarliyil Artists in Halls Creek and Martumili Artists in Newman). In most instances, relationships between councils and art centres were initiated because of previous business failure or because emerging arts activities required administrative and financial support or access to facilities.

Local government has a very different relationship with art centres than state and federal jurisdictions have, for a number of reasons:

- Their relationship with art centres is determined by their physical proximity and the immediate role they fulfil in communities.
- There are no specific local government funding programs for art centres.
- They operate relatively independently, and while there are national policies and reference groups, local councils make their own decisions to fund arts and cultural events dependent upon funding available to them.
- Available resources vary greatly between city and regional/remote based councils, and most remote councils have very limited funds to deliver a broad range of services (Department of Infrastructure and Regional Development, 2014, p. 99).
- Some councils not only fund cultural activities but also manage or auspice art centres.
- The majority of councils manage small to medium arts and cultural projects that are often focused on improving or adding value to capital projects and public spaces.
- A small number of councils manage more extensive arts and cultural projects, often because there are no other organisations with the capacity to do so.

Like art centres, local government organisations are dependent on state and federal funding to support arts and cultural activities and have undergone major changes in the past 10 years in all the states and territories with a reconfiguring of their responsibilities and funding mechanisms (Aulich et al., 2011). Regional and remote councils especially are money-poor and often manage multiple types of services, including health programs, libraries and community centres on top of their core business (Moran et al., 2014). Over the past 10–15 years, councils have become increasingly involved in arts and cultural activities and have developed a national

29 For comparison, there is only one art centre auspiced in FNQ, although several councils manage arts and cultural activities within their communities (Yarrabah Arts and Cultural Precinct).
policy and reference group to oversee this relatively new aspect of their operations (Australian Local Government Association, 2012; Cultural Development Network, 2015).

**LOCAL GOVERNMENT ARTS AND CULTURAL FUNDING**

In 2012/13, local government invested $1.397 million in cultural development, which is approximately 20% of the total national investment, and between 2010 and 2013 there has been an overall increase in local government funding of cultural activities across all states (Australian Bureau of Statistics, 2014) (Figure 9).

![Figure 9 Local Government Cultural Expenditure, by State and Territory, 2010/11–2012/13](chart.png)

**Figure 9** Local Government Cultural Expenditure, by State and Territory, 2010/11–2012/13

Source: Australian Bureau of Statistics (2014)

The Australian Local Government Association (ALGA) is the national body for 560 councils and has developed an *Arts and culture policy*; however, decisions about the delivery of arts and cultural services are made on a local council level (Australian Local Government Association, 2012). Many local councils have cultural plans and, in some instances, dedicated departments and staff responsible for
delivery. ALGA representatives also have observer status at the Cultural Ministers Council meetings, which provides an opportunity to raise local government issues and develop shared cultural priorities (Seares & Gardiner-Garden, 2011). Local government representatives seek to develop better coordinated and relevant cultural development practices through the National Local Government Cultural Forum, which is held twice a year to discuss and formulate better data collection and develop more effective models for arts and cultural planning (Culture Development Network, 2013).

The 2013 Creative Australia cultural policy recognised the need for a national arts and cultural agreement between the various levels of government to improve the coordination of support for the sector and define the roles of the federal, state, territory and local governments (Australian Government, 2013e, pp. 12–13). This whole-of-government approach was ratified by the first 2012 national arts and culture accord, which was signed off by state, federal, territory and local government authorities (with ALGA representing the local government) (Meeting of Cultural Ministers, 2012).

Council members, staff and CEOs in particular have a huge impact on the level of support offered by local government organisations. In the case of art centres, this has been reflected in both good and bad examples of collaborations and management: as one respondent stated “Coordinators make or break relationships”.

While some art centres, such as Martumili Artists in Newman, have thrived under the auspices of local government (in Martumili’s case, the Shire of East Pilbara), other art centres have struggled to secure their long-term futures within administrative structures that do not easily fit with the business and cultural imperatives that art centres face. Arts and cultural activities are considered to be marginal and not part of a council’s core business. This is reflected in the number of art centres that have failed to thrive under local government management. As one respondent stated:

Well, a lot of our local government, they don’t really have revenue streams and that’s the problem … And some of them actually … don’t have the experience; some of them … actually brought in a non-council partner, with the council’s blessing … and again, we try to work, there’s no point in forcing them to do something they feel uncomfortable doing, so we go okay, we'll
need to negotiate … one minute you’d ring up and it could be the CEO of the council that you’re dealing with and sometimes it’s the receptionist.

The kind of support a council can provide depends on whether it is in an auspicing arrangement or is acting as a community partner and service provider. The types of direct and indirect services that local government provides to art centres include:

- project funding
- assistance with leveraging grants from arts and non-arts funding sources
- use of facilities including office, studio, workshop and storage spaces for fee or free
- access to shared building maintenance and trade services
- shared administration and financial services such as bookkeeping, staff contracts, insurances
- use of vehicles
- human resources awards, work health and safety protocols
- community governance
- road and airstrip maintenance
- garbage collection.

**CHAPTER SUMMARY**

Art centres are part of an industry that has had a lot of government support and involvement over a long period of time. From their inception, art centres were seen as a critical part of the value chain because of their work with producers, yet they were isolated from markets. In response to this notion of the “failed” market, government through the 1970s and 1980s managed a retail and marketing company (Aboriginal Arts and Crafts Pty Ltd, commonly referred to as “the Company”) to distribute Aboriginal and Torres Strait Islander art and actively purchased work for public collections and gifted them as a tool for cultural diplomacy. In the early years of the Company, government had a virtual monopoly on sales from art centres; only when the Company collapsed was a wider network of private galleries established. Art centres, after years of having a heavily mediated relationship with the market, were compelled by the demise of the Company to develop direct relations with commercial galleries and buyers under increased pressure from government to be business-focused.
The 2007 Senate Inquiry marked the first time since 1989 that government investigated not only the internal operations of art centres but also the business, legislative and regulatory environment in which they operate. The inquiry viewed art centres as part of a bigger and more multifaceted industry and in the process identified some of the key areas where government could contribute to the development of the whole value chain in a manner that would benefit the producers as well as the market.

Government’s impact on Aboriginal and Torres Strait Islander employment in art centres has also been transformational and long term. First with CDEP and then with subsequent employment programs, including IEI, many arts workers have been employed in government-subsidised positions that most of the art centres could not fund themselves. While the number of arts workers has fluctuated over time and many of the positions are part-time, they have been a source of wages since the 1990s.

The IVAIS program in all its incarnations has been central to the development and success of art centres; however, the failure to collect and analyse industry data and the manner in which government programs are divided between departments with little oversight has led to IVAIS funding being dependent on historical precedence. If IVAIS funding were to be withdrawn and not replaced with a similar program, the majority of art centres would have to dramatically reduce services or close their doors. While the continuity of IVAIS funding has had a positive effect overall, it is also one of the major reasons why there are so many art centres and has contributed to a pattern of small, government-dependent enterprises across regional and remote Australia. Despite decades of support, most art centres are not self-sufficient and do not produce enough quality product to rely on the market alone. Similarly, a dependency on IEI funding is developing and transforming the internal structures of art centres.

The states have also been significant supporters, with Queensland managing the most comprehensive program of art centre support. Arts Queensland has invested heavily in time and resources to develop a program that was responsive to industry development as a whole and remains the largest financial contributor to the sector of all the states and Territories. In contrast, the DCA in Western Australia has provided limited direct funding to art centres but has worked in collaboration with other state agencies to ensure a coordinated approach was taken to supporting them. Local government has also been co-opted into the arts and cultural domain,
with a small number of councils auspicing art centres in remote communities. One of the most successful examples of this is Martumili Artists, which is the subject of the next chapter.

All art centres are either directly or indirectly dependent on government programs and are firmly enmeshed in a complex array of state and federal agencies, each with their own guidelines and contractual arrangements. It is not unusual for art centres to be in receipt of several grants at any one time, and the administrative burden is recognised as having a negative impact on their capacity (Commonwealth of Australia, 2012b). To function effectively, art centres must navigate their way through this multi-layered and shifting interface with government and secure funding and support in whatever way they can. Art centres, as small businesses and incorporated associations, are also expected to meet a broad range of compliance and reporting standards, some applicable to businesses across the country and others specific to the Aboriginal and Torres Strait Islander domain, such as the CATSI Act. The following case studies will explore how three art centres have done this and how these programs have contributed to or limited their development.
CHAPTER SEVEN: MARTUMILI ARTISTS – THE EAST PILBARA CASE STUDY

INTRODUCTION

Martumili Artists is one of the most successful art centres in Australia and has its base of operations in the township of Newman, in the East Pilbara. The art centre supports Martu artists and provides an administration hub that manages the commercial, financial and legal aspects of the enterprise. The Martumili Artists model has adapted to contemporary political and economic circumstances and has been highly responsive to opportunities that arose from its now long-term relationship with BHP Billiton, a local operator in the Pilbara. The Martu community, the Shire of East Pilbara (the Shire) and the state government have also been important partners.

While the long-term intention of the art centre is to build a sustainable and working model for Martu people to broker their relationship with the art market, there is also a strong commitment to support community and cultural development values. The art centre does this by undertaking the professional mentoring and development of local artists and arts workers, sponsoring creative and collaborative initiatives across multiple art forms (with little probability of profit, but high returns in terms of profile in the industry), managing studio spaces in multiple and remote locations and investing in governance, including regular artist meetings in the satellite communities.

Informed by the firsthand accounts of art centre staff and government partners, I was able to better understand how and why the art centre was established and how it both fulfils and challenges notions of traditional business. Art centres, as discussed in earlier chapters, are often tasked with working in complex cultural situations to address intractable social issues; Martumili is no exception. Some of the issues associated with a two-tier economy established during a mining boom – and now gradually unravelling as the boom goes bust – are particular to this region and will have implications for the future sustainability of Martumili Artists as local sales decrease, mining workers leave town and regional investment dries up.
The research revealed that while the art centre has experienced success in the marketplace, it still faces major challenges maintaining this position; while its relationship with government agencies has been excellent, it is still vulnerable to cuts to funding and programs. The art centre must also respond to the Martu community’s expectations that it will support cultural maintenance and intergenerational learning. How well the art centre has managed these aspects in the past has been a major factor in its success and will determine its relevance to the community in the future.

The case study comprises three sections. The first describes the regional context in terms of contemporary and historical economic development factors that impact on the art centre. Mining is part of Martumili’s enabling environment, and in turn Martumili plays an important bridging role between the mine, government and the Martu community. Mining dominates this region, and its impact can be felt at the art centre because of the funding it has made available and the manner in which it has transformed both the landscape and the local economy (Pick, Dayaram, & Butler, 2008). Place is also important and shapes the way the art centre works with artists, positions itself in the community and engages with government on both a local and national level.

The second section traces the history of the art centre from conception to realisation and describes the funding environment in which it was established. This section highlights the important role played by a small group of government partners who administered and coordinated the early stages of the art centre’s development in tandem. These public servants exhibited aspects of what Moran has described as gamers’ behaviours in their approach, juggling the reporting needs of government and the practical needs of the emerging art centre (Moran, 2016). The final section provides an evaluation of the case study and the lessons that can be applied from the Martumili Artists story. This is also where the social, cultural and economic returns are outlined.

**Martumili Artists**

Martumili Artists has relatively quickly established a reputation for high quality paintings on canvas and multimedia works. Art by the artists of Martumili has been showcased in several major exhibitions, including ‘We Don’t Need a Map’ (2013) and ‘Martu: Art from the Far Western Desert’ (2014), national art awards and in both...
public and private collections. The art centre has strategically created promotional, institutional and marketing networks that have positioned the art within the forefront of the Aboriginal and Torres Strait Islander art movement. A combination of shrewd marketing, entrepreneurial innovation and good management have resulted in an organisation that has initiated successful projects and commercial opportunities as well as responded to market demands.

Martumili Artists was established in 2006, with the support and assistance of various state agencies and the Shire. The art centre is based on a hub-and-spoke model, with a main office and studio space in Newman and small studio and storage spaces in its participating communities. These small Aboriginal and Torres Strait Islander communities are spread across the East Pilbara, the world’s largest shire, and servicing them poses financial and logistical challenges for the art centre. In some of the remote parts of the region mainstream services are still only available to a limited degree, with many of the access roads still unsealed and few opportunities for employment or commercial development.

Martumili Artists was a joint initiative of government, business and Martu, with each playing pivotal and co-dependent roles. Given the high costs of operating in the region, it is highly unlikely that such an enterprise could have succeeded had it been left to market forces alone. Martumili Artists staff interviewed for this research believe that a private for-profit business model would not have garnered the same level of Martu support and engagement nor attracted the same level of government and corporate investment. Unusually for an art centre, Martumili’s first manager remained in the position for eight years and set in place a clear and strategic development trajectory for the art centre over this period. The consistency in planning and management has been one of the key strengths of the organisation and has been supported by consultants with extensive experience in the industry and a realistic understanding of what the art centre is seeking to achieve.

30 A large percentage of Australia’s Aboriginal and Torres Strait Islander people live in regional and remote Australia and the trend is even more marked in Western Australia, where a quarter of the Aboriginal population lives in very remote communities. This is in contrast with the residential patterns of non–Aboriginal and Torres Strait Islander Australians, who mainly live in major cities or major regional centres (Dockery 2014).
RESEARCH AND EVALUATION METHODOLOGY

The case study focused on evaluating how effectively Martumili Artists responded to changes to the external operating environment and government policy and programs. The aim of the evaluation was to provide a critical reflection on the specific circumstances that led to the art centre being established, the external factors that were necessary for this to occur, the manner in which government support shaped the institutional arrangements and how this impacted on planning for the future. The research and evaluation employed a multi-method approach which was a combination of:

- site-based observations during a one-week field visit in October 2014
- review of internal documents, including audits, acquittals, quarterly reports, grant applications, planning documents, correspondence and account records
- 10 semi-structured and unstructured interviews with two art centre staff, one Shire of East Pilbara staff member, four government representatives, one consultant, one community partner and one corporate partner (notes were taken during interviews, five of which were face-to-face and the remainder by phone).

I spent each day at the art centre talking with staff and artists. In addition to interviews, staff would provide contextual information as they went about their duties and were happy to answer questions as they arose. The former manager of the art centre is a member of the CRC-REP Art Economies project Advisory Group and was aware of the broader purpose and applications of the research to further support the sector and identify the key success and failure factors for art centres. For this reason, the art centre was willing to provide me with access to their files, and staff have responded to additional questions and enquiries as the research progressed.

SECTION ONE: THE REGIONAL, POLITICAL AND ECONOMIC CONTEXT AND PATH DEPENDENCE

THE PILBARA

The Pilbara region extends east from the area surrounding Onslow on the Western Australian coast to the Northern Territory border, covering an area of 507,896 square kilometres, and has a population of approximately 67,000 people (Pilbara
Development Commission, 2012) (Figure 10 below). Lying around 1500 kilometres north of Perth, the Pilbara region comprises four local government authorities, including the Shire of Ashburton, City of Karratha, the Town of Port Hedland and the Shire of East Pilbara.

The Pilbara has been an economic powerhouse for Western Australia, dramatically increasing the state’s income through royalties from mining. While mining has been a major industry in the region since the 1960s, multinational corporations have increased their investments over the past 20 years, and the resultant boom has led to the Pilbara being described as a generator of wealth but with two recently observed caveats. The first is the region’s poor performance in terms of wealth retention, with most of the income spent elsewhere by fly-in/fly-out workers and their multinational employers. The second is the improbability of a self-sustaining economic sector emerging independent of the mines in the future (Pick, Dayaram, & Butler, 2008; 2010, p. 106).

A rapid rise in global demand for natural resources led to massive government and private investment in mining and support infrastructure in the Pilbara region;
However, since late 2008, a significant decline in the demand for natural resources has led to mine closures, the retrenchment of workers and a reduction in government income, particularly state government income from mining (Pick et al., 2010). This has meant looking again at the assumptions made by policymakers that regional growth, innovation and development will follow from government expenditure on facilitating corporate engagement within global markets (Peel et al., 2014). Only now, with the mining bust upon them, are questions being asked about how well-targeted investment has been in regional Western Australia and what long-term benefits there have been for the mining centres at the heart of the industry (Humphreys, Sachs, & Stiglitz, 2007; Pick et al., 2008).

Martu have found themselves in the middle of this boom and bust cycle, and the art centre is a microcosm of the bigger forces at play around them. Government has sought to identify ways to invest in the Pilbara that will lead to future sustainability (Western Australian Planning Commission, 2012). The question of how government can secure sustainable development when its most powerful local partners, the mining sector, are potentially not sustainable is now being seriously considered by policymakers (McLennan, 2016). The future place of Martu in this schema is also being reviewed as their contribution through their customary economy to land management and environmental sustainability is becoming increasingly recognised (Codding et al., 2015).

Martu people have been active participants in the economic development of the Pilbara for decades, despite wage inequities and decades of social and economic marginalisation under the Aborigines Act 1905 (WA) (Delmege, 2005). The 1905 Act led to the appointment of local protectors who oversaw the introduction of rules governing Aboriginal people’s employment, mobility and personal lives. In comparison to other parts of Western Australia, there was relatively little mission activity in the Pilbara, and between 1940 and 1960 no Aboriginal reserves were established, partly as a result of opposition from the pastoralists who wanted free access to land and Aboriginal and Torres Strait Islander labour (Holcombe, 2005, p. 110). Pastoral stations and small mining operations began to appear in the early twentieth century. As Aboriginal people came into closer contact with the pastoralists and miners, they were moved away from their traditional lands (Edmunds, 2012a). Some Martu people found work on pastoral stations such as Strelley, Talawan and Balfour and were involved in the 1946 Aboriginal pastoral workers strike in the Pilbara, an event that created deep rifts in the community that
lasted decades (Edmunds, 2012a, p. 219).

As early as the 1870s, gold and tin had been found at Nullagine, and historical accounts reveal that Aboriginal people were panning here using traditional winnowing dishes in the early 1900s and selling their finds in exchange for groceries at a local store (Holcombe, 2005, p. 110). At a time when the majority of able adults were working, many Aboriginal people became involved in the nascent mining industry and up until the 1960s Aboriginal people held nearly 60 mining tenements in the Pilbara, until they were displaced by large mining companies (Holcombe, 2005). Despite this early experience in mining, the Department of Native Affairs did not consider there to be any employment opportunities for Aboriginal and Torres Strait Islander people in the expanding mining industry and as a result many workers were brought into the Pilbara from overseas and other parts of Australia between the 1960s and 1980s, increasing the local population significantly (Holcombe, 2005).

As the mining industry developed in the Pilbara and closed towns were established, there was a growing social and economic gulf between local Aboriginal people and the non-Aboriginal population (Altman, 2011a, 2014; J. Hunt, 2011; Scambary, 2013). Cultural obligations, ill health, substance abuse, low levels of literacy and numeracy and a high level of criminal convictions precluded many people from employment with the mines and hampered the uptake of employment opportunities by Aboriginal and Torres Strait Islander people (Edmunds, 1989). As a result, and contrary to government expectations, Aboriginal people in the Pilbara were not significantly financially better off than their counterparts in regions without mines, and many remained reliant on local versions of the hybrid economy (Scambary, 2013, p. 1).31

In 2011, Aboriginal and Torres Strait Islander people made up 17% of the total population of the Pilbara (Department of Training and Workforce Development & Pilbara Workforce Development Alliance, 2013; Dockery, 2014). Despite having

31 Customary practices are still an important part of Martu people’s everyday lives, and many subsidise their wages and arts income with the harvesting of wild foods. One of the main ways in which Martu contribute to the local economy is through the burning techniques they use for hunting and foraging, which encourage biodiversity. When compared to the costs associated with the Western Australian Government’s program of prescribed burning, Martu in Parnngurr and Punmu are contributing the equivalent of between $1.08 million and $2.88 million per year (Codding et al., 2015).
access to royalty payments, the majority of Aboriginal people in the Pilbara still have incomes well below the average of non-Aboriginal people while having to compete for health, social and educational services within the major centres and receiving limited services in their homeland communities. Poor literacy and numeracy outcomes for Pilbara’s Aboriginal and Torres Strait Islander people and low school attendance and completion rates are also impediments to employment (Department of Training and Workforce Development & Pilbara Workforce Development Alliance, 2013). The 2011 Census figures indicated an unemployment rate for Aboriginal and Torres Strait Islander people in the Pilbara of 13.8%, which is lower than for other parts of Western Australia but is nonetheless significantly higher than the 2.5% for non-Aboriginal people (Department of Training and Workforce Development & Pilbara Workforce Development Alliance, 2013, p. 22). By far the largest employer of Aboriginal people in the region was the mining sector (41.3% of the Aboriginal workforce), with arts and recreation services accounting for only 0.3% of the total workforce (Australian Bureau of Statistics, 2012a; Department of Training and Workforce Development & Pilbara Workforce Development Alliance, 2013; Government of Western Australia, 2013b).

**Alternative Employment and Income Streams**

Alternative and more flexible forms of employment and income generation such as those provided by Martumili are attractive for many Martu, as they can supplement their subsistence and government benefits with income from art sales (J. Taylor & Scambary, 2005, pp. 156–157). The art centre supports a hybrid economy–type system, wherein Martu cultural practices (including the right to paint specific stories) generate income within the market economy that is then transferred to a local and kin-based system of social exchange, with the process supported by funding from the state.

There has been limited application of the hybrid economy model in Pilbara-related research, and the existing literature has concentrated on Martu subsistence activities and the role they play in the preservation of ecosystems. This research has shown that customary subsistence practices contributed to people’s economic, social and cultural wellbeing, as well as to Australia’s economic future by maintaining biodiversity and sustainable landcare practices through the various ranger programs. Little is known about how much subsistence activities such as hunting and harvesting by traditional owners impacts on the Pilbara economy. Similarly, little data exists about how much people rely on subsistence practices
themselves, but it has been estimated that traditional harvesting and hunting in some communities accounts for between 20% and 50% of the calorie intake. While Martu are monetarily less well-off than if they worked for the mines, traditional subsistence activities are a sustainable and important part of their customary economies and allow them to maintain their links to country. Income from art sales also have a place in this system; although for most artists the financial benefits are nominal, the fact that they are available through an organisation that reflects their understanding of productivity and value makes the art centre an important part of the hybrid economy (Acker & Woodhead, 2014a; Codding et al., 2015).

**The Challenges of Working Remotely**

Unlike the majority of other art centres, the main office of Martumili Artists is based in a regional town and therefore has immediate access to services and facilities that are not available in its smaller member communities. Newman is the service centre for the surrounding mines and Aboriginal and Torres Strait Islander communities in the region and is relatively new, only having been established in 1968 to service BHP Billiton’s Whaleback mine (Edmunds, 2012b). One respondent described living there:

> While Newman is a regional centre, it is incredibly well serviced despite its size. Getting to Newman is easy (except on the weekend). It is close to Martu but not so close that it feels like organisations are camped on top of them.

While the Accessibility/Remoteness Index of Australia (ARIA) has classified the whole of the Pilbara as category 4, or very remote, the distribution of advantage and disadvantage is not equal in the region, with some statistical areas designated as belonging to the most disadvantaged category according to the Socio-Economic Indexes for Areas (SEIFA), an ABS standard for measuring socio-economic disadvantage and advantage by geographic region (Australian Bureau of Statistics, 2013a). This is partly a reflection of the relatively high standards of living and income of people living in the towns and working for the mines compared to Martu people living in outlying communities.

The challenges and high cost of doing business in a remote region were recurring themes in the interviews with stakeholders and art centre staff. These pressures resulted in local businesses and organisations at times having to take extreme
measures, including in the case of one of the key partners of Martumili Artists flying a staff member back and forth across the country on a weekly or fortnightly basis rather than accommodate them locally. *The cost of doing business in the Pilbara* report by Regional Development Australia found that high costs were an inhibitor of business development and proposed that NGOs providing community services in the region should be considered as operating under “exceptional circumstances” when being considered for government funding because of the “affordability and staffing challenges of the region” (Australian Government, 2013h, p. 5). According to the report, a comparable business in Perth would cost $1,017,000 to operate compared to $2,224,800 in Newman, a difference of 119% (Australian Government, 2013h). It is therefore not surprising that there are significantly fewer businesses per $1 billion of Gross Regional Product than in any other part of the state.\(^\text{32}\)

Martumili Artists, like other local businesses, has had difficulties finding accommodation, recruiting new staff and meeting the inflated costs of services such as freight and travel. The relationships with the Shire and BHP Billiton were critical in this context, as they shielded the art centre from having to bear the full brunt of some of these costs, with the Shire providing an office space and administration support and BHP Billiton sponsoring the art centre and making housing available for the manager.

**BHP Billiton Funding and the Art Centre**

The past two decades have seen a change to how major mining companies work with Aboriginal and Torres Strait Islander communities, and notions of corporate social responsibility have led to sponsorship agreements, training programs and heritage and employment initiatives (Langton & Longbottom, 2012). Local and national regulatory frameworks established quotas for local procurement and infrastructure investment and attempted to strengthen the relationships between multinational conglomerates and local communities by designating that a portion of their profits be directed into community development programs (both social and economic) (Esteves, Brereton, Samson, & Barclay, 2010). However, in many cases Aboriginal and Torres Strait Islander organisations are not in a powerful bargaining position because of the weak Native Title legislation and a lack of effective

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\(^{32}\) As of 30 June 2012, the ABS recorded 248 businesses operating in the East Pilbara, of which the majority were sole traders (Australian Bureau of Statistics, 2012a). There were also three arts and recreation services recorded at the time.
governance and institutional arrangements for negotiating at a high level with multinational companies able to employ expert advisers (O’Faircheallaigh, 2008).

The Western Desert Lands Aboriginal Corporation was established to manage native title for Martu people and is the registered Body Corporate. In this capacity, the Corporation negotiated agreements with mining companies and distributed money through a separate trust. Called the Martu Trust, these funds were used to support community health, education, arts and cultural programs at Martumili, but, according to one respondent, the grants awarded were relatively small and did not cover operational costs. As a result, significant sponsorship arrangements had to be negotiated directly between Martumili Artists and the mining companies, relying on relationships of trust and evidence of good performance.

Though the financial contributions of BHP Billiton were initially small, the art centre was later able to secure five years of operational funding (2010–2015) and, more recently, a significant contribution to a new building which will house the art centre and allow the artwork of the region to be showcased in the centre of Newman.33 Even after years of relationship building, multi-year operational sponsorship was only considered by BHP Billiton staff because the Shire was managing the art centre and provided security for their investment (BHP Billiton Iron Ore & Shire of East Pilbara, 2010). Notwithstanding the back-up of the Shire, staff were aware of the fragility of these types of sponsorship arrangements, particularly when another mining company agreed to contribute funding but later withdrew their offer.

Art centre and Shire staff were aware of how rarely art centres have received operational funding from the corporate sector and that they were perceived as well off compared to other art centres because of their sponsorship. They valued BHP Billiton support highly, but emphasised that this relationship required careful and intensive management to secure future long-term benefits. Shortly after my visit, a new multi-year agreement was being negotiated; staff were conscious that commodity prices were falling, which could jeopardise ongoing funding at existing levels, and one respondent observed that:

33 As early as 2008, the possibility of a cultural centre in Newman was being considered by government. The Newman tomorrow: Resourcing a home for generations report proposed that a cultural centre be built, and Martumili became involved in the development of these plans as they progressed (Shire of East Pilbara, 2008).
Another challenge is that industry won’t go on forever. BHP may continue to operate for the next 20 years, but industry support can be a barrier. Very few things are supported by industry. Government needs to assist them (Martumili Artists) to transition from BHP funding. Everyone just thinks industry will pay and this is a barrier. It can stop government support.

The sponsorship of the art centre by BHP Billiton needs to be understood in this broader context, and both art centre and government staff recognised the company’s support was likely to come to an end at some point and that the art centre would need to secure funding from other sources, including government. The stakeholders in the art centre were all circumspect about the future of the funding, very aware that radical changes would have to be made to the way the art centre operated if corporate sponsorship dwindled or disappeared and alternate sources of funding did not fill the gap.

**SECTION TWO: MARTUMILI ARTISTS – CONCEPTION, CONFLICTING VIEWPOINTS**

It is worth examining more closely the story of how Martu interest in an art centre for all their communities, a desire by government to engage with Martu people in order to achieve Aboriginal and Torres Strait Islander economic development goals and the entrepreneurial bent of government staff led to Martumili Artists as an entity. It shows how public servants working at the interface between government and Aboriginal business played important roles as initiators and were well placed to support the new art centre because of their experience of the model in other regions. Government agencies can and do work together to create and support new business initiatives when they meet certain criteria. These criteria include adequate planning and consultation with the community, available financial resources and expertise and, as noted by one research respondent, a willingness of government staff to coordinate funding and activities, at times beyond their job descriptions. These factors were all evident in the Martumili case study and will be discussed below.

**MARTU AND ABORIGINAL ART IN THE PILBARA – THE STORY BEGINS**

The Pilbara art centres have made a mark in the national art market relatively late, even though artists had been working and selling their art for decades. Compared to
the Top End, there are relatively few art centres in the region with two established in Roebourne (Roebourne Art Group and Yinjaa Barni Art) and one operating in Port Hedland (Spinifex Hill Artists). The art centres are the major loci of art activities in the region, although both art centres in Roebourne have struggled to keep their doors open at times.

Unlike in Arnhem Land, the Kimberley, the Western Desert and Central Australia, there were no coordinated art production or marketing programs in the East Pilbara region prior to Martumili being established. Martu artists produced artwork intermittently for private sale or to submit to regional art awards, and there were occasional art workshops delivered in communities; however, the advent of Martumili heralded the beginning of a directed approach to the production, marketing and sale of local art.

In 2002, a Pilbara Regional Arts Development Officer (PADO) was appointed, based in Newman, as part of a three-year pilot program funded by the Department of Culture and the Arts (ArtsWA) and the Australia Council, with the brief to support art practice and initiatives in the east Pilbara region. By having a full-time arts development position based in the region, community activities were encouraged and Martu artists became increasingly involved. The aims of the position were ambitious and initially overwhelming for the staff member, as the region was so large and its artist base so diverse and professionally underdeveloped. In the initial stages, the PADO worked with artists to document work, assist with registration for art awards and exhibitions, source art materials and provide practical advice and assistance. The PADO had contact with art centres and peak bodies in other regions and was aware that there was potential for an art centre to be funded for the Pilbara. The PADO viewed this as a natural progression from the work she had already done with Martu artists.

Prior to the notion of an art centre for the region being introduced formally, a series of complex and extended negotiations were required among senior Martu artists to determine if work could be appropriately produced for public consumption. Martu artists’ awareness of the Aboriginal and Torres Strait Islander art world was limited, and in the early years of the desert art movement senior custodians such as Yunkurra Billy Atkins believed that revealing restricted sacred designs was dangerous (Carty, 2011, p. 21; Shepherd & Acker, 2011). During early discussions

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34 Years later, in the early 2000s, Atkins did start to paint at Jigalong, accessing materials through TAFE staff residing in the community. He was one of the first to start the local art movement that led to
and consultations for the art centre, artists remained cautious about how their work was to be presented in the public domain, and community agreement was regarded as a necessary first step in the process (Martumili Artists, 2008a). Growing awareness of the art produced in other art centres at Kiwirrkurra (Papunya Tula), Balgo (Warlayirti Artists) and Patjarr (Kayili Artists) and a series of community workshops increased Martu artists’ interest in the possibility of setting up an art centre and was given further momentum by two exhibitions: ‘Jila Kurra’ and ‘Taylor Made’, which featured the work of Billy Atkins and the Taylor family respectively (Martumili Artists, 2005).

