



Australian Government

Department of Finance and Deregulation
Office of Evaluation and Audit (Indigenous Programs)

EVALUATION OF THE NATIONAL ARTS AND CRAFTS INDUSTRY SUPPORT PROGRAM



July 2009

COVER IMAGE

Tingari Dreaming at Walukurtitje

2001

Linda Syddick Napaltjarri (c.1937 -)

Acrylic on Canvas

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Community: Napaltjarri

Orientation: Vertical

Society: Viscopy

Category: Painting

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ABBREVIATIONS

ANKAAA	Association of Northern, Kimberley and Arnhem Aboriginal Artists
DCITA	Department of Communications, Information Technology and the Arts
DEWHA	Department of the Environment, Water, Heritage and the Arts
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
KRAs	Key result areas
NACIS	National Arts and Craft Industry Support program
OEA	The Office of Evaluation and Audit (Indigenous Programs)

SUMMARY AND RECOMMENDATIONS

Executive Summary

1. Extensive government and academic research has shown that the Indigenous visual arts and crafts industry creates economic benefits for Aboriginal and Torres Strait Islander people, their communities and the country as a whole. The research also highlights the critical role played by arts centres in the success of the industry, and supports increased government support for their operations.
2. Until December 2007, the National Arts and Craft Industry Support (NACIS) program was administered by the Department of Communications, Information Technology and the Arts (DCITA). As a result of changes to the Commonwealth's Administrative Arrangements on 3 December 2007, NACIS was transferred to the Department of the Environment, Water, Heritage and the Arts (DEWHA). The evaluation was undertaken when NACIS was administered by DCITA and its findings primarily relate to the period to November 2007.
3. A Senate Inquiry of Australia's Indigenous visual arts and craft sector was completed in June 2007, and included (amongst others) an examination of similar areas that were reviewed as part of this evaluation. The Australian Government's response to the Senate Inquiry was provided in August 2008. The Office of Evaluation and Audit (Indigenous Programs) recognises that DEWHA has undertaken a range of reforms to the program since.
4. The NACIS program operates within the Department of Families, Housing, Community Services and Indigenous Affairs' (FaHCSIA) Common Funding round for Indigenous programs as part of a coordinated whole of government approach to delivering Australian Government support to Indigenous Australians. Elements of the NACIS program's administration are therefore affected by factors external to DCITA, for example, compliance with FaHCSIA's annual Terms and Conditions for Indigenous Programs.
5. The program's administration arrangements were generally sound but could be improved. The tendency for more successful arts centres to receive support under the program highlights a need for clear guidance about funding priorities and how to apply assessment criteria. Business plans accompanying applications for funding did not often make it clear what activities would be undertaken and how activities would support the achievement of NACIS program's objectives.
6. The program allocates about 65% of its funding to the salary costs of arts centre coordinators and staff. There is a high, and possibly too great a, reliance on these positions to achieve the broad objectives of the program in assisting art centres to be stronger and building a more sustainable Indigenous visual arts industry. Two of the three key external risks to the program's effectiveness relate to arts centre coordinators.

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7. To be fully successful, coordinators need to have professional arts, governance and financial management skills. More can be done to support coordinators including providing more training and development.
8. There are opportunities to clarify the program's objectives and its links to the Indigenous Arts Centres Strategy and Action Plan. Strengthening and clarifying links to Indigenous Arts Centres Strategy and Action Plan would also improve the program's monitoring framework, which would help DEWHA better assess and report the program's efficiency and effectiveness.
9. There are also opportunities to improve medium- to long-term planning arrangements for the program, helping DEWHA to better target the program's limited funding and to enhance its sustainability. The program could have greater clarity around funding priorities between arts centres with long-term funding histories and the funding needs of emerging centres.
10. The evaluation identified three key external risks to the program's effectiveness:
- gaps in coordinators' skills and experience
 - coordinator recruitment and retention
 - arts centre and community infrastructure problems.
11. These issues may be too large to be addressed with the NACIS program's limited funding alone. However, the Office of Evaluation and Audit (Indigenous Programs) (OEA) considers there are opportunities for DEWHA to work with other Australian Government bodies to mitigate these risks.
12. Program documentation should include clearer definitions of what makes a strong arts centre and what contributes to a sustainable Indigenous visual arts industry. Doing this will give greater focus to what activities should be prioritised for NACIS funding.
13. Appendix A outlines the Terms of Reference of the evaluation and Appendix B is a summary of the results of the survey conducted as part of the evaluation.

Recommendations

14. OEA made three recommendations relating to program planning and management, and improving the program's performance framework.

Summary of agency response

15. DEWHA agreed with qualification to the three recommendations of the evaluation and provided an overall response to this evaluation report:

I note comments in your letter about the draft report's currency and understand that this has been discussed with officers in this Department. In particular, given the evaluation relates in the main to the 2006-07 financial

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year, the draft predates a number of key developments in the Indigenous visual arts and crafts sector and the NACIS program.

Specifically, significant and additional investment has been provided to the Indigenous arts sector through the NACIS program. Triennial funding is also now offered to applicants under the program. These developments have been informed by the findings of the Senate Inquiry report, *Indigenous Art – Securing the Future*, and in response to the closing the gap targets to provide real economic opportunities for Indigenous Australians.

The NACIS program aims to help art centres to become stronger and to build a more sustainable Indigenous visual arts industry, and these changes have helped the program move towards achieving this objective.

RECOMMENDATIONS

Recommendations

Recommendation No.1

OEA recommends that a program logic be developed to clearly articulate the relationship between the outcomes and objectives of the NACIS program and the strategies and activities expected to be implemented. The program's objectives should be clearly stated in key program documentation and reflect a measurable target or outcome.

Recommendation No.2

OEA recommends that the program's performance framework be reviewed and aligned with the program's objectives to enable the accurate and adequate measurement of program performance. Consideration should be given to:

- developing a suite of quantitative and qualitative performance indicators that measure the extent to which program objectives have been achieved and reflects strategies and activities implemented to achieve objectives
- collecting baseline data to establish a benchmark for measuring progress over time
- setting targets to identify priority areas and facilitate the allocation of scarce resources
- undertaking regular program evaluations and audits to ensure that the program is targeted to those most in need.

Recommendation No.3

OEA recommends that the allocation of funding and the selection of projects be reviewed so that funding is targeted to strategies that support the program's objectives and considers the development needs of arts centres and the Indigenous arts industry. In particular, consideration should be given to directing resources to:

- capacity building of the sector, including governance and management of arts centre
- recruitment and retention of arts centre coordinators and staff.

BACKGROUND

1. Overview

Introduction

1.1 The National Arts and Craft Industry Support (NACIS) program was developed in response to a review of the Indigenous arts and crafts industry conducted in 1989. This review was prompted by the growing demands Indigenous arts centres placed on the limited resources of the Australia Council for the Arts and resulted in consolidation and growth of support for Indigenous arts centres.

1.2 There has been a significant increase in the number of Indigenous arts centres across Australia over the past two decades, from 16 to 110 centres. The most common artworks produced by arts centres surveyed in this evaluation were:

- acrylic paintings on canvas, board or lino
- artefacts, weapons and punu
- ochre paintings on bark, paper or canvas.

1.3 The NACIS program has been administered by several Australian Government departments since its inception including:

- The Aboriginal and Torres Strait Islander Services and the Aboriginal and Torres Strait Islander Commission until 1 July 2004
- the Department of Communications, Information Technology and the Arts (DCITA) until December 2007
- the Department of Environment, Water, Heritage and the Arts (DEWHA), as the lead agency in the Commonwealth with responsibility for matters relating to the arts, following the changes to the Commonwealth's Administrative Arrangements on 3 December 2007.

1.4 At the time of the evaluation field work, the NACIS program was administered by DCITA.

1.5 The NACIS program's administration occurs within the context of a whole of government approach to addressing Indigenous disadvantage and streamlining the delivery of Australian Government funded programs and services to Indigenous Australians. This whole of government approach is coordinated by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), as the lead agency for Indigenous affairs. A number of aspects of the administration of the NACIS program are therefore affected by factors external to DCITA, including a staffing structure based in the FaHCSIA national network of Indigenous Coordination Centres, common governance and timing arrangements, and a centralised Grants Management System developed and administered by FaHCSIA.

1.6 The NACIS program's objectives, as stated in the NACIS Program Information and Guidelines 2007-08 (the Guidelines), were to assist arts centres to

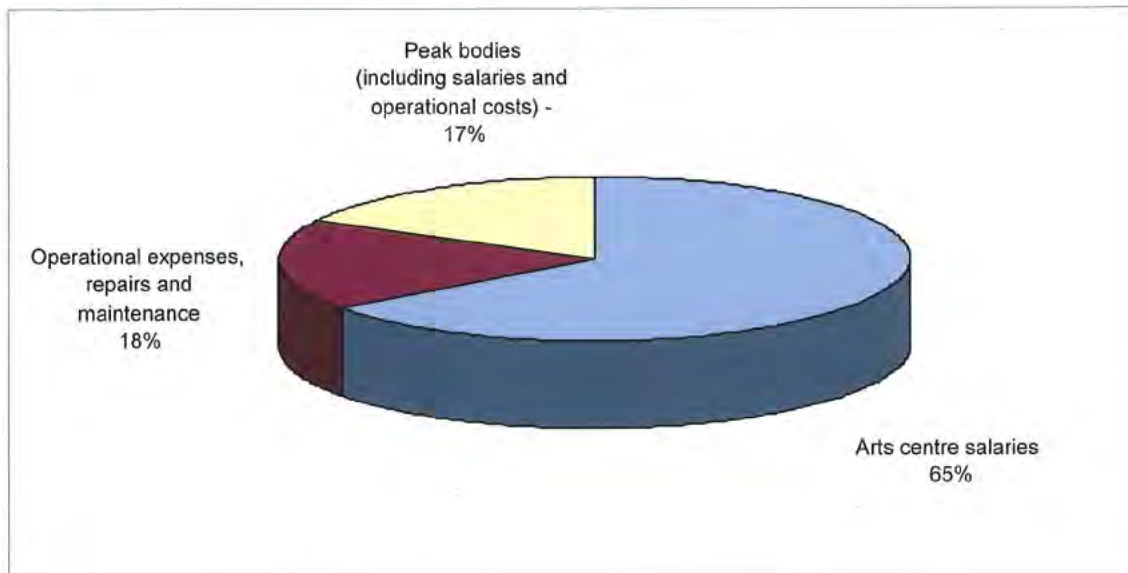
become stronger and to build a more sustainable Indigenous visual arts industry by:

- strengthening governance and business management practices in the industry
- providing opportunities for artists to maintain, develop and extend their professional art practice and
- providing opportunities for arts workers to develop professional skills and experience.

1.7 In addition to the objectives stated in the Guidelines, the NACIS program was also intended to be a means for the implementation of the Indigenous Arts Centres Strategy and Action Plan (the Plan). The Plan articulates a whole-of-government approach to strengthening arts centres and industry practices.

