

## **BRIAN TUCKER CPA**

### **Submission to**

### **Senate Inquiry into Australia's Indigenous Visual Arts and Craft Sector**

I am an accountant and registered company auditor and act as the auditor of a number of Art Centres in the Northern Territory, South Australia and West Australia, (from the APY and Ngaanyatjarra Lands to the Kimberley, Arnhem Land and the Tiwi Islands) an accountant for Indigenous artists, and member of the Australian Taxation Office Indigenous Tax Advisory Group.

I work closely with the Artists in the communities, with the Art Centre Governing Committees, with the Art Centre Managers, and with the NT peak bodies representing the Artists and Art Centres, Desart and ANKAAA.

My submission is prompted by the need to improve the lot of those Indigenous artists and others working in remote and often dysfunctional and difficult communities.

### **Terms of Reference**

(a) The current size and scale of Australia's Indigenous Visual Arts and Craft Sector

Others will be better placed than I to comment on the scale of the sector on a National basis, but I suspect the true picture will be clouded by the nature of the market.

My records show that for the 2004/05 financial year, the Art Centres that I audit achieved an average turnover of just under \$400000 each. This represents a mixture of retail sales to travellers/tourists and collectors, and wholesale sales to galleries/dealers. Some Art Centres – mindful of the difficulties people will encounter in getting to a remote community – will offer varying levels of discounts so the price paid in a retail situation will be somewhere between the gallery retail price and the wholesale price. Additionally, works from one Art Centre may be priced differently in different markets, and works sold domestically may be priced differently to works sold internationally. On top of this some sales will be subject to GST and some not, and in circumstances where an input tax credit for the GST may or may not be claimable.

I make these points to illustrate the difficulty in establishing the size and scale of the sector; there are no nationally collected statistics and since the different sections of the sector account for transactions in different ways (that is, for example, some Art Centres operating on a commission basis, and others on a consignment sale basis; dealers and galleries, ditto) any collation of figures will be largely no more than indicative.

Having said that, I would suggest the more pertinent issue would be: “The current value of returns to artists working in the Indigenous Visual Arts and Craft Sector” which is then reflected in the next Term of Reference.

(b) The economic, social and cultural benefits of the sector

The economic benefits arise from the flow of income into communities that would otherwise rely only on CDEP and welfare payments. On remote communities, the Art Centre will be the only source of non-Government income.

The Art Centre, however, is much more than an outlet for the sale of art and craft from the surrounding region; indeed, to focus on that role is to ignore the more complex range of functions of an Art Centre; although the extent to which those functions are realized is dependant on the skills of the Governing Committee and the Art Centre Manager, of which more later.

The Art Centre provides, firstly, a focus for the maintenance of the culture of the region. It is a place where artists can congregate, check each other’s progress, seek opinions, joke and argue among themselves, paint, eat biscuits and drink tea, socialize, jump on the computer, make travel plans, undertake house-keeping tasks they would never perform in their own homes, acquire social skills, and generally escape from the often difficult conditions of community life. The simple fact that these spaces exist is a social benefit that must not be underestimated.

While such spaces could, in theory, exist in the absence of an Indigenous arts and craft “industry”, it is highly unlikely that they would. This is because the cost of continuing long term support by Government and the communities would be unacceptable to the wider community. No matter how worthy a cause, sooner or later public servants will question its cost. The “industry”, therefore, provides the base on which these Centres, and the artists and craft-workers that constitute the Centres, rest.

Economically there is one issue that is of concern to some commentators (and buyers) and that is the amount of retail price which ends up in the pockets of the producing artists. If the gallery takes 40%, and the Art Centre another 40%, then out of a retail price of \$2000 the artist gets \$720. That does, however, need to be put in perspective. I would point out firstly that the return to dairy farmers and primary producers is even worse, and that they have to bear all of the production costs. Secondly, while many Art Centre Managers might grumble about the gallery commission taken, there is an acknowledgement that the Art Centre is really paying for access to a market, and it would be a brave Art Centre that decided to totally go it alone.

