

5 January 2024

BERG Not-for-Profit consultation
Department of Social Services
GPO Box 9820
Canberra, ACT 2601
Email: BERGSecretariat@dss.gov.au

Dear Blueprint Expert Reference Group Members and Secretariat

DIVERSITY ARTS AUSTRALIA'S SUBMISSION INTO NATIONAL NOT-FOR-PROFIT SECTOR BLUEPRINT DEVELOPMENT

Diversity Arts Australia (DARTS) welcomes and supports the Australian Government's plans to develop a sector-led not-for-profit (NFP) Blueprint, which will enhance the NFP sector's capacity to reconnect and support Australian communities. Please accept our insights and recommendations for the principles and priorities of a national blueprint for Australia's not-for-profit (NFP) sector from an arts and creative sector perspective.

As a key not-for-profit organisation focused on promoting cultural and racial equity in the arts and creative sectors, DARTS feels well-placed to contribute to this process and to bring to the fore the specific challenges encountered by culturally, racially, and linguistically marginalised artists and creative professionals and other NFPs in the arts and creative sectors. We believe that it is critical that this Framework and its goals also clearly addresses and respond to the specific challenges and opportunities of the small to medium NFP arts and creative sector, and to the migrant and culturally diverse creatives who work with and lead organisations within it.

We appreciate this opportunity to offer recommendations for the development of the NFP Blueprint. DARTS firmly believes that addressing these considerations in the upcoming Blueprint will pave the way for a better future for the national arts and cultural sector and the broader NFP and charities sector.

Yours sincerely,

Lena Nahlous
CEO, Diversity Arts Australia
info@diversityarts.org.au

BACKGROUND

Diversity Arts Australia is Australia's leading organisation and national voice for ethnocultural and migrant racial equity in the arts, screen and creative sectors. Firmly grounded within Western Sydney, Diversity Arts has a proven track-record of developing innovative programs, platforms and research that imagines a more inclusive future for Australia's creative sector. Diversity Arts is led by culturally and racially marginalised (CaRM*) artists and cultural workers, with skills and expertise spanning arts and creative production; media and journalism; digital production; diversity, equity and inclusion; advocacy; anti-racism practices; academia; and, education and training.

Diversity Arts believes creative expression is a fundamental human right, which strengthens and connects communities. We recognise 60,000 years of unbroken Indigenous sovereignty and are guided by the principles of First Nations First.

We work within an intersectional framework, considering race, gender diversity, class, disability, sexual orientation, and age. Ethnocultural diversity is not viewed in isolation, and we are dedicated to promoting cultural equity based on human rights principles.

As a small to medium not-for-profit peak national organisation focused on both the arts and creative sectors and cultural and racial equity, Diversity Arts is well-placed to address the questions posed in the Issues Paper.

This submission is informed by our work with thousands of culturally and linguistically diverse (CaLD¹), culturally and racially marginalised (CaRM) migrant and refugee artists, creative workers and organisations via our programs, talks, research & reports, advocacy, and events. This submission is directly informed by:

- **Our research** - Lost Work Surveys² which show that CaLD employment in the creative sectors has had significant income loss (during Covid 19) and has had far-reaching implications such as financial insecurity amongst diverse creatives. And also that CaLD employment was more precarious in the creative sector prior to Covid.
- **Our collective advocacy** - The Creative Cultural Diversity Network, consisting of over 60 arts workers and organisations, actively participates in collective advocacy to promote racial and cultural equity. Our routine roundtable sessions offer a specific platform for Network

¹ Our use of the term "culturally and linguistically diverse" is inclusive of people who are first, second or third generation migrants or members of ethnic communities. This includes Australia-born people who may self-identify or engage with the languages, customs or cultural specificities of ancestral heritages that differ from those of Anglo-Celtic Australians. This also includes people from refugee backgrounds and people seeking asylum on temporary visas. However, we recognise the limitations of this term, including that people tend not to identify as "culturally and linguistically diverse" (CaLD). A new term is "Culturally and Racially Marginalised" (recently used by bodies like Creative Australia; Diversity Council Australia) and "Culturally and Linguistically Marginalised" (coined by Professor Karen Soldatic, Western Sydney University, 2023). While not used in this submission, Diversity Arts has also started using the term "Culturally, Linguistically and Racially Marginalised" (CLaRM).

²

<https://diversityarts.org.au/app/uploads/Executive-Summary-Lost-Work-for-Creatives-of-Colour-Organisations-2.0-Report.pdf>

members to address challenges encountered by our communities. These sessions encourage collaborative planning, enabling us to collectively advocate for the needs of our communities.