The process of consulting and building relationships with Martu artists took more than three years, and a significant amount of this work was undertaken by local and state government staff subsidised by their departments (East Pilbara Aboriginal Artists Enterprise, 2005). Once funding was secured, it was another two years before the art centre was generating income from sales, making the period from conception to operation more than five years. In interviews, Martumili staff speculated about whether it would have been possible for a private investor to dedicate this much time to preparatory work and consultation and noted that there were few avenues for Martu to directly access funding for business investment without an umbrella organisation or government to intercede.35

Interviews with key participants indicated that while government staff were responding to Martu interest in an art centre, these public servants were also actively leading the process and ensuring that early proposals matched government priorities. In 2005, the PADO facilitated meetings with artists and invited the Office of Aboriginal Economic Development (OAED) to assist with convening more formal planning sessions and meetings with key funding organisations. These initial meetings resulted in the establishment of the East Pilbara Aboriginal Arts Enterprise (EPAAE), a partnership between Martu artists, the Shire of East Pilbara, the Department of Culture and the Arts and the OAED, with the Shire taking the role of

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35 The government determination that a large proportion of its funding for Indigenous businesses is not for individual benefit has arguably discouraged entrepreneurial activity and privileged cooperative approaches, which are a far better match for cultural ownership among Aboriginal and Torres Strait Islander people living in remote Australia.
lead agency (Office of Aboriginal Economic Development, 2005).36 This meant that the Shire applied for and managed all grants and provided office, accommodation and storage space. The staff of all three agencies collaborated in identifying and securing funding, recruiting a manager and setting up the initial operating structures.

Cooperation across the various agencies was important, and partners were seeking security for their investment and risk mitigation. One government respondent stated that, “State government was very comfortable about going through council because there are clear procedural boundaries and reporting requirements”. Similarly, the OAED staff member recalled that in the early approaches to the Shire, his government position and $20,000 of seed funding were key factors in the Shire’s decision to host the new art centre. This staff member was very involved in the set-up of the art centre and estimated that in the six- to nine-month period prior to the Martumili Manager being appointed, he spent approximately 10% of his work time on paperwork and correspondence for the new centre. Once it became operational, he spent nearly a quarter of his work time over a six-month period setting up the computers, delivering training in how to use the stock control software, setting stretcher sizes, ordering materials and preparing grant applications.

OAED considered Martumili Artists as a priority project, both in terms of the broader region and within the Arts Commercialisation Strategy. Consequently, the unit responded positively to a request from the art centre for a three-year partnership and funding to expand its commercial activities, which at the time were limited by the lack of staff and appropriate facilities. OAED funding was to be used to increase sales and grow returns to artists by developing national relationships with reputable private commercial galleries and dealers, exhibitions and a retail outlet in Newman (Department of Industry and Resources – Office of Aboriginal Economic Development, 2007). Funds were later provided to develop marketing collateral and the website, extend the mentoring program for staff and support Martu engagement in the ‘Yiwarra Kuju: The Canning Stock Route’ project (Office of Aboriginal Economic Development, 2007).37

By November 2005, an application submitted to the Pilbara Fund was confirmed as successful; accommodation for the manager was secured through BHP; and an

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36 The OAED was part of the Department of Industry and Resources and was the key state agency providing support and advice to Indigenous enterprises, including art centres.

37 OAED provided $80,000 in operational support and $45,000 for participation in this project.
application for a Shared Responsibility Agreement (SRA) was being negotiated with federal agencies (Department of Communications Information Technology and the Arts, 2006). Some artists had already had experience of negotiating SRAs through their involvement in other local organisations and expressed concern about what contractual requirements would be expected in return for funding for the art centre (Department of Culture and the Arts, 2005, p. 5). SRAs had replaced ATSIC’s funding mechanisms and introduced a whole-of-government approach to funding based on mutual obligation. While the contractual model suited the art centre partners, SRAs frequently imposed behavioural changes as a condition of funding and Martumili Artists’ agreement was no exception (D. Cooper, 2005; Moran, 2016). The SRA was signed by eight partner agencies and BHP and provided money for the art centre to recruit and cover the costs of a new manager and to purchase a vehicle (Department of Communications Information Technology and the Arts, 2006). In return for this funding, Martu artists were to assist with improving school attendance, a goal that was never regarded by artists or Martumili staff as part of the art centre’s core business. While the contract stipulated that collaborative projects to encourage art and cultural skills transfer were to be negotiated with the school, it did not make it explicit how attendance was to be increased nor how this was to be measured, and the goal was never specifically achieved (Department of Communications Information Technology and the Arts, 2006).

Martumili Artists formally began work with artists in 2006, and within two years of the organisation’s set-up, IVAIS operational funding was secured. This represented an important milestone for the art centre as it secured funding for the manager’s wage and core operational costs (Department of the Environment, Water, Heritage and

38 The Pilbara Fund was established to distribute $5 million per year over a four-year period between 2004 and 2008 to “facilitate the social and economic development of the Pilbara through funding projects that will enhance the long-term sustainable future of the region”. Applicants could include state and local government agencies as well as non-government organisations; however, a requirement was that the project must demonstrate that it promoted partnerships between “the community/business sector and government; or across various levels of government”. The application to the Pilbara Fund requested $67,407 to purchase IT equipment, install stock control software, recruit a manager, construct storage shelving and cover meeting costs with artists.

39 Partners were the Department of Communication, Information Technology and the Arts, Office of Indigenous Policy Coordination, Indigenous Business Australia, South Hedland Indigenous Coordination Centre and the State of Western Australia through the Department of Culture and the Arts and the Office of Aboriginal Economic Development as well as the Pilbara Development Commission and the Shire of East Pilbara.
the Arts, 2009). Martumili’s application had coincided with a $7.6 million increase in funding to the IVAIS program, and art centre staff reported that the WA state manager for the program was supportive of the emerging art centre as it was one of the few art initiatives funded in Western Australia outside of the Kimberley region.

With funding secured, geography was the next major challenge for the art centre as it began servicing the communities, and the art centre manager spent considerable time on the road, at one point having a serious car accident requiring the replacement of the art centre vehicle. The majority of artists did not live in Newman: the homelands of the Martu people span across the East Pilbara, encompassing the Great Sandy, Little Sandy and Gibson Deserts in the east of the region. Many Martu people lived in small communities on country away from the main centres and within reach of their sacred sites (Davenport, Johnson, & Yuwali, 2005, p. ix; Edmunds, 2012a, p. 215).

The art centre aimed to deliver equitable services across the region and maintain the quality of the work through regular professional engagement with artists. Martumili serviced artists residing in seven communities: Parrngurr, Jigalong, Parnpajinya/Newman, Irrungadjji/Nullagine, Punmu, Warralong and Kunawarritji. The distances that needed to be travelled were vast, with one of the member communities located 860 kilometres from Newman (Figure 11). The communities varied in size, but all had an administration office, a clinic, a school and a store.
Federal funding was dependent on the art centre being established as a hub-and-spoke model, and while Martumili’s funding was eventually at the higher end of the spectrum, it did not cover all the costs associated with setting up studio spaces and employing additional field staff. The hub-and-spoke model that was finally developed was larger and more complex than most other art centres, as well as more expensive, but mirrored Martu residential patterns and was therefore regarded as appropriate by both artists and government staff (G. Sullivan, 2013).

A shortage of housing stock in the communities meant that accommodation for staff was difficult to secure, and the art centre had to build or renovate existing buildings for use as art studios and storage spaces. Without art centre staff resident in the majority of communities, communication posed challenges for artists who often
spoke English as a second (or third, or more) language and relied on public phones or being able to use community organisations as contact points.\textsuperscript{40}

By the end of 2007, Martumili had established art spaces at Parnngurr, Pampajinya, Irrungadjji and Punmu with funding from the federal Department of Communications, Information Technology and the Arts. As Parnngurr was relatively central to the other participating communities and home to the largest number of artists, the main community art space was set up there. The condition of the other art spaces varied considerably, with some being purely storage and none of them climate-controlled.

At the time of my visit, the art centre operated from two demountables, linked by a veranda at the back of the main Shire building in Newman. The space was small and cramped, limiting the display of works for sale and providing very little room for artists to work. Recognising a larger space was needed, Martumili Artists and the Shire of East Pilbara applied for funding for a new art centre building. Between 2012/13 and 2013/14 more than $2.6 million was received, with additional funding coming from, among others, BHP, Pilbara Cities and Pilbara Fund, and from Lotterywest the following year. One respondent remarked that local politics and a pragmatic approach to the building development on the part of Martumili and Shire staff saw what was initially conceived of as a bespoke building for the art centre evolve into a civic building that houses the art centre (Figure 12).\textsuperscript{41}

\textsuperscript{40} Many different languages apart from English are spoken in these communities, including Martu Wangka, Kartujarra, Manjiljarra, Putjarra and Warnman.

\textsuperscript{41} The new facilities have increased the administration workload, and the planning and building processes have been intense.
Martumili Artists’ success in applying for government funding was impressive, and by 2011/12, the art centre had attracted $1.26 million in operational grants from government and BHP (G. Sullivan, 2013; personal communication, October, 2014). This level of funding from BHP was the peak of its support, and the total amounts received (including government grants) declined in 2012/13 and 2013/14 to $941,884 and $757,005 respectively (Table 17 below).

The mix of private and public funding was both a strength and a weakness. Matched funding arrangements between the various partners meant more funding was available, but stakeholders recognised there was also a danger that one of the funders would renege on their contribution assuming that the other partners would fill the gap. This threat was realised in mid-2013, when Martumili were notified by the Ministry for the Arts that their operational funding through the IVAIS and ICS programs was to be reduced by 45%. The art centre manager at the time wrote a letter to the department outlining the likely outcomes for the organisation of such a
large funding decrease, including staff cuts and the delivery of reduced services. The letter also went on to question the logic of the flat-level approach to funding that had been recently introduced, arguing that not all art centres were comparable in the way they operated and the costs they faced to deliver services (G. Sullivan, 2013). Six months after the notice of the reduction in funding, the 2013/14 Strategic Initiative was announced by the Ministry for the Arts. The funding for this program was “to support unforeseen strategic initiatives that may arise” but in actual fact was used to return some of the withdrawn funding to high performing art centres such as Martumili (Ministry for the Arts, 2013a, p. 1).\footnote{Through this grant round, Martumili requested $32,000 and received $28,000 for the Artists Digital Biography Project, graphic design software training and a top-up for the Martu arts worker position.}

Table 17 below is a summary of the operational funding Martumili received between 2008/09 and 2013/14. Early in the art centres’ development, government funding exceeded all other sources of income; however, by 2010/11 BHP’s contribution had outstripped government funding, peaking in 2011/12 when its sponsorship was more than double the funding provided by the Ministry for the Arts and other agencies.

### TABLE 17 MARTUMILI FUNDING, 2008/09–2013/14

<table>
<thead>
<tr>
<th>Year</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
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<tbody>
<tr>
<td>IVAIS funding</td>
<td>$302,702</td>
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<td>$210,000</td>
<td>$210,000</td>
<td>$210,000</td>
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<td>ICS</td>
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<td>$63,000</td>
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<tr>
<td>OFTA* Strategic</td>
<td></td>
<td></td>
<td></td>
<td>$28,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IEI funding</td>
<td></td>
<td>$40,720\footnote{For positions transitioned from CDEP; two variations were requested}</td>
<td>$28,789</td>
<td>$25,460</td>
<td>$36,406</td>
<td>$38,569</td>
</tr>
<tr>
<td>BHP</td>
<td>$164,667</td>
<td>$218,821</td>
<td>$497,456</td>
<td>$835,951</td>
<td>$543,375</td>
<td>$421,565</td>
</tr>
<tr>
<td>Other</td>
<td>$324,581</td>
<td>$318,136</td>
<td>$73,289</td>
<td>$123,437</td>
<td>$61,103</td>
<td>$141,871</td>
</tr>
<tr>
<td>Total</td>
<td>$847,633</td>
<td>$863,360</td>
<td>$872,534</td>
<td>$1,257,848</td>
<td>$941,884</td>
<td>$757,005</td>
</tr>
</tbody>
</table>

* Office for the Arts

In 2011, a new agreement was signed with BHP Billiton for a five-year period during which the art centre received $350,000 per year to fund financial literacy and professional development training for Martu artists, Martu employment, community facilities, service delivery, and the evaluation of the program (BHP Billiton Iron Ore &
Shire of East Pilbara, 2010). These activities were to contribute to community health and wellbeing, an increase of sales (and therefore higher payments to artists), a raised industry profile, improved operating systems, a broader network of local and national partners and a model for assessing the community programs.

**ARTS WORKERS AND IEI FUNDING**

From the art centre’s inception, Martumili Artists’ documentation and funding applications emphasised the potential employment and economic opportunities, arguing that through the art centre, artists would gain direct experience of a small business environment and generate income through sales (East Pilbara Aboriginal Artists Enterprise, 2005). Martumili employed Aboriginal staff in various capacities, including a part-time assistant to the Manager, and artists living in the satellite communities were employed on a casual basis to stretch canvas, prepare materials and assist with translation and the documentation of work. In 2008, 10 of these casual positions were funded through CDEP but the art centre lost several of these positions when the program was dismantled (Martumili Artists, 2008b). Some of the CDEP positions were replaced with funding through the National Jobs Package (NJP) and then through the IEI program. The initial agreement for IEI funding signed in 2009 was for three positions, which was later reduced to one by mutual negotiation, reflecting the capacity of the art centre to support arts workers and the difficulty finding and keeping skilled staff.

The art centre has been cautious and strategic in its employment of staff, focusing on creating employment opportunities that complement arts workers’ cultural and social obligations and aspirations. Martumili achieved some success with their curatorial program and have had outstanding Martu employees in these positions; however, most of the staff roles have been part time and based in member communities overseeing the art studios.

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43 In 2007, Martumili attempted to introduce the Martu Career Development Pilot Program (MCDP) and an application was submitted to the Pilbara Development Commission to fund this initiative. The MCDP was conceived as a means to train Martu staff in arts and cultural management and provide them with hands-on experience at the art centre. The program was not fully funded but underpinned future employment practices.

44 In the following year, Martumili Artists were not able to spend all the NJP funds and were required to pay nearly half the grant money back. This is not an unusual story, as many art centres find it difficult to fill all their funded positions for arts workers.
Martumili is one of the few art centres that have not had income from IEI overtake their sales or other grants; however, they have faced challenges delivering the arts worker programs, despite testing different staffing structures (Martumili Artists, 2011). Martumili found it difficult to employ and train Martu workers partly because of the hub-and-spoke model, which made direct supervision of staff difficult, but other factors also contributed. Art centre staff wrote to the department that the permanent part-time employment structure set out by the NJP did “not fit well with Martu culture or lifestyle” as it limited staff to working with one organisation, and the program had been a financial and time drain for Martumili (Martumili Artists, 2010). This complaint was repeatedly made to the funding body as there continued to be a high turnover in arts workers, and the acquittal reports cite numerous reasons for this. One of the underlying factors was that skilled Aboriginal and Torres Strait Islander arts workers were in high demand in communities, with expectations that they attend meetings, assist with translation, negotiate with community members and work with a variety of organisations as required. This work was often intermittent or it was unpaid but considered a priority by the community. These demands on people’s time and their own desires to participate in other work opportunities or to move to another community meant that fixed positions were limiting and resulted in a juggling of competing demands. For some arts workers, being one of the few paid workers in a community also created tensions with family and led staff to question why they should work when other people get ‘sit down’ money (Martumili Artists, 2010). Consequently, permanent employment outcomes for Aboriginal and Torres Strait Islander people have not eventuated, with even the casual positions still being reliant on funding being available.

**Management**

Art centres have experienced considerable difficulty attracting and retaining senior staff, as well as arts workers, and yet competent management is one of main factors contributing to their success (Seet et al., 2015; Crutzen, 2008). The engagement of staff is one of the most important decisions that a board or auspicing agency can make (Wright, 1999), and Martumili was fortunate in the choice of its first manager. Not only had she had years of prior experience working as the Pilbara Arts Development Officer, she had also spent considerable time working within other

45 Arts workers’ wages were paid according to a local government award as required by the Shire, and in the early years of the program the funding did not cover the wage completely and had to be topped up by the art centre.
government settings. As a result, she brought with her a comprehensive understanding of government programs and administration frameworks as well as a wide network of relationships with artists across the region. This was unusual, as most art centre managers have not worked in communities before and have had little contact with the artists prior to their arrival (Seet et al., 2015).

Her familiarity with government priorities and requirements meant that she was well-versed in the preparation of grant applications and had a good understanding of what funding was available and how it could be matched to the aspirations of the art centre and artists. This knowledge undoubtedly contributed to the success the art centre experienced applying for funding. Her previous employment as a public servant also meant that she had a good understanding of the workings of government and the reporting requirements of the Shire. In my interviews with her, she reported that rather than being a hindrance, the backing of local government gave her a secure base from which to operate, and she was able to take an entrepreneurial approach to the development of commercial relationships with galleries and non-commercial exhibitions with public institutions.

Not only did the manager bring with her a set of skills well suited to the art centre’s needs, she also remained in the position for close to eight years. Most art centre managers, due to the pressures associated with the job, remain in their positions for three years at most, meaning that the organisations lose key corporate knowledge at relatively short intervals; this often has a disruptive impact on their financial, social and cultural development (Seet et al., 2015). In Martumili’s case, not only was the manager actively involved as a member of the EPAAE prior to her appointment as manager, but she was also able to lead the art centre through its early and most vulnerable stages of development. Other stakeholders interviewed for the case study commented on how well placed the manager was to take on this role and identified her strong government and community networks as one of reasons for the art centre’s success in building long-term partnerships that were vital given the highly challenging business environment of the East Pilbara and the highly competitive art market.

**Martumili Artists’ Community Partners**

Partnerships with local community organisations can be vital for some art centres. For a little more than 40 years, Aboriginal and Torres Strait Islander NGOs have been established in the Pilbara to deliver services and manage programs for Martu
people (Edmunds, 2012b). The past 20 years have seen several organisations set up to facilitate Aboriginal and Torres Strait Islander engagement with the mining industry and manage the income from land-use agreements on behalf of the traditional owners and custodians (Holcombe, 2006, 2009). These organisations have their antecedents in the early Aboriginal and Torres Strait Islander cooperative companies – Northern Development and Mining, Pindan and Nomad – that came into being between the late 1940s and the 1960s and the associated Pilbara Aboriginal social movement that grew out of the Pilbara pastoral strikes in the 1940s, during which many Aboriginal and Torres Strait Islander strikers were arrested (Holcombe, 2005; Wilson, 1980).46

For this reason, unlike a lot of other art centres based in more remote and smaller communities, Martumili is able to work with a lot of other community organisations, many of which have a brief to provide services to the region. This has meant that art centre staff have been able to coordinate a lot of health and social services for artists without having to be the lead organisation. As a result, the art centre is not directly responsible and can call in other organisations to assist.

Community organisations form important networks for information sharing, partnering and lobbying (Stafford Smith, Moran, & Seemann, 2008). Martumili has several key community partners, including Karnyirrinpa Jukurrpa (KJ), which was established in 2005 to support and preserve Martu culture and build sustainable Martu communities by developing and delivering culture and heritage, land management, communications and social programs.47 In 2007, Martumili were in discussions with KJ seeking to partner with them on the Martu History and Archive

46 Nodom was the first Indigenous company in Western Australia and, along with Pindan, their focus was not just on economic development and success but also on the provision of education, health services and housing for their workers. Holcombe notes the tension between individual reward and ambition and community development in the set-up and management of these companies (Holcombe, 2005). While some workers were happy to receive little or no wages for their labour but benefit from the health and community services they provided, others wanted to be paid proper wages for their work and have more autonomy.

47 Other community partners include the Home and Community Care program, East Pilbara Independent Services and the Puntukurnu Aboriginal Medical Service, which all provide primary health and preventative medicine programs to Martu of all ages. More minor partners are World Vision, which has an Early Childhood Care and Development Program Manager, and the Newman YMCA, which provides services and activities for Martu youth living in and visiting Newman.
project so that oral histories, photographs and maps could be shared and bush trips could be coordinated. This collaboration eventually led to the ‘We Don’t Need a Map’ exhibition which toured Australia from 2014 to 2016. Both organisations have a common approach to delivering benefits to Martu (Jorgensen, 2013b); while each organisation has its own work focus priorities, a respondent reported that the ongoing partnership is based on logistics support for artists and senior Martu leaders (mainly transport), sharing of resources and joint training courses.

THE ART CENTRE MISSION – DEVELOPMENT AND BUSINESS

Martumili Artists aims to represent all Martu artists in the East Pilbara region. The mission of the art centre is to:

- give Martu people access to social, cultural and economic benefits through the production and equitable and ethical sale of works of art
- support Martu culture, and the intergenerational transmission of cultural knowledge.

(Shepherd & Acker, 2011, p. 15)

The art centre is likely to remain classed as an activity within the Shire for the foreseeable future, despite initial calls for it to be separately incorporated. As an activity rather than an incorporated association, the art centre does not have a formal membership (Shire of East Pilbara, 2008). The art centre has a steering committee made up of 12 Martu artists who are elected by members annually and provide strategic direction for the art centre. The committee’s purpose is to ensure that Martu cultural and social priorities largely shape what the art centre does creatively and how it engages with member communities. Few of the artists have direct contact with the market, preferring a mediated relationship through the art centre and depending on staff to broker their sales and promote their work.

Meetings of the steering committee, artists and staff occur twice a year and are rotated among the various communities. As a result, the meetings are very expensive to run, often costing between $25,000–30,000 each, but this is understood by funders to be the price of good governance across such a broad region and where face-to-face contact is otherwise limited. To maximise the benefits and encourage attendance at the meetings, workshops are also convened and provide an opportunity to share technical skills and industry expertise.
Since Martumili began, 352 artists have worked with the centre, and in 2010 there were approximately 100 artists working regularly, with an additional 50 working casually. Martumili works with both established and emerging artists, and while its current operations rely on the sale of the work by established artists, the future of the art centre depends on adequately supporting emerging artists who are in need of both intergenerational cultural and technical training if they are to achieve the same success as more senior artists.

**INTRINSIC VALUES AND CULTURAL CAPITAL**

Unexpectedly, given the earlier caution of the artists, the art centre has become known for its highly innovative work and willingness to collaborate in artistic projects with filmmakers, musicians and photographers from around the world. The contemporary expression of Martu stories and connections to country through painting and multimedia art forms has added further complexity to how the public perceives Martu culture and has provided Martu with a powerful series of artistic metaphors through which they can explain their connections to country (Jorgensen, 2013b).

Their innovative approach to art-making resulted in a major touring exhibition ‘We Don’t Need a Map’, which includes multimedia installations, photography, a website and paintings. Exhibitions and collaborations such as this have provided Martu artists with the opportunity to express their ownership of country in the national arena in contrast to dominant local narratives of mining and regional development (Ross, 2015). One of the major funders of this exhibition was BHP Billiton Iron Ore, and this highlights how effectively the art centre has been able to reintroduce an alternative history of the region while maintaining a mutually beneficial relationship with a mining company.

These types of cultural activities and exhibitions generally do not directly generate income and often have significant costs that need to be covered through project grants or out of sales income. Martumili’s collaborative approach has meant that the art centre has gained cultural credibility and built strong relationships with other organisations such as KJ, permitting the development of large-scale exhibitions and the collection of cultural information.

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48 Membership or the relationship of the artists with the art centre is defined by an agreement, drafted by the Arts Law Centre and signed by all the regular artists. This agreement determines the commercial relationship, including commissions, rights of sale and copyright.
The work produced by the art centre has received mixed reviews in the media, but continues to be popular with buyers and to surprise audiences with its raw aesthetic and unexpected uses of multimedia (Rothwell, 2015b). Introducing a relatively new aesthetic to buyers and collectors has been a challenge for the art centre and was made easier by the market’s interest in new works and the success of other Western Desert art centres such as Papunya Tula and Warlayirti Artists. In this sense, as one respondent noted, Martumili Artists has benefited from being part of the broader art centre sector, with its growing reputation for innovative work, and has successfully educated audiences about Martu aesthetics rather than conforming to market expectations.

Martumili has been very strategic in the regular placement of artworks in local, state and national art awards and maintained a schedule of exhibitions with some of the leading commercial galleries in the country. The art centre moved very quickly to develop relationships with interstate gallerists and in 2007 had one of its first exhibitions at the William Mora Galleries, a leading gallery in Melbourne. Group and solo shows were regularly held in other well-established national and international galleries, with an average of between three and five selling exhibitions each year until the end of 2012. The art centre has also regularly participated in art markets and fairs, including Desert Mob and Revealed, and has managed its annual Christmas Sale, which has become a major event in Newman since 2009.

Significantly, the art centre has actively sought out opportunities and devoted resources to have work included in major public collections. The work of Martumili Artists has been showcased in several major national exhibitions including ‘Martu: Art from the Far Western Desert’ (2014) at the museum of Contemporary Art in Sydney (A. Davis, Robson, Carty, & Taylor, 2014). The art centre has also been an active participant in collaborative projects such as ‘Yiwarra Kuju: The Canning Stock Route’ (2010), which was exhibited at the National Museum of Australia and toured to China for the Beijing International Olympic Expo in 2008 (Davenport-Acker, 2015). This project was a benchmark event for the sector and was developed

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49 Most of the works produced by artists for Martumili are acrylic paintings on canvas, including large collaborative paintings that have been the centrepiece of exhibitions such as ‘Martu: Art from the Far Western Desert’. A small number of baskets, wood carvings and other artefacts are also produced. In more recent years, the art centre has licensed its designs to produce merchandise such as jewellery, puzzles and t-shirts.
through an alliance of art and cultural centres based in Western Australia’s remote regions.

**Economic Benefits and Returns**

Martumili’s financial performance compares well with that of other art centres in the state, which have averaged $410,015 in sales and $218,660 in grants over the period 2004/05–2012/13 (Acker & Woodhead, 2014b, p. 24). Table 18 below shows sales and government grant income and the return to government per dollar of subsidy. In 2010/11 and 2012/13, Martumili has exceeded the average state sales returns on funding of $1.49 per dollar despite its higher than average level of grant income (Acker & Woodhead, 2014b).

**TABLE 18 MARTUMILI ARTISTS, SALES VS. GRANT INCOME 2006/07–2012/13**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales income</th>
<th>Non-capital government grants</th>
<th>Sales / $1 of government funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>$2,239</td>
<td>$485,613</td>
<td>0.01</td>
</tr>
<tr>
<td>2007/08</td>
<td>$161,295</td>
<td>$302,012</td>
<td>0.53</td>
</tr>
<tr>
<td>2008/09</td>
<td>$382,763</td>
<td>$682,966</td>
<td>0.56</td>
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<tr>
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<td>1.40</td>
</tr>
<tr>
<td>2010/11</td>
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<td>2.40</td>
</tr>
<tr>
<td>2011/12</td>
<td>$473,583</td>
<td>$421,897</td>
<td>1.10</td>
</tr>
<tr>
<td>2012/13</td>
<td>$659,582</td>
<td>$398,509</td>
<td>1.60</td>
</tr>
</tbody>
</table>

Source: Figures from Martumili Artists profit and loss statements

Martumili has also performed very well when compared to art centres in other states, attracting more government grants and generating more in sales than the average in the period between 2009/10 and 2012/13 (Table 19).
TABLE 19 MARTUMILI PERFORMANCE COMPARED TO NATIONAL AVERAGES, 2006/07–2012/13

<table>
<thead>
<tr>
<th>Year</th>
<th>Martumili sales</th>
<th>Average national sales</th>
<th>Martumili (non-capital) government grants</th>
<th>Average national government grants</th>
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<tr>
<td>2006/07</td>
<td>$2,239</td>
<td>$519,958</td>
<td>$485,613</td>
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<td>2012/13</td>
<td>$659,582</td>
<td>$330,752</td>
<td>$398,509</td>
<td>$362,898</td>
</tr>
</tbody>
</table>

Source: Martumili profit and loss statements and Acker & Woodhead (2014b, p. 24)

Despite Martumili’s positive performance when measured against national averages, the art centre saw a decline in sales after 2010/11. Several respondents noted that initial negotiations between the Shire and the remaining members of the EPAAE group had stipulated that the art centre would not be an additional cost for the Shire and that ultimately the art centre would set up independently. In reality, however, the art centre has cost the Shire both in terms of time and money, and in 2011 the art centre Business Plan stated that:

Martumili Artists will not be commercially viable or independent of government funding in the foreseeable future. This is consistent with the experience of art centres throughout Australia, reflecting the complex combination of economic, artistic and community roles.

(Shepherd & Acker, 2011, p. 19)

In 2010, the art centre charged a 45% commission on sales over $200; the artists agreed to raise the commission to 50% to ensure the art centre had adequate funds to deliver its program. Any money that the art centre made was reinvested into the enterprise, and the Shire treated the art centre as a not-for-profit activity. This has not impeded government or private sector investment in Martumili, and there appears to have been a general acceptance that profit-making and financial independence were not major drivers for the organisation.
SOCIAL AND CULTURAL CAPITAL – DELIVERY AND POTENTIAL

Martumili has become a cross-cultural means for exploring the importance of the Martu worldview to the larger society and for demonstrably reinforcing this to the wider Australian community. Martumili is an extraordinary organisation. It is governed well, led well and structured well. It engenders extraordinary commitment from its artists, its staff and its stakeholders.

Mike Dillon, Deputy Secretary, FaHCSIA and IGA judge, in Reconciliation Australia (2012, p. 23).

One of Martumili’s strengths is the time and support the organisation devotes to cultural activities that support cultural maintenance, energise artists and increase community participation and engagement. These activities are viewed as a long-term investment in the community and include activities such as bush trips back to country that allow artists to reconnect with sites of significance, collect materials and create collaborative works. These trips also provide experienced artists well versed in customary practices with the opportunity to share their knowledge and expertise with emerging artists and youth and are considered to be of equal importance to the commercial aspects of the enterprise.

The program also includes the facilitation of collaborative projects with national and international artists and regular trips to industry forums such as Desert Mob, art fairs and exhibitions with groups of artists and arts workers. These trips, while expensive, are seen as an important way for members and staff to build networks, gain a better understanding of the industry and present their work to the public in person.

The art centre also fulfils an important social welfare role in the community (as noted above) and has not only built links based on trust with artists but has also helped strengthen the Shire’s relationship with Martu. The types of services Martumili gives to artists were:

- arranging transport to and from communities, including chartering flights or arranging lifts
- finding or providing accommodation when artists are in Newman
- making medical appointments and transporting artists to the clinic
- helping with funerals
- acting as de facto bank by allowing artists to hold money from sales at the art centre
linking in with other welfare agencies
providing meals.

CHAPTER SUMMARY

This case study demonstrated the vision that drives Martumili Artists on a local level and how these aspirations coincided with government development goals in the region. Martumili is located in a region with a two-stream economy. The mines have brought wealth to the Pilbara and provided government with significant funds to invest in development. This has brought benefits to the region but has also raised prices, increased competition for services, brought in an external workforce and largely excluded Martu people. Martumili works with Martu artists and, on their behalf, has lobbied and negotiated funding through the programs that resulted from the mining bonanza, including the Pilbara Fund and Pilbara Cities. This successful and entrepreneurial approach to sourcing resources has been an important part of the art centre’s success.