The Art Centre itself needs its commission to facilitate the representation of the artists, to provide them with materials, coordinate exhibitions and generally see they are fairly dealt with. An Art Centre taking much less than 40% will not be financially viable, even with the quite low level of fixed costs. We need to remember also that an Art Centre taking

40% and successful is, in the long run, better than one returning a higher percentage to artists and going bankrupt after a few years, and certainly better for the artists.

(c) The overall financial, cultural and artistic sustainability of the sector.

As long as there is a market for Indigenous art and craft, sustainability of the sector is possible, but not assured.

A market will exist for as long as there are buyers for indigenous art and craft, and there will be buyers for as long as there are people who recognize the product as

- (i) a reasonable investment in the medium to long term – these will be individuals and entities that primarily view Indigenous art as part of a broad investment strategy, and may be attracted to particular artists, regions or artforms – but may also be individuals attracted to the market by the lure of possible quick gains, the same sort who might dabble in the stock market, and with equally disappointing results;
- (ii) worthy of adding to a collection, whether public or private, on the basis that the work/s are significant from an Australian cultural or historical perspective, or,
- (iii) individuals who will purchase works for their aesthetic and artistic value only, with little or no expectation of capital gains, and
- (iv) individuals who purchase Indigenous art and craft as a means by which they might contribute to the support and wellbeing of Indigenous Australians.

So, if the sector is to be, in the long run, culturally and artistically sustainable, it needs to be, as much as possible, financially sustainable. And it will only be financially sustainable as long as there are buyers to make it so. And for how long will the buyers be around? For as long as the sector can provide culturally and artistically appropriate product. Only such product will continue to interest collectors, and to provide the underpinnings for a market that will provide investors with some measure of confidence in future values. From this perspective the long term future is sustainable as long as the product is appealing from either an aesthetic or investment point of view, and in this respect it is not necessarily any different from the visual art market generally where the financially stable artist is the one with one eye on the market and the other on the canvas.

This, of course, begs the question as to the extent to which the product is market driven, and the extent to which artistic integrity is, or may be, compromised by market pressures. I will comment further on these issues at item (e) but note for now that open ended government funding on cultural and social grounds only would not be a bet on which you would commit your life savings.

(d) The current and likely future priority infrastructure needs of the sector.

My comments cover the situations in remote communities, although they may also apply to some regional centres.

The sector has two groups of players: the creators of art and craft at the one end, and the buyers at the other (buyers, in this context, covering everyone from public galleries, to dealers, to the person who displays the work in their home). Each is dependant on the other and, in an ideal world, would deal directly with each other. However, as I have commented in other forums, we do not live in an ideal world and anyone who suggests artists should be able to deal, willy-nilly, with the market is either seriously misguided or speaking from a position of self interest.

In this real world, the Art Centre provides the only mechanism by which the cultural integrity of the artists, and the economic (or aesthetic) imperatives of the market, can be mediated and reconciled. As commented above, it also provides a community focus for artistic and social activity and, indeed, in many places, a safe haven for women and children.

To this extent, I consider the presence of a secure, physical structure, extremely important. In most communities, the Art Centre is initially located in an empty building (usually a shed) owned by the community. Maintenance costs will vary depending on the prevalence of vandalism, and the ease with which the building may be broken into. Initial infrastructure costs will generally be limited to a cleanout and a cleanup, painting, building of racks for paint and canvas, and fitting of padlocks.

For a community establishing an Art Centre, the initial costs may not be high; indeed, it's just as well they aren't because otherwise in some communities where the CEO might have other priorities a Centre would probably not get established at all.