1.8 In 2006-07 the NACIS program provided grants of approximately \$5.49 million to 62 Indigenous arts centres and arts support and advocacy organisations. Program funding was distributed among three main activities in 2006-07 – funding for arts centre salaries, funding for operational expenses (including minor repairs and maintenance), and funding for peak bodies (Figure 1.1). Around two-thirds of NACIS funding was directed towards salary costs for arts centre coordinators and other arts centre staff.

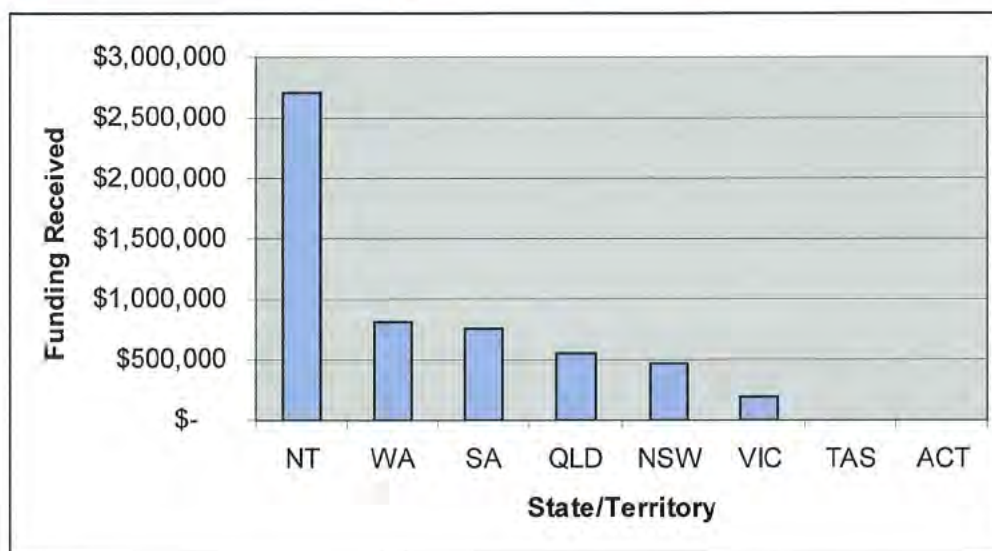
Figure 1.1 Distribution of NACIS funding 2006-07



Source: DCITA.

1.9 NACIS funding was largely directed to remote and very remote areas (73%) where most arts centres are located. 92 funding submission were received of which 62 were funded, mostly in the Northern Territory (40%). Figure 1.2 illustrates the allocation of NACIS funding across states and territories.

Figure 1.2 Distribution of NACIS funding across Australia



1.10 NACIS funding also supported peak bodies such as Desert and the Association of Northern, Kimberley and Arnhem Aboriginal Artists (ANKAAA), both in the Northern Territory, and Umi Arts in Queensland. Funding was provided to these peak bodies to:

- Provide advocacy and promotion of Indigenous art centres
- Assist and support art centres with training associated with governance, IT, professional development and arts practice
- Provide liaison, networking and referral services.

1.11 NACIS also funded some minor infrastructure projects through appropriations announced in the 2004-05 Budget. \$4 million was allocated over four years for training young and emerging Indigenous artists and arts centre workers, to upgrade facilities and to fund specific marketing initiatives. \$1 million was granted in each of the first two years of this initiative across 22 projects. The majority of these grants were for infrastructure projects.

Evaluation Objective

1.12 The objectives of the evaluation were to assess:

- the effectiveness of the NACIS program in building stronger arts centres
- the effectiveness of the NACIS program in building a more sustainable Indigenous visual arts industry
- the efficiency with which the outputs and outcomes of the NACIS program were achieved
- the effectiveness of the NACIS program in addressing the key result areas of the Plan.

1.13 In particular, the evaluation sought to focus on:

- the appropriateness of the program's objectives and activities given the policy context and whole-of-government arrangements for Indigenous affairs in place at the time
- the impact of the NACIS program on the sustainable functioning of arts centres and the development of the Indigenous visual arts industry.

1.14 The Terms of Reference of the evaluation are provided in Appendix A.

Methodology

1.15 The evaluation methodology included:

- consultation with NACIS stakeholders, including staff and artists from Indigenous arts centres, galleries distributing Indigenous art, peak industry bodies and NACIS program administrators
- visits to a selection of Indigenous arts and crafts centres that received NACIS program funding
- a survey of arts centre coordinators
- review of previous research into the Indigenous visual arts industry
- analysis of program reporting and funding data for the 2005/06 and 2006/07 financial years
- the development and analysis of case studies associated with each of the arts and crafts centres visited, and analysis of additional case studies provided by DCITA.

1.16 The evaluation fieldwork was undertaken during the period December 2006 to November 2007. The findings and recommendations contained in this report are based on information collected during the evaluation fieldwork.

Acknowledgements

1.17 The Office of Evaluation and Audit (Indigenous Programs) (OEA) would like to thank the various stakeholders for their input into the evaluation of the NACIS program. In particular we would like to thank the arts centre coordinators and staff for their hospitality and contribution to the evaluation. We would also like to thank the industry peak bodies for their input and the then DCITA national office for the input and assistance they provided.

EVALUATION FINDINGS AND CONCLUSIONS

2. Program Rationale and Design

It is important for program effectiveness that a clear rationale for the program exists, program objectives are clear and realistic, activities and initiatives undertaken through the program are consistent with the program objectives and funding is targeted to need.

Program rationale

2.1 Overall there is a strong rationale for the existence of the program in supporting the Indigenous arts and crafts industry. Extensive government and academic research over three decades demonstrated that the Indigenous visual and crafts arts industry has created significant economic and cultural benefits for Aboriginal and Torres Strait Islander people, their communities and the country as a whole. This research also highlighted the critical role played by arts centres in the success of the industry, and supports increased government support for their operations¹.

Program objectives

2.2 Different corporate documents stated or implied different objectives for the NACIS program, variously indicating that NACIS was targeted at arts centres themselves, the arts industry as a whole or one through the other. In particular, industry sustainability was variously an objective of the program in its own right, or a consequence of strengthening arts centres.

2.3 For example, the program's objectives as stated in the *Guidelines* and the website were:

To assist arts centres to become stronger and to build a more sustainable Indigenous visual arts industry by:

- *strengthening governance and business management practices in the industry*
- *providing opportunities for artists to maintain, develop and extend their professional art practice and*
- *providing opportunities for arts workers to develop professional skills and experience.*

These objectives indicated a dual focus on arts centres and the Indigenous visual arts industry.

¹ R Myer, *Report of the Contemporary Visual Arts and Craft Inquiry*, June 2002. See also C. Mercer, *Creative Country: Review of the ATSIC Arts and Crafts Industry Support Strategy (ACISS)*, report prepared for the Culture Section, Culture, Legal and family Policy Branch, ATSIC, AGPS, Canberra, 1997.

2.4 DCITA's *Annual Report 2005-06*², stated that the program's focus was on strengthening arts centres, and that this in turn would result in a more sustainable industry. However, at the same time the annual report noted that NACIS was a "strategic industry development program", indicating a focus on the industry in its own right. This inconsistency across different corporate documents suggests there has been some lack of clarity around the program's objectives.

2.5 Other than a broad characterisation of what constitutes a strong and sustainable Indigenous visual arts sector, described in the Indigenous Arts Centres Strategy and Action Plan (refer to paragraph 2.8), the evaluation was not able to sight any NACIS program documentation that could guide program managers to define what was meant by the industry or any discussion about what factors might affect its sustainability, even though these would appear to be central to achieving the program's objectives.

2.6 The Guidelines also stated that NACIS was one of the means by which DCITA sought to implement the Indigenous Arts Centres Strategy and Action Plan (the Plan). This Plan is discussed in the following section.

The Plan

2.7 In October 2003 the Australian Government launched the Plan. The Plan was a joint initiative between DCITA, the Aboriginal and Torres Strait Islander Services and the Australia Council for the Arts. At the time, Aboriginal and Torres Strait Islander Services administered the NACIS program, with DCITA's involvement stemming from its portfolio responsibility for the arts.

2.8 The overall objective of the Plan is "*a coordinated government approach aimed at building a strong and sustainable Indigenous visual arts sector, characterised by a stable and profitable base of Indigenous arts centres producing and distributing works of artistic excellence.*"

2.9 The Plan intends that this overall objective will be achieved through "*closer cooperation between Commonwealth, State and Territory funding agencies*" in six key result areas (KRAs):

- stabilised funding
- business management
- employment and training
- professional art practice
- community capacity and maintenance of culture and
- data collection and research.

² DCITA, *Annual Report 2005-06*, p.46.

2.10 Each of the KRAs is linked to a number of strategies. For example, strategies for the stabilised funding KRA include more strategic interventions, improved funding models and improved grant management practices.

2.11 In turn, the strategies are linked to a number of practical actions stakeholders can take to make progress against the KRAs and toward the Plan's objectives. For example, actions for the improved funding models strategy include the introduction of performance-based funding models, art centre benchmarking and the consideration of triennial funding for some centres.

2.12 At the time of the evaluation, applicants for NACIS funding were required to demonstrate how their proposed activities addressed the first four of the Plan's KRAs. However, these four KRAs comprised some 23 individual strategies that in turn comprised 36 separate actions. It was not clear which of these 23 strategies were intended to be delivered through NACIS, and whether NACIS would deliver those strategies in entirety, or only undertake selected actions that would contribute to their implementation.

2.13 In practice, most NACIS funding was used to pay for salaries for positions in arts centres, particularly coordinators, and in peak bodies, rather than specific activities to directly support the implementation of particular strategies as articulated in the Guidelines or the Plan.

2.14 Appropriately qualified and experienced coordinators make an important contribution to improving art centres' governance and the quality of development opportunities for arts workers and artists, and peak and industry bodies are well placed to develop and implement broad strategies that could improve practices used in the industry. However, if this was the chief mechanism for achieving the NACIS program's objectives and the corresponding strategies, this should be made clear in the program's documentation. This point is particularly important because it was often not clear in applicants' submissions for grant funding which of the program's objectives or corresponding strategies the funded positions sought to implement, or to what extent.

2.15 The first KRA of the Plan is "stabilised funding". Actions and strategies articulated by the Plan for this KRA include:

- working with other agencies to develop agreed long-term support strategies for art centres
- introducing outcome-based (performance-based) funding models for art centres, linked to individual business plans
- art centre benchmarking, to provide a method of categorising art centres and areas of need which can provide a basis for funding
- consideration of triennial funding or contract-based funding for some centres
- increased stability and predictability of government payments
- introduction of improved grant administration practices

- increased procedural transparency and certainty.