The research also explored the important role played by government staff who were in the right place at the right time and had a good understanding of what an art centre in the region would need to look like and how this could be negotiated to the satisfaction of both its Martu members and the funding bodies. These public servants brought their government expertise and networks into play helping to secure a steady stream of grant funding, including money from the IVAIS program. Various levels of government contributed to the establishment of Martumili in the following ways:

- Government representatives arranged meetings for project concept development in consultation with Martu.
- Government representatives both established and were members of EPAAE, which was set up to coordinate activities, including submitting applications for funding.
- Government agencies provided start-up funding and then operational and capital funding.
- Government provided funding for business planning.
- Government representatives approached BHP Billiton and leveraged funding from them by committing government grants to the project.
• The Shire of East Pilbara hosted the art centre and provided both administration and financial services.
• Government staff undertook practical tasks, such as setting up IT and stock management procedures.
• Government staff maintained their involvement in a mentoring capacity once the art centre was operational.

In the case of Martumili Artists, of key importance to funders was how the attendant risks of establishing this model were managed and how responsibility was diffused across the key partners. While government’s risk aversion is now well-recognised in academic literature, local government took the lead role, and federal and state agencies also invested in an unproven enterprise (Walker et al., 2012, p. 47). Each of the partners committed to the enterprise because the degree of risk involved was limited by:

• the initially small amount of grant funding provided and the relatively minor set-up costs as a result of the Shire of East Pilbara providing an office space and BHP subsidising housing
• a hub-and-spoke model being established instead of an art centre in each community – this was a cost saving for government and was made a requirement of funding by the Ministry for the Arts
• funding being initially auspiced in order to access grants and provide security of investment for government
• ongoing funding being conditional on becoming separately incorporated – this would have limited the risk of the Shire of East Pilbara as host and shifted liability from government agencies to a governing body of Martu artists, but was never actioned.

The longer term implications of these decisions had both positive and negative results. Positive outcomes were that later, more substantial BHP Billiton investment in the art centre was made possible because their funding was matched by guaranteed government contributions and the involvement of the Shire, and Martu artists were able to access services in their home communities through the art studios without having to travel to Newman or other towns to sell their work and obtain materials. On the negative side, the art centre – despite its success in carving a niche in the market – is still by definition a micro-enterprise, and the hub-and-spoke model remains expensive to run.
Not including the capital funding, the art centre has performed well, returning an average of $0.97 in sales per dollar of government operational support between 2006/07 (when it began operations) and 2012/13. Over the latter part of this period, its income from sales has been commensurate with or exceeded grant funding, despite a marked downturn in sales after 2010/11.

The art centre’s relationship with BHP Billiton Iron Ore has also boosted its operational income. The partnership between this corporate giant and the much smaller art centre has resulted in Martu artists having a significant national profile through their subsidised touring exhibitions, and the mine has gained a vehicle for community engagement and the development of positive relationships with the Martu people.

The relationship with the Shire has meant the art centre has had excellent financial, administration and human resource systems in place and has been in a strong position to leverage other funding. In contrast to other art centres, Martumili Artists is likely to remain within the Shire for the foreseeable future because the model is seen to be working well. Martumili has also resisted the push to employ too many arts workers and has been very cautious in its employment strategies. As a result, it does not receive as much IEI funding as other art centres but still maintains a network of casual and part-time Martu workers.

Martumili’s success is a reflection of how well the art centre has responded, not only to the need of Martu artists for an art broker but also to local opportunities and networks. The art centre is one of the outstanding success stories in the Pilbara and has performed better than most other art centres in Western Australia or, indeed, nationally. It has also been one of the most successful at securing government funding and securing strategic partners, remaining one of the only art centres in the country to receive multi-year operational funding from a mining company.
INTRODUCTION

The Torres Strait Islands have a long history of enterprise development dominated by the pearling industry but have struggled in more recent years to establish new industries because of the high costs of basic services, including power and transport, the absence of broadband infrastructure and banking facilities and a need for vocational training in a region that has one of the highest unemployment rates in Queensland (Queensland Treasury and Trade, 2012). One of the relatively new commercial initiatives in the Torres Strait is the Aboriginal and Torres Strait Islander art industry. While there have been artists practising in the region and selling their work for many years as part of an informal economy, it is only in the past 10 years that three cooperative art centres have been established to market and promote their work on the mainland and overseas.

The commercial underdevelopment of the islands has meant that art centres have less competition for attention from government and are therefore typically funded by the state and federal governments much better than mainland art centres. At the local government level, the Torres Strait Island Regional Authority (TSRA) is also a key partner of arts and cultural activities in the region and has developed a Culture, Art and Heritage Program that seeks to preserve Ailan Kastom50 and support a sustainable arts industry across all the islands (Torres Strait Regional Authority, 2011). TSRA is the only government agency in the region with a specific arts and culture mandate, and through the Gab Titui Cultural Centre and Gallery and its Culture, Art and Heritage Program has played a significant and widely recognised role in the establishment of the three art centres in the Torres Strait (Torres Strait Regional Authority, 2014a, pp. 31–38).

Even with the funding and resources available to them, it was still difficult for these art centres to overcome the commercial impediments that high freight costs and distance from markets pose for them as businesses. Despite this, art production has thrived as a result of artists having access to studio spaces, equipment and training,

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50 Ailan Kastom refers to customary practices of the Torres Strait.
and the art centres at Badu and Erub in particular are establishing themselves in the art market, albeit slowly.

The case studies of Erub Ewer Meta on Darnley Island and Badu Art Centre on Badu Island are designed to explore the vision driving them, how they became established and what they have managed to achieve with relatively modest self-generated income and government funding. A historical account of business practices in the region is presented to provide a context for their current operations and a description of the commercial and service environment within which they operate.

This chapter is divided into four sections. The first provides a political and economic context of the whole region, including employment, industry development and research into the impact of customary practices. The second section focuses on the art centres in the Torres Strait, their place in the art market and the amount of government support they have received. Section three is devoted to exploring how Erub Erwer Meta was conceived and how it has contributed to the community in social, cultural and economic terms. The final section offers a similar examination of Badu Art Centre and explores some of the differences between the two art centres.

**RESEARCH AND EVALUATION METHODOLOGY**

The research and evaluation used a multi-method approach, including a combination of:

- site-based observations during a one-week field visit to each art centre in December 2014
- review of internal documents, audits, acquittals, quarterly reports, grant applications, planning documents, correspondence and account records
- eight semi-structured and unstructured interviews with two art centre staff, one chairperson, three government representatives and two consultants (notes were taken during interviews). Five of the interviews were face-to-face and three were by phone.

Having visited Erub Island previously in a professional capacity, I was known to the manager of the art centre and we had already had extensive discussions about the challenges facing Erub Erwer Meta and its responses to these issues, particularly in
the areas of arts worker training and product development. My time on the island was spent in the company of the manager as she went about her day-to-day business, and she made herself available for more detailed discussions each day.

The manager at Badu was new to the position and under pressure to revitalise the art centre after a period of dormancy. While the art centre manager and chairperson were willing to meet with me and for me to have access to their files, the art centre was at a very different stage of development to the other two case studies, and most of the historical information was gleaned not from documents but from the interviews with stakeholders. The chairperson at Badu was particularly keen to discuss the difficulties the art centre had faced and to learn more about how other art centres were dealing with similar issues. Both consultants interviewed had worked extensively with the art centres in the Torres Strait and were instrumental in the set-up of Badu Art Centre. They were able to provide me with historical detail about this period as well as general information about arts and cultural activities on the island and across the Torres Strait.

SECTION ONE: THE TORRES STRAIT REGIONAL CONTEXT

Torres Strait Islanders have a long history of employment, both in terms of their subsistence practices, including fishing and gardening, as well as paid labour in the pearling, trochus and beche-de-mer industries. The rich waters of the Strait were a source of pearl shell, keenly sought by clothing manufacturers in the United States and England throughout the latter part of the 1800s and well into the middle of the 1900s before the invention of plastic effectually replaced pearl shell in the 1960s. In 1877, just prior to the handover of the Torres Strait to Queensland Government control, there were 16 pearling firms working out of Thursday Island alone, and many Torres Strait Islanders had found employment with the pearl luggers alongside other crew members from Europe, Asia and the South Sea Islands (Babbage, 1990). The work was dangerous, and there was a high incidence of accident and death among the divers, but superior seafaring skills and extensive knowledge of the local waters and reefs gave Torres Strait Islanders a major role in the development of the industry (Beckett, 1987). These industries were heavily controlled by government and resulted in an increasing reliance on monetary exchange and introduced goods in the Torres Strait.
In contrast with the Pilbara, the Torres Strait is now economically underdeveloped, with no major industries and very little income generated through commercial activities. In 2013, there were only 37 registered businesses in the whole of the Torres Strait and only seven of these employed five or more staff (Australian Bureau of Statistics, 2013b). As a result, the arts industry was viewed by government as one of the few viable economic development opportunities, and it has received extensive government support, particularly over the past five years (Torres Strait Regional Authority, 2014a).

TORRES STRAIT ISLANDERS

Aboriginal and Torres Strait Islander people are frequently referred to as a single unity – ‘Indigenous’ – in policy documents, statistical reports and everyday usage. Historically, federal government policy has primarily been targeted at the needs and circumstances of mainland Aboriginal people rather than specifically tailored to Torres Strait Islander people. Dissatisfaction with this state of affairs was one of the underlying reasons for the bid to secede from Australia in 1988 (Kehoe-Forutan, 2004). The bundling together of these two distinctive Indigenous groups obfuscates the significant social, cultural and historical differences between them. There is now widespread recognition that Torres Strait Islanders are culturally distinct from Aboriginal people, and that their communities and families are a reflection of their histories of intermarriage with Aboriginal people as well as South Sea Islander, Japanese, Papuan and European immigrants to the region.

The people of the Torres Strait have lobbied and fought through the courts for the right to have themselves recognised as the traditional owners of the region and as culturally different from Aboriginal people from the mainland. It was not until 1962 that Torres Strait Islanders could vote in the federal elections and another three years before they could vote in the Queensland state elections. Within census data, Torres Strait Islanders have been counted and identified in different ways. In 1947, they were classified as Polynesian; in 1954 and 1961 they came under the category

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51 Recent studies led people to believe that there are large mineral, oil and gas deposits within the region, and the possibility of a gas pipe line between the mainland and Papua New Guinea was discussed but later shelved (Shnukal, 2001). In the long term, these resources could generate employment and income for the Torres Strait but would require significant resourcing from private enterprise and government as well as bilateral agreement between the two nations.
of Pacific Islanders; and in 1966 they came under the classification of Aboriginal and were therefore not counted. It was only after the 1967 referendum that Torres Strait Islanders could identify themselves as such in the 1971 census (Shnukal, 2001). Recent census figures from 2011 estimate that there are 38,134 Torres Strait Islanders in Australia and that the majority, while living in Queensland, no longer reside in the Torres Strait (Australian Bureau of Statistics, 2012b).

There is substantially less academic literature about the Torres Strait than there is about Aboriginal people from mainland Australia (Haddon, 1971; Beckett, 1987; Sharp, 1993). It can be problematic teasing out information specific to this region from statistical and economic research because of a tendency for independent and government researchers to treat Aboriginal and Torres Strait Islander issues as one and the same. An intensive period of research by anthropologists and legal specialists was triggered by the landmark Mabo case in the High Court of Australia, which found that the Murray Islanders had a traditional connection to land and a pre-existing system of law that had not been extinguished (Loos & Mabo, 1996). This brought growing public awareness of issues specific to the Torres Strait and recognition that the islands and their surrounding waters were owned by specific families and individuals, even when not permanently inhabited.

**THE TORRES STRAIT REGION**

The Torres Strait Islands lie off the tip of Cape York and adjoin with the Papua New Guinea coast, forming Australia’s only immediate international border. The region is made up of more than 200 islands and coral cays. There are 17 communities in the region based on 16 islands, and the main service centres for the outer islands are Thursday (Waiben) Island and Horn (Ngurupai) Island.
The majority of government service agencies are based on Thursday Island, with travel and logistics agencies spread across the two islands and the airport on Horn Island. The two islands provide a coordination point for many aspects of island life, including health, education, essential services and local government. Federal government agencies with offices on Thursday Island include TSRA and the Department of Foreign Affairs and Trade, with the next closest service centre in Cairns, 800 kilometres to the south-east.

The Torres Strait is one of the youngest and most remote territories in Australia. The region was viewed as strategically important because of its proximity to what

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52 Until 1877, Erub was under the jurisdiction of the Western Pacific High Commission and the Governor of Fiji.
was then British New Guinea and the mainland of Australia, and for some years attempts were made by the Queensland Government to gain control of the eastern islands with the aim of regulating the beche-de-mer and pearl-shelling industries and to introduce law and order in the region. In 1877, an administrative settlement, Port Kennedy, was established on Thursday Island, although the Queensland Government’s territorial control of the Torres Strait was only achieved with the passing of the *Queensland Coast Islands Act 1879* (Lawrence & Lawrence, 2004). Australian Federation in 1901 meant sovereignty was then passed on to the Commonwealth Government. The region remains of strategic importance to this day (Lawrence & Lawrence, 2004).

As in so many other parts of Australia, the people of the Torres Strait were subjected to the control of a Protector under the *Aboriginals Protection and Restriction of the Sale of Opium Act of 1897* (Qld). The aim of this legislation was to place Aboriginal people under the protection of the Queensland Government, and a Protector was appointed in 1899 and resided on Thursday Island. Under this Act and until the mid-1960s, the islands of the Torres Strait were declared Crown land, and by 1912 Aboriginal Reserves were declared on all the inhabited islands. People were placed under curfew and could only travel between the islands and the mainland with a permit. Each of the islands had a superintendent-teacher appointed who was the government representative and had the powers to monitor and manage people’s lives and controlled their income (Beckett, 1987, p. 209; Lawrence & Lawrence, 2004). As employment of Aboriginal and Torres Strait Islander people was regulated by the Aboriginal Protector, their wages were paid into a trust account managed by the state creating a great deal of dissatisfaction among the divers and crew of the pearling luggers (Beckett, 1987; Torres Strait Regional Authority, 2014a, p. 16).

The story of the pearling industry in the Torres Strait is a precursor to the story of economic development in the region now and has shaped the way many Torres Strait Islanders view work and economic development, including the introduction of the art centres. The Torres Strait has had a rich history of economic contest since the middle of the 1800s. The pearling industry was the first major commercial activity in the region to engage local people in the paid labour force, and it brought people from around the world who worked on the luggers and in many cases took up permanent residence in the region. The story of the early pearling industry has also often been the subject of much contemporary art in the Torres Strait.
Limited employment opportunities in the region meant many Torres Strait Islanders were forced to work on the pearl luggers under exploitative conditions involving long hours and hard labour. People were paid poorly; many were indentured workers from Asia; and the masters of the pearling luggers controlled their wages – this situation led to extensive government intervention in the pearling industry.

Torres Strait Islander researchers such as Martin Nakata and George Pitt have given accounts of the economic history of the region from a local perspective and with an awareness that some Islanders were deeply frustrated by the role of government in the economic development of the Torres Strait (Nakata, 2004; Pitt, 2005). Pitt posed that colonial approaches to policy and governance impeded Islanders’ ability to successfully engage with the global economy and establish robust structures for self-governance. He argued that through their labour, local knowledge and maritime skills, the Torres Strait Islander workers were a core part of the pearl shell industry but were not the primary beneficiaries, with government and private entrepreneurs from overseas taking most of the profits. Pitt sees discrimination in both the protectionist approach of government and the commercially exploitative practices of some of the visiting pearlers (Pitt, 2005). The decline in demand for pearl shell led to the collapse of the pearling industry and was a major economic blow to the region. There have been no large-scale private sector enterprises in the region since.

**THE CHALLENGES OF WORKING REMOTELY**

On the Accessibility/Remoteness Index of Australia (ARIA) scale, the Torres Strait is classified as a category 4, or very remote, and the Socio-Economic Indexes for Areas classifies Erub and Badu Islands, where the two case study art centres are based, within the top 10% of disadvantaged communities in Australia (Australian Bureau of Statistics, 2013a). Given that SEIFA rankings are used as indices for the targeting and planning of government services and funding, this ranking of the Torres Strait Islands makes the region eligible for remote community support programs and is an indication of how economically underdeveloped the region is when compared to other parts of Australia. One respondent commented on the positive and negative aspects of remoteness:

> Isolation and distance I guess are the two major factors, and they can be beneficial and bad as well. So you can produce a unique product drawn from
local cultural tradition but at the same time it can inhibit a bit in terms of their success to be able to market the thing, and get resources as well.

Geographical distance from services is a major obstacle for many businesses operating in remote Australia, and the Torres Strait is similarly affected. Construction cost indices show that the costs of construction in the Torres Strait are double that of Brisbane because of very high freight costs. Sea Swift, the main maritime freight provider in the region, reported in a submission to the Parliamentary Enquiry into Community Stores in Remote Aboriginal and Torres Strait Islander Communities that “the entire region is, without exception, totally dependent on marine transport to deliver almost all the requirements of daily life” (Sea Swift, 2009, p. 4). The Torres Strait also has a relatively low population base, which has declined since 2006, and these factors impact greatly on the way art centres operate (Australian National Audit Office, 2013, p. 29).

**CURRENT EMPLOYMENT IN THE TORRES STRAIT**

From the early twentieth century onwards, Torres Strait Islanders have been employed as police, nurses, tradespeople, teachers and government workers in their communities, and much of the public infrastructure on the islands was built by local workers. However, a lack of employment options and the restrictions placed on people under the *Aboriginals Protection and Restriction of the Sale of Opium Act 1897 (Qld)* led to a major exodus of people from the Torres Strait to the mainland from the 1960s onwards, seeking work on the railroads and in the cane fields. Consequently, there is a large Torres Strait Islander diaspora spread across the country.

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53 Maritime transport is provided by Sea Swift, which operates a barge out of Cairns. There are also numerous small charter companies that operate passenger flights to the inhabited islands. Many Torres Strait Islanders also have their own boats and use them to go fishing and to move from one island to another.

54 In the 2006 census, there were 7,106 Aboriginal and Torres Strait Islanders living in the Torres Strait, or nearly 83% of the population (Australian Bureau of Statistics, 2012b). By the 2011 census, this had fallen to 5,922 and 79% of the region’s population (JTA Australia, 2016).

55 For most of this period until the 1980s, Torres Strait Islanders did not receive wages for these positions that were commensurate with those of their non–Torres Strait Islander counterparts. Eventually, the Queensland Government paid restitution to Indigenous people who had received below-award wages between 1975 and 1986, when the *Indigenous Wages and Savings Reparations Scheme* was introduced in 2002 (Queensland Government, 2016).
There is limited private sector employment of Torres Strait Islanders, and government is a major employer in the region as indicated by the 2006 and 2011 census data, which shows that 44% of people over 15 years of age had jobs with the public service (Australian Bureau of Statistics, 2007a, 2012c). While unemployment is slightly higher than in major centres across Australia, there is a significant workforce based in the Torres Strait. The 2011 Census figures show that 2275 Aboriginal and Torres Strait Islander people identified as being in the workforce out of an Aboriginal and Torres Strait Islander population of approximately 5921 people and that of these 45.7% were employed full time and 36.8% were employed part time (Australian Bureau of Statistics, 2007b, 2012c, 2012d, 2013b; Torres Strait Regional Authority, 2012b).

Statistics vary from island to island, depending on the size of their populations and the services available. Erub figures, for example, show that the highest number of employees (44.6%) work in the Public Administration and Safety sector out of the 83 adults over the age of 15 in employment (Torres Strait Regional Authority, 2014b). With a larger population and administration base, Badu Island also has government as a significant employer, with 49 people working in the Public Administration and Safety sector, 40 in the Education and Training sector and 78 in the Health Care and Social Services sector out of the 258 adults over the age of 15 in employment (Australian Bureau of Statistics, 2012d). The Torres Strait Islands labour force has in the past been heavily reliant on public sector funding through the CDEP program and more recently through job programs such as the Remote Jobs and Communities Programme (RJCP) and IEI. From the 2006 Census, figures showed that CDEP provided an important source of income, and that 35% of people over the age of 15 were employed through this scheme (Australian Bureau of Statistics, 2012c).

When CDEP was still operational, several communities had arts programs and projects funded through the program, and the advent of the RJCP saw some of them re-funded under the new guidelines. The RJCP contract for the Torres Strait

56 The TSRA annual report for 2013/14 estimates that the total population of the Torres Strait, not including Bamaga and Seisa on the mainland, was 7489 in 2011, of which 5921 were Torres Strait Islander and Aboriginal (79%) (Torres Strait Regional Authority, 2014b, p. 106). Based on 2011 ABS figures, the TSRA annual report estimates an 8.8% unemployment rate across the region, which is 2.8% higher than the national 30 June 2014 figure of 6%.
was managed by TSRA and, initially, 53 positions were requested, with 20 allocated to art centres and the remainder working as independent artists and arts workers on the other islands. This represented a significant change to the way employment programs were run and posed management and training challenges for TSRA, as none of the positions could be used to pay participants for creating artworks but were intended to finance administration, curatorial, technical and retail positions.

**ALTERNATIVE EMPLOYMENT AND INCOME STREAMS**

Customary practices are still conducted in the Torres Strait Islands and contribute to people’s economic, social and cultural wellbeing. Extensive customary non-market activities in the Torres Strait, including those associated with ceremony and other cultural practices, have been described by anthropologists but limited data is available about how subsistence activities such as traditional fishing and commercial fishing by traditional owners may contribute to a local hybrid economy (Altmann, 2009; Busilacchi et al., 2013). Similarly, little data exists about how much people rely on growing food themselves. There have been several recent studies on the extent of traditional fishing in the Torres Strait that indicate that the local catch is significant and that many traditional fishers fish commercially to supplement their main income source of CDEP (Fairhead & Hohnen, 2007).

**SECTION TWO: THE TORRES STRAIT ART CENTRES**

**FAR NORTH QUEENSLAND AND THE PLACE OF THE TORRES STRAIT ART CENTRES**

There is a long history of multiform arts practice in the Torres Strait and the rest of Far North Queensland (FNQ), despite decades of neglect and loss of cultural knowledge throughout the late 1800s and 1900s as a result of the efforts of the missions to replace customary practices with Christian tenets (R. Davis, 2004; Wright, 2005). Queensland lagged behind the other states, and it has only been in recent years that the Queensland Government has focused its attentions on the maintenance and ongoing expression of Aboriginal and Torres Strait Islander cultural practices. It is now widely recognised that the Torres Strait is home to distinctive art styles founded in local cultural practices; increasingly, this emerging arts industry is becoming part of national art market networks.
In 2005, Arts Queensland funded a workshop for artists on Thursday Island. There had already been several similar meetings in the past, and artists were frustrated that there had been so little action arising from them. An ambitious vision was set at this meeting to have an internationally recognised and sustainable arts industry within 10 years, despite the fact that there was no pre-existent and coordinated local market for art (Positive Solutions, 2005). In order to achieve this goal, the meeting recommended that an Arts Development Officer (ADO) be employed as soon as possible to work with artists in communities; by the end of 2005, the new staff member was in place. The position had a similar brief to the one for the Pilbara Arts Development Officer (as discussed in Chapter Seven) and was co-funded through Arts Queensland and the Australia Council.

As in the other states, Queensland’s art centres are mostly located in remote regions, with FNQ the main focus for development. The Torres Strait, however, was unusual because of the large number of artists who worked independently and wanted their own studio spaces rather than shared facilities. As a respondent recounted, funding and marketing such a dispersed model was not viable, and the ADO began exploring the possibility of establishing community art centres where there was a critical mass of artists and a commitment to making such a collaboration work. Aware that Erub already had an emerging art centre but required business planning and board development, the ADO contracted two consultants: one to work with the art centre on Erub and the other to help establish new art centres at Badu and Mua. The timing of these events was fortuitous, as they coincided with a period of new arts investment on both a federal and state level (see Badu section below).

In Queensland, interest in coordinated and sustained funding for the development of the Aboriginal and Torres Strait Islander arts in the state and particularly its far north was sparked because of the success of the art centre networks in other parts of the country. In 2006, a report on the Aboriginal and Torres Strait Islander art centres was commissioned by Arts Queensland, which explored their future viability, possible business models and benchmarks for success (see Chapter Six). The report, Not selling cakes, found that all the art centres required business development support and that a long-term approach to funding them and developing appropriate business plans needed to be undertaken (Positive Solutions and Brian Tucker Accounting, 2006).

The Commonwealth Senate’s 2007 Inquiry into the Indigenous visual arts and craft sector and the National integrated strategy for Closing the Gap in Indigenous
disadvantage had highlighted the benefits of the sector and the need to prioritise Aboriginal and Torres Strait Islander economic development (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007; Council of Australian Governments 2009b). In this context, the Queensland arts industry sector development plan 2007-2009 was released with Aboriginal and Torres Strait Islander arts development as a major priority (Arts Queensland, 2007). Given the parlous state of the FNQ Aboriginal and Torres Strait Islander arts sector in the mid-2000s, it became apparent that many of the arts activities would remain at high risk of collapse unless provided with the building blocks of good planning, regional marketing and promotion, training, coordinated regional business support and infrastructure development (Arts Queensland, 2007; Wright, 2005).

Both the major regional Aboriginal and Torres Strait Islander arts reports Not selling cakes and I just want to paint preceded the founding of the current art centres on the Torres Strait Islands and included only minimal references to arts practices in the region (Positive Solutions and Brian Tucker Accounting, 2006; Wright, 2005). Despite this, the models of strong governance and business planning as well as the need for expert regional support they proposed applied to the Torres Strait as much as it did to the mainland, and the recommendations of the Not selling cakes report impacted on the future development of the art centres on Darnley, Badu and Mua islands through the BIA program.

Once established, Arts Queensland took a very broad approach to defining art centre success within the BIA program, and performance measures were not limited to financial returns. Two interviewees in conversation with me said:

I guess we are looking for some sort of commitment from the arts centres and their artists to keep producing marketable work of good quality and then, supported by sound governance and management practices, with some capacity to increase earned revenue over time. We’re not expecting people to instantly—

—roll in money, no.

If people’s sense of wellbeing is there, they’re more likely to turn up at the arts centre and they’re more likely to earn some money. If you’re … feeling really not good about this … you sort of lose your motivation and desire to turn up. So I think if the arts centres can … (facilitate that) connecting back to culture and validate culture and recapture that, that’s really important.
Art centres are now one of a handful of incorporated not-for-profit businesses operating in the Torres Strait, and their importance to the overall economic environment of the region is reflected in their government funding. In the period 2000/01–2012/13, $10,492,324 of government funding was invested in the arts in this region, and approximately $1,448,639 in sales was generated as a result of this investment (Acker & Woodhead, 2014b, p. 15). Government expectations of what the art centres of the Torres Strait can deliver in terms of economic development are very high, but for artists and arts workers, the recurring theme in discussions and literature is the art centres’ value as storehouses for Ailan Kastom and contemporary artistic expression as well as the role they play in energising cultural practices in the community (Wright, 2005).

Art centre participation levels in the region are relatively low when compared to levels in other states, as are art sales. However, it has been estimated that there were as many as 314 artists working in the region in 2012/13 (Acker & Woodhead, 2014a, p. 31) and about a third of these artists worked in art centres. With only three art centres in the whole region, a lot of artists work for themselves and of these, around 70 are supported by the Gab Titui Cultural Centre, the TSRA-managed gallery on Thursday Island, which provides them with materials, training, exhibition opportunities and marketing where possible.

**SALES AND ARTS FUNDING FOR THE TORRES STRAIT**

**SALES**

The art centres of the Torres Strait are all micro- or small enterprises, attracting and generating less than a $1 million in income each year (Australian Taxation Office, 2015). Their small size and relatively modest income streams directly impact on their relative capacity to grow as businesses, employ staff, provide training and support artists.

Reported art centre sales in the Torres Strait since 2004 have been modest, and a lot of sales were unreported as artists sold their work privately. In the 2004/05–2012/13 period, the mean sales were $106,075 in the Torres Strait compared to $259,812 in FNQ and remained consistently lower than the national average over this period (Acker & Woodhead, 2014b, p. 26). The mean artists’ payments for the same period were $69,213 in the Torres Strait compared to $148,303 in FNQ and
again were lower than the national average (Acker & Woodhead, 2014b, pp. 24, 26, 44).

**Funding**

Compared to other regions, the arts in the Torres Strait were comparatively well funded on both a state and federal level. In the period between 2000/01 and 2012/13, the Torres Strait received roughly 6% ($10,492,324) of the total funding for the Aboriginal and Torres Strait Islander art centre sector, but made only 1.1% of the total sales (Acker & Woodhead, 2014b, p. 15). The Torres Strait was also the most dependent on government funding of the art regions across the country (80%) (Acker & Woodhead, 2014a, p. 25). In the period 2004/05–2012/13, the mean grant income for both the Torres Strait and FNQ was $473,581 and $400,690 respectively (Acker & Woodhead, 2014b, p. 24).

The three Torres Strait art centres are in a unique position with three levels of government providing partnership funding. A tripartite agreement was facilitated by the ADO in 2010/11 and this agreement has provided a measure of security to the art centres and is a rare example of cooperation between agencies. One respondent described the agreement as follows:

[W]ith the recognition of the talent and the export quality of the artwork being produced in the Torres Strait, especially the printmaking … there was a three-year partnership arrangement between the Torres Strait Regional Authority and … the Office for the Arts and Arts Queensland, and we each made a contribution of $50,000 a year to three arts centres, so that allowed all three to employ a manager.

In comparison to other art centres in northern Australia, those in the Torres Strait have received only minimal amounts of IVAIS funding and many other art centres received more than twice that figure. Table 20 below shows IVAIS funding between 2010/11 (when it was first allocated) and 2013/14.
### TABLE 20 IVAIS FUNDING FOR TORRES STRAIT ART CENTRES, 2010/11–2013/14

<table>
<thead>
<tr>
<th>Year</th>
<th>Badu Art Centre</th>
<th>Erub Erwer Meta</th>
<th>Mua Arts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>$25,000</td>
<td>$32,900</td>
<td>$25,000</td>
</tr>
<tr>
<td>2011/12</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>2012/13</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>2013/14</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>


In the four years to 2012/13, $5,452,176 was provided to fund IEI positions in the Torres Strait, a portion of which went to the art centres (see Appendix Six for program information) (Acker & Woodhead, 2014b, p. 14). With only 1.8% of the artists and 0.6% of sales (Acker & Woodhead, 2014b, p. 31), the Torres Strait was receiving 15.4% of the IEI funding for the entire country (Australian Government, 2013g; Department of the Environment, Water, Heritage and the Arts, 2010a, p. 14; 2011, 2012).

### STATE FUNDING FOR THE TORRES STRAIT

Between 2001/02 and 2012/13, Queensland contributed $1,627,958 to the Aboriginal and Torres Strait Islander visual arts sector in the Torres Strait and $4,026,870 to FNQ (Acker & Woodhead, 2014b, p. 19). Table 21 below shows funding from the BIA program managed by Arts Queensland.