An Art Centre, however, is not just a space in which artists can work and socialize. It is not just a physical structure. It is the artists and craft-workers who work in it. However, to an extent not generally recognized or acknowledged, an Art Centre is also the Art Centre Manager, and the Art Centre Manager has to live somewhere. I have known Managers who have lived in a caravan until somewhere was built, or a donga became vacant; and this is not just for a few weeks, or a few months, but a more or less permanent state of affairs, and I regard the provision of reasonable accommodation for Art Centre staff as a priority issue – and this will range from construction of residences, to the upgrading of existing, substandard, dwellings.

Why not upgrade the Art Centre instead? Why not construct a gallery where works can be sold? Why indeed.

I agree that Art Centres need to be upgraded in many places, but that may be nothing more than extending shade areas, air conditioning work areas, improving storage facilities and maybe security – although that has always tended to be a priority issue.

As to gallery space, most of the Art Centres I work in require a permit to enter and any traveler who has made the effort to get to the community will be more interested in seeing the work than the surroundings in which they are displayed. Nevertheless, there will be Centres where there is a tourist market and for those places, reasonable, that is, reasonably spacious, facilities are desirable.

However, all of this is pointless if there is nowhere for the Art Centre Manager to live, notwithstanding the conditions in which many Managers are prepared to live. At this point, and acknowledging the Missionary-Mercenary-Misfit descriptive, I must defend the role of the Art Centre Manager. All of the Managers I have ever worked with (fifty or sixty over the years, in over twenty, mostly remote, communities) have been of the highest integrity, with their only interest the wellbeing of their artists, the maintenance of artistic and cultural integrity, and the long term viability and success of the Art Centre. Those who dismiss the importance of the Art Centre Manager (and Art Centre staff generally), and the extent to which their skills will determine the success or failure of the Centre, will usually be found, in their spare time, grinding axes.

In the long run, a successful Art Centre with happy artists will only happen if there is competent Art Centre staff, and sooner or later, accommodation will be a factor, either because there is simply no accommodation for additional needed staff, or because the available accommodation has deteriorated to the point that it is uninhabitable.

I should also add that, in all the Centres in which I work, if the Art Centre Manager was given a pot of money that they could use to, at their choice, improve the Art Centre or their own living conditions, every one of them, *every one*, would spend it on the Art Centre.

(e) Opportunities...to improve (the sector's) practices, capacity and sustainability, including (those) to deal with unscrupulous or unethical conduct.

A solution might be to draft some appropriate legislation to make such practices illegal. That however, would represent the triumph of wishful thinking over clear thinking.

Bad, unscrupulous and unethical practices thrive wherever there is money on the one hand, and a buyer and seller in an unequal relationship, on the other.

An obvious answer, then, is that these practices can be minimized (perhaps eliminated!) if we could only bring the buyer and seller into some sort of equilibrium. Clearly, the artist has some bargaining leverage in that without the artist there is no product; no product, no profit. Even more obvious, all this requires is appropriate training to help the artists to become aware of their legal and financial rights.

This, indeed, is exactly what needs to happen. Artists need to be, to use a much-overworked term, empowered (actually, this doesn't just apply to Indigenous artists, if it comes to that); aware of their intellectual property rights, the way in which the market

works and who takes what, the value of their work, their right to be appropriately rewarded for their works, the fact that they may have taxation liabilities and so on.

But let's not get too misty eyed; the fact is that those artists most likely to be exploited are those least likely to be individually empowered – they are invariably of advanced years, with little or no command of the English language, to say nothing of the complexity of legal and financial terminology. The only thing that stands between them and unscrupulous and unethical practices is, surprise, surprise, the Art Centre Managers. I am not suggesting that there may not be equally unscrupulous and unethical Managers but, frankly, I haven't yet met one. While the majority of dealers and galleries have recognized the value of a transparent industry and adhere to established codes of conduct, there are, nevertheless, individual so-called carpetbaggers who swim in these waters. While their identity may not be known to most of the artists, they will certainly be known to the Art Centre Manager and artists who work within the environment of their local Centre can expect reasonable protection from the unscrupulous.