2.16 The second KRA of the Plan recommends assistance with developing realistic and useful business plans for arts centres. The business plans should set a realistic timetable for an organisation's development and their progress through the KRAs. The plans should make it clear what the organisation's particular development requirements are, which strategies will be used to meet them, when these strategies will be implemented, by whom, with what resources and at what cost, and what the end result or deliverable will be.

2.17 At the time of the evaluation DCITA did not appear to have made significant progress toward implementing the strategies of the first four KRAs of the Plan. The lack of clear business plans, benchmarking data and needs analysis made it difficult to assess the progress DCITA had made against the other two KRAs intended to be addressed through NACIS.

2.18 Few applications for NACIS funding made it clear what activities would be undertaken to deliver employment, training or professional development outcomes for coordinators or artists. Rather, applications and reports tended to discuss broad social and economic outcomes in generic, qualitative terms with an implication that funding a coordinator would improve an arts centre's outcomes.

2.19 OEA concluded that improving the NACIS program's alignment with the Plan would provide greater clarity about the program's scope and objectives, streamline monitoring arrangements, assist the assessment of need and prioritise funding, and provide a ready base for the development of sound business plans.

2.20 It would then be possible would then be in a position to develop triennial plans for those applicants that have a demonstrated need against the business management or employment and training KRAs, or the capacity to make a significant contribution to the implementation of the professional arts practice KRA.

Conclusion

2.21 The evaluation concluded that while the NACIS program's rationale was appropriate, there could be greater clarity around the program's objectives and its links to the Plan. In particular, articulating the connection between funding salaries and the achievement of the objectives.

2.22 The transfer of the arts portfolio, including the NACIS program, to DEWHA presents an opportunity to clarify what benefits the department would deliver to Indigenous people through NACIS, and by what means. Development of a program logic would assist in clarifying what impact NACIS would have on arts centres and the industry, by what means, and in what order.

Recommendation No. 1

2.23 OEA recommends that a program logic be developed to clearly articulate the relationship between the outcomes and objectives of the NACIS program and the strategies and activities to expected to be implemented. The program's objectives should be clearly stated in key program documentation and reflect a measurable target or outcome.

Department's Response

2.24 Agree with qualification.

The objective of the NACIS program, as stated in the published guidelines, is to help art centres to become stronger and to build a more sustainable Indigenous visual arts industry. A Senate Inquiry report into the Indigenous visual arts sector in 2007 confirmed that the NACIS program was the most successful vehicle for achieving this goal. The Australian Government has increased funding support available through the NACIS program by 56% since 2006-07, recognising the economic and cultural opportunities provided by the program's outcomes. In 2008, the program guidelines were reviewed to include triennial funding as an opportunity (from the 2009-10) to provide stability and assist long-term planning in the sector.

The primary outcome of NACIS funding, at the most basic level, is to ensure that arts centres remain operational. It has been widely demonstrated that a functional arts centre delivers economic, cultural and social outcomes to the community it services. The sector is diverse and business practices range from basic operation through to commercial best practice. Further, there is no lineal progression in the industry. The sector is vulnerable to a number of influences including: community relations, the effects of Australian and state government programs, commercial demand for product, lack of infrastructure and varying standards of governance. It is not uncommon for arts centres, even previously high performing centres, to experience periods of difficulty, or indeed, close.

The program's objectives are far-reaching and have taken time to achieve, particularly as the sector is subject to so many economic, cultural, financial, and legislative and variables. Program outcomes are therefore difficult to quantify as a measurable target as there is no single identifier of success. Performance indicators do include, however, number of and diversity of organisations supported, and the program has performed particularly well in these areas in 2007-08 and 2008-09.

The Department is actively engaged in a number of measures to implement [the] strategies including: roll out of Aboriginals Benefit Account funding for infrastructure, development of a Indigenous visual arts Economic Development Strategy, and implementing multiple initiatives across agencies arising from the Australian Government response to the Senate Inquiry.

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The OEA suggestion of benchmarking to develop categories of art centres for funding is considered risky due to the volatility of arts centre business, and is not likely to improve achievement of the program's objectives.

The Department acknowledges that it is timely to review the Indigenous Arts Centres Strategies and Action Plan (IACSAP) a key program document. The Department agrees to develop documentation articulating the program logic.

3. Program Rationale and Design

The evaluation assessed the extent to which the NACIS program's performance was monitored, evaluated and reported on, with particular attention given to the appropriateness and effectiveness of the program's baseline data, performance indicators and targets.

Performance indicators

3.1 At the time of the evaluation, there were nine performance indicators for the NACIS program (Table 3.1). Overall, these indicators were focused on activities rather than outcomes; for example, a strategy to build the professional skills and experience of artists was measured by the number of artists undertaking training courses and the number of artists participating in arts centre activities, rather than a measurement of whether skills had improved and whether this resulted in increased sales or some other benefit for the artist.

Table 3.1 NACIS Performance Indicators for 2006-07

Performance Indicators 2006-07
1. Extent to which the project addressed the key result areas of the Indigenous Arts Centres Strategy and Action Plan
2. Number of artists participating in arts centre activities
3. Total annual value of arts centre sales
4. Total annual number of sales
5. Number of exhibitions undertaken
6. List any media reports of activities in local, regional or national TV, radio or print publishing
7. Number of artists and arts centre workers attending training courses
8. Percentage of total sales returned to artists
9. Description of the community impact and benefit from arts centre's activities

3.2 These indicators had an economic focus, allowing measurement of whether arts sales increase in number and value over time and whether this resulted in increased returns to artists. Most of the indicators were sufficiently precise to ensure objective measurement, using numbers and percentages. Feedback from arts centres indicated that collecting data for most of the indicators was not an onerous or expensive task.

3.3 The evaluation identified a number of opportunities for performance indicators to be improved in order for program managers to gain a more comprehensive overview of the impact of the NACIS program.

3.4 In 2005-06 there were 23 performance indicators for the NACIS program (Table 3.2). In 2006-07 this set of performance indicators was reduced to nine. Some of these indicators were of questionable worth because they relied on qualitative assessment or did not link activities to program-specific outcomes, and

so it was appropriate that they were cut. However, several of the indicators that were cut shed direct light on program performance, or offered more precise measurement of progress than the 2006-07 indicators.

Table 3.2 NACIS Performance Indicators for 2005-06

Performance Indicators 2005-06
Number of outstations and communities serviced
Number of artists participating in arts centre activities
Number of artists from whom work was purchased
Total amount or value of arts centre sales
Total volume or number of sales
Marketing plan in place – yes/no
Number of exhibitions and or promotions undertaken
Total volume and value of sales achieved as a result of exhibitions or promotions
Number of Indigenous people involved in the staging of exhibitions and promotions
Describe the type of marketing and promotional material produced and means of distribution
List any media reports of activities in local, regional or national TV, radio or print publishing
Number of training courses staged for artists and arts centre workers
Number of artists and arts centre workers attending training courses
Describe community involvement, including young people, in arts centre activities
Describe arts centre contacts with other Indigenous arts centre, cultural or tourism activities
Describe arts centre involvement in any inter-sectoral activities such as language, heritage, environment, health, education, schools and prisons
Percentage of total sales returned to artists
Description of community impact and benefit from arts and cultural activity
Activities undertaken to improve the knowledge base of Indigenous people in IP rights relevant to their activities
IP policies in place – yes/no
IP strategies in place – yes/no
Number of Indigenous people who participated in decision making
Number of forums attended where there was promotion of Indigenous cultural and IP rights

3.5 For example, in 2005-06 there was an indicator for “*total volume and value of sales achieved as a result of exhibitions or promotions*”. Unlike the current indicator number 5, which only tracks the number of exhibitions, the 2005-06 indicator ties an activity (exhibitions) to an outcome for artists (sales).

3.6 Under the 2006-07 set of performance indicators, two critical aspects of program performance – the delivery of the Plan and benefits to the community – were each monitored through a single qualitative indicator. Qualitative indicators

are more difficult to verify, more time-consuming to collate and analyse, and prone to a high degree of subjectivity and should accordingly be used with caution. OEA consider that a mix of qualitative and quantitative data would have been a more appropriate approach.

3.7 Indicators should enable judgement to be made as to whether the program is meeting its objectives and be a reflection of the strategies pursued by the program. As described in paragraph 2.3, NACIS has three strategies to achieve its objectives of building strong arts centres and a more sustainable industry, these being:

- strengthening governance and business management practices in the industry
- providing opportunities for artists to maintain, develop and extend their professional art practice
- providing opportunities for arts workers to develop professional skills and experience.

3.8 It is not clear how the 2006-07 performance indicators intend to measure improvements in governance and business management, and there appears to be only one indicator relating to professional development. In addition, this indicator only provides a measure of attendance and does not provide an indication of actual professional development achieved.

Baseline data

3.9 There was limited baseline data available that DCITA could analyse to assess the overall impact of the NACIS program over a period of time.

3.10 At the time of the evaluation, DCITA collected:

- a quarterly report indicating a project's progress against agreed objectives and approved budget
- an annual acquittal report, including a report on the project's final outcomes, its performance against the nine performance indicators and independently audited financial statements.

3.11 This information was primarily used by Indigenous Coordination Centres (ICCs) to monitor compliance with the terms and conditions of funding, and to acquit the grant funds at the end of the year. OEA was advised that the Department did not collate or analyse all this data at a national level.

Targets

3.12 At the time of the evaluation there were no targets for the NACIS program setting out the benefits it would deliver, or to whom, or when. This made it difficult to establish in quantifiable form what difference the program had made or will make. As a result, the extent to which NACIS had contributed to assisting arts centres to become stronger and to build a more sustainable Indigenous visual arts industry was not able to be quantified.

3.13 Given the scale of demands on the NACIS program and the limited resources available to it, it is important that there is greater clarity concerning its objectives and that these are supported by appropriate targets which enable effective prioritisation for allocation of these resources. This process will also permit a clear and quantifiable appreciation of how the program is making a difference to Indigenous people.

Conclusion

3.14 The program's performance framework and indicators do not clearly demonstrate what the program intends to deliver and to whom, and allow the department to measure progress towards the objectives of the program of the contribution of NACIS funding to the Plan.

3.15 The limitations on baseline data make it difficult to judge whether improvements are occurring as a result of NACIS funding. Performance information appeared to have been collected primarily for compliance purposes and there were no means by which the information was collated and analysed at a program level.

Recommendation No. 2

3.16 OEA recommends that the program's performance framework be reviewed and aligned with the program's objectives to enable the accurate and adequate measurement of program performance. Consideration should be given to:

- developing a suite of quantitative and qualitative performance indicators that measure the extent to which program objectives have been achieved and reflects strategies and activities implemented to achieve objectives
- collecting baseline data to establish a benchmark for measuring progress over time
- setting targets to identify priority areas and facilitate the allocation of scarce resources
- undertaking regular program evaluations and audits to ensure that the program is targeted to those most in need.