### TABLE 21 STATE FUNDING FOR ART CENTRES IN TORRES STRAIT, 2007/08–2013/14

<table>
<thead>
<tr>
<th>Year</th>
<th>Badu Art</th>
<th>Erub Erwer Meta</th>
<th>Mua Arts</th>
<th>Gab Titui</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08</td>
<td>$0</td>
<td>$25,000</td>
<td>$0</td>
<td>$100,000</td>
</tr>
<tr>
<td>2008/09</td>
<td>$0</td>
<td>$75,000</td>
<td>$0</td>
<td>$150,000</td>
</tr>
<tr>
<td>2009/10</td>
<td>$0</td>
<td>$70,000</td>
<td>$0</td>
<td>$75,000</td>
</tr>
<tr>
<td>2010/11</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>2011/12</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>2012/13</td>
<td>$50,000</td>
<td>$60,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>2013/14</td>
<td>$0</td>
<td>$60,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

SECTION THREE: ERUB ERWER META – OPERATIONAL STRUCTURES AND SCOPE OF ACTIVITIES

THE ART CENTRE AT ERUB

The art centre at Erub is one of the most creatively dynamic in Queensland and through careful planning, considered community engagement and intensive art training raised its profile and increased its audience base in the period between 2007 and 2013 (Wright & Dann, 2014). The art centre was chosen as a case study because of its unique model, as it is set within the local school grounds and operates with a mix of funding from various agencies and in-kind support from the school. The art centre delivers training to the students who are also able to access equipment and expertise, and the adult membership has increased more than fivefold in five years.

Both as a requirement of the funding from the IVAIS program and a reflection of the professional approach taken by the art centre, significant time was spent working with a consultant to define the purpose and structure of the association when it was incorporated in 2008. As stated in the art centre’s annual reports and support documentation, the core services of the art centre are to:

• promote and preserve Erub Erwer Meta Art Centre on Darnley Island through the arts, craft and culture
• support Darnley Island artists to overcome social and economic disadvantage through the production of local art, craft and cultural activities
• provide job training and employment for local Torres Strait Islanders (Erub Erwer Meta, 2010a, p.1).

Despite being Australia’s most remote art centre, Erub Erwer Meta has provided artists with a structured and well-equipped studio environment and comprehensive arts practice training. Through the art centre, artists have participated in an extensive and wide-ranging workshop program over the years and have gained a high level of technical skills in the process. They have become best known for their large ghost-net sculptures, prints and ceramics that are wood-fired on the island.

The art centre has received significantly more grant funding from state and federal agencies than the other two art centres in the region. But this has only partially helped to overcome the challenges of high operating costs, including freight and
basic services, and significant isolation, which is compounded by a poor broadband service. The art centre operates in a competitive market where price points are cost sensitive and maintaining contact is crucial. Erub Erwer Meta’s profit margins are negligible, and government funding is essential to pay the operating costs as well as wages of the art centre manager, office manager and other staff.

**THE COMMUNITY**

Erub (Darnley) Island is one of the volcanic eastern islands of the Torres Strait and lies 260 kilometres north-east of Cape York and only 30 kilometres south of Papua New Guinea; it is one of the most remote islands in Australia. The 2011 Census figures show that Erub has the second largest population of the Torres Strait Islands and that of the estimated 370 people, 342 identified as Torres Strait Islander and Aboriginal. People have close family and cultural ties across the region and these extend into the coastal regions of Papua New Guinea.\(^57\) The traditional owners for the island are Erubam le, who were originally Meriam Mer speakers but now speak mainly Torres Strait Creole (Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, 2014b). The community relies heavily on external resources and assistance, and most services can only be accessed remotely (Australian Government, 2012c; Wright & Dann, 2014).

\(^{57}\) Since the declaration of Papua New Guinea’s independence in 1975 and the clearer definition of the Australian and Papuan border, the close relations between Papua and the Torres Strait have been politically attenuated, even though special arrangements exist for people to visit each other across the border.
Erb Erwer Meta – Conception and Establishment

The concept of an art centre at Erub developed slowly over a period of several years (Erb Erwer Meta, 2008). As early as 1993, an art group called Ekkilau was established on Erub, using a room at the school where the first ceramics workshop for both adults and children were held. A small collective of artists, known as the Art Gang, formed out of this group and began to learn printmaking techniques and other art forms through the local CDEP. While the art group ceased operations temporarily in 1995, by the end of the 1990s the group was meeting regularly and was starting to work with the school.

In 2000, the school underwent a performance review which found that, “If students weren’t learning the way we were teaching, then we needed to change the way we were teaching” (Creative Economy, 2007, p. 3). Seeing an opportunity to integrate art into the school curriculum as a means of improving literacy and attaining better learning outcomes, the school principal introduced a SmART Learning program that included arts in all aspects of the curriculum, not just as a separate class, and a part-time teacher was employed (2002) to work with teachers, students and artists (Creative Economy, 2007). The program was envisaged as a means to encourage intergenerational learning and develop enterprise pathways through the arts for the community as a whole. As the program became established, the principal successfully approached the Department of Education for permission to build a
learning centre on vacant land next to the school. The learning centre was originally called Darnley Island Community Arts and Cultural Centre and later became Erub Erwer Meta in 2008, which means “our learning house at Erub”. In keeping with the broad cultural aims of the school, the centre was to perform multiple functions. The building was to include space for an arts room, where school children and community members could work together; a room for the Art Gang to work; a museum and keeping place; and a studio for the local Broadcasting Remote Aboriginal Communities Services (Creative Economy, 2007, p. 6) (Figure 15).

![Figure 15: Design for Erub Erwer Meta Art Centre](image)

**FIGURE 15 DESIGN FOR ERUB ERWER META ART CENTRE**

Image courtesy of Erub Erwer Meta

As the staff for the new art centre were employed by the school, housing was not initially an issue and so the original designs for the complex did not include any accommodation for staff or visitors. In later years when the art centre was incorporated and staff were employed separately from the school, the newly appointed manager (previously the principal) resided in her family’s home near the art centre and hosted other staff and visitors as required. However, Erub’s future ability to recruit nationally is severely limited by the lack of staff housing and poses a potential risk for the future development of the art centre. This issue also affects the other two art centres in the region and was described by respondents to this research as a major weakness.

The principal was ideally placed to guide the early evolution of the art and learning centre from school project to cultural enterprise because of her family connections on the island, her understanding of how government worked and her conviction that the arts of Erub would be both politically and economically central to the long-term future of Erubam le people. Her transition from principal to art centre manager
permitted a continuity in goals and the new art centre maintained its educational focus throughout its development. In the first business and marketing plan artists stated: 'We want kids to see what we are doing, art is not just for adults' (Wright, 2009, p. 6).

It was highly unusual for a school principal in a remote community to project manage an arts and cultural centre in this manner, and her commitment was one of the major factors that led to its successful establishment. In her capacity as principal she was able to lobby government and apply for funding to seed the project. Her senior role in Queensland’s education department made it easier to gain permission for the facilities to be built on the school campus even though the department had not secured tenancy at the time. Similarly, as a result of her commitment to the endeavour external funding was secured and managed through the school prior to incorporation.

**FIGURE 16 ERUB ERWER META ART CENTRE**
Image courtesy of Erub Erwer Meta

It took several years to secure all the funding for the art centre buildings, and a number of agencies were approached including Queensland’s Department of Education, Training and the Arts; Regional Solutions; Department of Transport and Regional Services; Arts Queensland; the Gaming Community Benefit Fund; and the Torres Strait Regional Authority. The Erub Community Council also contributed some capital funding to fit out the studio for CDEP workers.

In 2002, during the initial building stages of the art centre, a native title test case
was brought to the High Court disputing ownership of the land on which the school was located (Creative Economy, 2007, p. 4). A stop-work order was issued, causing a prolonged halt to the building work, with the contractors remaining on site in order to start work as soon as the case was determined. The finding of the courts was that the land was owned by a senior traditional owner, with whom the school would need to negotiate for rights to use the land. As a result of the delays, a lot of the capital funding was spent without any work being done, and the school was forced to seek additional grants for the project once the court findings were presented in 2005.

Even though very few art centres own their premises outright most have agreements with their local councils or other community organisations to lease buildings, often at below market rates or for free. While these lease arrangements are not always in writing, they have been – in some communities – quite long-standing agreements. Over the years, attempts were made to formalise the relationship between the school and the art centre, but at the time of writing no agreement had been endorsed by the participating parties. Ownership of the Erub art centre buildings has still not been completely clarified, although Queensland’s department of education has taken responsibility for their maintenance and insurance.

As activities at the centre increased after incorporation and artists began to want to find a market for their work, thought was put into how to resource and maintain the facilities and programs in the long term. It was recognised by stakeholders that if the art centre was to attract operational funding, undertake commercial activities and manage artists’ money, it would need to be financially separate from the school. As a result, Erub Erwer Meta was incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cwlth) (the CATSI Act) and was registered in 2008.

One government respondent observed that initial applications for operational funding gave rise to questions from funders about the need for an art centre in such a small community; however, its co-location with the school and the island’s distance from any other arts facilities or services supported its case and were key reasons for funding eventually being released. The respondent went on to note that the fact that artists on Erub such as Frank Mye, Carmen Oui, Racy Pitt, Ella Savage, Jimmy Thaiday and Sedey Stephen were funded as CDEP workers through the local council and had been active for years as part of the Art Gang also strengthened the argument for an art centre and provided evidence of an active artist network in the community.
THE ART CENTRE MISSION – DEVELOPMENT AND BUSINESS

The art centre is open to anyone in Erub who has an interest and commitment.

(Wright, 2009, p. 6)

In 2014, Erub Erwer Meta had 55 registered members, not all of whom attended regularly. Like so many other art centres, some artists use the facilities only intermittently because they only reside in the community part-time, they may have full employment with another organisation or they may have other commitments and priorities. At Erub there is a core group of about 12 artists who use the facilities and work regularly with the art centre. Many of these artists are also employed as arts workers.

As the quote above suggests, members were not selected on the basis of the marketability of their work. Given the small size of the Erub community, the art centre does not have a large population base to draw from and is unlikely to grow significantly in the future. Art production at the centre is steady, and a lot of time is spent by artists producing merchandise, including T-shirts, tea towels and jewellery as well as prints, ghost-net figures and ceramics (Figure 17). Artists work both independently and with the part-time Project Development Officer, who was originally employed as the art teacher at the school. As a result of her long-term involvement, there has been continuity in the training and there is constant monitoring of quality and output by staff as well as by the artists themselves.
In addition to ghost-net sculptures, limited edition prints and ceramics, the art centre also produces animations, films, screen-printed fabric and clothing. The care with which artists have been mentored by art centre staff shows in the quality of the work being produced and the artists at Erub are encouraged to explore and play with various media before completing work for sale. The educational focus of all Erub Erwer Meta’s activities has remained strong, and the humour and vibrancy of much of the work springs from people’s pleasure in the act of making and the easy environment of the art centre studio. While some work is done by artists at home, most is produced in the studio where appropriate equipment and work spaces are available.

From its inception, Erub Ewer Meta was developing exhibition concepts and new works for commission and had its first exhibition in the community in 2005 called Erub buai Giz Ira Atami Lu akar Ge (Darnley people making things together) (Wright, 2009). Within a year, a print series titled Coming of the Light (about the arrival of Christianity in the community) (Mye, Savage, Oui, & Stephen, 2006) was preselected for the National Aboriginal and Torres Strait Islander Art Award in Darwin, and an exhibition of the Green Turtle Dreaming project initiated in 2003 was beginning its tour of Australia and Indonesia. The Queensland State Library acquired a small collection of prints and ceramics, and two years later Gab Titui
commissioned ceramic Ailan Pos (island posts) for the gallery. This marked the beginning of a close relationship with Gab Titui, and the art centre held an exhibition of prints and ceramics in the gallery, giving the Erub artists confidence to keep developing and marketing their product. The art centre regularly had booths at both the Darwin Aboriginal Art Fair and the Cairns Indigenous Art Fair from 2010 onwards and had its first commercial feature exhibition in Melbourne at the Langford 120 Gallery in 2012. Works continued to be regularly submitted to art awards, including the Gab Titui Indigenous Art Award, the Shepparton Indigenous Ceramic Art Award and the National Aboriginal and Torres Strait Islander Art Award. While Erub Ewer Meta had very few commercial exhibitions, its success in gaining the attention of collecting institutions resulted in national publicity and a reputation for whimsical and innovative art forms; yet it remained heavily reliant on local sales and the art fairs.

Considered planning and governance with the assistance of external consultants are two of the key strengths of the art centre, and it spends considerable time and resources ensuring artists and the board are part of the process. The first consultant was contracted through the school in 2007. The second consultant was funded and contracted through TSRA in 2009, and led planning processes that included extensive consultations with community members and financial training for the board and artists.

The initial 2007 strategic plan prepared for Erub Erwer Meta by Creative Economy was developed prior to the art centre’s commercial activities and made no mention of market analysis or projected sales income. Underpinning this plan was an assumption that the art and cultural centre would be a place of learning and would remain reliant on government funding and support:

> An intergenerational centre of this kind, with learning and development as the focus of the centre, will never be a commercial venture. While in time the enterprise aspect of the centre will secure revenue streams and the centre may attract philanthropic donations, it will no doubt depend on some funding to sustain its operations.
> (Creative Economy, 2007, p. 12)

The success or possible failure of the art centre described in this document was not predicated on its ability to market and sell works, but rather on its capacity to attract
capital, operational and project funding. Later strategic business plans focused much more on the market and the best avenues for product development, even though the art centre’s turnover remained relatively low (Wright, 2009; Wright & Dann, 2014).

**STAFF**

Since the beginning, Erub Erwer Meta has been largely dependent on government funding. Core operational funding comes from the Ministry for the Arts, through the IVAIS and IEI programs; Arts Queensland, through the BIA Program; and the TSRA’s Culture, Art and Heritage program. In 2013, the art centre employed 14 people part time and a full-time manager and bookkeeper. The arts worker positions are responsible for the production of print items, the maintenance and upkeep of the facilities and stores and the recording and documenting of artwork. The part-time Project Development Officer worked closely with the artists to develop their arts practice, deliver training and facilitate community-initiated projects, and a media manager has provided film and animation training.

It is difficult to make long-term plans in the area of employment, because the art centre is completely reliant on the IEI funding for the arts worker positions. Without a commitment from government to keep funding the positions, the art centre faces an uncertain future as it does not generate enough income from sales to subsidise these jobs, yet they are critical for art centre operations. One of the respondents emphasised several times in interviews and personal communications that the funding for wages was critical, not only because it meant that artists and arts workers could be paid and trained but also because there are so few other employment opportunities on the island. In the 2006 Census, prior to the art centre becoming established, there were no people working in the Arts and Recreation Services sector on the island, but the 2011 Census showed 15 people working in the sector. In the time that 15 new art positions were created, there was an overall decrease in broader employment, and art centre positions represented 11.5% of the island’s total employment (Australian Bureau of Statistics, 2007a, 2012d).

**ECONOMIC BENEFITS AND RETURNS**

Sales income has increased over the years, but the volume of production remains relatively low because of the focus on low price point products and time-intensive

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58 IEI funding was $356,099 in 2011/12 and $364,000 in 2012/13 (Erub Erwer Meta, 2012, 2013).
processes such as printmaking and ceramics. While there is a market for the merchandise that Erub Erwer Meta produces, the art centre commission does not cover costs, and sales income has never matched grant income. Sales did not rise significantly between 2009/10 and 2013/14 and have consistently been outstripped by grant funding. With the exception of 2008/09 and 2009/10, Erub Erwer Meta has returned less than $0.20 per dollar of grant funding. Table 22 compares sales income to grant income.

**TABLE 22 ERUB ERWER META, SALES VS. GRANT INCOME, 2008/09–2013/14**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales income</th>
<th>Non-capital government grants</th>
<th>Sales / $1 of government funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>$24,680</td>
<td>$121,700</td>
<td>0.20</td>
</tr>
<tr>
<td>2009/10</td>
<td>$62,813</td>
<td>$217,766</td>
<td>0.28</td>
</tr>
<tr>
<td>2010/11</td>
<td>$75,115</td>
<td>$530,073</td>
<td>0.14</td>
</tr>
<tr>
<td>2011/12</td>
<td>$81,497</td>
<td>$553,042</td>
<td>0.15</td>
</tr>
<tr>
<td>2012/13</td>
<td>$82,582</td>
<td>$588,834</td>
<td>0.14</td>
</tr>
<tr>
<td>2013/14</td>
<td>$84,027</td>
<td>$579,259</td>
<td>0.15</td>
</tr>
</tbody>
</table>


When compared to other art centres, Erub Ewer Meta has generated significantly less than the national average in sales but attracted far more than the national average in grant funding from 2010/11 onwards (Table 23).
TABLE 23 ERUB ERWER META, SALES AND GRANTS VS. NATIONAL AVERAGE, 2008/09–2012/13

<table>
<thead>
<tr>
<th>Year</th>
<th>Erub sales</th>
<th>Average national sales</th>
<th>Erub government grants</th>
<th>Average national government grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>$24,680</td>
<td>$396,935</td>
<td>$121,700</td>
<td>$229,441</td>
</tr>
<tr>
<td>2009/10</td>
<td>$62,813</td>
<td>$409,343</td>
<td>$217,766</td>
<td>$295,358</td>
</tr>
<tr>
<td>2010/11</td>
<td>$75,115</td>
<td>$301,658</td>
<td>$530,073</td>
<td>$303,169</td>
</tr>
<tr>
<td>2011/12</td>
<td>$81,497</td>
<td>$307,249</td>
<td>$553,042</td>
<td>$307,798</td>
</tr>
<tr>
<td>2012/13</td>
<td>$82,582</td>
<td>$330,752</td>
<td>$588,834</td>
<td>$362,898</td>
</tr>
</tbody>
</table>


Financial projections for the art centre have been modest, and the strategic business plans focused on product development, cost margins and expanding the funding base rather than increasing sales (Erub Ewer Meta, 2015; Wright, 2009). While the long-term goal is to become independent of funding, like most other art centres, this is unlikely to become a reality in the foreseeable future. The art centre has found it difficult to break into the market and has achieved greater success through its public commissions and acquisitions by public collecting institutions than it has through sales or its still nascent relationship with reputable commercial galleries.

SOCIAL AND CULTURAL CAPITAL – DELIVERY AND POTENTIAL

Through our artwork people can come to know us as Indigenous people … (and) working in our art centre, it gives us self confidence.

(Wright, 2009, p. 6)

Erub Erwer Meta has prided itself on keeping a balance between local priorities and good internal governance processes on the one hand and product development and market expansion on the other. The high level of artist engagement and involvement in agenda setting has been supported through an externally funded program of governance training and planning. The art centre also has a program of educational and cultural maintenance activities that do not generate income but are valued highly by the community (Creative Economy, 2007). Activities include:
• arts workshops
• visits to other arts organisations, forums and events both within the Torres Strait and nationally
• visits to museums, galleries and libraries to research historical work and documentation
• cultural excursions on the islands with elders.

Like Martumili, Erub Erwer Meta has been developing a long-term and ongoing project called Sea Journeys that includes workshops, research, hosting visitors, exhibitions and a trip to New Caledonia (Wright, 2009). The art centre is gaining a reputation for developing theme-based projects and has successfully attracted funding and support for these initiatives. While the exhibition components of the theme-based projects generate income, most of the other activities are an expense for the art centre but are considered to be an important part of documenting the history of the Coming of the Light and the sea journeys of ancestors through new art forms.

The art centre also prioritises certain social welfare activities, although not in the same way as Martumili Artists. Less emphasis is placed on transporting and accommodating artists, simply because Erub is a small island and most of the artists are able to organise this themselves. The art centre also has no designated vehicle; instead, it uses the art centre manager’s car as required. The emphasis is on physical wellbeing through a program of physical activity, healthy eating and social engagement. Some of the funding from IEI is used to fund positions to oversee these activities, and the goals of the program are included in all the art centre planning documents.

**ERUB ERWER META SUMMARY**

The art centre’s relationship with the local school has provided it with a measure of security and enabled funds to be accessed through the Department of Education that would not otherwise have been available. There are no other examples in remote Australia of art centres that are so embedded within a school, and the art centre’s educational programs have been one of its strengths in establishing and maintaining relevance in the community.
This case study describes the evolution of the art centre on Erub Island and how this vision was realised with the guidance of a local school principal and by attracting significant operational and capital funding from state and federal agencies. In terms of distance, the art centre is extremely remote from market centres and has therefore struggled with high operating costs and isolation. Conversely, because of its remoteness, the art centre has received more funding than most other art centres in Queensland.

The art centre on Erub started as an activity of the school in 2001 and already had architecturally designed studio and office spaces by the time it was incorporated in 2008. The early involvement of the school and the support of the TSRA were critical:

- An initial focus on educational rather than commercial activities allowed the concept of the art centre to be introduced gradually to the community.
- The art centre buildings were part-funded and administered by the school.
- The native title claim was resolved by the school, not the art centre.
- Initial funding was auspiced by the school, providing security of investment for government.
- The art centre was established as a cooperative and incorporated as an association to secure community engagement and participation and qualify for government funding.
- The TSRA negotiated operational funding through a tripartite agreement between state and federal agencies, allowing a manager to be employed.
- TSRA engaged a business consultant to assist with setting up administrative and governance systems and developing a marketing plan.

The longer term implications of these decisions had both positive and negative results. Positive outcomes were that the art centre could evolve from an auspiced activity to an incorporated association in a supported environment, and Erub residents could sell their work, obtain materials and access studio facilities without having to travel to Thursday Island or Cairns. On the negative side, the ownership of the art centre buildings is still unresolved and the art centre remains dependent on funding.


SECTION FOUR: BADU ART CENTRE – OPERATIONAL STRUCTURES AND SCOPE OF ACTIVITIES

THE ART CENTRE AT BADU

Badu Art Centre was established in late 2009 to support local artists on the island and encourage the revitalisation of cultural traditions. Even though some of the most famous Torres Strait Islander artists come from Badu Island, there was very little investment in arts development prior to 2007, and most of the artists were forced to access training and support through mainland programs. Badu artists were recognised as having significant potential from the 1970s onwards because of the strength of contemporary creative expression and cultural practices in the community. Artists such as Dennis Nona, George Nona, Laurie Nona and Alick Tipoti are represented in national collections around Australia and have attracted international recognition and artistic acclaim. For most of their careers they have worked without the support of an art centre; as a result, there is limited public awareness that they are Badu Island artists. Through their work and that of other artists working in the Torres Strait there is growing appreciation of Torres Strait Islander art and craft, particularly printmaking and carving.

The art centre has encouraged emerging artists to become involved in art centre activities and raised its national profile through participation in national marketing and promotional events. The main activities of the art centre are to:

- facilitate the production and sale of works of art, with printmaking as the initial focus - other mediums to be supported are carvings, paintings on canvas and jewellery
- identify and encourage new and younger artists
- provide skills, training and professional development for artists in relevant mediums
- grow a stable enterprise, balancing economic, artistic and cultural returns for individual artists and the community
- celebrate and promote Badu Island and Torres Strait Island culture.

(Tracker Consulting, 2009)

Unlike the other two case studies of Erub Ewer Meta and Martumili Artists, the initial development of the Badu Art Centre, as one respondent observed, was impeded by the recruitment of inexperienced staff and the failure to implement appropriate
governance and financial structures. As a result, Badu lagged behind Erub Erwer Meta and other art centres for several years and is only now gaining momentum, both in terms of production and sales. The art centre overcame its early challenges by recruiting a new local manager and through the steadfast commitment of the artists who had lobbied the TSRA for years to have their own art centre.

THE COMMUNITY

Badu is one of the islands in the Near Western Group of the Torres Strait and is among the largest. With only one main population centre, the island had a population of 781 in 2011, including 82 non–Aboriginal and Torres Strait Islander people (Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, 2014a). The community, because of its size, has a broader range of services than other island communities in the region and has banking facilities, a supermarket, a primary school, visitors’ accommodation, an Indigenous Knowledge Centre and a child care centre. The community is easily reachable by airplane or boat from Thursday Island and the mainland. However, as for the other islands, transport and freighting costs can be prohibitive.

FIGURE 18 BADU ISLAND, TORRES STRAIT

Photo by Susan Congreve
BADU ART CENTRE – CONCEPTION AND ESTABLISHMENT

Prior to 2008, a small group of mainly male artists had been working on Badu through the CDEP program, with varying degrees of success. These artists were aware of the loss of language and cultural knowledge in the Torres Strait and were keen to see art practice as part of a broader cultural revival for the community. Without a marketing platform and access to equipment, production and sales were limited and while some artists had already established independent careers, most were still struggling to have their work recognised in the market. The role that the regional gallery Gab Titui played in selling work and showcasing it through their annual art award and catalogue contributed to the confidence of the artists and established a local awareness of what artists were trying to do. However, as a respondent noted, the gallery was not able to coordinate services remotely across the whole region and it was quickly realised in 2007 that the art centre model of the mainland, which was already being explored on Erub, might be a means for the artists of Badu to establish a cooperative and professionalise their arts practice.

The TSRA Arts Development Officer (ADO) had worked closely with the Badu-based artists and met with them several times in 2007 and 2008 to discuss their plans for an art studio. As two respondents recounted, the previous success of Alick Tipoti and Dennis Nona had already provided evidence that Badu had an active artist network, and funding agencies were aware of the high quality of work that could be produced. One respondent described how artists from Badu called the ADO every week to check on progress and were keen to see a permanent facility established on the island where they could continue their printmaking and carving. Seeking ways in which to combine resources to maximise effect, the ADO began to explore the art centre model as a potential way for Badu artists to share facilities and access government funding and met with the group to discuss what would be required to initiate such an enterprise.

There had already been an earlier attempt to set up an art centre through the local CDEP program, but a lack of industry and art centre knowledge and understanding of how the idea could be progressed saw initial attempts fail. Members of the community wanted to have their own place to create work and to bring back into the fold some of the established artists who had moved away from the island. It was also at a time when the CDEP program was being transitioned, and there was general uncertainty about the future of arts projects on the island. The proposed art centre was seen by one respondent as a way of ensuring art activities would
continue in the community and provide artists with business support and access to the market: “It was apparent that art centres were the only way to create an Indigenous-owned enterprise that would be able to operate beyond the years I was there”.

The art centre model was considered to be a stable and sustainable option but required its own income stream from government, local governance and a clear mandate to work with the whole community. The artists’ timing in seeking funding was fortunate because state funding agencies were looking to support arts and cultural initiatives in the Torres Strait, and the BIA program was being established by Arts Queensland with a focus on Far North Queensland. A few of the research respondents described this good timing: “If proposed today [the art centre] would have very little chance. Reflection of the times – the stars had aligned” and “Arts Queensland wanted to see more pins in the map … with BIA it was a supply and demand thing. CIAF was going to create the demand – they needed to look at the product side. To meet the ambitions of the BIA program they needed wins in the Torres Strait”.

As one respondent recalled, TSRA management determined that if two other government agencies could be brought to the table, funding could be used from its Culture, Art and Heritage program and economic development section to move ahead with the establishment of art centres at Mua and Badu. With the assistance of the TSRA consultant, the ADO approached Arts Queensland and the Ministry for the Arts to secure agreement for partnership funding. The federal Ministry of Arts state manager was sympathetic but required a business case to be made; as a result, a Development Plan was commissioned from the consultant and completed in 2009 (Tracker Consulting, 2009). One of the respondents interviewed believed that the involvement of TSRA was critical and gave the Ministry for the Arts confidence that the art centre would be supported and that federal funding would be well invested. Another respondent agreed that it was confluence of factors:

I think the largesse they (TSRA) could devolve directly, thereby giving confidence to the Commonwealth … really helped. The Arts Development Officer was the lightning rod. Gab Titui was running really well and there was a sense of adventure. It is hard to come up with a single reason why.

The Development Plan was based on an assumption that the art centre would require ongoing government funding and that it would need to focus its efforts on
establishing a niche in the national market. The plan was written at a time when the effects of the GFC were being felt and sales from art centres were experiencing a major downturn (Acker & Street, 2013). Despite these acknowledged challenges, the state office of the Ministry for the Arts saw the value of setting up the art centre and partnered with Arts Queensland to develop a tripartite agreement between the two agencies and TSRA. As in the case of Martumili Artists, the commitment of several agencies provided security for the funders and, in this instance, meant that each one was required to contribute a relatively small amount of money to the art centre. One respondent noted that there was no application process required to secure this money, as the grants were considered to be part of a transitional start-up process: “Everyone was only committing $50,000 and there was stable TSRA to broker relationships. There were semi-formal relationships already in place”.

Once operational funding and a building were secured, it became apparent that specific art centre expertise was required to further develop the enterprise and support the artists. The TSRA consultant was contracted to continue working with the art centre and helped to establish production, stock control and governance systems as well as prepare a business plan in consultation with the artists at Badu. Over this period the consultant formed a close relationship with the board and became an ex-officio member without voting rights for several years at their request because of his extensive experience working with art centres. This general industry knowledge was particularly valuable for the Badu artists who had little familiarity with the art centre model and were uncertain how to progress the enterprise through its early stages of development. A cooperative approach was also new for the artists, many of whom were used to working independently and were initially uncertain about the process and the benefits of working together. This had risks for the start-up of the centre, as one respondent described: “What we did misread was how suspicious people are of a collective art centre … People needed to be convinced that an art centre is not a threat. There was a fear of others taking over”.

While the notion of a shared space and facilities was accepted as desirable, a governance model to manage the art centre and deal with arts and cultural issues was more problematic. Many of the artists had already been on other boards and understood the process, but issues arose over who could become a member, and a respondent observed that people were not happy or comfortable with just importing what was seen to be a model from Central Australia. After lengthy negotiations, these issues were resolved and the art centre incorporated in 2009, but the tensions
between the privately owned business and community-owned art centre models were still felt in the community where the notion of an enterprise to benefit all was not regarded as desirable or workable by everybody.

The consultant was able to assist with advice about some of the governance issues arising from incorporation and once the two new part-time managers were appointed in a job share arrangement he helped the board make informed decisions about these processes. Navigating the implementation of governance arrangements, financial procedures and stock control systems took longer than expected and, when combined with the staff's lack of familiarity with art centres and the community, posed a major challenge. The new managers had never managed an art centre and, although they had worked in government arts agencies, they lacked experience in art production and marketing. The next two years were very difficult for staff, the board and artists, and the art centre relied heavily on the government-funded consultant to negotiate solutions.

Staff skill and management competencies are clearly issues for many businesses and are recognised as one of the major contributors to business failure (Seet et al., 2015; Crutzen, 2008). While the art centre did not fail altogether at this point and kept its government funding, art sales were slow and artist dissatisfaction high. This created disruptions to art centre operations at a crucial time when administration systems and commercial networks were being established and required consistent management and oversight. Poor business performance continued under the next manager and has only improved with the appointment in recent years of a local artist as the third manager, who is one of the few Aboriginal and Torres Strait Islanders in such a position.

THE ART CENTRE MISSION – DEVELOPMENT AND BUSINESS

Badu Art Centre had approximately 20 potential members at the end of 2009, the majority of whom were resident in the community (Tracker Consulting, 2009). Despite earlier issues regarding membership and participation, the art centre aimed to provide services to all interested Badu residents with the only conditions of access being an expressed desire to create art and abide by the rules of the association. While the regular artist base remained relatively small, there is potential for this to grow in the future. The primary objectives of the art centre were to:

- promote and preserve Badu Island arts, crafts and culture
• support Badu Island artists to overcome social and economic disadvantage through the production of local art, craft and cultural activities
• encourage and support the artistic development of all artists using both traditional and contemporary forms
• provide job training and employment for local Torres Strait Island people
• develop and manage programs with a focus on cultural maintenance.