The best way to reduce the impact of the carpetbaggers is to educate the wider Australian community as to the value of Indigenous art to the peoples of the communities in which it is produced, and to seek assurances from a third party seller that the work comes from a community (and not some backpacker hostel in Alice Springs or Cairns, or sweatshop somewhere in South East Asia), and seek an accompanying Certificate of Authenticity. Tourist items, of course, will always have a ready market and many communities cater successfully, and profitably, to that market. Where, however, that market is met by non-Indigenous workers, then maybe infringement of copyright actions could be a course to pursue. While the industry doesn't have the resources of the likes of McDonalds, Nike and Rolex, I do know of individual artists who, with the assistance of the Australian Federal Police, have at least put the frighteners on copyright infringers.

(f) Opportunities for existing government support programs...to be more effectively targeted to improve the sector's capacity and future sustainability.

Perhaps, as a starting point, those administering the grants program should adopt less of a broad brush approach to funding.

There are basically two forms of funding; capital funding for infrastructure and operational costs support. The first is allocated on a case by case, and a needs by needs basis, and reviewing the allocation of such grants, I have no serious issues apart from the fact that the receipt of capital grants may be more a function of the grant writer's skills than the actual needs of a particular community.

However, operational costs funding often seems to me to have been determined by dividing the amount of money available by the number of applicants multiplied by seventy percent. Actually, I have no idea if the percentage is seventy; it might be fifty. The result is that an Art Centre with a turnover of a \$1000000 might get the same as a

Centre with sales of \$200000, and a Centre established for ten years gets the same as a first year applicant. To that extent there needs to be much more of a needs based analysis.

That's easy for me to say, because I can see what the needs really are, and from a community perspective. Not so easy for someone in Port Augusta, Broome or Brisbane.

The current priority of funding professional development of the Governing Committees and the development of business plans is acknowledged and welcomed, and despite its cost – not the least of which is the cost of getting suitably qualified people out into the communities, or of getting community residents to regional centres – should be expanded and continued. I am concerned when I see an uninvolved Governing Committee, and delighted when I am asked by a Committee member “you tell us, is the money story all good and proper?”

Of equal concern to me is the training and development of Art Centre Managers because, as I have said, nothing is more crucial to the artistic, cultural and financial success of the Art Centre than the skill, competence and integrity of the Manager and other staff.

In my experience, Managers will sometimes have come from a marketing background, often, but not always, in Indigenous art; or they may have been a practicing artist or community cultural development worker; or have a curatorial history, or worked in Indigenous communities as a social worker. Rarely will they have financial management skills, although they may have rudimentary bookkeeping experience.

Yet all of these skills are required to successfully manage an Art Centre. Indeed, an Art Centre Manager would ideally be a qualified accountant (yes, I would say that wouldn't I, but even though one Manager suggested maybe I just yearned to be an Art Centre Manager I know where my skills set ends), with experience managing a small to medium enterprise, and would have an extensive knowledge of the Australian art scene in general, and the Indigenous market in particular. They would also have extensive computer skills and knowledge of database systems, applied particularly to cataloguing of artwork. They would also be adept at colour mixing, photography, stretching canvases and stock control, to say nothing of the ability to write a convincing grant application. In their spare time they should be available to provide emotional support, arrange travel needs, organize the purchase of everything from swags to shoes, and keep all the paperwork neatly filed. The ability to handle a troopie load of men and women on bad roads goes without saying, along with the ability to change a wheel with plenty of advice from the sidelines but no offer of assistance.

The turnover of staff, and particularly the Manager, is one of the biggest problems facing Art Centres. Two to five years would be the norm, six months not uncommon, and over ten years, rare. In an industry (the arts) noted for its high burnout rate, the position of Art Centre Manager leads the field.