Department's Response

3.17 Agree with qualification.

There is significant work occurring across Australian Government Indigenous programs through the Secretaries' Group on Indigenous Affairs to reduce red tape for Indigenous organisations engaged with the Australian Government. This includes improved performance reporting through the development of streamlined performance indicators which align with the broad Australian Government objective of *Closing the Gap*.

Formalising priorities as described at [paragraph] 3.12 would reduce the flexibility and reduce the program capacity given the sector's diversity and volatility.

4. Program Management and Risks

This chapter assesses program management arrangements for NACIS, particularly its grant management processes, and discusses key program risks including: art centre coordinator skill and expertise; turnover; and relevant infrastructure.

Grant management

4.1 At the time of the evaluation, NACIS was a submission-based grant funding program with an annual funding cycle. Organisations that wished to apply for NACIS funding were required to submit an application form, accompanied by a business plan, by a specified day.

4.2 DCITA officers in ICCs undertook an initial assessment of the applications against the following 5 criteria, which are set out in the Guidelines:

- a high quality project which benefits the local community and contributes to the development of the Indigenous visual arts industry
- extent to which the proposal addresses the KRA's of the Indigenous Art Centres Strategy and Action Plan
- ability to deliver the proposed project (i.e. track record of organisations and individuals)
- realistic and sound budget
- demonstrated need for government funding.

4.3 Recommendations from ICCs were then considered by DCITA's State and Territory Offices where a recommendation was prepared for consideration by National Office. In developing the recommendation each state considered whole-of-state priorities. National Office staff prepared the final recommendation to the Minister with responsibility for the Arts, after weighing State/Territory recommendations against national priorities. Of the projects examined by this evaluation, those projects rated highly by ICC staff were more likely to be approved and more successful arts centres were awarded more funding.

4.4 The assessment of NACIS grant applications was generally sound but could be improved. Program assessment criteria were not always applied consistently. Occasionally, some were declined for reasons not equitably applied to other projects. For example, while one application was declined because it scored a low rating for the second criterion, other applications that were assigned the same score or a lower score for this criterion were approved.

4.5 There was a lack of guidance about how to interpret, apply and weight the criteria, and a lack of minimum standards or benchmarks applicants needed to meet. It was also not clear what the various State/Territory and national priorities were. The tendency for more successful arts centres to receive support under the program highlights a need for clear guidance on how a demonstrated need for grant funding is interpreted.

4.6 Business plans accompanying applications for funding that were reviewed as part of the evaluation, did not often make it clear what activities would be undertaken with the funding, which of the NACIS program's objectives would be met through these activities, or which of the Plan's KRAs would be met. Rather, business plans often included general discussion about the broad community benefits an arts centre provided. This lack of detail made it difficult to compare and contrast the merits of particular applications.

4.7 In general, arts centre coordinators are of the view that the NACIS application is easy to complete. Also the majority of arts centre coordinators agreed that there is appropriate advice available when completing funding applications. However, there were some comments received from arts centre coordinators that departmental staff at the regional level did not have sufficient understanding of the Indigenous arts and crafts industry in order to provide an effective conduit between the arts centres and government.

Targeting need

4.8 At the time of the evaluation, there was no objective measure of each arts centre's real development needs or the needs of the industry. Additionally, there appeared to be no particular areas of funded activity or typical beneficiary for NACIS funding, or any apparent correlation between NACIS funding and a grantee's particular circumstances or the benefits it proposed to deliver. For example, NACIS funding is provided for a broad spectrum of uses ranging from supporting arts centres that are experiencing 'difficulties', through to helping efficient arts centres to become better, to providing additional funding to already flourishing arts centres to purchase 'strategic outcomes'.

4.9 There is no formal guidance that identifies what proportion of program funding should be directed to these various areas of funded activity, what the eligibility criteria for each area might be, to which types of centres funding will be targeted and to what end. The ICC staff assessing applications lacked guidance on which of these areas was a priority, and how to determine whether an application merits funding under one area or another. Rather, program delivery appeared to be largely reactive and depended on arts centres to provide self-assessments of their needs. As noted in paragraph 4.5, successful centres tended to received more funding.

4.10 Also there was no clarity, or policy, around the preference that should be given for recurrent funding between emerging centres and those with a long history of funding and yet which have a reasonable revenue stream. That is, is the program an ongoing subsidy or is there an intention at some time, and in certain circumstances, where centres will be expected to be self sufficient? Some consideration of issues of arts centres' viability and sustainability would allow for consideration of the support of new art centres, expansion of existing centres or funding of essential infrastructure from the overall funding allocation.

Arts centre coordinator issues

Art centre coordinator skills and expertise

4.11 The quality of the arts centre coordinators, defined in terms of attributes, networks and relationship building skills, is a significant factor that contributes to the success of arts centres.

4.12 Although coordinators had the potential to strengthen an arts centre's governance, which could result in improvements to business practices, whether this actually occurred was dependent on a coordinator having the necessary corporate governance and financial or business management skills. There were few NACIS initiatives specifically directed at improving governance and business management practices even though this is described in program documentation as a key strategy for achieving the program's objectives.

4.13 Few coordinators who responded to the survey considered that they possessed the full complement of skills they thought were required to perform all of their duties effectively. In particular, those with strong cross-cultural and visual arts experience considered that they lacked corporate governance and management experience, and vice versa. Further, the majority of respondents stated that they did not receive any formal or informal training to assist them in their role. Many surveyed coordinators commented that two coordinators were needed to secure the full range of skills and experience needed to run an arts centre successfully.

Coordinator turnover

4.14 Arts centres consistently rated the recruitment and retention of staff as their most serious challenge. The evaluation found that the average tenure of an arts centre coordinator was 2.6 years.

4.15 Discussions with stakeholders during the evaluation presented a consistent message that the departure of a coordinator has a serious, long lasting, negative impact on a centre's operations. Replacements are hard to find and the centre often struggles to function without their leadership and drive. Even when a new coordinator is appointed they still face the challenge of coming to grips with the systems and networks of that centre.

4.16 In the survey, the most commonly cited reason for coordinator turnover was "burnout". The reasons offered for this high rate of burnout were that coordinators:

- experience long working hours - beyond their modest remuneration (salaries ranged from \$33 000 to \$60 000)
- operate in an environment which places significant demands on their personal input across a variety of areas and without support (coordinators indicated that they were remunerated for a 40-hour week but were effectively 'on call' to meet community demands at all times)
- are required to undertake a diverse range of activities including, but not limited to: the maintenance of networks with external organisations, reporting requirements, ensuring the ongoing development of quality artworks, human resource management associated with the individual

artists, welfare issues associated with artists, provision of art supplies and governance issues

- are often in isolated locations and with poor housing.

The survey also noted that 68 per cent of coordinators surveyed did not receive any formal or informal training to assist them in their role.

4.17 In order to mitigate this risk, possible actions include more training and support so that coordinators feel better equipped to cope with the demands placed on them; succession planning and streamlined recruiting arrangements to minimise the impact of a coordinator leaving; and better long-term planning to afford coordinators greater certainty of funding and more clarity about what they were expected to deliver. DEWHA might consider developing a range of training packages for coordinators and arts centre staff across the range of competencies and having a dedicated level of annual funding directed toward these activities.

Infrastructure issues

4.18 A common theme identified during consultation was the absence of appropriate infrastructure to house staff and artworks and provide space for artists to produce works. Stakeholders from the peak industry bodies and the arts centres also commented that the lack of appropriate housing for staff makes it difficult to attract and retain suitably qualified people. During a field visit to a Northern Territory location on another evaluation, OEA observed an arts centre coordinator camping on the floor of the arts centre building. Without appropriate staff housing, it will not be possible to attract and retain suitable staff.

4.19 Also, the absence of appropriate infrastructure for storage of materials and completed works detracts from the ability of the arts centres to ensure that they can maintain the quality of the artworks for sale in commercial and retail markets. This has the potential to directly impact on the viability of an arts centre.

4.20 OEA notes that the Senate Inquiry into Australia's Indigenous visual arts and craft sector recommended, amongst other things, a separate source of funding for infrastructure for the Indigenous visual arts sector³.

Peak bodies

4.21 Funding provided to peak bodies aimed to:

- provide advocacy and promotion of Indigenous art centres
- assist and support art centres with training associated with governance, IT, professional development and arts practice and
- provide liaison, networking and referral services.

³ The Senate, Standing Committee on Environment Communications, Information Technology and the Arts, *Indigenous Art – Securing the Future: Australia's Indigenous Arts and Craft industry*, Commonwealth of Australia, Canberra, 2007. The Senate Inquiry report made a range of recommendations around key issues facing the sector including, most notably: infrastructure, improved scrutiny of business practices in the Indigenous art industry, education and training needs, and industry self regulation. The report also noted the strong support for the NACIS program.

4.22 The evaluation did not specifically assess the performance of peak bodies, however the survey data and feedback from arts centre coordinators consulted indicated that the majority of arts centres' perceived that the services provided by the peak bodies were of benefit.

Conclusion

4.23 The evaluation identified a number of key risks to the program's management and success. There was a lack of clarity about the most effective strategy and activities to achieve program objectives, making it difficult to develop appropriate performance indicators to monitor strategies and measure progress towards achieving objectives. While there was a tendency to provide funding to art centres that are relatively more successful, there is no indication from program documentation provided to OEA that there is a deliberate strategy to target better performing arts centres. However, it does reflect the absence of an approach based on the analysis of actual needs and the lack of clear priorities about what sorts of arts centres should be funded in order to achieve the program's objectives.

4.24 Strategies for achieving program objectives might, for example, require more focus on assisting marginal centres to become more viable so as to broaden the industry base. This should be supported by guidelines that provide adequate guidance to program staff about the program's funding priorities and how to apply the assessment criteria.

4.25 The NACIS program's stated objectives and the KRAs of the Plan made clear references to the need to develop more sustainable funding practices for the industry. More rigorous planning, including independent assessments of need, would allow for funding to be targeted to those most in need and set clear milestones for assessing progress in addressing that need. The issues of grant assessment and targeting need are intertwined with the need to amend and align the program's objectives, targets, indicators and links to the Plan.

4.26 The achievement of the program's objectives relies primarily on the funding of arts centre coordinator salaries, yet these essential staff often do not have the full complement of skills to support the development of artists as well as improve governance and business management practices. It is not clear how activities funded under the NACIS program have had an impact on most arts centres' governance and business practices. More can be done to support these positions and assist in their ongoing training and development. The program's heavy reliance on coordinators to achieve its objectives could also be undermined by high turnover rates and lack of essential infrastructure to house arts centre staff and artworks.

4.27 The evaluation formed the opinion that addressing the professional development needs and the infrastructure shortage may not be possible under the current program arrangements and that there may be opportunities to collaborate with other departments including FaHCSIA and DEEWR. Formalising such coordination arrangements through strategic agreements is consistent with the first Key Result Area of the Plan.