(Acker & Street, 2013, p. 10)

The main products of the art centre were linocut prints, etchings, headdresses, jewellery, carvings and, more recently, metalwork. Prints were the primary product and borrow from the stories, carving motifs and design work associated with customary carved items (Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, 2014a). The interest in printmaking was long standing in the community, but the process is expensive, generates small returns and requires appropriate facilities. The emphasis on prints was unusual, as most art centres rely on other higher priced, more easily stored and less manually intensive art forms such as acrylic paintings on canvas. Years of arts training and skills development within the community with the help of Gab Titui, the Cairns TAFE and visiting artists meant that among the established artists there was a high level of technical competence. More recently, new and emerging artists have joined the art centre, often because they are part of local employment programs, and they required intensive training and mentoring in order to achieve the same quality of work as the older and more experienced artists.

The artists’ transformation of traditional designs and stories into prints has been well received in the market, and the core artists have continued to expand their repertoire with the installation of a small foundry that has resulted in a collection of small bronze cast figures being produced for sale. The art centre has actively participated in the Cairns Indigenous Art Fair and submitted work to the annual Gab Titui Indigenous Art Award. These events have raised Badu’s profile in the region and have provided important networking opportunities for artists and staff.
The art centre is based in a brick building that has gradually been converted to meet art centre needs. The building is located near the administration centre of the main township and has a work room, foundry, print room, office and retail outlet. The space is small, and internal spaces have limited natural light. The building was originally leased from the Torres Strait Island Regional Council; obtaining permission to use the space was a complex process of negotiation with the Badu Island Native Title Prescribed Body Corporate, the TSRA’s Native Title Office and the Queensland Department of Education (Tracker Consulting, 2009). A respondent recalled that it was later leased through the Native Title Prescribed Body Corporate after council mergers in the Torres Strait, and an annual rent of $10,000 is paid per year.

At the time of my visit in 2014, the lease for staff housing had lapsed and the art centre no longer had staff accommodation. Under the present management, this is not an issue as he has his own house in the community (like the manager at Erub Erwer Meta), but it will become a major issue if the art centre cannot recruit locally in the future.

Arts worker employment issues have also posed challenges for the art centre. When the centre was first established, many artists were on already on CDEP and negotiations were begun with Department of the Environment, Water, Heritage and the Arts staff to employ nine job placement employees as part-time arts workers. The art centre did not have the capacity to train and manage a large number of arts
workers but viewed the subsidised positions as an opportunity to identify a future Assistant Manager and was therefore willing to pursue the opportunity. In the early stages of the negotiations with the department, several concerns were raised by art centre staff that were never satisfactorily addressed:

- The art centre space was limited and would make it difficult for so many workers in the art centre.
- The art centre’s top priority was to recruit and train an Assistant Manager before any other arts workers were employed.
- The additional workload associated with training this number of arts workers at a time when the art centre was in the process of setting up was recognised as challenging (Badhulgaw Kuthinaw Mudh [TSI] Corporation, 2010).

This type of scenario is not uncommon, with small organisations willing to accept funding and positions because they need the money, even though staff are aware that they do not have the capacity to deliver according to the guidelines and rules set by the funding agency. In a report about the skills and training needs of FNQ art centres, the consultants stated that:

Art centres have very limited (and in most cases, no) capacity to independently employ arts workers. Funding through the Job Transitions program is essential to the continued employment of arts workers – and in numerous cases is essential to the financial viability of the art centre itself. (Tracker Development, 2012).

In the case of Badu, the new positions created greater problems for the art centre and its managers. A skills and training survey undertaken for Arts Queensland in 2012 found that:

Attempting to train all the Job Transitions participants (at Badu Art Centre) has been a major contributor to staff burn-out and the attempt to maintain a “no-work, no-pay” regime has created major fractures in the relationship between the art centre manager and the community. (Tracker Development, 2012, p. 33)

In 2011/12 despite the concerns, the art centre positions were transitioned to the IEI program and funding allocated for the equivalent of six full-time positions. Since that time, the funding has remained relatively stable and the art centre then went on to
host 10 more positions through the Indigenous Youth Careers Pathways Program, with another 20 waiting to join the art centre in 2014. 59

Managing this large a number of artists and arts workers was time consuming, and the current manager estimated that it took between four and six hours each day to complete the administration and support requirements. Although the art centre receives a small administration fee through the IEI program for hosting these positions, this does not cover all the additional costs including the manager’s time. The manager considered this to be unsustainable and was concerned that artists with a commitment to their practice were missing out on opportunities because of the pressure on the art centre to manage the supported arts worker positions. He also conversely recognised what a great opportunity these jobs represented for people who were willing to work hard and focus their time and energies on gaining professional skills and contributing to the art centre and how important these paid positions were to the community given its high unemployment rate. In the 2006 Census, prior to the art centre becoming established, there were only four people working in the Arts and Recreation Services sector on the island, but the 2011 Census showed eight people working in the sector. Since then, the new arts worker positions have been introduced and represent nearly 10% of the island's total employment based on figures taken from the 2011 census (Australian Bureau of Statistics, 2012c).

**MANAGEMENT**

The current manager is a traditional owner from Badu and accomplished artist in his own right. At the time of my visit, he was managing the art centre on his own with minimal assistance from other staff but had the full support of the Chairperson and the board. The TSRA consultant observed that the art centre benefited from his knowledge of the artists and his standing within the community, where he is an active member of various local boards. He was also able to draw from his close relationship with other established Torres Strait Islander artists, such as Alick Tipoti, and continued to seek advice and assistance from the consultant who had helped establish the art centre. As a member of the Indigenous Art Centre Alliance (IACA) management committee, the Badu manager has maintained links with other art centres in the Cape York Peninsula region and continues to participate in

coordinated marketing activities such as Cairns Indigenous Art Fair and the Darwin Aboriginal Art Fair.

Despite the current manager’s skills, knowledge and networks, the task of administering so many supported arts worker positions is likely to result again in staff burnout and is one of the major risks for the art centre. By meeting community and government employment expectations, the art centre has been burdened with the associated administration, resulting in staff having less time to devote to what they perceive as the main tasks of the art centre namely, supporting artists and promoting and selling their work.

**ECONOMIC BENEFITS AND RETURNS**

Badu Art Centre is still a small-scale operation with the potential to grow. Its performance is comparable with other art centres in the state, which have averaged $211,580 in sales, the lowest of all the states and territories. Table 24 below shows sales and government grant income and the return to government per dollar of subsidy. Except for 2014/15, in each year since 2010/11 Badu Art Centre returned less than $0.15 per dollar of grant funding and generated significantly less in sales than the national art centre average (Acker & Woodhead, 2014a). This is partly a reflection of the issues outlined above, the art centre’s relative youth, the small active artists base and the as-yet limited market reach.

**TABLE 24 BADU ART CENTRE, SALES VS. GRANT INCOME, 2010/11–2014/15**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales income</th>
<th>Non-capital government grants</th>
<th>Sales / $1 of government funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>$6,991</td>
<td>$482,965</td>
<td>0.01</td>
</tr>
<tr>
<td>2011/12</td>
<td>$51,337</td>
<td>$341,655</td>
<td>0.15</td>
</tr>
<tr>
<td>2012/13</td>
<td>$71,678</td>
<td>$564,364</td>
<td>0.13</td>
</tr>
<tr>
<td>2013/14</td>
<td>$47,522</td>
<td>$495,330</td>
<td>0.09</td>
</tr>
<tr>
<td>2014/15</td>
<td>$134,502</td>
<td>$594,216</td>
<td>0.23</td>
</tr>
</tbody>
</table>


Badu Art Centre received more government funding than art centres in other states in the period between 2010/11 and 2012/13. In 2010, the art centre was still only partly operational and developing administrative and financial systems (Table 25).
TABLE 25 BADU ART CENTRE, SALES AND GRANTS VS. NATIONAL AVERAGE, 2010/11–2012/13

<table>
<thead>
<tr>
<th>Year</th>
<th>Badu sales</th>
<th>Average national sales</th>
<th>Badu government grants</th>
<th>Average national government grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>$6,991</td>
<td>$301,658</td>
<td>$482,965</td>
<td>$303,169</td>
</tr>
<tr>
<td>2011/12</td>
<td>$51,337</td>
<td>$307,249</td>
<td>$341,655</td>
<td>$307,798</td>
</tr>
<tr>
<td>2012/13</td>
<td>$71,678</td>
<td>$330,752</td>
<td>$564,364</td>
<td>$362,898</td>
</tr>
</tbody>
</table>


The art centre continues to support new work, and the artists have gained critical success for their highly accomplished prints, carvings and bronze figures; however, this has not translated into a large volume of sales. Their self-generated income remains modest and their grant funding comparatively high. Badu Art Centre was still establishing itself in the market and had just begun exhibiting work with established commercial galleries. As a result, the enterprise was reliant on limited local sales for income and was yet to develop a significant profile on the internet, even though it has the capacity for online sales through its website.

Initial projections in the 2009–2011 art centre development plan predicted that the art centre was “highly unlikely to become independent of government funding in its first ten years of operation” and the history of sales income supports this proposition (Tracker Consulting, 2009, p. 21). Art centre sales dropped in 2013/14, partly because there was a lull in activity between the old manager leaving and the current manager being appointed. Sales figures for 2014/15 show the sales have nearly tripled since then as the art centre regains momentum, but with sales still so low the art centre remains for the large part dependent on grant funding (Badhulgaw Kuthinaw Mudh [TSI] Corporation, 2015) (Table 24).

SOCIAL AND CULTURAL CAPITAL – DELIVERY AND POTENTIAL

In recognition of the role that maintaining local cultural practices plays as one of the drivers for the creation of quality artworks and building relationships, Badu Art Centre prioritised non-income generating activities such as bush trips, the collection
of cultural information and the delivery of specific workshops and programs for school-aged children and youth in their business plan (Tracker Consulting, 2009). Similarly, participation in festivals and cultural events – both local and national – were seen to be part of the professional development of artists and staff and a means to build networks with other arts and cultural organisations, practitioners and service organisations.

The art centre offers few social welfare services to artists, partly because of the workload of the current manager. Although the art centre is there to benefit the artists, the focus is on sharing professional skills, cultural exchange and the generation of income.

**BADU ART CENTRE SUMMARY**

The case study documents the evolution of the art centre and the staffing and governance challenges it faced. Lacking knowledge of art centre administration and the community, staff found it difficult to set up clear management systems, and the process of defining membership criteria also proved difficult despite the assistance of the TSRA-funded consultant. The arts worker program also posed challenges for art centre staff, becoming a major contributing factor to staff resigning and continuing to take up a lot of the current manager’s time in associated administration.

As for Erub Erwer Meta, some of the risks associated with the set-up of Badu Art Centre were ameliorated because of the involvement of the ADO and the TSRA, which:

- supported negotiations for use of an existing building as the art centre
- negotiated operational funding through a tripartite agreement between state and federal agencies, allowing a manager to be employed
- provided training and promotional opportunities through Gab Titui
- engaged a business consultant to assist with setting up administrative and governance systems and developing a business plan.

The Badu Art Centre case study provides an example of a small enterprise initially struggling to become established. Even though Badu is the second largest community in the Torres Strait and is better serviced than most other island
communities in the region, there was no local organisation with the capacity or mandate to auspice the new art centre. While Gab Titui staff and the ADO contributed significantly to the enterprise, this assistance was provided from outside the community and was limited to facilitating negotiations, mentoring, developing a business plan and providing training and marketing opportunities. This support was highly valued by art centre staff and the Chairperson, providing them with industry expertise at a critical time, but the lack of local institutional support meant that the challenges associated with three staff changes in three years was difficult for the organisation, and many administrative systems had to be set up from scratch when the art centre was first established.

For Badu artists, the art centre model was proposed by TSRA staff as a means of coordinating services and maximising the use of resources. Whether the incorporated community owned art centre model was the correct model for Badu is yet to be decided, despite the funding it has received for staffing and operations and the networking opportunities it brings.

**CHAPTER SUMMARY**

The development of the two art centres described in this chapter has been driven by artist demand and facilitated by locally based government employees. These employees have used their positions to leverage support from other agencies, access funding and work closely with the community to negotiate the art centre structure and scope of activities. Each of the key government employees has shown a degree of entrepreneurial behaviour and had a good understanding of the enabling government environment. With this knowledge they have maximised opportunities for the art centre; in the case of Erub, these partnerships have remained in place.

Government contributions to the two art centres have been significant. The TSRA and state government have been actively involved in the set-up of both art centres, and key local government staff have led the early consultation processes. Contributions from government have included:

- TSRA staff funding and coordinating meetings of artists to discuss art centre concept
• TSRA engaging two business consultants to work with Badu Art Centre and Erub Erwer Meta to develop business plans and set up appropriate governance
• TSRA staff leveraging funding from state and federal agencies
• various levels of government providing set-up funding and then later operational funding.

The processes for establishing the art centres reinforces the perception that government does not fund art centres based on market demand and the likelihood of them being profitable; it is willing to take a very long-term view of their development. The notion of success appears to be built on creating business activity to improve skills and capabilities rather than any expectation that new art centres will become independent in the short term.

The amelioration of risk by early partners and stakeholders is evident at several points in the development of Erub Erwer Meta:

• The art centre originated as a school activity with an education and cultural maintenance focus; the school self-funded the project, auspiced grants and provided facilities.
• Growth was managed conservatively and development was undertaken slowly, without internal pressure to generate income.
• The art centre became separately incorporated, thereby limiting the risk to the school.
• Operational funding was limited and was part of a tripartite agreement between three government agencies.

Most of the risks associated with setting up Badu Art Centre were higher, as there was no auspicing body to take over these responsibilities. In the case of Badu Art Centre, government minimised its exposure to risk by:

• initially providing small grants that were part of a tripartite agreement between three government agencies
• requiring that the art centre be separately incorporated.

Badu Art Centre had comparatively little support, and government investment in the early stages was minimal. The Badu Art Centre board bore the responsibility of
managing funding, directly employing staff and establishing governance and management systems. Even though the TSRA consultant was available for advice and support and became a co-opted member of the committee, the art centre faced significant challenges in its first four years that were difficult for the board to navigate, especially given their limited industry expertise. In contrast, Erub has benefited from its relationship with the school, even though the financial and administration ties have been attenuated over the years and the art centre has become separately incorporated. The school now takes no financial responsibility for the art centre, but it does maintain and insure the facilities and in return has access to arts and cultural training and activities for the students.

Erub Erwer Meta has had very different experiences with its arts worker programs. Erub Erwer Meta, with its educational and training focus, has made good use of the IEI funding and sees this program as critical for the future of the art centre. Badu Art Centre, on the other hand, has found the associated administration burdensome and has had limited capacity to train and support its arts workers.

Although the two art centres have a degree of industry recognition, they still generate only modest sales and will require marketing and promotional assistance from their commercial partners and peak agency to secure their place in the highly competitive arts industry. Both art centres have a base of highly skilled and technically proficient artists and have been innovative in their product development but are expected to remain dependent on funding for the foreseeable future.
CHAPTER NINE: DISCUSSION AND CONCLUSION

INTRODUCTION
This concluding chapter includes a discussion of the implications of the research findings as well as specific avenues for further research and professional application. Section one is a summary response to the questions I had posed, followed by a review of the previously detailed findings. Section two provides a case study comparison and observations about their organisational models, participation rates and sales. Section three summarises the contribution this research makes in relation to cultural policy discourse, the understanding and definition of remote community businesses and the role of government as a leader in these areas. Finally, this chapter identifies future areas for research both in terms of art centres and the market in order to inform future strategies for government policy and program development.

SECTION ONE: RESPONSE TO THE RESEARCH QUESTIONS

Four questions were posed by this research:

1. How has government (at all levels) supported Aboriginal and Torres Strait Islander art centres between 2007 and 2013?

2. What benefits and opportunities have Aboriginal and Torres Strait Islander art centres received through government support and policy development in this period?

3. Have there been any negative results or impacts on Aboriginal and Torres Strait Islander art centres?

4. Which government policies and programs have been effective or ineffective, and how are these impacts measured or assessed?

A mixed methods and case study approach was used to answer the research questions. The responses to these questions have been shaped by interviews with art centre staff and government employees, an analysis of art centre documentation,
visits to the three art centre case study sites and a review of government policy and program documents. The research was informed by the earlier study of the rise of the Aboriginal and Torres Strait Islander fine art movement undertaken by Myers in 2002, the data collected by the CRC-REP Aboriginal and Torres Strait Islander Art Economies project (AEP) and Altman’s recent paper regarding the escalating challenges facing art centres (Acker & Woodhead, 2014a, 2014b, 2014c, 2014d; Altman, 2013; Congreve & Acker, 2015; Myers, 2002).

The selection of case study art centres was based on three determinants. These were their:

- different responses to the enabling environment
- varying degrees of success
- willingness to participate in the research.

The choice of two art centres based in the Torres Strait presented both limitations and opportunities within the research framework. Although having two out of the three art centres located in the same region meant that the research was not as representative of the whole sector as it would have been if an art centre in the Northern Territory had been included, it did permit comparative analysis of the performance of two art centres operating within the same broader enabling environment. Badu Art Centre and Erub Erwer Meta had access to the same state and federal government support but Badu Art Centre did not have the same degree of local institutional support on a community level as Erub Erwer Meta. As a result, while Erub Erwer Meta thrived the art centre on Badu Island struggled to become fully operational.

The interviews with art centre staff revealed the challenge of building partnerships and securing funding in order to establish a remote community art centre and then meet its operational needs (documented in the case study narratives in Chapters Seven and Eight). Art centres are heavily reliant on the management abilities of senior staff. The multifarious tasks associated with these positions and the pressure to juggle community, market and government expectations places a lot of pressure on staff and contributes to the high rates of burnout.

The importance of government staff in the brokering of these partnership arrangements is also apparent. Located at opposite sides of the continent, the case studies described in these narratives mirror each other with, in each case, an astute
public servant recognising the opportunity to establish an art centre and having the local knowledge and expertise to work with the community.

The interviews with state and federal government staff revealed a deep-seated interest in art centres and a good understanding of the challenges they faced. Working within the government bureaucracy and guided by existing policies and programs, staff were aware of their limited flexibility and powers. The government interviewees came from three arts agencies that had all had recent funding changes and/or cuts; the interviewees believed that no additional money would be found to support their programs. All three emphasised the need to utilise existing funding to maximum effect and were aware that art centre needs had to be viewed from a long-term perspective. The research found that at the level of these government administrators, where authority over policy is limited, there was a high level of knowledge about art centres and that they adapted procedures and programs to benefit art centres where possible.

Close examination of art centre documents, including business plans, grant applications, funding contracts and financial data, provided historical perspective on their development and maturation as enterprises. This information was supplemented by data collected during the three field visits to the art centres, including information concerning local partners and related community activities. These visits provided the opportunity to meet with managers face to face to explain the research aims and gather information through informal interviews. A contextual framework for the funding and sales data was provided by the CRC-REP AEP; those findings contributed significantly to this research by making national, state and regional comparisons possible in Chapters Three and Six, which discuss the core activities of art centres and their place in a government-supported industry. Finally, a review of the extant policy and program documents from federal, state and local governments supported an analysis of how art centres were positioned in relation to government and conceived as entities that contributed to Closing the Gap policies and the economic development of remote Australia.

The research reinforced the observations of Myers, who documented the early history of Papunya Tula and the role of the Australia Council as the initial strategic funder of art centres (Acker & Woodhead, 2014c; Altman, 2013; Myers, 2002). As described in Chapter Six, government actively developed funding programs and initiatives to support the Aboriginal and Torres Strait Islander art market as far back as the 1970s. While the first funding came primarily through the Australia Council, a
Later industry-specific program was introduced and managed by ATSIC. Funding through what is now called the Indigenous Visual Arts Industry Support (IVAIS) has been modest and distributed across a large number of remote art centres over the past 25 years (Acker & Woodhead, 2014b). The longevity of this program has been one of its key strengths; it has kept many art centres functioning, despite market slumps and development challenges.

The program has delivered relative security in operational funding for a large number of art centres, albeit at a low level. The ongoing subsidy has, however, also created an institutional rather than a traditional business environment with, in most cases, the art centre manager’s position being publicly funded and having extensive requirements to report back to government and meet professional and industry benchmarks that are set around a community-based, not-for-profit model as outlined in Chapter Three.

Smaller arts programs in the states and territories have supplemented the federal program, with Queensland’s Backing Indigenous Arts (BIA) being the largest in scope, planning and investment. This program was launched in 2007 and, over the next four years, provided nearly $4.7 million in funding to art centres and peak agencies, which represented about a third of all BIA funding (Arts Queensland, 2011a, p. 4). Between 2007 and 2010 the program helped leverage additional funding for art centres and peak agencies, resulting in a 133% increase in funding from the federal government (Arts Queensland, 2011a, p. 5). In comparison, the Department of Culture and the Arts in Western Australia contributed far less than Arts Queensland, even though it had double the number of art centres (Acker & Woodhead, 2014a, p. 17). This meant that Western Australian art centres were proportionately more dependent on federal funding than Queensland art centres.

Art centres rarely have a single stream of funding, and most are opportunistic in their approach to securing operational, project and infrastructure funding, some more successfully than others. The case studies revealed that art centres applied for funding through a range of federal and state programs, including the large-scale regional development funds in Western Australia, and in rare cases successfully negotiated agreements with corporate sponsors as exemplified in the Martumili Artists case study (Chapter Seven). The ability to piece together funding for operations and projects from various contributors is an essential skill for art centre managers and permitted Martumili Artists to develop a large-scale touring exhibition,
'We Don’t Need a Map’, and Erub Erwer Meta to build an architecturally designed art centre.

Government is a critical partner in remote community Aboriginal and Torres Strait Islander business development because of the scale of the resources it commands and the confidence it gives the private sector to invest in small to medium not-for-profit enterprises. Although art centres have not accessed a lot of money through designated business support programs (mainly because they are cooperatives and not-for-profit), government still has a focus on developing the business aspects of art centres and opening up opportunities for sponsorship relationships with the business sector. In many cases, corporate sponsors are seeking co-investment with government and do not view their contributions as a replacement for public funding. A major review of private sector support for the arts in Australia emphasised the need for more partnerships between government and corporate sponsors as a critical part of achieving sustainable development (Mitchell, 2011).

Local partnerships with regional councils and schools are also very important for some art centres and are often based on in-kind support as well as funding. This is evidenced in the case studies (Chapters Seven and Eight) where the relationship between Martumili and the Shire of East Pilbara and between Erub Erwer Meta and the school are discussed. Both these art centres relied on their hosting organisations to auspice funding and assist with administration and coordination. Stakeholders from both art centres recognised how important the relationship with a larger government institution was and how it made investment from other government agencies possible. Art centres such as Badu Art Centre (Chapter Eight) that have not developed strong local partnerships are at a significant disadvantage, and the isolation that arises from this lack of networks limits their ability to operate effectively in communities.

The federal government has invested significantly in national industry investigations and reviews including the Altman Report, the Senate Inquiry, the *Art and craft centre story* and various smaller scale reports (Acker & Woodhead, 2014b; Altman, 1989; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007; Wright, 1999). Considerable information about the operations of art centres has been compiled within these reports, which continues to inform government; however, coordinated data collection is still an issue for the sector, with these investigations providing snapshots in time rather than a complete narrative of development.
While art centres have received direct funding, additional government support was made available to build market networks for their product and bridge the gap between the art centres and their audiences and customers. From the 1970s onwards, art centres were not treated by government as separate from the broader market, and funding was directed at creating commercial opportunities and raising the profile of artists through national and international events, exhibitions and publications. The biggest commercial investment was in Aboriginal Arts and Crafts Pty Ltd (referred to as the Company), which was established to retail and wholesale the work of Aboriginal and Torres Strait Islander artists and art centres and dominated the market in the late 1970s and early 1980s.

Indirect support for art centres took various forms. By supporting museums and public art galleries, government contributed to the institutional recognition of Aboriginal and Torres Strait Islander art and art centres. By introducing the Indigenous Art Code in response to industry malfeasance, government helped raise public awareness of art centres as ethical sources of Aboriginal and Torres Strait Islander art and the need for best practice standards across the industry. Through tax concessions such as the Deductible Gifts program and the waiving of income tax for not-for-profit art centres, government has eased financial pressure and assisted art centres to access donations and foundation money, although this has not been the panacea expected.

The division of responsibilities related to developing and regulating the economy and increasing its social and monetary benefits for Aboriginal and Torres Strait Islander people residing in regional and remote communities shifts between government, business and the communities themselves and is constantly being renegotiated and redefined on both the macro and micro level. The relationship between government and art centres provides an insight into the interplay between government, remote communities and business on the local level and the particular policy and program settings that are applied because these enterprises are Aboriginal and Torres Strait Islander-owned and are located in remote Australia. It highlights the disjunctions between what government policies and programs aim to achieve and what art centres have the capacity to deliver (Altman, 2013, p. 15).

Despite its widespread impact on business environments, government does not formally acknowledge the extent of its influence on art centres and the importance of making strategic decisions regarding their development in consultation with the sector (Walker et al., 2012). In program documents relating to the remote art
economy, government is positioned as a facilitator and supporter; however, initiatives like the IEI are driven by government directives related to Closing the Gap rather than developed with the long-term and sustainable success of art centres in mind, despite statements to the contrary. While policies like these bring benefits, they also create pressures on art centres to perform in areas where they do not have the expertise or resources to deliver, and they can be transformed in the process. This is evidenced by the IEI program, which has led to wages overtaking payments to artists in some art centres (Australian Government, 2013c). These types of issues are obscured because of a lack of formal evaluation processes that take into account the cause and effect relationship between mismatched program goals and art centre performance (Stolte, 2010).

One of the major issues for art centres is how accurately they are defined and positioned within government policies and programs and the various lenses government applies in its approach to art centres are discussed in Chapter Five. Art centres are used as tools to achieve broader government goals both within communities and across remote Australia, but the Closing the Gap building blocks – especially those related to employment and economic development – are yet to be impartially tested against Aboriginal and Torres Strait Islander people’s aspirations (Altman, 2011a).

The broader policy settings arguably obfuscate accurate representations of the art centre sector and the Aboriginal and Torres Strait Islander art market, resulting in government not being responsive to changes in the industry and the challenges it faces. Poor definition of their purpose, capacity and needs has resulted in the misdirection of funding and poorly targeted strategies that have met with mixed responses from the sector, as in the case of the Resale Royalty Scheme and the Indigenous Art Code. Similarly, the IEI program, despite meeting a need for paid Aboriginal and Torres Strait Islander arts worker positions and its success in some art centres (Erub Erwer Meta), has placed an additional workload on art centre managers (as evidenced at Badu Art Centre) without adequately recompensing art centres for the additional administration, training and supervision required to adequately support these trainee staff.
SUMMARY OF OTHER KEY FINDINGS

CULTURE AND LEARNING

One of the key success factors for art centres is that they demonstrate, through their activities, values that reflect their members’ customary cultural practices and are therefore appealing and empowering places for Aboriginal and Torres Strait Islander people to work. Some art centres fulfil a teaching and cross-generational information-sharing role within their communities and maintain their artistic vibrancy through their engagement with different age groups and their ability to connect people back to country through bush trips and culture-based programs (Shepherd & Acker, 2011; Tracker Consulting, 2009; Wright, 2009). Many of these art centres work closely with schools, other community organisations and cultural institutions to deliver these activities.

Their egalitarian approach to cultural production is reflected in art centre memberships and most work with a mix of established and emerging artists, arts workers and community participants. The challenge of balancing the demands of the fine art market and supporting broad community cultural engagement can create competing agendas, especially when art centres are pressured to increase sales and support cultural maintenance practices that generate little income. One of the ways art centres have resolved these tensions is by delivering public projects that allow different levels of participation and cultural expertise but still contribute to raised public awareness of the art centre and artists. The ‘We Don’t Need a Map’ and the ‘Yiwarra Kuju: Canning Stock Route’ projects noted in Chapter Seven are good contemporary examples of this (Davenport-Acker, 2015; Jorgensen, 2013a). They have also promoted a positive view of Aboriginal and Torres Strait Islander cultural difference as worthy of preservation rather than as a reason for social dysfunction and economic marginalisation.

There is a tension between the role art centres play in the maintenance of culture and their part in the delivery of normalisation strategies (Altmann, 2011b; P. Sullivan, 2011a). While the government ideal might be that art centres ease the transition to greater economic engagement and employment, more extreme policy positions – including viewing communities as financially unviable – can undermine the very aspects of their practice that are strengths when viewed from a cultural maintenance perspective (T. Cooper et al., 2012; Forrest, 2014; Griffiths, 2015; Gulliver, 2015; Medhora, 2015).
In their capacity as institutions charged with holding cultural knowledge and art forms in trust, some of the leading art centres have produced both a benefit to their local communities and a public benefit to the broader Australian community. Despite their significant contributions to Australia’s cultural capital, these art centres have never been treated as major organisations as some other companies have (Australian Opera or Sydney Dance Company), which receive much higher levels of secured funding. A long-term strategy needs to be developed for supporting them (Meeting of Cultural Ministers, 2011). Smaller art centres also have an important public educational role to play. They deliver interrelated cultural, health and social benefits to communities that represent a cost saving to government; their future development requires strategic support and planning as well.

**NOT-FOR-PROFIT AND COMMUNALLY OWNED**

The early evolution of art centres in remote communities coincided with the homelands movement, self-determination and the introduction of the *Aboriginal Councils and Associations Act 1976* (Cwlth). These factors, combined with government’s tendency to fund Aboriginal and Torres Strait Islander organisations to provide services for their whole community, led to art centres increasingly taking up an incorporated, not-for-profit and communally owned model (Chapter Three).

Each case study provides a brief historical description of government engagement in Aboriginal and Torres Strait Islander economic development within the regions and how this affected business development and entrepreneurial activities in the past. In exploring the histories of economic enterprise in these regions, the question arises of how businesses can be successfully established in remote communities when the cost ratios pose major challenges to development and profit-making, and skilled staff are often difficult to recruit (Seet et al., 2015) because of a high demand for their services or the lack of supporting infrastructure, including housing.

In the case of art centres, part of the answer seems to be ongoing government subsidies, which they are becoming increasingly reliant on. With this funding, art centres seek to improve the services and training they deliver without an expectation of greater – or, in some cases, any – profits. What income is generated is invested back in the business and creates financial independence for only a select few. Art centres are nonetheless perceived as successful, in part because of the positive externalities they create but also because of the cultural development role they play in communities.
Despite the expectation in some quarters of government that art centres would eventually become independent of public support, the CRC-REP research has highlighted how little income most art centres have generated in the past decade (Acker & Woodhead, 2014b). Art centres are a reflection of both the limitations and potential of community-owned enterprises with a development focus. At the same time as they service whole communities and prioritise development over profit, they reduce their prospects of achieving independence from government funding. This also makes it harder for them to compete in the fine art market, which is highly volatile and not a secure foundation upon which to build local economies. However, the same factors that limit business development strengthen their capacity to support cultural expression and maintain their social relevance in the community.

Rather than focusing on market failure and art centre sales, there is a strong argument for judging the value of art centres on the basis of how well they engage with community through their cultural activities and how effectively they can communicate the value of cultural difference to the Australian public (Acker & Woodhead, 2014b; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007).

There is an important lesson to be learned from art centres about how critical the alignment of business and employment with local cultural aspirations is for enterprise development and the long-term viability of communities. Art centres have delivered so much more than just economic benefits and part of their success is attributable to their ability to be responsive to both community expectations and market demands. This success has led some government staff to ask what elements of this model can be duplicated and what applications this approach might have for other types of entrepreneurial activities in remote communities. This type of development requires government facilitation and support over many years if these enterprises are to successfully compete with mainstream businesses or become financially viable (Fleming, 2015).

