

Arterial Network South Africa Submission to the National Lotteries Board and the Minister of Trade and Industry on the position of the National Lotteries Distribution Trust Fund

As a national and continental network of arts, culture and heritage organisations and practitioners, we welcome the decision of the National Lotteries Board to convene this consultative conference. We believe that the arts make a vital contribution to the project of building a democratic, dynamic, transformed and prosperous South African and African society and economy. We further believe that non-profit arts, culture and heritage organisations play a fundamental role in realising this vision. In this context, we regard the historical and ongoing crisis in the functioning of the NLB and the NLDTF as a crisis not just for the organisations and artists that are most affected by it, but for the entire country.

The NLDTF represents a critical resource for our sector, one which has the potential to radically enhance access to the benefits of creative and cultural experience and expression for all citizens, and on the lives of creative artists countrywide, were it to operate efficiently and effectively as a funding agency. We believe that the present moment represents an important opportunity for the NLB to recuperate the brand of the NLDTF, and turn it into a national institution that the arts, culture and heritage sector respects and takes pride in being associated with.

The developmental end of our arts sector continues to rely heavily on international funding - this is cause for concern in relation to the large amounts of money that go unspent every year that are vested in the NLDTF. In any given year, the NLDTF has between 10 and 20 times the annual budget of the National Arts Council available to disburse to arts and cultural organisations. However, In 2008/9, the **National Lotteries Board distributed only 18% of the R949 800 000 (nearly R1 billion) at its disposal for arts, culture and heritage**. While we note that there is a real issue with regard to the number and quality of applications that are submitted to the NLDTF, we believe that the inability to distribute these resources is fundamentally a function of profound problems on a variety of levels – at the level of **legislation** and **policy**, at the level of **leadership** and **management**, and at the level of the **systems** and **human infrastructure** that have been put in place to manage the fund.

In summary, we believe that the following measures need to be urgently taken to rectify a situation which is leading to the widespread collapse of the already fragile infrastructure that supports the arts in South Africa:

1. The legislation that governs the National Lotteries Board (NLB) needs to be amended so as to make provision for entirely separate organisational structures governing the regulation of gaming on the one hand, and the distribution of funds from the National Lottery on the other. The conflation of these two functions within a single administration is clearly one of the root causes of the present crisis – two entirely different missions being performed by a single organisation.
2. In the interim and in the future, these functions should be separated at an operational level, with fit-for-purpose management structures and systems being put in place to address these two very different functions of the NLB.
3. On a systems level, we believe that the decision-making structures associated with the NLDTF – the Distributing Agencies (DAs) – require a radical and immediate overhaul in how they operate. Presently a single panel of between 5 and 8 persons is required to adjudicate on thousands of applications across a range and diversity of arts, cultural and heritage practice that no single panel can possibly make informed decisions on.
4. Specialist panels should be appointed for adjudicating applications in particular areas of the arts, culture and heritage, along the lines of, for example, the National Arts Council. Hypothetically, if

eight decision-making panels were installed under the arts, culture and heritage DA, these would, logically, speed up the process of decision-making by **eight times**.

5. This would also have the effect of more people being willing to serve in this capacity – at present the time demands on panel members eliminate panel membership as a possibility for most people working in the creative and cultural sector.
6. Applications that fail to meet a set of minimal technical criteria should be eliminated well before they reach these specialist panels by grant officers who have some level of knowledge of the areas under consideration
7. There should be **no more than a 3 to 4 month turnaround time** on the processing and adjudication of applications. At present, organisations have been known to wait up to **five** years to get a response to their submissions.
8. On a human resources level, we believe that there needs to be a substantial injection of skilled personnel with both sectoral knowledge and administrative acumen, able to efficiently support the work of the proposed specialist panels. There should be in-service training and professional development for existing personnel across all areas and the installation of proper grant management and information systems. Systems need to be put in place for staff to be retained, excellence to be rewarded, and failures to be swiftly addressed.
9. We fully support the proposition that there should be a continuous open window for applications for NLDTF funding – or at the very least, a predictable and published cycle of at least two annual calls for proposals. This would enable the NLDTF to be responsive to the needs of organisations, and would avoid the intense bottlenecks of administrative activity that characterize the present system.
10. Critically, we believe that multi-year funding for organisations through the NLDTF should become a norm, rather than an exceptional case. Multi-year approaches to the funding of organisations is an international norm for funding agencies, providing organisations with a basis from which to plan, grow and maximise their impact. The present system forces organisations into an unbearably insecure hand-to-mouth existence, severely compromising their ability to deliver on their mandates.
11. We note with extreme concern the extent to which the NLDTF is being used to supplement the budgets of municipalities and other institutions of government, through the provision of very large grants. We support the view of Ralph Freese that “the NLDTF cannot do it all and especially should not fund agencies established by government, which are provided for by the fiscus.” NLDTF funding for arts, culture and heritage organisations should only be made available to tiers or institutions of government **through** partner non-profit organisations. We believe that such an approach would encourage and promote greater and more productive synergy between the non-profit arts sector and government.
12. With regard to the question of accountability, we believe it is critical that the decisions of the Distributing Agencies should be subject to vigilant oversight in order to ensure the elimination of conflicts of interest in decision-making. An institutional mechanism needs to be put in place to ensure that is the case.
13. Furthermore, the NLB should report not only to parliament on its performance, but to an annual public meeting of individuals and organisations from each of the sectors under its purview.
14. We believe that all of the above proposals are not only achievable and practical, but are also entirely achievable in relation to the substantial resources that the NLB has at its disposal through the NLDTF.

Arterial Network South Africa (ANSA) is a network of membership-based industry organisations, civil society organisations, businesses and individual artists and professionals operating in the arts, culture and heritage sector. ANSA is a national chapter of the Arterial Network, a pan-African cultural network committed to promoting the role of the arts and culture in the development of the continent. There are currently 315 organisations and arts professionals who are ANSA members in South Africa. To find out more about Arterial Network goto <http://www.arterialnetwork.org/>