- **Our partnerships** with a range of national peak and grass-roots arts, screen and creative sector organisations, ethno-specific groups and communities, as exemplified by the Fair Play: Equity, diversity and inclusion program which has been run in partnership with First Nations and Disability organisations and State Governments.
- **Our leadership** in sector-wide research - exemplified by our “Shifting the Balance” report, revealing the underrepresentation of creatives in leadership roles, resulting in lower employment levels, including wages, and industry barriers.

DIVERSITY ARTS AUSTRALIA’S FEEDBACK/RECOMMENDATIONS

1. The not-for-profit sector in Australia [Responding to Chapter 2]

- **1.1 Diversity Arts’ Vision for the NFP Arts, Screen, and Creative Sectors:**

Vision: Transform the Australian NFP sector into a vibrant, inclusive, and culturally diverse ecosystem where creativity thrives, equity is embedded, and marginalised voices are empowered. Over the next decade, drive systemic change by addressing access barriers and fostering sustainable pathways for diverse creatives.

- **1.2 Core Values Guiding Australia's NFP Sector (Diversity Arts):**

- Inclusion: Embrace cultural, racial, and linguistic diversity as a cornerstone of the sector's identity.
- Equity: Actively dismantle structural barriers, fostering cultural equity and fair representation at all levels.
- Collaboration: Forge genuine partnerships, including inter-industry and sector collaborations.
- Sustainability: Embed leading practices in NFP organisations, ensuring financial viability, ethical employment, and management processes align with sector values.

- **1.3 Core Themes for Action and Inaction Consequences:**

- Structural Change: Advocate and implement structural changes, addressing creative sector barriers and promoting cultural diversity.
- Empowerment Programs: Expand programs empowering organisations to enact structural changes, fostering cultural equity.
- Public Recognition: Increase public recognition of creative diversity, promoting marginalised creatives' work and building infrastructure for production and distribution.

- Sustainable Pathways: Tackle access barriers, provide mentoring, networking, and professional development for marginalised creatives, aligning with UN Sustainable Development Goals 3, 5, and 10.
- First Nations Partnerships: Strengthen connections, especially within the CaLD and CaRM sectors, with First Nations communities, valuing their custodianship and multigenerational experience in nuanced identities.

Consequences of Inaction:

- Ongoing and deepening inequities: structural and cultural inequities may persist, limiting diverse voices' growth and representation.
- Lost Opportunities: potential contributions from marginalised creatives go unrealised, hindering sector growth.
- Erosion of Trust: inaction risks trust loss within and outside the sector as diversity and inclusion promises remain unfulfilled.
- Cultural Homogenisation: the creative landscape risks becoming culturally homogenous, excluding the diversity of communities nationally, including CaLD, CaRM and other underrepresented communities.

2. Measurement, outcomes and quality of services [Responding to Chapter 3]

- **2.1 ISSUE:** Non-profit organisations face substantial challenges associated with outcomes-based funding, navigating financial uncertainty, and coping with risks linked to performance-dependent payments. These entities are tasked with overseeing upfront service costs, which might go unpaid until well after being incurred, or may not be remunerated at all if the expected outcomes are not achieved.
- **2.1.1 PROPOSAL:** The redesign of funding policies and requirements is essential to relieve NFPs from the burden of shouldering stress and risk by seeking external financing to cover upfront costs. Implementing flexible funding requirements and policies, especially those centred around social impact, will significantly mitigate financial operational insecurities for NFPs.
- **2.2 CASE STUDY / EXAMPLE: FAIR PLAY EQUITY, DIVERSITY AND INCLUSION PROGRAM (in response to the question: What good examples of codesign have you been involved in which could benefit sector practices? Why do you think they have worked?)**
- Diversity Arts has actively participated in the co-design of sector-wide justice, equity, diversity, inclusion, and anti-racism training initiatives, exemplified by the Fair Play program that we lead. Supported by Creative Victoria since 2018, this program is a collaboration with First Nations and Disability partner organisations and has successfully graduated over 50 NFP organisations. Its effectiveness lies in its depth, incorporating training, mentoring, and the

development of equity action plans with clear, actionable goals. The success of such co-designed programs stems from their comprehensive approach, encompassing organisation-wide equity audits, tailored training sessions, and the formulation of Diversity Action/Equity Action Plans, ensuring critical and embedded diversity and inclusion objectives within sector practices. The success and effectiveness stems from the partnerships and collaborations across State Government, local Government, and with NFPs and from arts and cultural organisations, First Nations organisations, Disability organisations and multicultural/migrant organisations. The program is designed to be flexible to meet the needs of the sector it is working with - from regional galleries to the music sector.

2.3 Response to Question: What role(s) should government play in helping NFPs become data capable and informed by evidence?