The future sustainability of art centres is dependent on the improved performance of government, not only in terms of how it manages and delivers its programs but how it approaches development in remote Australia and improves the enabling environment for small enterprises. A more holistic approach needs to be taken to program delivery in communities, and greater recognition is required of how seemingly discrete programs interact. Until the footprint of government in communities and small business development is fully understood, it is likely that the
subjects of change will always be seen to be community organisations and Aboriginal and Torres Strait Islander people. A joint approach between government and communities is essential, with government practices and approaches given equal scrutiny.

**Art Centres as Development Organisations**

Establishing a new business, particularly an arts business, is often risky; setting up a communally owned art business in a remote community is arguably at the high end of risk spectrum, especially if sustainability and success are regarded as synonymous with making a profit or becoming independent of funding. Market fluctuations, low turnover, high operating costs and distance from major market and service centres are the characteristics of the business environments in which most art centres operate (Chapter Three).

Art centres rely on a favourable policy environment over which they have no control, and the existence of supportive government programs such as IVAIS or BIA can make a huge difference as to whether an art centre survives or not. They have often been established in remote communities (Chapters Seven and Eight) without any evidence that they can be profitable or financially sustainable without government funding. Indeed, because of the high costs and poor facilities and services, financially profitable art centres are the exception rather than the rule. The value they contribute in return for public investment is through their development roles supporting local leadership, maintaining culture, improving governance, providing professional development opportunities and showcasing Aboriginal and Torres Strait Islander culture in a positive way (Fairley, 2015; Jorgensen, 2013b; Maughan, 2000). If their operating environment can be better understood and improved, the scale and scope of these benefits are also likely to increase. There is already a degree of recognition that art centres are successful, despite being so heavily subsidised, because their substantial non-financial contributions to local communities are implicitly acknowledged by government.

**Another Kind of Entrepreneur**

Government-employed staff have an important role to play in initiating and supporting art centre development. Both in Western Australia and in the Torres Strait, the appointment of Arts Development Officers made a significant difference to Aboriginal and Torres Strait Islander art production, and these government representatives were instrumental in the establishment of two of the case study art
centres: Badu Art Centre and Martumili Artists (Chapters Seven and Eight). Similarly, the Office of Aboriginal Economic Development (OAED) staff member in Western Australia instigated art centre programs and supported existing art centres with his industry expertise.

Art programs in communities have been initiated by local staff, who recognise an opportunity and have the professional knowledge and community experience to garner support and get these organisations set up. In the case of Erub, the local school principal believed that the arts contributed to learning; therefore, school art activities eventually evolved into an adult art program and then an art centre.

These government employees play an entrepreneurial role and are often not motivated by the potential for profit but rather see art centres as a mechanism for community development and for providing professional and creative opportunities for artists. Often, these entrepreneurs have benefited from previous experience in communities and bring with them an understanding of how government operates. When combined with a knowledge of the arts sector, they have the potential to become powerful instigators and, in some cases, effective managers of art centres. What became apparent in the case studies of Martumili Artists and Erub Erwer Meta is how important an early partnership between government and artists is to the future success of the art centre. Having a key negotiator in place within government eases the process of applying for funding and increases the chances of there being collaborations between different agencies across all levels.

THE ENABLING ENVIRONMENT

This research uses the term enabling environment in its broadest sense, to include laws, regulations, policies, international trade agreements and public infrastructure (Christy, 2009) as well as cultural, community health and social impacts (Wright, 1999). The case studies confirmed the importance of certain conditions in the external environment as determining factors for how art centres function and government’s central role in improving the conditions required for ease of doing business and overcoming market failure.

Christy’s hierarchy provided a starting point for assessing whether the key needs of businesses are being met on a national and global scale. On a general level they can be useful as a starting point for discussing the enabling environment for art centres. However, it must be noted that needs and priorities are often very different when viewed from the perspective of individual businesses, and in the case of art
centres their relevance varies from art centre to art centre. Some of the principal
differences between the art centres were not revealed by the model. For example,
one of the main reasons for the different development trajectories of the two Torres
Strait Island art centre case studies was the support Erub Erwer Meta got from the
school. The case study research revealed an uneasy fit between Christy’s hierarchy
of enabling needs and art centre development for a number of more general
reasons (Christy et al., 2009):

- Art production is often inspired by access and connections to land but does
  not require land tenure or property rights.
- Two of the case studies were not sufficiently advanced in their development
to have established international market connections, and trade policy
impacted very little on the way they do business.
- The specific characteristics of the fine art market versus the agricultural
  produce market (the industry that Christy used as the base for his research)
  - art is a luxury purchase rather than necessity
  - art centre product is unique
  - art centres have limited engagement with manufacturers, although
    this may increase in the future
  - art market product standards and regulations are far less defined.

For these reasons, while Christy’s basic framework of essential, important and
useful enablers has been maintained, a set of additional enabling factors are
proposed. These enablers better reflect the operating environment within which art
centres work and the challenges they face. Table 26 summarises the research
findings from the case studies and outlines the impact of each of the key enablers
on their performance.
### TABLE 26 SUMMARY OF CASE STUDIES’ ENABLING ENVIRONMENTS

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Martumili Artists</th>
<th>Erub Erwer Meta</th>
<th>Badu Art Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Essential</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government funding for operations and supportive staff</td>
<td>IVAIS recipient</td>
<td>IVAIS and BIA recipient</td>
<td>IVAIS and BIA recipient</td>
</tr>
<tr>
<td></td>
<td>Leveraged this funding to secure corporate support</td>
<td>The school principal was an important instigator of art centre activities and the art centre was assisted by Gab Titui staff</td>
<td>Gab Titui staff assisted the community to establish the art centre</td>
</tr>
<tr>
<td></td>
<td>Government employees were critical in the development of the art centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Responsive and proactive policy environment</strong></td>
<td>Embedded in Closing the Gap programs and policy discourse, but have limited capacity to deliver normalising strategies</td>
<td>Beneficiary of Arts Queensland’s policy focus on Indigenous Arts in FNQ</td>
<td>Beneficiary of Arts Queensland’s policy focus on Indigenous Arts in FNQ</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Embedded in Closing the Gap programs and policy discourse, but have limited capacity to deliver normalising strategies</td>
<td>Embedded in Closing the Gap programs and policy discourse, but have limited capacity to deliver normalising strategies</td>
</tr>
<tr>
<td><strong>Local support organisations and partners</strong></td>
<td>Strong network of government partners (local, state and federal) that helped initiate the art centre and continue to take an active management and support role</td>
<td>Heavily supported by the local school in its development stages</td>
<td>No local partners on island but good working relationship with Gab Titui on Thursday Island</td>
</tr>
<tr>
<td><strong>Important</strong></td>
<td>The art centre is on Shire of East Pilbara land – tenure is secure</td>
<td>The art centre is on school property, but native title issues meant the art centre lost considerable funding and had to secure new grants – tenure is now secure</td>
<td>The building is leased and the land managed by the community – tenure is tenuous</td>
</tr>
<tr>
<td>Enablers</td>
<td>Martumili Artists</td>
<td>Erub Erwer Meta</td>
<td>Badu Art Centre</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Out of the three art centres, it is the best placed in terms of infrastructure; services are available, but at a high cost</td>
<td>Erratic power and internet; transport and freight very expensive; small community and basic facilities</td>
<td>Transport and freight very expensive; one of the larger communities in the region, but infrastructure basic</td>
</tr>
<tr>
<td>Business development</td>
<td>Primarily delivered through peak agency</td>
<td>Primarily delivered through peak agency</td>
<td>Primarily delivered through peak agency</td>
</tr>
<tr>
<td>services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>Better understanding of broader production and market because of CRC-REP research</td>
<td>Better understanding of broader production and market because of CRC-REP research</td>
<td>Better understanding of broader production and market because of CRC-REP research</td>
</tr>
<tr>
<td></td>
<td>No self-funded research and development</td>
<td>No self-funded research and development</td>
<td>No self-funded research and development</td>
</tr>
<tr>
<td>Business linkages</td>
<td>Part of national and regional art centre network through peak agency</td>
<td>Part of national and regional art centre network through peak agency</td>
<td>Part of national and regional art centre network through peak agency</td>
</tr>
<tr>
<td></td>
<td>Partnerships well established with commercial galleries and suppliers</td>
<td>Partnerships with commercial galleries being established</td>
<td>Partnerships with commercial galleries being established</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Good relationship with suppliers</td>
<td>Developing relationship with suppliers</td>
</tr>
<tr>
<td>Linkages with public</td>
<td>Strong relationships with major collecting institutions primarily in Australia</td>
<td>Focused on establishing relationships with major collecting institutions both within Australia and overseas</td>
<td>Gradually developing relationships with major collecting institutions</td>
</tr>
<tr>
<td>collecting and research</td>
<td>Active participation in research initiatives like the CRC-REP</td>
<td>Active participation in research initiatives like the CRC-REP</td>
<td>Increasing awareness of and interest in participation in research initiatives like the CRC-REP</td>
</tr>
<tr>
<td>Useful</td>
<td>Enablers</td>
<td>Martumili Artists</td>
<td>Erub Erwer Meta</td>
</tr>
<tr>
<td>--------</td>
<td>----------</td>
<td>------------------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td>Ease of doing business</td>
<td>Risk associated with doing business ameliorated because of relationship with the Shire</td>
<td>High level of risk associated with doing business because of remoteness and associated costs</td>
</tr>
<tr>
<td></td>
<td>Standards and regulations</td>
<td>Indigenous Art Code has raised awareness of ethical art production</td>
<td>Indigenous Art Code has raised awareness of ethical art production</td>
</tr>
<tr>
<td></td>
<td>Standards and regulations</td>
<td>Tax concessions have eased financial pressure</td>
<td>Tax concessions have eased financial pressure</td>
</tr>
<tr>
<td></td>
<td>Standards and regulations</td>
<td>Changes to superannuation legislation and Resale Royalty have had negative impact on sales, added to the administrative burden and eroded market confidence</td>
<td>Changes to superannuation legislation and Resale Royalty have had negative impact on sales, added to the administrative burden and eroded market confidence</td>
</tr>
<tr>
<td></td>
<td>Trade Policy</td>
<td>Nil – still at early stage of developing international trade links and relies on commercial galleries to establish these relationships</td>
<td>Limits placed on the trade and production of items using traditional materials from endangered species, Limited international sales</td>
</tr>
<tr>
<td></td>
<td>Financial services</td>
<td>Excellent relationship with government and local business Bank in Newman</td>
<td>Reliant on government funding No financial services on island</td>
</tr>
</tbody>
</table>

Source: Based on Christy’s Hierarchy of Needs (Christy et al., 2009)
Christy’s model emphasised the importance of land tenure, property rights, financial services and trade policy. While each of the case studies had spent considerable time and resources securing or building art centre facilities, none was concerned that its access to studio and office spaces was at immediate risk. Land tenure and property rights were very relevant to the artists working through the art centres, and there was general recognition that if communities were shut down, art centres would most likely shut down too. Each of the art centres was being managed with fiscal caution and none proposed future development based on credit nor were any investing directly in business development apart from the preparation of business and strategic plans. Christy also regarded trade policy as an essential enabler however (as noted in Table 26), international trade policy was largely irrelevant to the case study art centres as their relationships with overseas clients and institutions were still at a developmental stage.

Although the case study research indicated that the misalignment of policy and program targets with art centre goals and development trajectories posed a major risk for art centres because of their reliance on government funding and support, policy was not identified in interviews as a top priority by staff. For each of the case studies, the issues of highest priority were ongoing stable government funding, access to business development support and training and assistance with building market networks.

All of the art centre managers reported how hard it was to maintain financial viability, compete in the market and provide adequate levels of service and training to artists and arts workers. Even some of the most basic tasks associated with the enterprise posed challenges, such as constant dropping out of communications networks and problems recruiting skilled staff. With regards to the enabling environment, none of the staff felt that it made it easier to manage their art centres, despite significant government investment in remote services delivery, and all of the managers found their jobs to be both physically and mentally exhausting, with one resigning just prior to my arrival.

Despite their obvious skills in navigating and taking advantage of government funding programs and their awareness of the problems associated with remote services delivery, staff did not see it as part of their role to negotiate policy directions or program targets and remained instead focused on the day to day operations of their organisations. Surprisingly, the three managers did not raise advocacy at a policy level as an issue for their peak agencies either, instead stating that the role of
DESART and IACA were to support business development, training and marketing and advocate for the additional and secure project and operational funding. This poses a major problem for the sector as it has meant that peak agencies and art centres not only fear loss of funding but do not prioritise lobbying government to allow them to be part of policy and program development discussions. As a result, they remain on the periphery of these critical deliberations and rely on other lobbying organisations like Aboriginal Peak Organisations Northern Territory to present the more generalised case for reviewing the way in which funding is distributed to remote communities. With the backing of the data from the CRC-REP AEP, peak bodies are in a better position to argue that government dominates the enabling environment and is therefore the major partner for art centres. Art centres therefore have a vested interest in being part of these discussions and a favourable policy environment for art centres is not only desirable but also essential if they are to continue operating effectively in communities.

Local support organisations and partners were also revealed to be essential enablers for art centres, particularly in their early stages of development. The relationships established between the Shire and Martumili Artists and the school and Erub Erwer Meta were not limited to business linkages as outlined by Christy. Both the Shire and the school invested time, money and resources into the development of the two art centres and managed their financial and administrative arrangements. This permitted art centre staff to focus on core activities such as training and supporting artists and arts workers, developing product and establishing marketing networks. In contrast the Badu Art Centre case study highlighted the difficulties of setting up an art centre without active local partners even though government funding was available. For Badu Art Centre simply having grant funding was not enough, the organisation also required a facilitating partner like Gab Titui to negotiate relationships with other funding agencies and provide industry expertise through the services of a consultant. Once established art centres continued to thrive with the ongoing support of their community and government partners and this in turn focuses attention on the importance of healthy operational ecologies in communities where organisations are so reliant on each other.

Another addition to the list of art centre enablers were public collecting and research institutions. The role of these government-funded agencies is critical for value creation in the fine art and market domains and art centres benefit from the role they
play in raising public awareness and appreciation of Aboriginal and Torres Strait Islander art and cultural forms.

**Business Failure and Art Centre Success**

By triangulating the information from various sources used in the case studies, a clearer picture of the success and failure factors for art centres presented itself. It also became apparent that what was considered to constitute success and the weight placed on the associated priorities varied depending on the policy lens and the perspective of individual stakeholders. Up until now most of the research has been focused on the internal mechanisms of art centres as a determinant of their success. This research has revealed that external factors are just as important and can have a major impact on the future sustainability of art centres.

Although the amount of focus on researching the reasons for business failure among Aboriginal and Torres Strait Islander organisations suggests this problem is significant, few art centres fail altogether; most experience periods of fluctuating performance over the course of their histories (Office of the Registrar of Indigenous Corporations, 2010; Swansson, 2010). Research into the internal factors that contribute to business failure in Aboriginal and Torres Strait Islander enterprises lists the absence of appropriate management skills and competencies, weak governance, a lack of forward planning and poor financial literacy as barriers to business success (Crutzen, 2008; Swansson, 2010). External factors have also been researched and include the broader economic, political and policy environment within which businesses operate (Crutzen, 2008; Morley, 2014). The dynamic interplay between these internal and external factors is different for each business, and the symptoms of failure can be present even though the business is not failing.

Internally governance skills, financial literacy and managerial experience are commonly lacking in many art centres, and managers often do not have the suite of skills required to manage all aspects of the enterprise. In the case study examples of Martumili and Erub Erwer Meta, the managers brought specific skills to the art centres but also had to learn a lot on the job. In the case of Martumili, having access to trained financial officers and administrators assisted the art centre considerably, and financial literacy and good governance were identified as areas requiring training for both staff and artists. Similarly, the manager at Erub reported having to complete a lot of her professional development on the job. Both were adept and
open to bringing in external expertise as required and acknowledged that this type of support was essential.

In any case, most art centres are fragile, even if they are performing well. A poor choice in new manager, loss of funding, community dissension, a downturn in the market or changes to tax and financial regimes can and do impact greatly on art centres and are hard to plan for, as they are outside the control of these small remote enterprises (Dodson & Smith, 2003, p. 6). Even with the support of peak agencies it is not possible to protect an art centre from the negative impact of these types of events. Martumili Artists could be closed down if government and corporate funding were withdrawn, as could the other two case studies. Erub Erwer Meta has no designated housing for staff and will therefore find it difficult to recruit a new manager when the current one retires. Future production is limited because the island population is small, and artist numbers reflect this. Any major disruption to the community that led to people leaving for other islands or the mainland could mark the end of the art centre in its current form. Similarly, Badu Art Centre has already experienced difficulties recruiting skilled staff and has developed much more slowly than Erub Erwer Meta as a result. Success for art centres takes various forms, including social, cultural and economic. For a select few, all three types of success coincide, but for most art centres they rarely do.

Overshadowing the internal challenges faced by art centres are the sector wide externalities that have impacted significantly on how these enterprises do business. The case study research highlighted the importance of six aspects of the government-art centre relationship that impacted negatively on business performance and art centre success. These are summarised in Table 27 below and listed there in order of magnitude:

**TABLE 27 IMPACT OF GOVERNMENT INITIATIVES ON ART CENTRE PERFORMANCE**

<table>
<thead>
<tr>
<th>Government related issues</th>
<th>Outcome for art centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy confusion and poor definition of desired outcomes</td>
<td>Limited availability of funding for art centres despite ambitious targets set by government</td>
</tr>
<tr>
<td></td>
<td>The misdirection of some funding programs (IEI being the most obvious example)</td>
</tr>
<tr>
<td></td>
<td>Unnecessary red tape resulting in more pressure on art</td>
</tr>
<tr>
<td>Hijacking of art centre development agendas especially in the Closing the Gap context</td>
<td>Push for art centres to become agents of change in community and to become part of normalisation programs despite their importance as champions of cultural difference. Fracturing of relationship with community.</td>
</tr>
<tr>
<td>Limitations of the cooperative incorporated associations model</td>
<td>Model mitigates risk for the distribution of government funding but: Increased administration for art centres Poorly understood by many art centre members Not supported by tailored training program Requires art centres to work with whole community which strengthens community relationships but impacts negatively on their financial viability.</td>
</tr>
<tr>
<td>Introduction of regulations and legislation without a clear understanding of market mechanisms</td>
<td>The Resale Royalty Scheme and the changes to superannuation legislation impacted negatively on art centre sales and increased administration burden.</td>
</tr>
<tr>
<td>Emphasis on art centres becoming financially independent of government</td>
<td>Overemphasis on business activities Failure to acknowledge financial value of positive externalities including community well-being, engagement and cultural relevance.</td>
</tr>
<tr>
<td>Bid to have philanthropic and corporate funding replace government</td>
<td>Philanthropic and corporate contributions to art centres remain low and art centres presently lack the resources and expertise to negotiate agreements with private sector Government support and investment required to leverage.</td>
</tr>
</tbody>
</table>
ART CENTRES AND THE HYBRID ECONOMY

In a bid to redefine notions of success in a remote community context, Altman's hybrid economy model has highlighted the potential and actual contribution of customary practices to local economies (Altman, 2009). Within hybrid economies, customary practices are perceived as a strong foundation that resists change and the imposition of external normalisation agendas. His model incorporates aspects of the market and state domains as a means of conceptualising how Aboriginal and Torres Strait Islander people and organisations in remote communities function within local economies that are not fully integrated in the mainstream.

Art centres operate across all three domains (customary, state and market) and aspects of each impact on the way they do business. The state defines Aboriginal and Torres Strait Islander people and communities as in need of support and targets its policies and programs at the resolution of these inequities. Art centres are recipients of this funding and are implicated in government agendas but also are beneficiaries of public resources. The customary domain is the creative force behind the production of much of the artwork that the market in turn attributes with monetary and new cultural value. Art centres act as brokers in this nexus by fostering relationships of trust with artists, the market and government agencies.

They are able to do so because they exist in commercially marginalised environments with the support of public funding, and they provide the mechanism whereby customary-based labour gains value in the monetised economy through the production of art. The hybrid operations of art centres as publicly funded cultural businesses are commensurate with Aboriginal and Torres Strait Islander world views, art market demand and government expectations. In this context, their success is not only measured by the money they generate but by their capacity to operate within and marshal the resources available through market and government settings for the benefit of communities.
SECTION TWO: CASE STUDY COMPARISONS

The art centre case studies trace the histories of how they were established and the degree of support they had from government. They reveal a wide range of performance outcomes and highlight the different scales of operations, with Martumili matching and exceeding grant funding with sales income, while the two Torres Strait Island art centres provide very small returns. The organisational structures of each of the art centres and the particular partnerships they have formed have defined the degree to which they are dependent on government and operational funding. In any case, it is likely that none of the three art centres will be independent of government in the foreseeable future (Chapters Seven and Eight). This section compares and contrasts these remote community enterprises and considers how they measure up against other art centres across the country.

ORGANISATIONAL MODELS

While there are organisational characteristics that almost all art centres share – including the artists being involved in their management, the charging of a set commission in return for the delivery of certain services and being operated on a not-for-profit basis – art centres also differ from one another because of their location and the way they have responded to challenges and opportunities. Two of the fundamental differences that distinguish Martumili from the Torres Strait Island art centres are its legal status and the geographical range of its service delivery. Of the three case studies, one (Martumili Artists) is auspiced and based on a hub-and-spoke model, while the other two are separately incorporated and confine their activities to a single community.

TABLE 28 ART CENTRE MODELS

<table>
<thead>
<tr>
<th></th>
<th>Martumili</th>
<th>Erub Erwer Meta</th>
<th>Badu Art Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of organisation</strong></td>
<td>Auspiced by Shire of East Pilbara</td>
<td>Incorporated (CATSI)</td>
<td>Incorporated (CATSI)</td>
</tr>
<tr>
<td><strong>Year established</strong></td>
<td>2006</td>
<td>Activities began 2002, incorporated 2008</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Advisory Committee</td>
<td>Board</td>
<td>Board</td>
</tr>
<tr>
<td><strong>Model</strong></td>
<td>Hub and spoke</td>
<td>One community</td>
<td>One community</td>
</tr>
<tr>
<td><strong>No. of staff</strong></td>
<td>5</td>
<td>15</td>
<td>17</td>
</tr>
</tbody>
</table>
Legal status determines how much formal control members and artists have over their art centres and can impact on their ability to access grants. Martumili’s relationship with the Shire of East Pilbara has provided it with organisational stability while it undertakes the ambitious task of servicing Martu communities dispersed across hundreds of kilometres in the Pilbara and helped it secure corporate funding. Despite early plans to separately incorporate, the art centre has remained part of the Shire; there are no immediate plans to change this arrangement. Erub Erwer Meta’s transition from school program to separately incorporated art centre allowed funding to be secured from avenues that would not otherwise have been available, such as the Department of Education (Andrews & Starr, 2005). Badu Art Centre has had to be more self-reliant in its initial stages than the other two art centres because it did not have a partner relationship with another community organisation. Even though Gab Titui and the ADO provided significant marketing, training, planning and monetary support, the art centre had to secure its own facilities and develop its own management systems outside of an auspicing arrangement. In many ways, this made it harder for the art centre to establish itself; unlike at Erub Erwer Meta and Martumili, the person who was a government-funded employee and initiated the development of the centre did not transition into the art centre manager role, meaning that external staff had to be recruited.

**Sales and Grants**

Sales and grant income are two of the primary quantitative indicators used by government in the assessment of art centre performance. Table 28 below provides a comparison of the three case study art centres between 2010/11 and 2012/13. While earlier figures are available for both Martumili Artists and Erub Erwer Meta, for Badu Art Centre only post-2010 figures are available, from when the art centre was open and operating. For consistency, a narrower three-year time frame is presented.

<table>
<thead>
<tr>
<th></th>
<th>2013*</th>
<th>2012*</th>
<th>2011*</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of artists</td>
<td>148</td>
<td>55</td>
<td>14</td>
</tr>
</tbody>
</table>

* Mix of full-time, part-time and casual positions
TABLE 29 ART CENTRE SALES AND GRANT INCOME VS. NATIONAL AVERAGE, 2010/11–2012/13

<table>
<thead>
<tr>
<th>Art centre</th>
<th>Martumili Artists</th>
<th>Erub Erwer Meta</th>
<th>Badu Art Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art centre sales</td>
<td>$2,038,209</td>
<td>$239,194</td>
<td>$130,006</td>
</tr>
<tr>
<td>National average sales*</td>
<td>$313,219</td>
<td>$313,219</td>
<td>$313,219</td>
</tr>
<tr>
<td>Sales vs. national average</td>
<td>6.5</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Art centre grants</td>
<td>$917,582</td>
<td>$1,671,949</td>
<td>$1,388,984</td>
</tr>
<tr>
<td>National average grants</td>
<td>$324,621</td>
<td>$324,621</td>
<td>$324,621</td>
</tr>
<tr>
<td>Sales difference as ratio</td>
<td>2.8</td>
<td>5.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Sales vs. grants</td>
<td>Sales exceed grants</td>
<td>Grants exceed sales</td>
<td>Grants exceed sales</td>
</tr>
</tbody>
</table>

* Note: National averages calculated using data for 2010/11 to 2012/13 from Acker (2014, Table 15, p. 26)

Source: Art Centre Profit and Loss statements and Acker & Woodhead (2014b, p. 24)

Martumili Artists generated by far the most sales income but attracted significantly less grant funding over the same period. This is partly accounted for by the relatively small amounts of IEI funding Martumili received when compared to the funding that went to Erub Erwer Meta and Badu Art Centre: $169,944, $720,099 and $617,227 respectively.

Table 28 also shows the performance of the three case studies against average national sales and grant income. Each of the art centres received higher than the national average in grant income, but only Martumili exceeded the national average in sales income. Both Badu Art Centre and Erub Erwer Meta received more grant money than they generated in sales.

SECTION THREE: CONTRIBUTION MADE BY THIS RESEARCH

ACADEMIC LITERATURE

There is an increasing focus among researchers and policymakers on better understanding the range of economic, social and cultural issues that affect the sustainability of remote economic enterprises, what factors make enterprise development possible in communities and what the impediments are for sustainable
businesses, and for art centres in particular (Altman, 2005b; Altman & Gray, 2005; Ingamells et al., 2010; Ingamells et al., 2011; Stolte, 2010; Walker et al., 2009; Wright & Morphy, 2000).

This PhD research contributes to policy, business and management literature by examining how external factors such as government policies and programs determined internal mechanisms of governance and operation in remote community art centres. It shifts the focus away from strategies of normalising Aboriginal and Torres Strait Islander people in a bid to engage them in the mainstream economy towards a view of these cross-cultural enterprises as a product of particular historical circumstance from which the following lessons can be learned:

- Market forces are not the only determining factor for how art centres operate, and most art centres were not established because of proven market demand.
- Most art centres are not-for-profit and, like many mainstream businesses (through, for example, subsidies to increase productivity) and public institutions, rely on government for support to some degree.
- Policy and public funding are an important and often unacknowledged part of the story of how art centres evolved.
- Art centres rely on subsidised or voluntary labour (i.e. lower salaries paid to Aboriginal and Torres Strait Islander arts workers because they are funded through job placement programs and are not benchmarked against industry standards; voluntary time might include meeting attendance as well as creating artwork that does not result in significant financial returns).

The research also confirmed some of the findings of other researchers:

- There is a small body of extant literature regarding the impact of government policies and programs on the internal operations of art centres and their role in the market (Stolte, 2010; Woodhead, 2014).
- Business development in remote communities requires long-term and strategic public subsidy (Walker et al., 2012).
- Government staff have exhibited “gamer” behaviour and played the role of social entrepreneurs in the development of art centres (Moran, 2016).
- Business models that provide a match with local cultural and social values have a higher chance of succeeding (Reconciliation Australia, 2012; Fleming, 2015).
• Social entrepreneurship models (defined as not-for-profit and with a focus on creating social and cultural value as well as financial returns) support local leadership and encourage broad participation, providing them with a competitive edge over private businesses in remote communities and making them appealing places for people to work (Cornell, 3–5 April 2002).

There is a small body of extant literature regarding the impact of government policies and programs on the internal operations of art centres and their role in the market (Stolte, 2010; Woodhead, 2014). However, the investigation of government’s role in the art centre movement through case studies and a descriptive analysis of the funding environment in the period between 2007 and 2013 has not been done before and therefore contributes to a new field of inquiry. The research is timely given the intensive research and debate resulting from the introduction of Closing the Gap measures in 2007. It demonstrates the extensive contribution of art centres and their value as remote community assets.

This research also engages with recently developed theoretical models, including the hybrid economy and path dependency, that are gaining traction in academic literature (Altman, 2009; Garud et al., 2010; Ingamells et al., 2010). Through the study of the relationship between government and art centres and government and Aboriginal and Torres Strait Islander businesses, the research challenges established preconceptions that art centres should become independent of government funding and that they hold the key to solving issues of limited employment and economic engagement in remote communities (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007, Australian Government, 2013c). Art centres are far more complex and require evaluation on the basis of their place in remote communities, their dual functions for artists and government and their role as agents in the marketplace.

As this research is primarily about government perspectives on the art centre role in the supply and marketing network, it also contributes to literature on value chains as a tool for better understanding complex industries (Altman, 2013; Myers, 2002; Wright, 1999). Art centres have transitioned from being focused primarily on production to being a direct wholesale and retail model, but they continue to generate relatively little in sales while acting as a catalyst for the much larger secondary market.


**Potential Areas of Further Research**

Given the nexus between government, art centres and the Aboriginal and Torres Strait Islander art market, the research presents an analysis of the networks, institutions and relationships that make up this complex and long-standing association. By providing a historical perspective as well as a snapshot of relatively recent data, a picture of how reliant art centres are on government funding emerges. The specifics of the relationship between individual art centres and government warrants further investigation to better understand the impact of public programs on these small enterprises. How these relationships are managed needs more careful consideration in the future and strategic leadership from the art centres and their peak agencies.

The role art centres take in leadership development, cross-cultural governance and engagement is still poorly documented, and their capacity for this role is at times overestimated in light of their limited resourcing (J. Hunt, Garling, & Sanders, 2008; P. Sullivan, 2010). The services that art centres deliver but are not funded for require further exploration, and the limitations and potential of their role as civic institutions needs to be better understood.

The research seeks to challenge some of the more unrealistic expectations government has of art centre capacity and future financial success. These expectations cloud the debate and are not supported by the data. The probability of the majority of art centres requiring funding for the foreseeable future is very high; to measure and assess them against their financial performance alone ignores the important social and cultural role that they play when they are operating effectively. Some formal distinction needs to be made by government between those art centres that are major organisations or centres for excellence and those that are small to medium. Support can then be tailored to meet the specific needs of each category of art centre, replacing the one-size-fits-all model currently in place, and allowing major organisations to be rewarded for their outstanding performance with no requirement to go through a competitive process for their operational funding, in keeping with the framework for funding Major Performing Arts organisations (Meeting of Cultural Ministers, 2011).
CONCLUSION

The pattern of economic development in the Torres Strait and the Pilbara indicate decades of emerging businesses and industries, often driven by local Aboriginal and Torres Strait Islander entrepreneurs. Despite these initiatives, Martu people in the Pilbara remain part of a dual economy largely excluded from the mining boom; in the Torres Strait, local people struggled to develop new industries when the market for pearl shell collapsed.