Recommendation No. 3

4.28 OEA recommends that the allocation of funding and the selection of projects be reviewed so that funding is targeted to strategies that support the program's objectives and considers the development needs of arts centres and the Indigenous arts industry. In particular, consideration should be given to directing greater resources to:

- capacity building of the sector, including governance and management of arts centre
- recruitment and retention of arts centre coordinators and staff.

Department's Response

4.29 Agree with qualification.

A number of action areas in the Australian Government response to the 2007 Senate Inquiry are currently being progressed to build capacity within the Indigenous visual arts sector. A complementary measure is the development of an Indigenous Economic Development Strategy (IEDS) for the Indigenous visual arts sector. These strategies contribute to achieving the Government's *Closing the Gap* targets and social inclusion for Indigenous Australians.

Capacity building and recruitment and retention of staff remain issues that are being prioritised through NACIS and these broader forums. Significant additional funding to the NACIS program since 2007-08, has enabled the program to consolidate the support it provides to arts centres and industry organisations. In particular, funding has been directed into much needed infrastructure, and development of human capital through education and training support, as well as appropriate staffing levels and remuneration. Since 2008-09, a portion of NACIS funding has been reserved to meet strategic opportunities for the sector, and from 2009-10 a further \$0.5m will be reserved for education and training initiatives.

Through the Indigenous Economic Participation National Partnership, DEWHA is also supporting the creation of 220 jobs which will see the employment of Indigenous Australians in arts centres, under mainstream employment conditions. Positions will include administration, gallery workers, art support workers and mentors.

The priority for NACIS remains the support of arts centre operational costs, as a key enabler for professional arts practice to be sustained and to grow in remote communities.

To aid the assessment process, national office staff conduct workshops in each state prior to the assessment round. A proforma has also been developed to assist for national office staff when reviewing assessments.

While DEWHA has compiled a template for business plans, ultimately the development of such plans is the responsibility of the organisation. Peak

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associations provide assistance for the development of business plans. It is expected that goals and activities articulated in business plans will meet key result areas. Newly introduced triennial funding guidelines emphasise business planning to achieve agreed objectives and this process will continue to inform program design. Outcomes of 2009-10 triennial process will further inform the program.

5. Strengthening Art Centres and Building a more Sustainable Arts Industry

The evaluation took a general view in considering what it might mean to strengthen an arts centre or to build a more sustainable Indigenous visual arts industry, and the extent to which funded activities met these objectives. The evaluation consulted coordinators of what were considered to be "high functioning" arts centres about what they saw as the critical success factors or risks surrounding these objectives.

Strengthening arts centres

5.1 The evaluation found it difficult to assess the extent to which the activities funded by NACIS assisted art centres to become stronger. As discussed in Chapter 2, the program's objective is not a sufficiently clear statement of intent and there was no program documentation that described features of a sustainable industry.

5.2 The strategies that accompany the NACIS objectives include "strengthening governance and business practices", but there were no indicators or targets to indicate what specific improvements are sought through the NACIS program. The evaluation could not find any evidence that the activities funded by NACIS strengthened governance and business practices in the industry. Almost one quarter (23%) of survey responses indicated that NACIS did not contribute to building stronger arts centres because either more funding was required to have a significant difference or because funding was not distributed equitably.

5.3 Based on discussions with coordinators, a strong arts centre would appear to have most or all of the following attributes:

- a cohort of good artists⁴;
- a quality arts centre coordinator and arts centre workers;
- "ownership" by the community: functioning governing committee, widespread local support and the endorsement of the traditional owners and community elders and leaders;
- is commercially significant/successful;
- has appropriate and well maintained infrastructure and
- provides cultural maintenance to the community.

5.4 The most frequently cited responses to the key external challenges to the success of the arts centre were:

⁴ Based on discussions with coordinators, a "good" artist is defined as an artist who:

- is recognised by the market as being an important artist and therefore sells works for high prices
- produces quality works on a regular basis
- is loyal and committed to service the interests of the art centre and
- is a good role model for emerging artists and assists in their artistic development.

- changes in market demand and taste
- "carbetbaggers"/unscrupulous dealers
- withdrawal of government funding.

The extent to which a community 'owns' a centre and the extent to which a centre provides cultural maintenance for a community are factors beyond the scope of the NACIS program. The other suggested attributes of a strong arts centre are relevant to NACIS funding and could be expected to be influenced by that funding.

A cohort of good artists

5.5 The evaluation's survey data indicated that there is a generally stable population of artists in art centres. 66% of survey respondents indicated that over the previous year none of their artists had left the centre to pursue outside opportunities, and a further 24% reported that just one artist had left. Just 5% of respondents indicated that more than two artists had left the centre in the previous twelve months. The most commonly cited causes for leaving were medical treatment, development of the artists' own practice, securing full-time employment in the mining industry and family reasons.

5.6 On an operational level, if an art centre remains open, is financially stable and has appropriate infrastructure then it is reasonable to conclude that the chances of maintaining a cohort of good artists will be good. In this regard, we would expect to find that artists' satisfaction with coordinators and their facilities would vary from centre to centre, with high levels of satisfaction at some and low levels at others. However, the survey data shows that retention rates appear to be consistently high across almost all arts centres.

5.7 It is also not clear how many artists are "good" artists and the extent to which their work and numbers have been improved by NACIS funding. There did not appear to be any baseline data on individual artists to help identify who requires development (or, in the case of promising talent, additional promotion and marketing). This data would be useful for measuring the program's aim of providing opportunities for art workers to develop professional skills and experience. In addition, the program's performance indicators did not link funded activities to results; for example, they did not link whether art centres that receive infrastructure funding had increased sales or artist numbers. These factors prevented an assessment of the extent to which the funding affected artist retention and quality.

5.8 It appears that a small number of artists may be responsible for a significant proportion of arts centre sales and thus income for running costs. Losing these artists poses a significant risk to arts centres' ongoing viability, though not necessarily the viability of the industry as a whole if they continue to produce artistic works.

Commercial significance

5.9 The evaluation found that commercial significance was identified by some art centres as an attribute of a strong art centre. The coordinators who considered that commercial significance was important did so on the basis that it provided those involved freedom to undertake a greater range of activities and more control

over their lives, rather than because it would result in greater economic returns for individual artists. Other coordinators considered that providing cultural maintenance to the community was more important.

5.10 From a program effectiveness perspective, the NACIS program's performance indicators "total annual value of sales", "total number of sales" and "percentage of total sales returned to artists", could all give some information that might allow, over time, some assessment of the commercial success of the art centres receiving NACIS funding.

5.11 Comparisons of data between 2005-06 and 2006-07 showed that overall NACIS funding did not necessarily result in an increase in a centre's sales or income, at least not in the short term. Performance indicators would need to be able to attribute increased sales to funded activities (something the current suite of indicators do not allow) and track aggregated data across many years (that is, establish a baseline) to demonstrate that NACIS funding makes a positive difference to centres' commercial success.

5.12 The quality of arts centre coordinators and infrastructure is discussed in Chapter 4: Program Administration and Risks.

Building a more sustainable industry

5.13 As was the case with the objective to "strengthen arts centres", there are neither no meaningful indicators nor targets that might shed light on what is needed to achieve a sustainable Indigenous visual arts industry, and what success will look like. There is an implication that providing development opportunities for artists and arts workers and improving business practices can directly improve industry sustainability, or that making arts centres "stronger" will lead to a sustainable industry. These propositions are problematic given the lack of clarity around the program's first objective and the extent to which activities funded by NACIS actually result in the implementation of strategies to achieve them.

5.14 In order to consider whether NACIS has been effective in building a more sustainable Indigenous visual arts industry, a clear understanding of the nature of the industry itself is needed as well as an understanding of what a "more sustainable" industry looks like.

5.15 According to *The Art and Craft Centre Story*⁵, the industry includes:

- the commercial sector - retailers, wholesalers, licensed product developers
- regional resource bodies - ANKAAA, Desart
- the non-commercial sector - curators, researchers, academics
- art and craft centres - executive/governing bodies, art centres, staff and
- funding/training bodies.

⁵ F Wright, *The Art and Craft Centre Story: A Survey of Thirty-Nine Aboriginal Community Arts and Crafts Centres in Remote Australia: Volume 2: Summary and Recommendations*, ATSIC, Canberra, 1999.

5.16 The Myer Report⁶ presented a broad definition of the contemporary visual arts and crafts sector: *"creative work by living visual artists and craft practitioners, and the institutions and organisations that support their practice"*.

5.17 The NACIS program documentation did not define the industry. OEA were advised that program managers have adopted a flexible approach to the definition of the Indigenous visual arts industry on the basis that this enables the program to be responsive to applications which contribute to the program goals and which might otherwise not have been considered if a definition of the "industry" was included within the funding guidelines.

5.18 The objectives of the program explicitly refer to the development of a more sustainable industry. It is difficult to assess whether a grant proposal could contribute to a more sustainable industry without having a practical definition of the industry and sustainability, and an understanding of the risks that need to be mitigated to ensure sustainability. Equally, without a clear strategy to achieving sustainability it is difficult to assess the contribution of the NACIS program overall to this objective.

5.19 The evaluation asked coordinators to list what they considered to be the greatest risks to industry sustainability, then assessed the extent to which current NACIS activities affected these risks. The key risks to industry sustainability were identified as:

- maintaining the relevance of artworks produced (i.e. ensuring consumers will acquire the art because it will provide a return on investment, is of cultural or historical significance, or has intrinsic aesthetic or artistic merit), including incorporating a level of innovation to maintain the relevance of the works produced
- maintaining an appropriate supply chain which meets the requirements of the market (that is, ensuring the ongoing creation and delivery of quality artworks to the market).

Maintaining relevance

5.20 Coordinators identified a risk that currently popular forms of Indigenous visual arts (such as dot paintings) may lose their popularity, slowing growth of the market. However, they were also confident that new forms of arts and crafts could take their place. This raises the question of how current NACIS activities should encourage the development of innovative approaches to creating arts and crafts, given the program's objective of building a more sustainable Indigenous visual arts industry.

5.21 To a large degree, this innovation is dependent on widespread market research to determine whether particular art forms are increasing or decreasing in popularity or value, whether supply is appropriate, and providing development opportunities to artists so that they can expand their professional practice.

5.22 Undertaking a program of industry analysis and research is a key result area identified in the Indigenous Arts Centres Strategy and Action Plan. While it is not clear what role NACIS should play in undertaking industry research, it is key to

⁶ R Myer, *Report of the Contemporary Visual Arts and Craft Inquiry*, June 2002.

understanding and supporting a sustainable industry and critical to planning effective government interventions in the sector to ensure that limited resources are targeted.

5.23 The evaluation also found that it is not clear whether the funding of coordinators leads to the provision of development opportunities for artists, and whether these development opportunities lead to any increase in an artist's market. In considering a more formal approach to developing artists, consideration of current market trends and fostering innovative approaches to creating arts and crafts will help to maintain the relevance of their work.