Yet there is no training available for this position, and Managers learn those skills they do not have on the job and from (often bitter) experience. Perhaps there needs to be a course

of study developed for this occupation, to be delivered on-line or by correspondence, with supplemental residential tutoring/mentoring. Such material should also form the basis for content which could be taken up by interested community members.

In respect of the latter, I am unreservedly in favour of the desirability of Indigenous people becoming more involved in the management of community Art Centres. Whether this happens is a moot point. In remote communities, most of the community members, and particularly the artists, have no interest in managing the Art Centre. While one of Flick Wright's reports was titled "*I Just Want to Paint*" that pretty much describes the attitude of most artists. Given a choice, I suspect most artists would prefer that someone else runs the Art Centre – they are independent (one would hope) of the various community factions, and there is someone to blame, other than themselves, when things go wrong. In the less remote communities, however the potential for Indigenous involvement is much higher, where basic education is more likely, and younger people more motivated to become involved.

Even here, though, we need to recognize that Indigenous people with management, administrative and organizational skills are in high demand, and that an Art Centre which has carefully nurtured and trained up a gallery assistant to potential Art Centre Manager may well find that person poached by one of the Centre's gallery clients or some government department able to offer better pay and living conditions in town. That's not to say the process should not be vigorously pursued, if for no other reason than that it may well encourage that person's peers to follow in their footsteps.

Finally, back to the subject of operational grant funding. Perhaps the principal funding body could recognize the difficulty for Art Centres in having their final audited accounts completed in such an unrealistic timeframe. When the Art Centre has one employee and the bookkeeper is a thousand kilometers away; the internet service provider goes down and some tourists are flying in; there are sales to make and artists to pay, stock to order and exhibitions to fill; getting the books finished off and audited is not the highest priority in the world, even if it is for the people back at their desks in civilization.

(g) Future opportunities for further growth...

Not being a marketing person, or someone skilled in the nuances of the Indigenous art market, I can only comment as a private collector.

The population of art buyers is, today, presented with an enormous range of product and the challenge of Indigenous art is to expand, or at least, maintain its share of that market. To that extent it has benefited greatly from the publicity surrounding "Aboriginal Art" whether good or bad. I would think the average person would be much more aware of the existence of "dot paintings" than they were of the works produced by the emerging artists in their own cities and suburbs. What they see, however, is the work of high profile and expensive artists, on the one hand, and varnished and dot painted boomerangs on the other.



For someone vaguely serious about collecting Indigenous art, in the capital cities and major regional centres, the options are not great – most exhibitions will have starting prices of \$1000 or so. This presents a problem: where can you purchase genuine Indigenous art, at an affordable price? A little research, of course, will lead you to the Desert or ANKAAA websites, with links to the Art Centres, some of whom will have work on the website, some with the website “currently under construction”. Having found a Centre that produces the sort of thing you are after, it’s not too hard to start a collection with an outlay of only \$100.

The upper end of the market, in my opinion, will take care of itself. Dealers and galleries will always promote those artists whose sales are assured, and it would be fair to say that the works put up for exhibition in a capital city will generally all be sold before opening night. While that money finds its way back into the community, along with a sense of achievement, satisfaction and pride, we need to think also about the younger and emerging artists.

Here both the galleries, dealers and Art Centres need to promote Indigenous art (and the Art Centre) as a commodity in itself, not just the high profile artists in that community. The existence of this emerging market needs to be more widely known, it needs to be easier to find, and the buying process need to be as straightforward as possible. Young artists, for their part, need to be convinced that you can’t expect to sell your first paintings for \$1000.

There is also scope for enlargement of the market for bark paintings, sculptures, punu (artifacts) and more contemporary work, where the “Indigenous” tag should almost become irrelevant. In this context it is interesting to see some young artists in the communities adopting naïve style painting techniques, of everything from camels to the equally ubiquitous troopie. In one remote community primary school I was delighted to see students experimenting with graffiti, found object sculpture, clay and plasticine.

That scene, as much as anything else I’ve seen, embodied the spirit of hope for these communities.

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