A small number of remote community Aboriginal and Torres Strait Islander artists and art centres have broken into the global art market, in the process confounding stereotypes of remote community people being economically, socially and culturally isolated. From local economy to global economy (Acker, 2014), the story behind this journey is one of government-led and -funded development; the story exposes the complexity of the state’s relationship with art centres and Aboriginal and Torres Strait Islander people.

A complex model of development is described in these case studies, one that is not limited to describing the impact of market forces. The entrepreneurial behaviours of community members and government staff have resulted in the establishment of each of these art centres with a patchwork of government grants to support the process. Success depended heavily on what Moran calls “gamers”, the frontline workers and local leaders who have to make sense of policy and program limitations and adapt them to meet the needs of communities (Moran, 2016). Their success in securing and directing government grants towards the achievement of local goals and aspirations is often part of the untold story, and yet it happens over and over again in the histories of art centres and, indeed, many other remote community organisations and enterprises.

Despite the importance of government as a contributor to the Aboriginal and Torres Strait Islander arts sector, until recently there has been little research into the relationship between federal, state and local agencies and art centres. Previous research in the area was focused primarily on the development of a fine art movement and how the art centres could be better understood and supported (Myers, 2002; Wright, 1999). A great deal of attention was also directed at developing frameworks for evaluating art centres in order to have funding equitably and effectively distributed (Altman, 2000; Mercer, 1997; Palmer, 2000). More recently, the CRC-REP AEP investigated how much funding had been invested by
government over a 13-year period, allowing – for the first time – a national and longitudinal overview of art centre income (CRC-REP, 2015).

This thesis outlined a new perspective on these issues by taking a cross-disciplinary approach to the subject and examining why government has funded art centres as well as how it has done so. Aboriginal and Torres Strait Islander art centres experienced a serious downturn in the market in 2007–08, which had a marked impact on art centre sales. This period coincided with an injection of new government money particularly targeted at the employment of Aboriginal and Torres Strait Islander arts workers. This resulted in art centres overall receiving more funding from grants than they generated in income from sales. The relationship between art centres and government would seem to be getting more dependent but no clearer, and the sector now faces both new and familiar challenges, including an unpredictable market, increased emphasis on training and employment and low sales.

Investigation shows that government is the dominant agent in the enabling environment for art centres in remote communities. While government funding and programs have a significant impact on almost every aspect of art centre service delivery, this is not formally acknowledged in any public government documents. There appears to be a gap in the research between government’s active support of art centres and recognition that this has cause and effect impacts on how art centres can do business. At times, the effect is beneficial, as exemplified by the IVAIS funding which provides a full-time wage for art centre managers and operational costs, while other government actions pose challenges for the sector, such as the changes to the superannuation laws (Altmann, 2000; Palmer, 2000; Peppercorn, 2003). In any case, the unwillingness of government at all levels to acknowledge how deeply embedded it has been and continues to be in art centre development poses problems for the setting and evaluation of relevant and practical policies and programs in this area.

This thesis has made a contribution to academic literature in the fields of government economic and cultural policy and Aboriginal and Torres Strait Islander affairs. It has explored government policies and programs between 2007 and 2013, providing detailed information about the maze of funding and support programs that art centres had available, with the aim of describing their impact and clarifying their role in the enabling environment for art centres. It has also examined some of the
history behind funding for art centres and the negative outcomes that result from policy mismatch and a lack of data analysis.
APPENDIX ONE: SECTOR REVIEWS AND STUDIES

Government investigations have attracted extensive information through submissions from sector stakeholders but have tended to focus their findings on financial performance and bad practice in the sector rather than qualitative outcomes (Altman, 1989; Mercer, 1997; Pascoe, 1981; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). The most far-reaching examination of the Aboriginal and Torres Strait Islander arts sector was the 2007 Senate Inquiry, which undertook extensive interviews and public hearings across the country in an effort to ascertain the scope and scale of the Aboriginal and Torres Strait Islander art industry and clarify the role art centres play within it. The Inquiry, which was triggered by reports of unethical practices in the industry, was set up to look at what economic, social and cultural benefits art centres provided and to determine if they were sustainable and what they needed to improve their viability. The brief included an examination of infrastructure needs, art centre management structures and government support programs as well as the potential of developing international markets. The resultant research identified a range of issues that impacted on the performance of art centres, but the recommendations were limited to certain aspects of business practice, including training and infrastructure needs, government programs, increases in operational and infrastructure funding and the introduction of industry regulations and standards such as the Indigenous Art Code and the Resale Royalty Scheme.

A key part of the Senate’s investigations was devoted to identifying ways that government could support ease of business through legislation and protect the rights and entitlements of artists, although there was no introspection or historical evaluation of the government’s impact on the sector. There were also no recommendations relating to how culture could be protected and encouraged to thrive, even though extensive literature exists about the links between cultural health and artistic vibrancy (Ware, 2014; Wright, 2000).

To have had four major sector reviews and investigations commissioned between 1981 and 2007 would seem to indicate three things about how governments view the Aboriginal and Torres Strait Islander art industry (Altman, 1989; Pascoe, 1981; Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007; Wright, 1999). Firstly, successive governments have considered the industry important enough to devote considerable resources to
these investigations and have taken it for granted that it has a role to play in the economic development of Aboriginal and Torres Strait Islander people. The second implication is that the government has required such external investigations to gauge the progress and impact of the sector rather than being able to rely on internal data and evaluation. Lastly, the reviews have all been triggered by perceived issues or problems in the sector that could not be resolved or properly identified by the various departments responsible for providing support and collecting relevant data and reports. The Pascoe report was set up because of a concern about how the market for Aboriginal and Torres Strait Islander art would develop. The Altman review was initiated because of tensions between art centres and Aboriginal Arts and Crafts Pty Ltd (referred to as ‘the Company’). The 2007 Senate Inquiry was in response to growing concerns about carpet bagging and unconscionable practices.

The Pascoe and Altman reviews were externally commissioned. They collated whatever statistical and primary data they could about the art centres in an attempt to provide a sense of the scope of the sector, its associated value chains and what the appropriate responses of government could be to this growing industry (Altman, 1989; Pascoe, 1981). The potential of the Aboriginal and Torres Strait Islander art industry was increasingly gaining recognition in government circles at a time in the 1980s when the federal government, in particular, was developing policies for Aboriginal and Torres Strait Islander people with the aim of achieving economic, educational, employment and health outcomes parity with non-Aboriginal and Torres Strait Islander people. In effect, the goals of government in the 1980s mirrored those of the Closing the Gap era, but the means whereby this would be achieved was envisaged very differently. In the 1980s, homelands were not treated as part of the problem; government was seeking ways to support sustainable livelihoods on country with its sights set firmly on the nascent arts industry. In contrast, the 2007 Senate Inquiry was undertaken at a time of deep contradiction when remote communities were considered by some commentators to be poor investments for government, and there was political uncertainty about whether customary practices were a shining example of market success or the underlying reason for Aboriginal and Torres Strait Islander people not achieving parity.

Succeeding administrations have been selective in which recommendations they have taken on board, and each of the reviews discussed below have had key recommendations implemented and others ignored. The internally managed Senate...
Inquiry resulted in several of its recommendations being taken up by government, but most were placed on hold, pending budget decisions, or simply noted (Australian Government, 2008). Similarly, the Altman review saw only a small number of key recommendations implemented but had an enormous and long-term impact on government’s understanding of art centres and the industry, particularly through the ATSIC era.

While the main reviews of the Aboriginal and Torres Strait Islander arts sector have all been commissioned by the federal government, each of the states has had an interest in their findings and, in the case of the Altman Review and Senate Inquiry, contributed data and information. No investigations have been commissioned on the same scale by state agencies, although smaller research reports have been published, including the background paper prepared as part of the consultation process for the Northern Territory’s Indigenous Arts Strategy (Altman, 2003). The section below examines each of the major reports in chronological order and explores their contribution to sector development and contemporary debates.

**The Pascoe Report: 1981**

The 1981 review, *Improving focus and efficiency in the marketing of Aboriginal artefacts*, was the first review sponsored by the Australia Council of the Aboriginal and Torres Strait Islander art industry, and it came at a time when the role of the Aboriginal Arts Board was being revised and the sector was evolving rapidly (Pascoe, 1981). As the title suggests, the review’s focus was on how the marketing of Aboriginal and Torres Strait Islander art could be improved and benefits maximised for Aboriginal and Torres Strait Islander producers. Within this framework, the review examined how the Company was performing and recommended strategies to manage it more effectively.

The Pascoe report was written at a time when the limitations of available funding through the Aboriginal Arts Board were becoming apparent, and the future requirements of the sector were likely to grow rather than diminish. It was also a period when the Company was an important wholesaler and retailer of products from community art centres, but had been operating at a loss for a number of years, raising questions about its financial viability and business model. The relatively small size of the commercial sector at the time and the limited number of art centres meant that Pascoe could capture and analyse the publicly funded industry in a manner that was not possible for the later reviews, by which time the market was
more complex and there were far more commercial interests and art centres. His access to Company records in his role as consultant was unprecedented, and its domination of the market meant that he was able to document not only the primary sales of the art centres but also the majority of secondary sales through the Company. Unfortunately, the scope of his report did not include a history of sales by art centres, which would have provided an insight into their performance across time.

The Pascoe Report was the first formal examination of the art centres, their markets and the Company. It provided an invaluable insight into the fundamental workings of the sector, the roles of the art coordinators and the challenges art centres faced in delivering services to their home base communities and developing links with the national and international marketplace. Pascoe’s report, rather than providing a plan for the reduction or withdrawal of government subsidy, actually reported an underfunding of the Company and proposed ways in which government could better support and engage with the sector. Pascoe also provided a basic and primarily quantitative framework for determining the merit of government subsidies and measuring the benefits to communities. These methodologies were to form the basis for the later research of the 1989 Altman Review.60

THE ABORIGINAL ARTS AND CRAFTS INDUSTRY: THE ALTMAN REVIEW

In terms of reach and transformation within the Aboriginal and Torres Strait Islander arts sector, the Altman Review marks a milestone because of the large amount of data collected and presented as well as the overall examination of all aspects of the sector (Altman, 1989). It is the first report to explore in depth how the sector operated, what role government played and how artists benefited. Written over a relatively short period of six months, the Review had been triggered by the Report of the review of Aboriginal employment and training programs and return to country: The Aboriginal homelands movement in Australia with the aim of determining how the budding sector could meet the aims of the Aboriginal Employment Development Policy and other government initiatives and what impact public funding was having (Australian Government, 1985; Commonwealth of Australia, 1987). Both reports had emphasised the potential importance of arts production for the future economic development of homeland communities.

60 Altman was one of the researchers for the Pascoe report.
One of the key early findings of the review was that industry statistics were very limited, and that no government agency was taking responsibility for collecting statistical information. As a result, the review was compelled to collect a lot of its own data and compiled a database of artists as part of the research process. The review committee also found that the Aboriginal and Torres Strait Islander arts sector faced some serious challenges, including a nascent market and the absence of any coordinated strategy for government support. The critical role of government funding was acknowledged, as was the unlikelihood of the Aboriginal and Torres Strait Islander market developing further without it.

**The Art and Craft Centre Story: 1999**

*The art and craft centre story* was an important research collaboration between Desart and ATSIC and provided much-needed detail about how art centres were performing, their administrative and physical infrastructure and what roles they filled for communities (Wright, 1999). The research was funded by ATSIC, the Northern Territory Department of Arts and Museums and the Australia Council. While it was not strictly a review, the three volumes remain important reference texts for the sector and are still the most comprehensive account of art centres and the factors that contribute to their success and sustainability. Many of the observations and findings contained in the report still apply today, indicating the robustness of the art centre model and the long-term approach required to resolve some of the sector’s many challenges. The audience for the research were both government administrators and the art centres, and the reports included data about 39 art centres, spread across the Northern Territory, Western Australia and South Australia. No Queensland art centres were included in the survey, and the art centres represented were all members of Desart or Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA).

While the report explored at some length the importance of National Arts and Craft Industry Support Strategy (NACISS) (now IVAIS) funding to art centres and the relationship between ATSIC, its project officers and art centres, there is no analysis of other funding sources, and the researchers reported difficulties obtaining basic financial data from some art centres. The report noted that even though the NACISS program was coordinated from a national office, the data about the art centres was not easily available or administered through a central database. The researchers argued that this was partly because the recommendation from the Altman Review
that dedicated and experienced staff be employed to manage a coordinated funding program for art centres was never implemented. It also led to a continuance of the practice of funding art centres according to historical precedence rather than performance.

For the first time, government had access to information about the internal workings of art centres: how they were governed, what their main challenges and priorities were, how they interacted with the market and what their key vulnerabilities were. Armed with this information, government had the opportunity to see what years of investment had achieved and was provided with extensive recommendations for the way forward. The report represented a major investment from ATSIC and was an indication of how important art centres were considered to be within the agency’s program.

Like the Altman report, *The art and craft centre story* is still frequently referred to in academic literature, but it did not have a significant immediate impact on government policy at the time, partly because Desart failed to recognise its potential as a tool for lobbying and due to ATSIC’s insular approach to supporting the arts. The report urgently appealed to government to assess funding availability, as approximately half of the art centres surveyed were under-resourced and therefore vulnerable.

**SENATE INQUIRY: 2007**

In the last year of the Howard government and in response to concerns raised by key stakeholders working within the sector about unconscionable practices, a senate inquiry was instigated, tasked with investigating:

(a) the current size and scale of Australia’s Indigenous visual arts and craft sector

(b) the economic, social and cultural benefits of the sector

(c) the overall financial, cultural and artistic sustainability of the sector

(d) the current and likely future priority infrastructure needs of the sector

(e) opportunities for strategies and mechanisms that the sector could adopt to improve its practices, capacity and sustainability, including to deal with unscrupulous or unethical conduct
(f) opportunities for existing government support programs for Indigenous visual arts and crafts to be more effectively targeted to improve the sector's capacity and future sustainability

(g) future opportunities for further growth of Australia's Indigenous visual arts and craft sector, including through further developing international markets.

(Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007).

The Inquiry came at a time when there had already been several major reviews of the arts and cultural sectors and more than 12 years after the release of the last national cultural policy, Creative Nation (Commonwealth of Australia, 1994; Craik, 2006). The Howard government had resisted calls for a new cultural policy and had been accused of being reactive rather than leading the debate. As a result, emphasis was placed on the outcomes of review and inquiry processes, which were recognised as a potential mechanism to release substantial increases in government funding, as evidenced by the 2002 Myer Report (Myer, 2002). In the main, the announcement of an Inquiry was met with positive responses from the sector, most stakeholders believing that this would be an opportunity to make a case for the future support of the industry and the development of a more considered approach to funding, regulatory frameworks and legislation.

**REVIEWS OF NACIS AND IVAIS**

The IVAIS61 program, in various forms, has been funding art centres for more than 20 years. The program has been shifted from one department to another as ATSIC was dissolved and governments changed, but essentially the core purpose of the program and the cohort of art centres funded remained surprisingly stable. Now, with nearly 100 art centres funded through the program, IVAIS remains the primary source of operational funding.

The IVAIS program was one of the outcomes from the recommendations of the 1989 Altman Review, and ATSIC took over the role of lead agency for the funding through a negotiated agreement with the Australia Council in 1991 and kept this responsibility until its demise in 2004. The Altman Review also made

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61 Was previously known as the Art and Craft Industry Support Strategy (ACISS) and then the National Arts and Craft Industry Support Strategy (NACISS).
recommendations regarding the establishment of a national support unit with the capacity to collect information and monitor the performance of art centres in order to assess the benefits of funding programs; however, this was never fully realised. In 2000 when the second volume of The art and craft centre story was published, ATSIC was managing the NACISS program, but monitoring and evaluation of the art centre was still limited; the data it was collecting through the program was not being collated and analysed consistently (Wright & Morphy, 2000).

**Quantitative Performance Assessment**

Determining the relative efficiency of art centres in delivering services and returns to artists has been a concern of both government (seeking evidence of value for money) and art centres (justifying ongoing funding). In an attempt to provide a simple and robust method, Altman proposed a model for assessing the quantitative performance. The 1989 review had called for higher levels of funding and better coordination of programs using a systematic approach to assessment that included sales, number of arts, returns to artists, location and product. The methodology had been developed over a number of years by both Pascoe and Altman, both of whom were trained economists. Mercer, Palmer and Peppercorn (Mercer, 1997; Palmer, 2000, Peppercorn, 2003) all undertook reviews of the NACIS program and used this as the foundation for their recommendations, believing that it provided a good basis for performance assessment.

The methodology included four key output ratios:

- **Ratio A**: Art centre sales divided by operational subsidy. This calculation shows the relative efficiency of the subsidy in generating art centre turnover.
- **Ratio B**: Returns to producers divided by operational subsidy. This calculation shows how much income for artists was generated per dollar of operational subsidy.
- **Ratio C**: Producers serviced by $1,000 operational subsidy. This calculation gives an indication of the reach of funding to target clientele.
- **Ratio D**: Returns to artists as percentage of art centre sales. This calculation shows the relationship between sales income and payments to artists.

(Altman, 2000, p. 86).
Altman strongly endorsed the use of financial and participation data despite the limited perspective it provided on art centre outputs and foresaw that reliance on quantitative measures could result in too much emphasis being placed on commercial returns at the expense of valuing and measuring cultural impacts. Two government respondents confirmed that despite this, the methodology continues to underpin the internal performance assessments done by government, with Ratios A and D in particular still commonly used by agencies such as Arts Queensland and the Ministry for the Arts alongside other quantitative measures such as the number of staff, artists, exhibitions and workshops.

On a case-by-case basis, the methodology provides a solid framework for assessing and comparing individual art centres but is more problematic when used to present regional or national averages, because there is such a large discrepancy in sales income and participation numbers from art centre to art centre. This issue was also faced by the AEP researchers, who used Ratio A as one of their key indicators. In order to maintain anonymity, the researchers were unable to present data from individual art centres; they were constrained to presenting the data with a very large range of variables on a regional and national basis.
APPENDIX TWO: INFORMATION SHEET

PhD Thesis Research Information Sheet

Investigations Into The Role Of The Enabling Environment In Supporting Indigenous Economic Development: Remote Community Aboriginal And Torres Strait Islander Art Centre Economies Case Studies 2007 – 2013

Name of investigator: Susan Congreve, PhD Candidate, Curtin University, Perth, WA

In contrast to the widely perceived failure of government to adequately address the many challenges facing Aboriginal and Torres Strait Islander people, the Aboriginal art movement has been a major national and international success. At the heart of this success are the more than 100 government subsidized art centres based in regional and remote communities across the nation.

The communities, in which these art centres are based, are characterized by their remoteness from mainstream centres and services and have therefore historically had few employment opportunities or avenues to engage with the commercial or market sector. As a result, they have been highly dependent on government funding. Art centres have provided within their limited capacity employment and training for local artists and workers as well as an unsteady but nonetheless highly valued stream of self-generated income.

The aim of this research is to examine the role of the enabling environment in which art centres operate and better understand why and how they have succeeded to the degree they have. The research outcomes will: (i) identify strategies to improve the way in which art centres negotiate with government and position themselves in relation to policy development; (ii) challenge the traditional normalisation notions of successful development; and (iii) develop a practical framework for art centres to negotiate public policy development.

To achieve this, the researcher will need to collect business data about art centres including: policy information, sales / marketing information, financial information, governance / planning documents, and employment records.

The researcher will also be conducting interviews with key stakeholders. These interviews will include questions about the following:

- Financial performance
- Marketing strategies and business linkages
- Governance structures and strategic directions
- Employment
- Training
- Community and regional conditions and trends
- Participation rates
- Grant applications and funding availability
- Project development
- Responses to policy development and implementation
- Role of the peak agencies
- The identification of priority areas of need

The researcher is very aware of the sensitivity of this request and in order to manage these sensitivities:
• All data will be stored, analysed and reported on according to strict ethical rules, as set out in a range of protocols used by the Cooperative Research Centre for Remote Economic Participation (CRC-REP), including university ethics approval and intellectual property regulations.
• A full copy of the research’s ethics approval and other protocols can be supplied on request.
• All data will be anonymous: no artist, staff or organisation will be identified unless they have agreed to participate and be identified.
• No cultural information or images etc. is being sought – only financial and statistical information.
• A consent form is attached to this request; this consent can be withdrawn at any time.

Consent: It is important that all participants are clear about this request and the processes involved. The researcher is happy to speak directly to you about any aspect of this, or answer any questions. To ensure clarity in this project, and once you are willing to proceed, the researcher asks that you also fill in the attached Consent Form. Could you please print, sign and either scan/email or post this consent form?

The researcher is asking other art centres for the same information. State and Commonwealth funding bodies and peak agencies will also be asked for information.

Background – CRC Remote Economic Participation
This PhD research is part of the Art Economies program, which is one of the key research programs being delivered by the Cooperative Research Centre for Remote Economic Participation in Alice Springs. The Art Economies program has a diverse research agenda focused on understanding the economic, social and cultural conditions of the sector. Working in partnership with a wide range of stakeholders the program objective is to ensure that artistic practices are a viable means of achieving individual, social and cultural wellbeing.

For more information please contact:
Susan Congreve
PhD Candidate
Curtin University
scongrev@bigpond.net.au

This study has been approved by the Curtin University Human Research Ethics Committee (Approval Number HR 4604/2013). The Committee is comprised of members of the public, academics, lawyers, doctors and pastoral carers. If needed, verification of approval can be obtained either by writing to the Curtin University Human Research Ethics Committee, c/- Office of Research and Development, Curtin University, GPO Box U1987, Perth, 6845 or by telephoning 9266 2784 or by emailing hrec@curtin.edu.au
APPENDIX THREE: QUESTIONNAIRES

Questionnaire

Government Employees

Investigations Into The Role Of The Enabling Environment In Supporting Aboriginal and Torres Strait Islander Economic Development: Remote Community Aboriginal And Torres Strait Islander Art Centre Economies Case Studies 2007 – 2013

Name of investigator: Susan Congreve, PhD Candidate, Curtin University, Perth, WA

Name of Interviewee:

Position Held by Interviewee:

Organisation:

Duration of Employment:

Contact Details:
Date of Interview:

Government Departments Ministry for the Arts, Dept of Employment, Arts Queensland, DCA (WA),

Political and Economic Significance of Art Centres

Are art centres politically and economically significant?

Why are art centres funded by government?

What roles do art centres play in their communities?

Funding and Financial Assistance

What funding or financial assistance was / is available to art centres and peak agencies through your department?

In your opinion how has the availability or non-availability of funding and financial assistance impacted on art centres and peak agencies?

What planning did the department undertake to secure or maintain funding and financial assistance?

What were the main issues and challenges?

State, Federal and Local Government Policy

What policies exist / existed to support art centres and peak agencies?

In your opinion what impact did these policies have on art centres and peak agencies?

In what ways did your department respond to existing or developing policies?
What planning did the department undertake to meet the requirements and challenges of policy implementation?

What were the main issues and challenges?

**Standards and Regulations**

What standards and regulations were managed by your department?

How did standards and regulations impact on art centres and peak agencies?

In what ways did your department respond to requests for assistance from art centres and peak agencies to meet the requirements of standards and regulations?

What planning did the department undertake to develop or maintain standards and regulations?

What funding was available to meet the requirements of standards and regulations?

What were the main issues and challenges?

**Employment Opportunities**

What employment opportunities were / are supported by your department for Aboriginal and Torres Strait Islander people in art centres and peak agencies?

How many Aboriginal and Torres Strait Islander people in art centres and peak agencies were supported by employment opportunities delivered through your department?

What planning did the department undertake to support, create or maintain employment opportunities for Aboriginal and Torres Strait Islander people?

What were the main issues and challenges?

**Support Services**
What support services were / are available and supported by your department for Aboriginal and Torres Strait Islander people in art centres and peak agencies?

In what ways did your department make available or deliver support services?

What planning did the department undertake to develop or deliver support services?

What funding is / was available to support services?

What were the main issues and challenges?
Questionnaire

Art Centre Managers

Investigations Into The Role Of The Enabling Environment In Supporting Indigenous Economic Development: Remote Community Aboriginal And Torres Strait Islander Art Centre Economies Case Studies 2007 – 2013

Name of investigator: Susan Congreve, PhD Candidate, Curtin University, Perth, WA

Name of Interviewee:

Position Held by Interviewee:

Organisation:

Duration of Employment:

Contact Details:

Date of Interview:
General Questions

When was the art centre established?

How many artists work through the art centre?

Business Related Questions

Business Partnerships

What business partnerships existed during your employment at the art centre?

What was the nature of these business partnerships?

How important were these business linkages for the art centre?

What planning did the art centre undertake to develop business partnerships?

What funding did you receive or apply for to support business partnerships?

How were these business partnerships supported by the peak agency?

What were the main issues and challenges?

Employment Opportunities

What employment opportunities were there for Aboriginal and Torres Strait Islander people at your art centre?

How many Aboriginal and Torres Strait Islander people were employed people at your art centre?

In what ways did your art centre support or create employment opportunities for Aboriginal and Torres Strait Islander people?
What planning did the art centre undertake to support, create or maintain employment opportunities for Aboriginal and Torres Strait Islander people?

What funding did you receive or apply for to support existing employees and employment initiatives?

How were existing employees and employment initiatives supported by the peak agency?

What were the main issues and challenges?

**Art Centre Services**

What services were / are delivered by your art centre?

How were these services delivered?

What planning did the art centre undertake to develop support services?

What funding did you receive or apply for to services?

How were you helped to deliver services by the peak agency?

What were the main issues and challenges?

**Standards and Regulations**

What standards and regulations exist that affect your art centre?

How did these standards and regulations affect your art centre?

What planning did the art centre undertake to meet the requirements of standards and regulations?

What funding did you receive or apply for to enable you to meet the requirements of standards and regulations?

What were the main issues and challenges?
Funding and Financial Assistance

What funding or financial assistance did your art centre receive?

How has the availability or non-availability of funding and financial assistance impacted on your art centre?

In what ways did your art centre respond to changes in the availability of funding or financial assistance?

How easy was it to secure funding and financial assistance?

What planning did the art centre undertake to secure or maintain funding and financial assistance?

What were the main issues and challenges?

Infrastructure and Property Rights

What infrastructure or property did your art centre own or have access to?

How and on what basis was the infrastructure or property acquired or accessed?

Were the needs of the art centre met?

What planning did the art centre undertake to maintain or acquire infrastructure or property?

What funding did you receive or apply for to acquire infrastructure and property?

How were your infrastructure and property needs met by the peak agency?

What were the main issues and challenges?

Communication and Information Technology

How reliable are communication systems in the community?
Community Support and Partnerships

Who are the art centre’s main partners in the community?

What support do they offer?

Accessing services

What services did your art centre access?

Did these services meet your needs?

What services were provided by your peak agency?

Are some essential services not available – what are they?

What are the main issues and challenges accessing services?

State, Federal and Local Government Policy

What policies exist / existed to support your art centre?

What policies on your art centre?

In what ways did your art centre respond to existing or developing policies?

How easy was it to meet the requirements and challenges of policy implementation?

What planning did the art centre undertake to meet the requirements and challenges of policy implementation?

What was the impact of policies on your art centre?

What were the main issues and challenges
APPENDIX FOUR: CONSENT FORMS

THE
JOHN CURTIN
INSTITUTE
OF PUBLIC POLICY

Susan Congreve
PhD Researcher
Curtin University

I, ................................................................................. (please print name)
consent and wish to take part in the research project entitled:

Investigations into the Role of the Enabling Environment in Supporting Indigenous Economic Development: Remote Community Aboriginal And Torres Strait Islander Art Centre Economies Case Studies 2007-2013

I have read, or had explained to me, the Information Sheet called: PhD THESIS RESEARCH INFORMATION SHEET
The researcher, Susan Congreve, 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 5 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: ........................................

This study has been approved by the Curtin University Human Research Ethics Committee (Approval Number HR 4604/2013). The Committee is comprised of members of the public, academics, lawyers, doctors and pastoral carers. If needed, verification of approval can be obtained either by writing to the Curtin University Human Research Ethics Committee, c/- Office of Research and Development, Curtin University, GPO Box U1987, Perth, 6845 or by telephoning 9266 2784 or by emailing hrec@curtin.edu.au
APPENDIX FIVE: ETHICS APPROVAL

Memorandum

To: Professor Peter J Batt, Management
From: Professor Stephan Millett, Chair, Human Research Ethics Committee
Subject: Protocol Approval HR 196/2013
Date: 4 December 2013
Copy: Ms Susan Congreve, Management
Dr Louis Geneste, Management
Professor John Burgess, Management

Thank you for your application (4604) submitted to the Human Research Ethics Committee (HREC) for the project titled "Investigations into The Role Of The Enabling Environment in Supporting Indigenous Economic Development: Remote Community Aboriginal And Torres Strait Islander Art Centre Economic Case Studies 2007 - 2013". 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 196/2013. 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:
  (i) Annual progress reports on the project must be submitted to the Ethics Office.
  (ii) 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 researcher, 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 Six: Federal Funding Programs

Several key federal funding programs are mentioned throughout this thesis. Their core aims and contribution to art centres have been summarised in the sections below.

**Indigenous Visual Arts Industry Support (IVAIS)**

IVAIS has been and continues to be the primary source of operational support for art centres. Between 2007 and 2013 the Ministry for the Arts (previously the Ministry of the Arts) revised and redrafted IVAIS guidelines and program details as part of a rationalisation all its programs. The new program goals prioritised professional practice and economic development and listed the activities it supported as:

- 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.

(Department of Regional Australia, Local Government, Arts and Sport – Office for the Arts, 2013)

In response to recommendations by the 2007 Senate Inquiry, triennial funding was introduced for art centres with a proven record of performance. In 2009/10, only eight centres were placed on triennial contracts, and in 2010/11, another eight were added to the list. By the end of 2013, 19 multi-year activities were funded through the program including all three case studies.

**Indigenous Culture Support (ICS)**

The Indigenous Culture Support Program was also managed by the Ministry for the Arts and was, unlike IVAIS, not only targeted at art centres and the visual arts. The program was focused on the maintenance of customary and contemporary cultural practices through skills development, activities and cross-generational exchanges.

Applications for ICS funding were submitted alongside IVAIS applications, and there was huge demand for funding through this program. In 2009/10, $34.8 million was applied for and only $6.8 million awarded; by 2011/12 demand was even higher but the funding available was only slightly increased to $7.2 million (Australian Government, 2009a, 2011d). Relatively few art centres received ICS funding, with around 10 receiving funding in 2009/10 and 16 in 2011/12. Significant amounts of this funding were for training and workshops, and there was a high proportion of funding awarded to organisations in major capital cities.

Table 29 below shows total ICS funding for art centres between 2005/06 and 2012/13 and indicates large variations from year to year. Funding through this program was not guaranteed, as it was a competitive process.

TABLE 30 ICS FUNDING 2005/06–2012/13

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<td>$822,689</td>
<td>$651,553</td>
<td>$936,800</td>
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</tbody>
</table>

Source: Acker (2013b)

COMMUNITY DEVELOPMENT EMPLOYMENT PROJECTS, THE REMOTE JOBS AND COMMUNITIES PROGRAMME AND THE INDIGENOUS EMPLOYMENT INITIATIVE

The visual arts and crafts sector was a leading employer of Aboriginal and Torres Strait Islander people in remote communities, and between 2007 and 2013 there was a more than doubling of paid employment in art centres (Altmann, 2013). This was also a period of enormous change in national Aboriginal and Torres Strait Islander jobs programs, with the dismantling of Community Development Employment Projects (CDEP) leading ultimately to the establishment of the Indigenous Employment Initiative (IEI) managed by the Ministry for the Arts. CDEP, despite a mixed history of delivery in communities, had been a cornerstone for the establishment of local labour markets and community development since the 1970s.
and has played a key role in providing Aboriginal and Torres Strait Islander people with employment during a period when self-determination was changing the way communities were governed, the missions were withdrawing their support and the cattle industry was laying off its Aboriginal and Torres Strait Islander workers because of the introduction of award wages for them (Altman & Gray, 2005; Australian Government, 2009b).