1.3.1 Response and Proposal: The government must play a more active and supportive role in enhancing small to medium NFPs data capabilities through:

i. Financial Support:

- Dedicated programs and funding to assist NFPs in setting up data systems, providing resources for staff training, technology acquisition, and infrastructure implementation.

ii. Cost Subsidies:

- Subsidise CRM and data management system costs for NFPs through discounts, grants, or low-interest loans, ensuring affordability.

iii. Capacity Building:

- Establish training programs to equip NFP staff with essential skills in data management, analytics, evidence-based decision-making and in developing monitoring and evaluation frameworks.
- **Example:** Creative Australia runs a program which places digital strategists within NFP arts organisations to develop knowledge and actionable plans. This model is effective and a similar model would benefit the NFP sector.

iv. Standardisation:

- Collaborate with stakeholders (including other State and Local funding bodies) to set standardised guidelines for data collection, analysis, and reporting in the NFP sector. The sector and our organisation find that we are required to collect different data for the same project when it is funded by two different agencies.

3. Policy, advocacy, communications and engagement [Responding to Chapter 4]

- **3.1 ISSUE:** Although there are successful representative groups at sub-sector levels, they are often underfunded and under-resourced, and the diversity of the sector seems to preclude the formation of a singular representative voice.
- **3.1.2 PROPOSAL:** The NFP Blueprint should prioritise improved resourcing and sustainable funding mechanisms to promote and foster diverse leaders in NFP organisations, mirroring the diversity of the Australian population. The establishment of an advocacy policy and/or committee to oversee the equitable allocation of funds is crucial for ensuring inclusivity and equity in resource distribution. This is a particular issue for the arts and creative sectors, where there are large funding discrepancies between small to medium non-profits (who comprise around three-quarters of the sector) and the major arts organisations.

4. Philanthropy, Government funding and volunteering [Chapter 5]

- **4.1 ISSUE:** Governments and philanthropies are increasingly favouring outcome-based funding over activity-based funding. This places undue pressure on under-resourced NFP organisations, ultimately impacting productivity and desired outcomes negatively.
- **4.1.1 PROPOSAL:** A departure from outcome-based funding is imperative to enable organisations to allocate their existing resources to ongoing activities, rather than investing time in cumbersome reporting processes. Additionally, the Blueprint should introduce flexible funding models that can accommodate a diverse range of project sizes and durations, recognising the varying capacities of smaller charities.
- **4.2 ISSUE:** Smaller arts and cultural NFPs and charities representing culturally and racially marginalised communities are less able to access government grants due to their size, structure, capacity and ability to demonstrate capacity in a way that meets government criteria.
- **4.2.1 PROPOSAL:** This area of focus needs to be prioritised with pathways to more targeted capacity-building programs, and technical assistance and training to enhance the organisational and administrative capabilities of smaller charities.
- **4.2.2 PROPOSAL:** More multilingual grant portals, writing workshops and longer lead times for grant applications need to be implemented to create a more equitable process. Dedicated, bilingual grant support officers need to be assigned within government agencies to assist smaller charities in navigating the application process and addressing challenges. Application processes should include translations in the six main non-English languages spoken in Australia to meet higher standards of accessibility and inclusion.

5. Governance, organisation and legal environment [Responding to Chapter 6]

- **5.1 ISSUE:** While accountability through reporting and regulatory compliance is crucial, such as the requirements for Working with Children/Vulnerable People, checks have significant implications for the sector, which heavily relies on volunteers to serve the needs of people and communities.
- **5.1.2 PROPOSAL:** Simplifying the complex regulatory requirements for NFPs has been a government commitment for over 15 years³. The NFP sector Blueprint should place stronger emphasis on minimising the bureaucratic hurdles linked to the diverse set of regulations governing NFPs.
- **5.2 ISSUE:** Current research shows that the diversity of Australia’s population remains under-represented on NFP boards and in leadership roles, particularly people from culturally and linguistically diverse backgrounds, adult migrants, younger people, Aboriginal and Torres Strait Islander peoples, people with disabilities, and LGBTIQ people (Institute of Community Directors Australia 2019). There needs to be a 10 year investment in recruiting and retaining culturally diverse leaders across the NFP arts and broader sector, from early career stages to established.

5.2.1 EXAMPLE: Diversity Arts Australia’s ‘Shifting the Balance’ research (2019) found that more than half of Australia’s leading 200 arts, screen and creative organisations had no CaLD representation in a leadership role, including on Boards.

- **5.2.2 PROPOSAL/S:** The NFP sector Blueprint needs to establish clear diversity policies and minimum diversity standards that specifically recognise and address people from culturally, racially and linguistically marginalised backgrounds. These standards must be adhered to and ongoing (not an initiative). As part of this process, it must require NFPs to undertake regular Board and leadership auditing/evaluation to identify representation gaps within NFPs.
- Support should be addressed through initiatives such as accessible and multilingual Governance Programs; paid internships and traineeship, better recognition of migrant credentials in the arts and creative sectors, and leadership programs for mid-career CaLD leaders.
- **5.2.3: EXAMPLE:** Diversity Arts Australia uses an Equity Audit Tool/ Survey that supports organisations to undertake this regular reflection process. We also provide a free version of this on our website.