Maintaining the supply chain

5.24 The other major factor identified through the evaluation for a sustainable industry is the need to maintain an effective supply chain for Indigenous arts and crafts products. Such a supply chain includes:

- quality assurance processes to ensure quality works
- effective logistics
- appropriate frequency of supply of works
- appropriate provision of materials required to produce works
- appropriate infrastructure to convert materials to finished works
- access to a sustainable cohort of strong artists to produce works.

The matter of infrastructure is discussed in Chapter 5: Program Risks, and access to a cohort of strong artists is discussed earlier in this chapter.

5.25 The first three of these factors are largely within the control of coordinators. Where coordinators possess strong management and planning skills, they will be able to make a strong contribution to these aspects of the supply chain. However, the evaluation found that many coordinators themselves considered that they do not necessarily possess these skills, with their professional expertise lying in the arts sector.

Conclusion

5.26 The absence of a clear definition by the program as to what makes a strong arts centre and what constitutes a sustainable Indigenous visual arts industry, makes it challenging to determine whether activities funded by the NACIS program contributes to the achievement of program objectives. The absence of a definition makes it difficult to determine the most appropriate and effective activities to achieve success and measure program performance. As a result current performance indicators and targets may not be reflective of key success factors and the program's objectives.

5.27 Achieving a sustainable industry may require other activities beyond what the NACIS program can provide. In this respect it is important to consider the extent to which NACIS' objectives are realistic and achievable.

Department's Response

5.28 Following is OEA's summary of DEWHA's comments in relation to the findings contained in this chapter of this evaluation report:

It is not the role of the program to target or articulate specific artist's development needs but to provide the opportunity for art centres to self-identify their development needs in the cultural context of their communities and then support those needs as appropriate.

There is a very small number nationally of highly regarded long established arts centres which do not rely on funding support. The Senate Inquiry, however, found that the industry is not self-sustaining and that the NACIS program provides valuable support to arts centres engaged in professional quality arts practice.

There is evidence that many arts centres experience periods of difficulty, requiring support in the short-term. In the latest funding round an application was made for support by a flagship art centre which has not sought support for a decade.

[Market research] is a role for peak bodies and the Department is looking to support independent research wherever possible, including through the services offered by Cooperative Research Centres.

The majority of arts centre coordinators are highly driven and skilled professionals who bring not only artistic expertise into communities, including opportunities to diversify into other art forms, but also solid business skills in which they are able to provide practical mentorship. There has been a steady increase in the number of emerging arts centres and also the number of critically acclaimed Indigenous art awards being offered through supporting art centre coordinators.

The Senate Inquiry found that "... *nothing is more crucial to the artistic, cultural and financial success of the Art Centre than the skill, competence and integrity of the Manager*" (p.35) clearly support the value of funding for art centre coordinators.

APPENDICES

Appendix A: Evaluation Terms of Reference

Objective

The objectives of this evaluation are to assess:

- the effectiveness of the NACIS program in building stronger arts centres
- the effectiveness of the NACIS program in building a more sustainable Indigenous visual arts industry
- the efficiency with which the outputs and outcomes of the NACIS program are achieved and
- the effectiveness of the NACIS program in addressing the key result areas of the Indigenous Arts Centres Strategy and Action Plan.

The evaluation focused on:

- the appropriateness of the program's objectives and activities given the current policy context and whole-of-government arrangements for Indigenous affairs and
- the impact of the NACIS program on the sustainable functioning of art centres and the development of the Indigenous visual arts industry.

Methodology

The evaluation methodology included:

- consultation with NACIS stakeholders, including staff and artists from Indigenous arts centres, galleries distributing Indigenous art, peak industry bodies and NACIS program administrators
- visits to a selection of Indigenous arts and crafts centres that receive NACIS program funding
- a survey completed by arts centre coordinators
- review of previous research into the Indigenous visual arts industry
- analysis of program reporting and funding data and
- the development and analysis of case studies associated with each of the arts and crafts centres visited, and analysis of additional case studies provided by DCITA.

Stakeholder consultations

Consultation with stakeholders was undertaken via a combination of one-on-one meetings, teleconferences, and a survey tool.

Arts and crafts centre consultations

In January and February 2007, structured interviews were undertaken with arts centre coordinators, arts centre workers and artists from 13 Indigenous arts and crafts centres. These interviews provided information on activities undertaken at the centres and enabled the identification of two centres as appropriate case studies (good practice examples).

The arts and crafts centres visited were selected based on the distribution of NACIS funding, geographical location (urban, rural and remote) and timing of last visit by government staff. Site visits were conducted to Indigenous arts centres in Western Australia, Queensland, New South Wales and the Northern Territory. A full listing of arts centres visited is provided below.

Indigenous Arts Centre	Location
Marra Indigenous Art and Design	Geraldton. WA
Buku Larrngay Mulka Arts Centre	Yirrkala. NT
Maningrida Arts and Culture	Maningrida. NT
Bula'Bula Arts	Ramingining. NT
Titjikala Arts Centre	Titjikala. NT
Warlukurlangu Artists	Yuendumu. NT
Tangentyere Artists	Alice Springs. NT
Ikuntji Arts Centre	Haasts Bluff. NT
Lockhart River Artists	Lockhart River. QLD
Aurukun Arts Centre	Aurukun. QLD
Coen Arts Centre	Coen. QLD
Bamanga Bubu Ngadimunku	Mossman Gorge. QLD
Boomalli Aboriginal Artists Cooperative	Sydney. NSW

Galleries distributing Indigenous art

In addition to the above arts centres, consultations occurred in person or via telephone with personnel from the following Indigenous art galleries.

Indigenous Art Gallery	Location
Gallery Gondwana	Alice Springs. NT
Aboriginal Fine Arts Gallery	Darwin. NT
Readback Books and Aboriginal Art Gallery	Darwin. NT
Marshall Arts Aboriginal Art Gallery	Adelaide. SA
Gavala Aboriginal Art Centre	Sydney. NSW
The Outback Centre (Darling Harbour)	Sydney. NSW
Jedda Boomerangs	Dubbo. NSW

Consultations with peak bodies

Peak industry and advocacy bodies that provided input into the evaluation included the Association of Northern, Kimberley and Arnhem Aboriginal Arts (ANKAAA), Desert Inc, Umi Arts Limited and Viscopy.

Consultation with NACIS program administrators

Interviews were conducted with NACIS program administrators at both the national and state/regional office level to obtain data on the operation of the program including program performance data.

Data Collection and Analysis**Arts and crafts centre survey**

A survey was developed and distributed to all Indigenous arts centres and arts organisations that received NACIS funding in the 2005/2006 financial year.

The survey was developed to obtain a broad range of information associated with Indigenous arts and crafts centres. This included particulars on the arts centre structure, activities, artist demographics, funding sources and utilisation, program application and reporting requirements and identification of broader issues which impact on the program in building stronger arts centres and building a more sustainable Indigenous arts industry.

In mid-January 2007 electronic and hard copies (where applicable) of the survey were sent to all Indigenous arts centres and arts organisations that received NACIS funding in the 2005/2006 financial year. Organisations that had not responded by the end of February 2007 were subsequently followed up via email.

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A total of 59 surveys were sent to NACIS funded recipients, of which 24 surveys were returned. This represented a response rate of approximately 41%.

Indigenous arts centres that completed the survey

Boomalli Aboriginal Artists Cooperative	NSW
Jilmara Arts and Craft Association	NT
Bula'bula Arts Aboriginal Corporation	NT
Bula'bula Arts Aboriginal Corporation	NT
Maningrida Arts and Culture	NT
Maningrida Arts and Culture	NT
Buku-Larrngay Mulka	NT
Ikuntji Arts Centre	NT
Ikuntji Arts Centre	NT
Warlukurlangu Artists	NT
Warlukurlangu Artists	NT
Titjikala Artists	NT
Titjikala Artists	NT
Tangentyere Artists	NT
Keringke Arts	NT
Warakurna Aboriginal Artists Corporation	NT
Waralunkgu Arts	NT
Tjanpi Desert Weavers	NT
Iwantja Arts and Crafts	NT
Mornington Island Arts and Craft	QLD
Lockhart River Artists	QLD
Lockhart River Artists	QLD
Bamangu Bubu Ngadinuku Inc /Mossman Gorge Arts Cooperative	QLD
Bamangu Bubu Ngadinuku Inc /Mossman Gorge Arts Cooperative	QLD
Wik and Kugu Arts Centre	QLD
East Gippsland Aboriginal Arts Corporation	VIC
Marra Aboriginal Corporation	WA
Marra Aboriginal Corporation	WA
Mangkaja Arts Resource Agency Aboriginal Corporation	WA
Yaruman Art and Culture Centre	WA
Mowanjum Art and Culture Centre	WA

Financial data

Survey and DCITA program management data were analysed to assess:

- overall expenditure levels
- funding distribution across jurisdictions
- funding distribution across urban, rural and remote locations
- main components of funding utilisation and
- funding requested versus funding provided.

Program management and administration information

Consultation was undertaken with staff from the DCITA national office to obtain information on the program objectives and measurement of program performance.

Consultations with DCITA staff based in the ICC offices in Geraldton (WA), Alice Springs (NT) and Cairns (Qld) were also undertaken. The purpose of the consultation was to obtain information on the application and reporting processes associated with the NACIS program. This information was supplemented by a review of submissions by DCITA to the Senate Inquiry into Australia's Indigenous visual arts and crafts sector.

Case studies

Two arts centres were selected as case studies. They were selected due to their ability to maintain a relatively large number of active artists through the arts centre and achieve a significant level of revenue from the sale of the arts and crafts.

The attributes of the centres selected as case studies and the factors that contributed to the centres success were identified. This provided useful information on the factors that contribute to building a stronger arts centre.

Data limitations

The NACIS program is one of a number of funding sources potentially available to Indigenous arts centres and organisations. As discussed later in this report, there is limited baseline data available which enables an assessment, over time, of the impact of the NACIS program. It is therefore challenging to identify the specific impact that the NACIS funding exerts in isolation of these other programs.