The public justifications for the dissolution of the program have conflated CDEP with passive welfare (Stone, 2008), despite research to the contrary (Altman & Gray, 2005), and emphasised that CDEP had not provided links to the external labour market or prepared participants for the uptake of “real” jobs and the establishment of viable business enterprises. Certainly art centres raised concerned about aspects of the CDEP program, including the intermittent and informal training provided, the greater number of workers than vacancies and the lack of career advancement opportunities, despite many of the administrative and practical tasks associated with running the art centres being performed by CDEP workers.

Herein lies a fundamental split between what governments since 2007 have argued as the priority role for CDEP, namely job placements and transitioning participants out of the CDEP program, versus the community development role championed by many Aboriginal and Torres Strait Islander NGOs that have employed the majority of CDEP participants in the absence of many private or government sector labour employment opportunities. Despite evidence of the significant community development role CDEP played in many communities, a federal government report by the Department of Finance and Deregulation was commissioned to examine the efficiency and effectiveness of CDEP as a job and business readiness program alone. Not surprisingly, it recommended that the community development activities be separated from CDEP’s primary role of labour market preparation (Australian Government, 2009b).

Major and disjointed changes made to CDEP programs across the country have had an impact on art centres and on Aboriginal and Torres Strait Islander employment in

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62 Waringarri Art Centre’s submission (Waringarri, 2007) to the Senate Inquiry focused on the implications of CDEP reform and made a distinction between arts workers who should be in subsidised “real jobs” with appropriate wage structures and benefits and the need for CDEP to continue to support art centre workers and communities.
remote communities in general. Apart from a predicted increase in Aboriginal and Torres Strait Islander unemployment figures as people were transitioned from CDEP to Newstart, many art centres and Aboriginal and Torres Strait Islander NGOs feared a loss of capacity in community-based organisations and businesses which had historically relied on CDEP wages (Aboriginal Peak Organisations Northern Territory, 2010).

Art centres in the period between 2007 and 2013 lost their CDEP workers as the program devolved, gained RJCP workers as this new program was initiated, and then had the administration regime for these positions changed again as the IEI program was established and moved to the Ministry of the Arts. Each transition involved an increased administration burden for art centres, required staff restructuring, placed additional training demands on management staff and confused Aboriginal and Torres Strait Islander arts workers.

**INDIGENOUS EMPLOYMENT INITIATIVE (IEI)**

Currently administered by the Ministry for the Arts, the Indigenous Employment Initiative (IEI) was originally established when the NT Jobs Package (NTJ) was initiated under the Northern Territory Emergency Response (NTER) in 2007. The 2007 Senate Inquiry had recommended (Recommendation 11) that the federal government find additional funding to convert CDEP positions in art centres to “properly funded jobs”, although no definition of what this meant was provided (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). The IEI program has invested millions of dollars into art centres in order for them to employ Aboriginal and Torres Strait Islander arts workers (Australian Government, 2013c).

Table 30 below shows that more than $35 million was allocated to art centres through the IEI in the period between 2009/10 and 2012/13. Figures have been drawn from the research of the AEP and were broken down into art regions.
TABLE 31 IEI FUNDING BY REGION, 2009/10–2012/13

<table>
<thead>
<tr>
<th>Art region</th>
<th>IEI Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Torres Strait</td>
<td>$5,452,176</td>
</tr>
<tr>
<td>Kimberley</td>
<td>$4,624,738</td>
</tr>
<tr>
<td>Eastern Desert</td>
<td>$1,432,428</td>
</tr>
<tr>
<td>Central Desert</td>
<td>$3,993,212</td>
</tr>
<tr>
<td>Outback</td>
<td>$1,382,403</td>
</tr>
<tr>
<td>Arnhem</td>
<td>$4,224,128</td>
</tr>
<tr>
<td>Anangu Pitjantjatjara Yankunytjatjara</td>
<td>$3,316,144</td>
</tr>
<tr>
<td>Tiwi</td>
<td>$1,229,968</td>
</tr>
<tr>
<td>Far North Queensland</td>
<td>$2,891,002</td>
</tr>
<tr>
<td>Central</td>
<td>$1,855,350</td>
</tr>
<tr>
<td>Western Desert</td>
<td>$3,658,718</td>
</tr>
<tr>
<td>West Coast</td>
<td>$710,343</td>
</tr>
</tbody>
</table>

Source: Acker & Woodhead (2014b, p. 14)

Art centres became increasingly dependent on IEI funding after 2009 as the other areas of government funding declined and sales continued to increase only slowly. Since 2009/10, 310 full- and part-time arts worker positions have been transitioned from CDEP or created in art centres with funding through IEI. Arts workers under the IEI were recruited and employed formally, and wage conditions – including superannuation and holiday pay – were introduced to create parity with non-Aboriginal and Torres Strait Islander workers, although the wages paid are still low when compared to the average weekly wage in Australia (Australian Bureau of Statistics, 2015). Art centres valued the associated administration and training funding of $4500 per position that came with these funded positions, using the money to cover training and work experience opportunities such as travel to art fairs and exhibitions, as the guidelines were fairly flexible (Acker & Congreve, 2016).

While many CDEP positions were maintained, albeit under new contractual arrangements with the art centres rather than with the CDEP providers, when the IEI was introduced it brought with it established regional allocations. One government respondent noted that this meant some art centres received no positions while some others received 10 or more. For 57% of art centres, wage payments exceeded payments to artists, and the new and transitioned arts worker positions posed a major training and supervision challenge for art centre managers who report that
these duties shifted the focus away from “art services” to “employment services” (Acker & Woodhead, 2014b, p. 14).

The IEI program funds Aboriginal and Torres Strait Islander arts workers who are employed in art centres to perform administrative and studio support tasks; there is a stipulation that the funds are for arts workers, not artists. Despite this, many art centres did pay artists through the program and used the training subsidy for art practice training. A respondent reported that the department has recently tried to clamp down on this and in 2015 looked at reallocating positions that have not been filled or have been identified as paying for artists to work rather than arts workers.

Some regions, like the Torres Strait, with low numbers of active artists and sales received the most IEI funding. The Torres Strait has more than 20 positions on island communities that do not have art centres (Acker & Woodhead, 2014b). This is a unique situation driven by the fact that the TSRA operates an arts development program across the Torres Strait and supports artists and art centre initiatives apart from the three established art centres in the region.

This IEI program has not been comprehensively evaluated, and the only publicly available evaluation is the Office of Evaluation and Audit (Indigenous Programs) Work Program report which is confined to reporting levels of funding and noting any increases or decreases. This report did note that the administrative arrangements – including the definition of the program objectives, performance monitoring, evaluation and planning – could all be improved and linked to the Indigenous Arts Centres Strategy and Action Plan (Australian Government, 2009c).

**Mainstream Federal Arts Programs**

**The Australia Council for the Arts**

The Australia Council continues to be a significant but secondary stakeholder in terms of art centre funding and plays a primary role in the marketing and promotion of the Aboriginal and Torres Strait Islander arts industry as a whole. While the Australia Council has managed large-scale but short-term infrastructure, multi-year funding for peak agencies and arts worker programs in the past 10 years, the main focus was on competitive project grants for marketing, exhibitions, workshops and training for art centres through the Aboriginal and Torres Strait Islander Arts Board (Acker & Woodhead, 2014b; Australian Government, 2009c). While it does not
appendix

six federal funding programs

contribute anywhere near the amount of money the Ministry for the Arts does, its competitive project and training grants provide funding for exhibitions, marketing and workshops. In the period between 2007 and 2013, it continued to be supportive through grants for international market development for Aboriginal and Torres Strait Islander artists. Other agencies such as Austrade were also developing small and ad hoc initiatives in a bid to get Australian, in particular Aboriginal and Torres Strait Islander, art seen and sold overseas. These initiatives included exhibitions at embassies, buying trips for key collectors and commercial gallerists, from Europe and North America in particular, and the sponsorship of exhibitions at key industry events such as the Venice Biennale. The Department of Foreign Affairs and Trade also contributed to global awareness of Aboriginal and Torres Strait Islander art, with the aim of using it as a tool for cultural diplomacy, and helped showcase the work of independent and art centre artists (Australia Council for the Arts, 2006, 2015).

The Australia Council lists its successful grant applicants and the amount of funding they have received on its website. Table 31 below shows the amounts of funding provided to art centres and peak bodies in the period between 2008 and 2013. These figures represent a very small percentage of the total Australia Council grant budget and reflect the relatively small number of successful applications submitted by art centres.

<table>
<thead>
<tr>
<th>TABLE 32 GRANT FUNDING TO ART CENTRES, 2007/08–2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------</td>
</tr>
<tr>
<td>$609,431</td>
</tr>
</tbody>
</table>

Source: Australia Council (2016)

indigenous arts support and creative partnerships

In recognition of the special needs of remote and regional Aboriginal and Torres Strait Islander arts organisations, the Australia Council established an Indigenous Philanthropy Program as part of its broader ArtSupport section in 2007. With a manager based in Darwin, the program matched organisations with business mentors and aimed to increase cultural philanthropy across all art forms. The program successfully facilitated a three-year partnership between the Westpac Foundation and Tjanpi Desert Weavers, but very little other funding was provided
directly to art centres because many of them did not have the capacity to negotiate philanthropic agreements and still required training and support to develop appropriate initiatives. The program was spread widely, with art centres competing with music and performance organisations, and many of them were too small to attract major partners. The years 2007 and 2008 were difficult financial times for the world economy, and general giving trends in Australia had plateaued (J. McLeod, 2014). Small to medium-sized arts organisations, a category which art centres mostly fit under, have rarely attracted significant corporate or philanthropic funding, and the uncertain financial climate made this even harder.

The initial three-year Indigenous Philanthropy Program was extended and then merged into the newly formulated Creative Partnerships program that amalgamated the Australia Business Arts Foundation (AbaF) and ArtSupport in 2013 into the one program because of perceived duplications. AbaF had been established after a restructure of the Australian Foundation for Culture and Humanities in 2000 and was tasked with building partnerships between arts and business organisations through the creation of networking opportunities for the arts sector and through training courses. AbaF also facilitated mentoring relationships and managed the Australia Cultural Fund, which allowed donors to receive a tax deduction when contributing money to organisations that were not registered for Deductible Gifts (Mitchell, 2011).

AbaF and ArtSupport had received considerable criticisms from small to medium-sized arts organisations, many of which believed that they were not proactive enough in securing potential partners and that their facilitation role was too limited. Partially in response to this, the matched funding program was launched, providing government funding in a bid to leverage dollar-for-dollar philanthropic funding.

**Visual Arts and Crafts Strategy**

The Visual Arts and Crafts Strategy is delivered in partnership with the federal, state and territory arts agencies. It transformed the arts funding environment when it was introduced in 2003 with an original investment of $39 million over four years. The strategy and its funding were renewed in 2007 ($27.4 million) and then again in 2011 ($55.3 million) (Australia Council for the Arts, 2010). The program has been managed through the Australia Council since 2012, although prior to this it was overseen by the Ministry for the Arts (Australia Council, 2012). The strategy was introduced as a response to recommendations from the Contemporary Visual Arts and Crafts Inquiry and provided $1.8 million out of its total allocation to the Aboriginal and Torres Strait Islander visual arts sector in 2007, with annual funding
of $125,000 going to both ANKAAA and Desart.

In Queensland, $570,000 over a period of four years was provided to UMI Arts and Lockhart River Art Centre, and the associated National Art Centre program that was managed by the Australia Council provided $110,000 worth of funding to five Aboriginal and Torres Strait Islander art activities in 2004/05. Between 2004 and 2007, $7.4 million was allocated to Queensland arts activities, with $4,235,000 being contributed from the Queensland Government and the remainder coming from the federal government. Art centres that have received annual funding from Arts Queensland through the strategy include Wik and Kugu, Erub Erwer Meta, Kowanyama, Lockhart River Art Centre, Mapoon, MI Art, Napranum and Pormpuraaw (Arts Queensland, 2006).
APPENDIX SEVEN: FEDERAL LEGISLATION, SPECIAL INITIATIVES AND TAX CONCESSIONS

There are several special initiatives, tax concessions and key pieces of legislation that impacted on the way art centres did business. These are described in the sections below, with a brief assessment of their impact on art centres and their effectiveness.

ART CENTRE GOVERNANCE AND THE CATSI ACT

The Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cwlth) (CATSI Act) replaced the Aboriginal Councils and Associations Act 1976 (Cwlth) (ACA Act) and was introduced in order to simplify and bring up to date the governance requirements of community organisations. The CATSI Act came in response to an independent review of the ACA Act in 2002 (Office of the Registrar of Indigenous Corporations, 2008).

The scope and effectiveness of Aboriginal and Torres Strait Islander governance in remote communities generally is heavily influenced by internal as well as external factors. While some art centres have strong and well-trained boards, the issue of governance skills and adequate training is a perennial issue for most. Despite intensive investigation into appropriate governance structures for Aboriginal and Torres Strait Islander organisations by the Registrar of Aboriginal Corporations and the introduction of the new Act with an associated model rule book, training for board members was constantly required; however, tailored and long-term training to support these new structures was expensive and not easily available. The art centres and peak agencies have put considerable effort over the years into facilitating the provision of governance training for both their own boards and art centres.

With the introduction of the new CATSI rule book, many art centres were required to examine their existing governance structures and make adjustments to meet their specific needs. In some cases, art centres self-initiated training, while in other instances the Registrar has, after investigation of poor practices, made it a requirement. Conversely, in acknowledgement that many of the groups and organisations that would come under the new legislation were in receipt of government funding, the CATSI Act was designed in part to minimise risk for
government as well as the organisations. One of the stated reasons for the changes was to “improve security for funding bodies, creditors and other parties doing business with corporations” (Australian Government, 2012d; Clothier, 2006; Office of the Registrar of Indigenous Corporations, 2008).

**INDIGENOUS ART CODE (IAC)**

The Indigenous Art Code (IAC) was funded in 2009 as one of the key recommendations from the 2007 Senate Inquiry in response to the concerns about unconscionable behaviour (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007, p. xi). The IAC was registered as a company and appointed a board to oversee its voluntary administration. Funded since 2013 through the IVAIS program, the IAC has both supporters and detractors within the industry. The supporters have emphasised the importance of having a code to specify appropriate industry behaviours and standards as benchmarks for all dealings with Aboriginal and Torres Strait Islander artists. The detractors have voiced their suspicions that the IAC focuses more attention onto the negative aspects of the industry and, because of its voluntary status, has no real powers to punish or redress instances of poor practice (Altman, 2013; Rothwell, 2014; Woodhead, 2014). While the critics have baulked at the $450,000 in funding the IAC received between 2013 and 2015, this level of funding could not cover the costs of extensive litigation, and the housing of the IAC in the offices of ArtsLaw in Sydney, where it can access free legal expertise, seem the logical and most economically rational approach to take.

Since 1974, Aboriginal and Torres Strait Islander artists have had a measure of protection from unconscionable conduct and misleading and deceptive conduct under the *Trade Practices Act 1974* (Cwlth). Despite this, the IAC sought to offer another avenue for protection for artists, art centres and reputable dealers and between 2011 and 2013 focused a lot of its energies on convincing the government to make the Code mandatory. This request was rejected in 2014, on the grounds that the existing powers of the IAC were adequate. The IAC is now looking at focusing on education and best practice in the industry.

The IAC was preceded by numerous attempts on the part of Aboriginal and Torres Strait Islander art peak agencies to introduce national and local labelling and provenancing in a bid to professionalise the sector. Desart and National Indigenous Arts Advocacy Association found it difficult to introduce labels, both because of the
onerous administrative requirements of monitoring such programs and a general resistance from both art centres and commercial galleries. The art centres’ objection was that as the primary brokers for regional and remote artists and their not-for-profit status, they were in a unique position within the industry, and that some distinction would need to be made between them and commercial operators. This was a reflection of the broad level of distrust between art centres and many commercial dealers, who were perceived to be complicit in the problems that the labels were trying to address. These negotiations also came at a time when art centres were increasingly dealing directly with clients and becoming less reliant on commercial galleries. This added tension and heat to the debate. In some ways, the arguments surrounding the IAC remain the same; the organisation is still undergoing a major internal review to determine what its priorities should be and how best to serve the interests of its members.

**Resale Royalty Right for Visual Artists Act 2009 (Cwlth)**

Australia is a signatory to the Berne Convention, which includes the right of artists to claim a percentage of resale proceeds, or “droite de suite”. While the right was optional, Australia had considered its introduction since the 1980s when the Australian Copyright Council produced a report outlining the potential benefits and issues surrounding its implementation (Australian Copyright Council, 1989).

The legislation was designed to benefit artists rather than art centres and was supported by the Australia Council, which recognised that established Aboriginal and Torres Strait Islander artists were missing out on potential income as the value of their artwork increased. It was also widely recognised that the introduction of resale royalty would be an additional administrative burden on art centres and commercial galleries and that, ideally, a central administering agency would be required to oversee the distribution of funds (Altman, 2013). One respondent raised the concerns of art centres:

> In other general conversations, most IACs [Indigenous art centres] have said to me that they think the administrative burden is either too great or would be too great if they were to participate in it … and that they’re concerned about the costs of it as well, of increasing that administrative burden, then it negates any funds that might come back to them.
The Resale Royalty Scheme was not endorsed by the 2007 Senate Inquiry and is another example of how government has ignored or overridden recommendations from Senate investigations (Senate Standing Committee on Environment, Communications, Information Technology and the Arts, 2007). Despite concerns about the scheme, the Resale Royalty Right for Visual Artists Bill 2008 was passed by the Senate in 2009, just as the GFC was impacting on the art market. The program is now managed by the Australian Copyright Council, which collects and distributes the 5% royalty payments to artists. The legislation determined that the royalty applies to second commercial sales of artworks over $1,000 for the lifetime of the artist plus 70 years.

The Resale Royalty Scheme has attracted criticism from commercial galleries and retailers because of the additional administration required and the modest returns to artists. In 2013, the then Arts Minister Simon Crean announced a review of the scheme that attracted public submissions from a number of key stakeholders, including Desart, the National Association for the Visual Arts and Jon Altman; however, no changes have been made to the legislation.

**TAX CONCESSIONS**

Tax concessions are critical for the long-term sustainability of art centres and have meant that income from sales has been largely reinvested back into operations and payments to artists. The majority of art centres are income tax exempt and are classified as cultural or community service organisations that are not-for-profit. Income tax exemption makes an organisation’s receipts tax free but does not permit them to claim their expenses. Very few art centres would be able to continue to operate at their current level of services without these concessions. A significant number of art centres have either charity status or are registered as a Public Benevolent Institution (PBI).

The other concessions that apply to art centres are intended to encourage private and corporate donations and reflect a government strategy to move arts organisations away from a reliance on public funds and to build up the philanthropic networks. Some of the concessions are related specifically to their activities as cultural institutions and community services organisations. These include the Deductible Gift Recipient (DGR) register and the Register of Cultural Organisations. Many of the older art centres established before 2000 have PBI and/or DGR status or have been registered as charities. Since 2000, it appears to have become more
difficult to qualify for these concessions and fewer art centres have been able to access their benefits.

**SELF-MANAGED SUPER FUNDS**

The introduction of Self-Managed Super Funds (SMSFs) in Australia in 1999 was recognised as a great opportunity to sell collectable artwork, and the Aboriginal and Torres Strait Islander art market in particular attracted a lot of buyers and collectors who were keen to cash in on what appeared to be a booming industry. However, the 2010 review into Australia’s superannuation system recommended that collectable and personal use items that formed part of an SMSF investment could not be stored or displayed within the private residence of any related party and required that they be insured and valued annually (Attorney-General's Department, 2010).

The Commonwealth Superannuation Industry (Supervision) Amendment Regulations came into effect on 1 July 2011 and resulted in a number of major collectors selling their art collections in a secondary market that was already at saturation point. Not only did investors divest themselves of their artwork, but since this time auction houses have reported that there has been a decline in SMSF purchases of artwork as well.
APPENDIX EIGHT: QUEENSLAND ARTS PROGRAMS

BACKING INDIGENOUS ART PROGRAM GOALS

Backign Indigenous Arts (BIA) is the major Queensland state-funded program providing operational, program and project grants to art centres. The program was introduced in 2007. It is not part of Arts Queensland’s core funding; as a fixed-life budget, it has to be applied for every four years. The program continues to be supported by government and was funded in 2011 for another four years and then again from 2015 onwards. The aim of the program is “a more sustainable and ethical Aboriginal and Torres Strait Islander arts industry in Far North Queensland” and claims to be the only state government initiative of its kind in the country (Arts Queensland, 2011a, p. 4).

BIA established key programs working with Aboriginal and Torres Strait Islander art centres, the Cairns Indigenous Art Fair and Djumbunji Press KickArts Fine Art Printmaking. Five programs are managed under the BIA umbrella:

- Indigenous Art Centre Network and Hubs – to support operations and capital works
- Building Skills and Opportunities – for diverse projects in various media
- Indigenous Performance – to create a network of Queensland Indigenous festivals, touring opportunities and increased access to producing services
- Cairns Indigenous Art Fair – to maintain its position as a major event on the national calendar and as a key marketplace for the ethical sale of quality Queensland Indigenous art
- International Arts Partnership Program – to position Queensland Indigenous arts and artists as a major force in international markets and to promote them through strategic marketing and export initiatives (Arts Queensland, 2016).

The first four-year commitment of BIA funding was almost entirely targeted at art centres and hubs in the Torres Strait and Cape York Peninsula and was introduced within a broader state government push to develop Far North Queensland (FNQ). The overall program was managed through the Brisbane office and the Aboriginal and Torres Strait Islander Art centre component through the office in Cairns. In conversation a respondent remarked that the injection of focused funding in FNQ art
centres had accelerated their development but also acknowledged that there were unmet needs in the rest of the state that would need to be funded within later rounds of BIA. For the more advanced art centres, BIA funding is potentially a stepping stone to being funded through the multi-year Organisations Program, which supports small to medium-sized enterprises with a proven delivery record and provides higher levels of funding.

**FUNDING**

The Indigenous Art Centre Network and Hubs, as its name suggests, was a competitive round that primarily provided program and project funds to art centres and regional arts hubs. This program funded the Indigenous Art Centre Alliance (IACA) from 2011 onwards.

The Building Skills and Opportunities (BSO) component of the program was also a competitive grant round that was targeted at the supply end of the value chain and, in the case of art centres, funded short-term projects and training.

The list of 10 or 11 art centres receiving assistance through the BIA program varies each year. Table 32 below summarises the funding allocated to art centres and IACA from 2007/08.

**TABLE 33 BIA FUNDING, 2007/08–2013/14**

<table>
<thead>
<tr>
<th>BIA program</th>
<th>Art centres</th>
<th>Peak body (IACA)</th>
<th>BSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08</td>
<td>$738,622</td>
<td>$0</td>
<td>$96,000</td>
</tr>
<tr>
<td>2008/09</td>
<td>$895,000</td>
<td>$0</td>
<td>$70,000</td>
</tr>
<tr>
<td>2009/10</td>
<td>$635,000</td>
<td>$0</td>
<td>$20,000</td>
</tr>
<tr>
<td>2010/11</td>
<td>$540,000</td>
<td>$0</td>
<td>$25,000</td>
</tr>
<tr>
<td>2011/12</td>
<td>$480,000</td>
<td>$100,000</td>
<td>$19,988</td>
</tr>
<tr>
<td>2012/13</td>
<td>$620,000</td>
<td>$160,000</td>
<td>$55,950</td>
</tr>
<tr>
<td>2013/14</td>
<td>$590,000</td>
<td>$240,000</td>
<td>$0</td>
</tr>
</tbody>
</table>


---

63 Mua Island Art Centre and Badu Island Art Centre, for example, did not receive funding until 2010/11, when they began operations.
Appendix Eight: Queensland Arts Programs

From 2007/08 through to 2013/14, Arts Queensland had a total investment of $4,498,622 in art centre operational costs, and the federal government contributed $5,808,139 from the IVAIS program over the same period. This is the closest to parity with the federal government funding of any state and, given the small number of art centres, has contributed to the Queensland art centres being some of the best-funded art centres in the country over this period.

**BIA Evaluation and Audits**

Arts Queensland has prepared several evaluation reports across all its activities, and one directly related to the BIA program as it came to the end of its first four-year iteration (Minister for Science, Information Technology, Innovation and the Arts, The Honourable Ian Walker, 2013). The BIA evaluation was done internally by the Policy, Planning and Performance unit of Arts Queensland and not by BIA staff. It included a desktop review, interviews and data collections from applications and performance reports. Table 33 shows the recommendations relevant to art centres and whether they were taken up by the department (Arts Queensland, 2011a).

An audit of art centre infrastructure needs was undertaken by Arts Queensland in 2007 as part of its scoping research for the BIA program (Arts Queensland, 2009, 2010b, 2011b). The audit identified $16.75 million of immediate, medium- and longer term needs that included facility upgrades and expansion as well as accommodation for staff and visitors. Of these, $8.81 million came under the immediate priority 1 category, with $4.85 million required in the medium term and $3.09 million in the long term. A respondent noted it was completed at a time when there was a general contraction in capital spending and resulted in only one project being funded from leftover BIA money.

In 2011, Arts Queensland commissioned external consultants to prepare a training audit for art centres in FNQ to better understand what training was available, the types of training that were needed and the best delivery mechanisms for this. The report recommended that training should be supervised by IACA, focused on local delivery and tailored to the needs of art centres and arts workers. It also found that most of the sector was emerging and was therefore still highly precarious, despite increases in government funding (Tracker Development, 2012).
<table>
<thead>
<tr>
<th>BIA evaluation recommendation</th>
<th>Implemented</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extend BIA for another four years</strong></td>
<td>Yes</td>
<td>The BIA program was renewed again in 2011 and then again in 2015</td>
</tr>
<tr>
<td><strong>Identify additional funding and potential partnerships</strong></td>
<td>Yes</td>
<td>External Reference Group*</td>
</tr>
<tr>
<td><strong>Introduce recurrent funding</strong></td>
<td>Yes</td>
<td>Art centres put on two-year grants in 2013/14 and four-year grants in 2015</td>
</tr>
<tr>
<td><strong>Establish a hub for Aboriginal and Torres Strait Islander art centres to assist with marketing and other services</strong></td>
<td>Yes</td>
<td>IACA established in 2012</td>
</tr>
<tr>
<td><strong>Partner with Department of Education and Training to develop industry-specific training program</strong></td>
<td>Yes</td>
<td>Training audit commissioned</td>
</tr>
</tbody>
</table>

* Representatives in 2011 included people from the then Department of the Premier and Cabinet; Department of Environment and Resource Management; Department of Employment, Economic Development and Innovation; Department of Education and Training; Department of Communities; and Queensland Indigenous Arts Market and Export Agency.

Source: Arts Queensland (2011a)

**CAIRNS INDIGENOUS ART FAIR (CIAF)**

Art fairs have increasingly become an important commercial, cultural and creative platform for artists, their art centres and audiences. The first Aboriginal and Torres Strait Islander art fair in Australia was Desert Mob, which had its inaugural event in 1991 in Alice Springs. Three new Aboriginal and Torres Strait Islander art fairs were established: the Darwin Aboriginal Art Fair (2007), Revealed: Emerging Aboriginal Artists Showcase in Perth (see Appendix Nine) (2008), and the Cairns Indigenous Arts Fair (CIAF) (2009). Following the Desert Mob model, the program for CIAF
most years included an art market, a curated exhibition, workshops and an industry development symposium. CIAF differed from the other art fairs because it invited commercial galleries to participate and included a performing arts component.

The Cairns Indigenous Art Fair is the major marketing and promotional initiative for Aboriginal and Torres Strait Islander visual and performing artists and art centres in Queensland and provides a critical showcase opportunity for the art centres of FNQ to sell and exhibit their work and extend industry networks. CIAF was established to assist artists and art centres to overcome the challenges of maintaining professional networks remotely. It was initially funded and managed by Arts Queensland, with a designated staff based in Cairns as part of BIA.
ARTS DEVELOPMENT OFFICERS

In 2002, the Department of Culture and Arts (DCA) employed two full-time Arts Development Officers in the Pilbara and the Gascoyne regions in partnership with the then WA Department of Local Government and Regional Development (now the Department of Regional Development WA) and with funding from the Australia Council. Prior to the appointment of these two officers, the department had had little experience working with Aboriginal and Torres Strait Islander artists in regional and remote areas. These positions were originally intended to be focused on audience development, but department staff realised that a broader approach to development would need to be taken and that many organisations required enterprise and skills development assistance in order to become market-ready.

The principal duties associated with the positions were to provide advice and assistance to artists, arts groups and communities both Aboriginal and Torres Strait Islander and non–Aboriginal and Torres Strait Islander and to build networks, share information and increase community access to arts and cultural services. In the case of the Pilbara Arts Development Officer, BHP Billiton Iron Ore provided accommodation in Newman (valued at $10,500 per year) and sponsored many of the arts and cultural projects in the town (Department of Culture and the Arts, 2006). This position was instrumental in assisting Martu artists in the region to establish an art centre in Newman.

ROYALTIES FOR REGIONS

The Royalty for Regions program was introduced in 2008 and injected millions of dollars of investment into infrastructure throughout regional Western Australia. The program was managed by the then Department of Regional Development and Lands WA (now the Department of Regional Development WA) and administered by the nine Regional Development Commissions.

The program has six core objectives:

- building capacity in regional communities
• retaining benefits in regional communities
• improving services to regional communities
• attaining sustainability
• expanding opportunity
• growing prosperity.

(Art Queensland, 2006)

Art centres and cultural organisations in the state have actively sought funding through the program to:

• establish new art centres
• improve facilities
• build new facilities
• develop exhibitions
• extend services to new regions and groups.

(Department of Regional Development and Lands, 2011, p. 4).

Some of this funding was provided through subsidiary programs such as Pilbara Cities and, as a respondent observed, assisted art centres like Martumili Artists to leverage funding from corporate sources such as mining companies as well as other government agencies.

**Revealed**

Revealed is a showcase for emerging Aboriginal and Torres Strait Islander artists from art centres and is held every two years in Perth. The program has included a curated exhibition, a market day and a professional development program for art centre managers, arts workers and artists. In 2013, a public symposium was added to the program. Revealed has had a very positive impact on the level of exposure of the art centres to the Perth market and audiences as well as provided networking and professional development opportunities.

The concept for Revealed was initiated by the Office of Aboriginal Economic Development (OAED) in 2009 as part of its arts enterprise strategy and was
primarily funded by both OAED and DCA. In subsequent years, Revealed was funded primarily by DCA and the Ministry for the Arts. Each subsequent Revealed has seen an increase in audience and participation numbers, and the DCA has played quite an active role in the management of the event, including managing the tender for a consultant and coordinating activities. The overall event has been managed as a partnership between Central TAFE and DCA, but there are plans for Revealed to become independent at some point (Jones et al., 2013).

64 DCA contributed $75,000 in 2008/09 and then $150,000 in 2010/11.
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