3

<https://engage.dss.gov.au/wp-content/uploads/2023/11/not-for-profit-sector-development-blueprint-issues-paper.pdf>

- **4.3 ISSUE:** It is difficult for arts organisations to recruit and retain staff due to: lack of funding/grants; precarious and short-term grants-based funding; and inability to compete with wages in the Government sector and private sector.
- **5.3.1 PROPOSAL:** Making Public Benevolent Institution (PBI) status and Deductible Gift Recipient (DGR) status more accessible to small and medium-sized NFPs and purpose-driven arts organisations would significantly aid in staff recruitment and retention benefits.

6. Leadership and staff development [Responding to Chapter 7]

- **6.1 ISSUE:** There is a significant underrepresentation of culturally and linguistically diverse leaders across the NFP arts and cultural sectors and the broader NFP sector. This lack of diversity is hindering the sector's growth. Leaders play a significant role in decision making, influencing priorities, setting agendas, gatekeeping and shaping organisational culture. Evolving societal demands, community expectations, and the operational landscape for NFPs necessitate the development of leaders with diverse lived experiences. Diversity Arts Australia's 2019 report titled "Shifting the Balance," which revealed the under-representation of Culturally and Linguistically Diverse (CaLD) Australians in every leadership position across all cultural sectors, organisational types, and jurisdictions.
- **6.1.1 PROPOSAL:** The Blueprint should emphasise greater transparency, compelling organisations to publicly disclose information regarding the demographics of NFP leaders, as the Arts Council England requires of funded organisations in the UK. The implementation of diversity standards and the establishment of progress targets are essential measures to bolster cultural diversity and equity in decision-making positions in the NFP sector. This would more accurately support and encourage the intersectional diversity present in contemporary Australia.
- **6.2 ISSUE:** NFPs must often compete with better-resourced sectors to attract and retain staff in industries such as human services. Geographic factors can also affect the attraction and retention of staff in the sector. For the cultural and creative sector, availability of secure and stable work is often limited or episodic (Commonwealth of Australia 2023b⁴) and the short-term and project-oriented nature of many NFP fundings hampers workforce retention and development, leading to staff shortages and lower-quality work.
- **6.2.1 PROPOSAL:** To optimise the impact of Non-Profit (NFP) initiatives, it is imperative to institute funding and policies aimed at attracting and retaining a diverse workforce with lived experience. Additionally, the Blueprint should establish pathways for NFP organisations to engage extensively with education providers, positioning them as influential contributors to

⁴ Commonwealth of Australia (2023b) National cultural policy—revive: a place for every story, a story for every place. Commonwealth of Australia.
www.arts.gov.au/sites/default/files/documents/national-culturalpolicy-8february2023.pdf

the design of education and training programs for their workforce. Furthermore, the introduction of targeted grants and funding programs is essential to bolster NFPs in their operational endeavours and facilitate the development of sustainable projects.

- **6.3 RESPONDING TO THE QUESTION: How can we make employment opportunities attractive and build career pathways to develop the paid NFP workforce of the future?**
- **6.3.1 PROPOSAL:** There's a crucial need for awards covering the entire NFP sector, especially in the arts and creative sectors, a concern addressed in the government's recent inquiry. Grants must align with realistic wages and fees, but the shrinking grants and increased competition make compliance more onerous. In the small to medium sector, lower wages result from inadequately funded grants and a lack of awards, making it challenging to compete and retain talent, while PBI status could enhance staff attraction. Additionally, there's a demand for more NFP Hubs in regional areas to provide infrastructure and support, as rising living costs outpace sector wages and fees.

7. Information Technology, communication and marketing [responding to Chapter 9]

- **7.1 ISSUE:** NFP organisations are dedicated to addressing the needs of individuals and communities experiencing marginalisation and exclusion. The digital divide, which impacts both individuals and organisations, holds significant importance in fostering a digitally capable nonprofit sector. According to the Australian Digital Inclusion Index, digital exclusion, encompassing aspects of internet access, affordability, and skill factors, exhibits similar demographic characteristics with broader socio-economic exclusion (Thomas et al. 2023). As services transition to online platforms, NFPs face new challenges in effectively meeting the needs of their members, clients and communities.
- **7.1.1 PROPOSAL:** The Blueprint should strategically devise and embrace a comprehensive plan that tackles digital literacy, accessibility, multilingual connectivity, community engagement, and infrastructure. Furthermore, there should be a focus on ensuring the effective implementation of multilingual digital channels and apps in the user experience design of any digital communication platform. This approach will enable underfunded NFPs and those in remote areas to adeptly navigate the opportunities and challenges of transitioning their services online, ensuring they effectively cater to the diverse needs of their constituents.