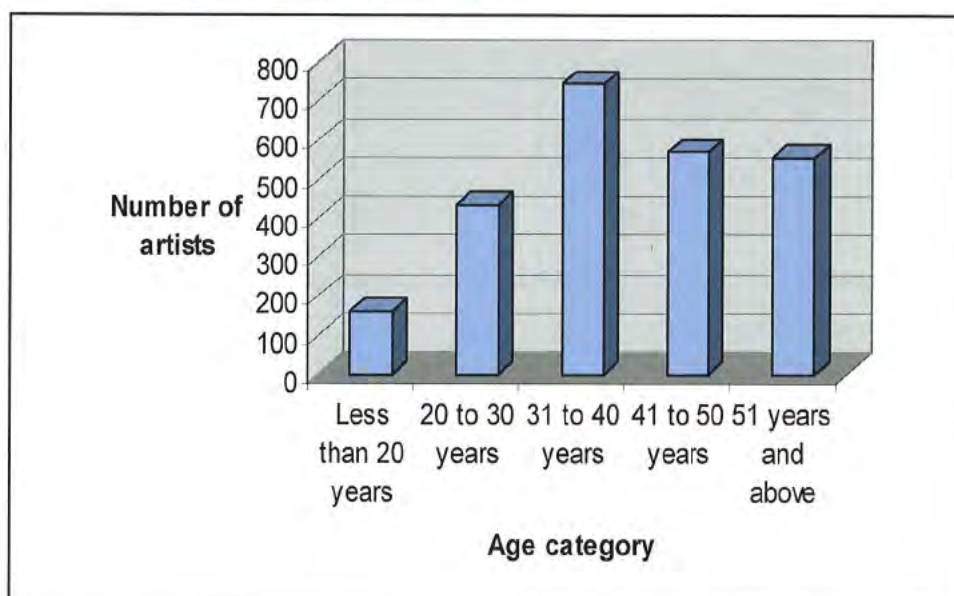
Data collected for this evaluation through a survey of Indigenous arts centres is subject to normal statistical errors that apply to any survey of this nature.

Appendix B: Survey Results

Table B.1 *Approximate number of Indigenous arts centres in Australia over time*

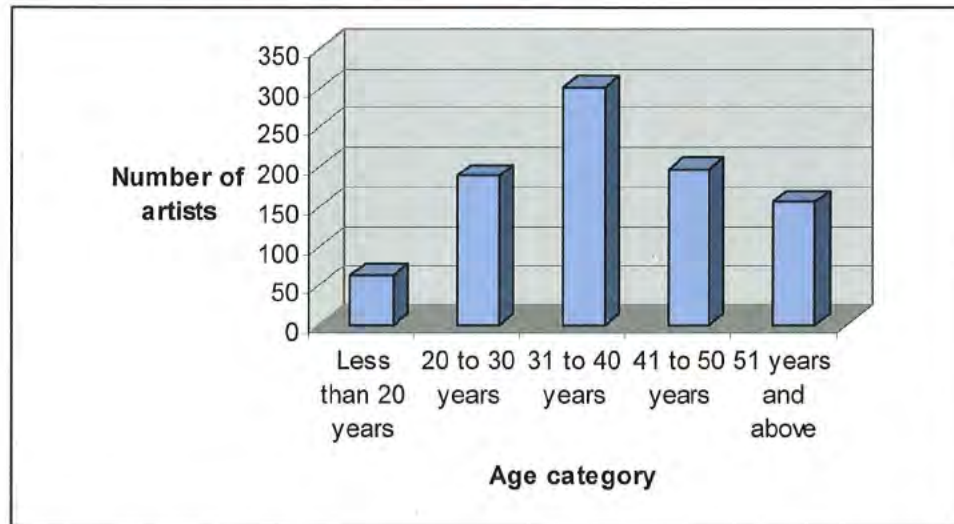
Year	Approximate number of Indigenous arts centres	Information Source
1980	16	Pascoe (1981)
2002	100	Myer (2002)
2006	110	DCITA (2006)

Figure B.1 *Number of artists involved with the arts centre or "on the books" according to age*



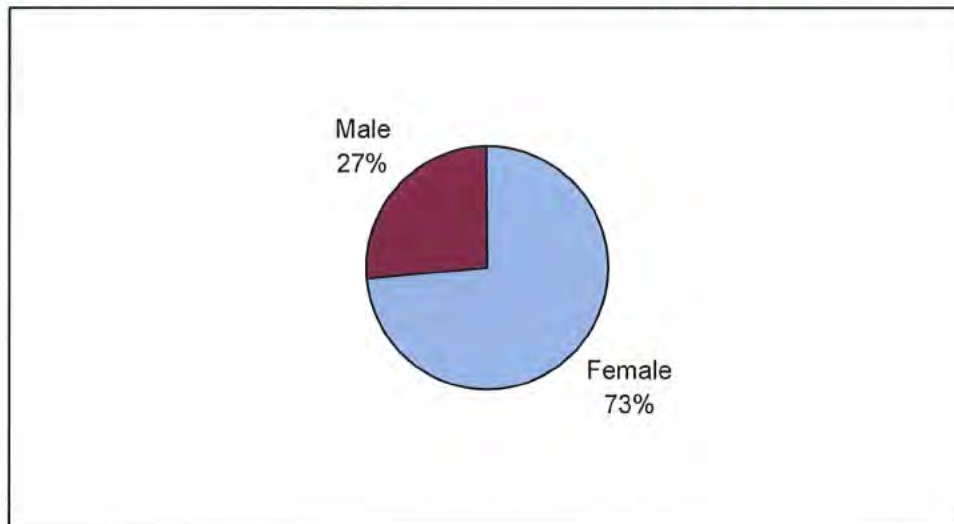
The majority of the artists that are involved with the arts centre were aged 31 years or above. The figure also indicates that there was a lower level of youth involvement with the arts centre.

Figure B.2 Number of artists that attend the arts centres on a daily to weekly basis according to age



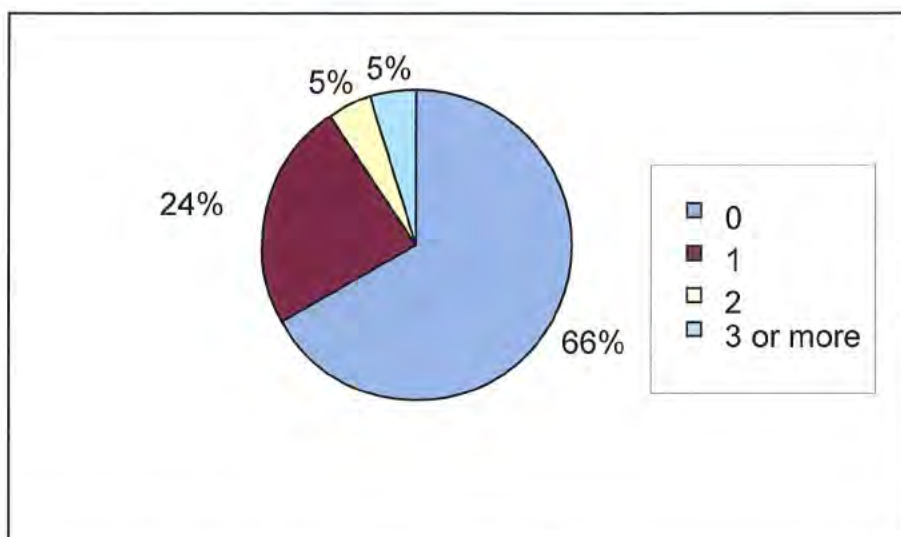
The majority of artists that attended the art centres on a regular basis were between 31 and 40 years of age. This also confirms a lower level of youth involvement with the arts centre.

Figure B.3 Gender profile of artists associated with the arts centres



Approximately 73% of artists associated with the arts centre were female. This high may reflect the historical foundations of many arts centres that were previously women's centres, or a broader change in demography.

Figure B.4 *Number of artists leaving the arts centre in the last 12 months to pursue opportunities outside the arts centre*

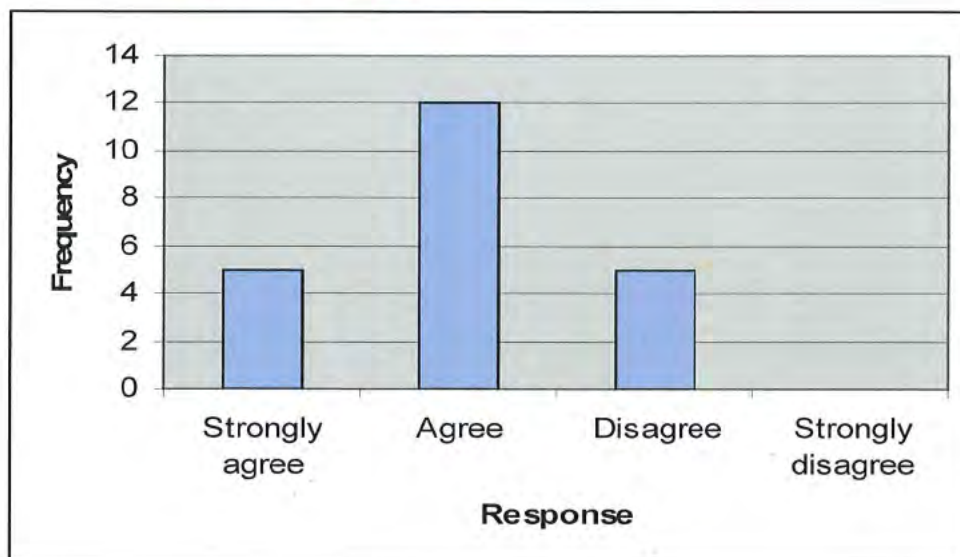


The majority (90%) of arts centres surveyed reported that less than one artist had left the centre in the past 12 months. Art centres coordinators that reported an artist(s) leaving the centre cited the following reasons:

- Receive medical treatment
- Develop their own practice
- Secure full time employment in mining industry
- Family reasons/moving to a different community.

During consultations it was also acknowledged that some artists produce and sell artworks outside of the arts centre network. These artists may not be accurately reflected in the above data.

Figure B.5 *Arts centre coordinators survey responses regarding the effectiveness of the NACIS program in building stronger Indigenous arts centres.*



Of the coordinators who provided a response, five disagreed that the NACIS program contributes to building stronger Indigenous arts centres. Two of the reasons submitted were:

- Higher levels of funding are required to have a significant difference
- The equity of the funding allocation decisions.

Table B.2 **Perceived benefits that the arts centre provides to the community**

Survey responses in relation to the perceived benefits that the arts centre provides to the community
<u>Cultural and social benefits</u> • Reinforcement of, and encouragement to engage with, cultural skills and knowledge. • Support traditional skills and knowledge in contemporary arts and cultural practice. • Promotion and facilitation of intergenerational learning. • Strengthened ties with each other and their families within and across communities through shared cultural and artistic experiences and processes. • Opportunities to harvest bush materials, food and medicines. • Improved health through increased exercise, improved diet and engaging in activities. • Enhanced wellbeing through achievement, pride and independence. • Support to engage in an income-generating cultural practice in their own homelands, thus retaining connections to country and family. <u>Artistic benefits</u> • Increased awareness of workings of the Indigenous art and craft industry. • On-site learning of arts industry information and knowledge, including issues such as IP rights. • Opportunities for artistic and cultural collaboration and exchange between individuals among communities. • Increased profile for Indigenous artists, promoting pride in individual achievement and strengthening community identity. • Access and contribution to a growing ethical arts enterprise. • Management of intellectual and cultural property and copyright. <u>Economic benefits</u> • Access to self generated, non-welfare, independently earned equitable income through sales of art and craft products made with locally sourced raw materials. • Financial benefits spread to family members. • Important contribution to community economies. • Sales and promotion of work through retail outlets and comprehensive national exhibitions. • Greater access to training and educational activities. • Access to culturally appropriate income, employment and participation opportunities. • Tourism development and other business opportunities.

Table B.3 *The most frequently cited survey responses of the key internal challenges to the success of the arts centre*

Internal challenges to the success of the arts centre	Number of times identified
Staffing issues, including attraction and retention	11
Engaging younger artists	7
Inadequate infrastructure	6

In some cases, the stakeholder identified more than one external challenge to the success of the arts centre.

Table B.4 *The most frequently cited survey responses of the key external challenges to the success of the arts centre*

External challenges to the success of the arts centre	Number of times identified
Changes in market demand and taste	11
"Carpetbaggers" / unscrupulous dealers	9
Withdrawal of government funding	9

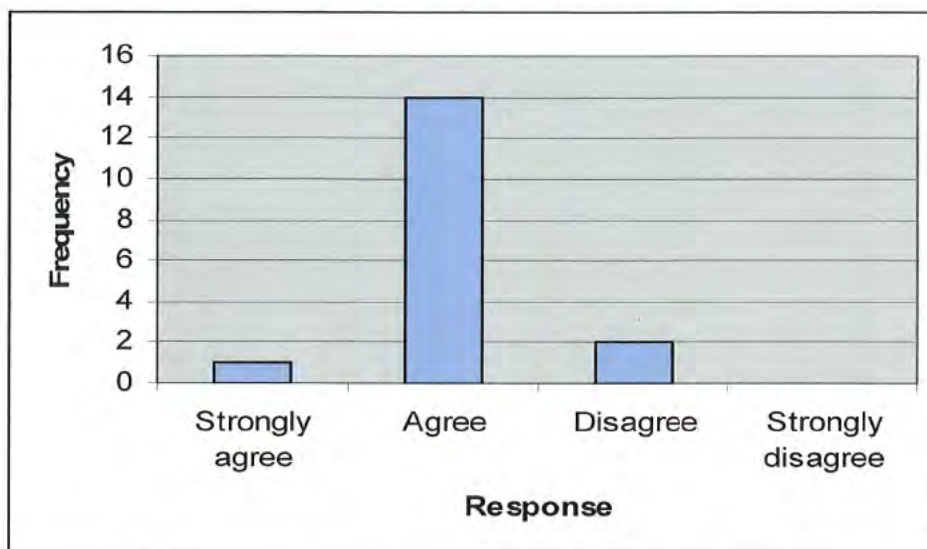
Table B.5 *The most frequently cited survey responses of the key challenges arts centre coordinators face*

Key challenges faced by arts centre coordinators	Number of times identified
Lack of support and having to multi-task	14
Communication difficulties	6
Funding and business administration	5
Motivating artists and staff	4

Table B.5 *The most frequently cited survey responses of risks impacting on the sustainability of the Indigenous arts and crafts industry.*

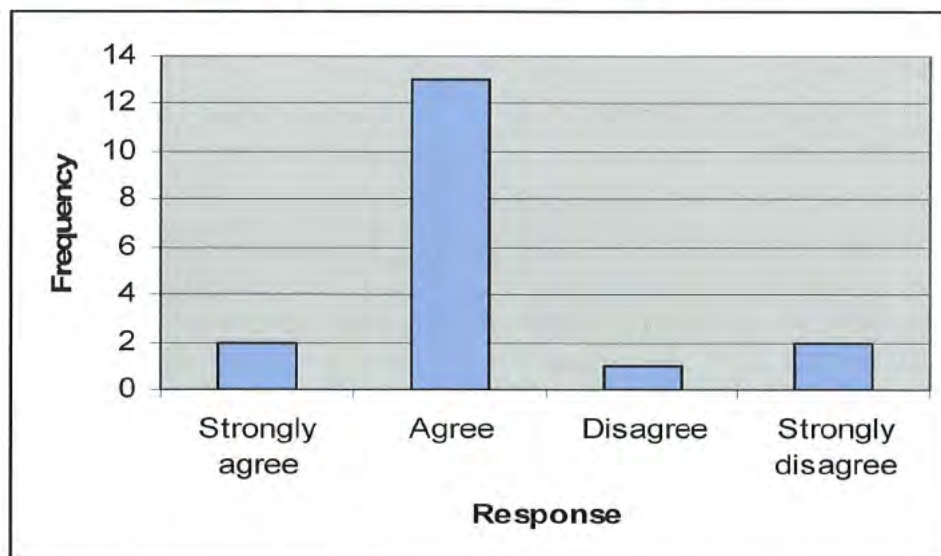
Risks	Number of times identified
"Carpet bagging"/unscrupulous dealers	12
Changes in market demand for Indigenous arts and crafts	9
Quality control associated with works produced through the arts centre	8

Figure B.6 *Appropriate advice available when completing NACIS funding applications according to arts centre coordinators*



The majority of arts centre coordinators agreed that there is appropriate advice available when completing the application. However, there were some comments received from arts centre coordinators that departmental staff at the regional level did not have an understanding of the Indigenous arts and crafts industry in order to provide an effective conduit between the arts centres and government.

Figure B.7 *The ease of completing the NACIS funding application according to arts centre coordinators*



In general, arts centre coordinators were of the view that the NACIS application was easy to complete.

Figure B.8 *Arts centre coordinator responses to the effectiveness of the NACIS program in building a stronger Indigenous visual arts industry*

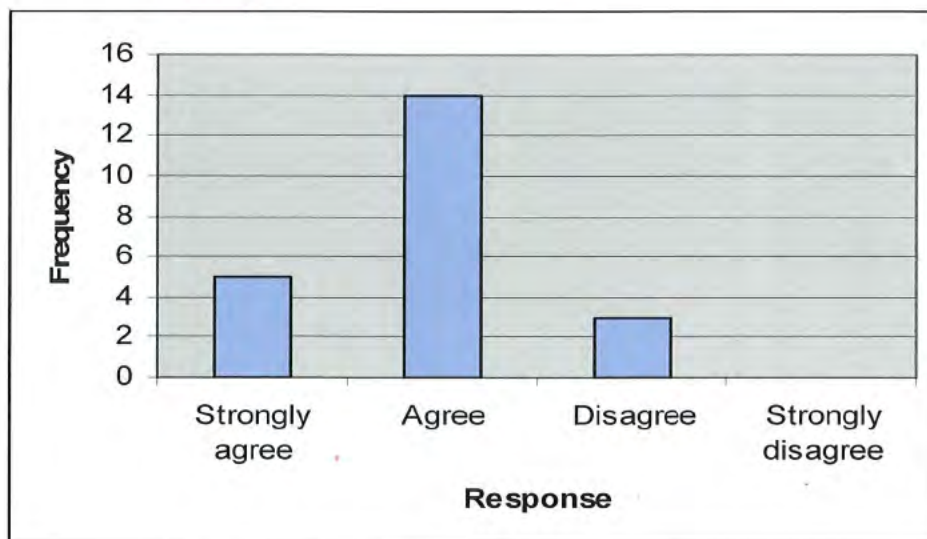


Figure B.9 *The ease of completing the NACIS funding reporting requirements according to arts centre coordinators*

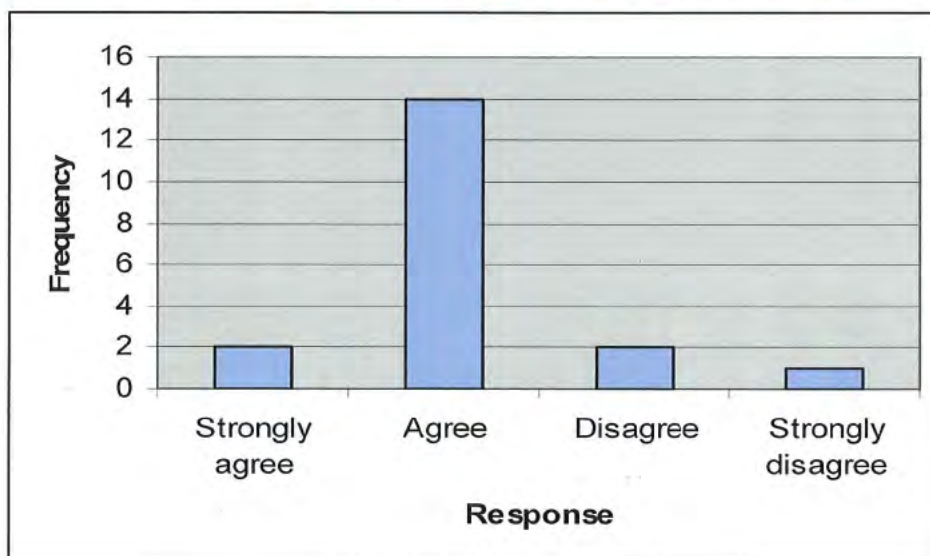


Figure B.10 *The usefulness of the current NACIS performance reporting measures according to arts centre coordinators*

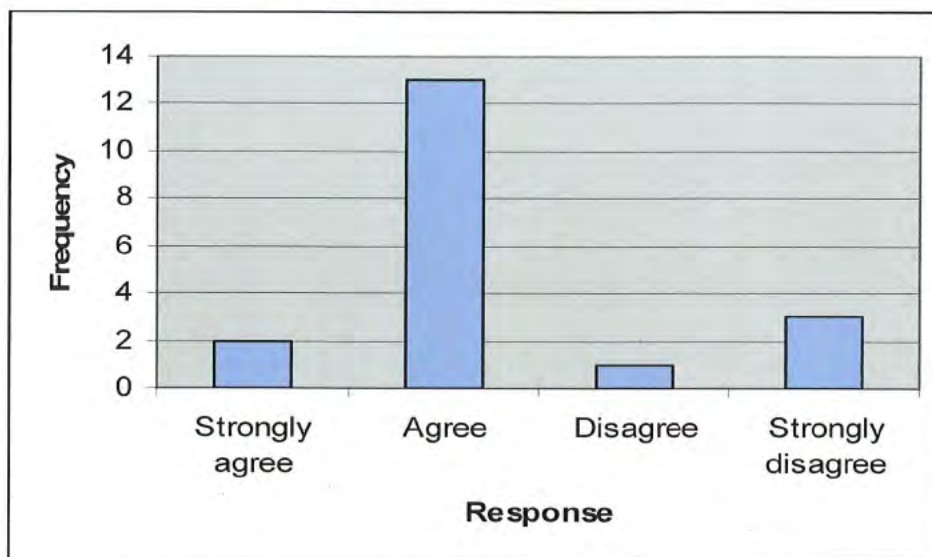


Figure B.11 *Appropriate advice available when completing the NACIS performance reports according to arts centre coordinators*

