

## Features

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PERFORMING ARTS

What can an economist offer the arts? Photo: Connor Hall on Unsplash

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# Rebuilding the performing arts: an economist weighs in

One of Australia's best economics brains looks at the good and bad news for the arts as a keynote at this year's Australian Performing Arts Market.

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Jo Pickup

18 months into this pandemic, it's clear: the financial news for the arts is bad.

A quick glance at the accounts of any Australian performing arts company tells that story. The Australian Ballet's latest annual report, for example, shows their ticket revenue fell from \$32 million in 2019 to \$1.2 million last year.

Ironically, as the majority of the industry is in lockdown, one of the sector's most important marketplace gatherings was buzzing. The Australian Performing Arts Market (APAM) usually allows small to medium performing arts companies and artists to mix with international producers and presenters. It's where many overseas artist exchanges are formed and important international tour deals are done. However this year's program was held online due to COVID with leading Australian economist Saul Eslake giving its keynote address as the sector is acutely aware of the bottom line.

Eslake's speech was on the economics of international mobility – an awkward subject in the midst of the pandemic. But his words explained how Australia is intrinsically connected to the global economy, and that Australian artists are an important part of that network. Ultimately, he signalled that while the arts are locked out of the international scene right now, there is both hope and headwinds once things return to 'normal'.

## **THE BAD NEWS FOR THE ARTS**

Like any good economist, Eslake's analysis relied on data. On the positive side, most of this showed Australia's position as comparatively strong, due mostly to JobKeeper/JobSeeker, and the country's short-term ability to look after itself in relative isolation.

But Eslake warned that Australia's economic position is now compromised by our inability to contain the Delta strain, and a slow vaccination program.

Added to this was his view that because 2022 is a Federal Election year, international border closures will likely remain until the election date has passed (no later than 21 May 2022). In Eslake's view, this is because, based on government polling, 73% of Australian voters are happy with our closed border arrangements, which means the government will do its best to keep those rules in place until its safely re-elected.

Another low point came when Eslake spoke on recent arts sector employment. Ironically, the bad news wasn't what the data showed – the problem was there is no data from Eslake's perspective. There is currently no ABS data on record to meaningfully capture COVID's economic impact on the Australian arts sector during COVID.

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Saul Eslake

The only scant piece of data Eslake could use on how Australian arts workers are faring shows trends of underemployment.

'As far as one can tell, employment in the [Australian] creative and performing arts declined,' Eslake said. 'It appears to have recovered to close to pre-pandemic levels now which probably reflects the impact of JobKeeper on large and small performing arts companies, but I suspect individual artists haven't been doing as well.

'What's also evident,' he went on, 'is that those who have gotten their jobs back [in the arts] aren't working as many hours as they had been pre-pandemic. The proportion of people in the performing arts who are classified as part time is now about 56%. That's about 10 percentage points more than was before the onset of the pandemic,' he said.



Saul Eslake in front of his screen backdrop of Preminghana (an important Indigenous site) in Marrawah, Northwest Tasmania/ Lutruwita where he is currently based.

## THE GOOD NEWS FOR THE ARTS

Despite the grim findings, Eslake's analysis in some areas shows good reasons to hang in.

He revealed that Australia's population has been on the move since COVID, with many relocating from major cities to regional areas. This, he argued, shows potential for more resources to go to regional arts touring in future.

'Overwhelmingly, there's been a pick-up in people moving to regional New South Wales, regional Victoria, and to a lesser extent regional Tasmania and South Australia,' he said.

'Perhaps [this will be seen] in audience demand in both of the capital cities on the one hand, and in the need to get out more into regional areas so that people can experience the performing arts in ways that in many cases hasn't been as possible in regional areas before,' he said.

He also noted that contrary to perceptions around the public's hesitancy to return to theatres, he's convinced there is still huge demand for live entertainment once lockdowns lift.

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Saul Eslake

'I was in Sydney a couple of times earlier this year [before the lockdown],' he said. 'And I saw enormous queues outside Hamilton shows... So I think there's undoubtedly an appetite, especially when a large part of the Australian community has been starved of the opportunity to see shows and performances.'

'Australian households have also put away an additional \$135 billion in bank deposits since February last year,' he went on. 'So they do have a lot of money to spend [on the arts], and there will be pent-up demand.'

He said Australians had also spent an extra \$50 billion in the domestic market in 2020 – money that would have usually been spent on overseas travel. Unfortunately, the majority of this spending went housewares, gardening, renovations and clothing and footwear items (rather than arts experiences) last year.

## WHERE NEXT FOR TOURING

To conclude, Eslake warned of increased costs of doing business post-COVID, and of persistently difficult international travel conditions for the foreseeable future.

‘The cost and availability of international travel won’t go back immediately, if at all, to what it was before the onset of the pandemic,’ he said. ‘That is likely to make it both more difficult and more expensive to stage international tours and to bring overseas performances to Australia.’

That’s difficult news not only for festivals looking to bring in international talent but also for Australian companies hoping to tour new productions internationally.

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‘There are also almost certainly going to be COVID-safe requirements in place, with limits on space occupancy, contact tracing requirements, and ventilation rules. These will be with us for a long time afterwards and are going to add to venue operating costs in fees, which presumably you’re going to have to reflect in what you charge to your patrons,’ he said.

These were sobering forecasts for how events would be run in Australia for the next few years, but as Eslake observed at the session’s end, for him, the future of the arts is about more than just money.

‘It will probably surprise some people to hear me say that not everything should be valued in terms of what you can put a dollar on,’ he said. ‘And there’s probably something to be said for trying to push that argument harder, rather than just accepting someone else’s dictum that the only things that are valuable are those that can be measured.’

**Saul Eslake's keynote address at APAM 2021 was delivered on Thursday 12 August, and all quotes included in this article have been taken from that address. APAM 2021, 10-19 August.**



### **Jo Pickup**

ArtsHub's Arts Feature Writer Jo Pickup is based in Perth. An arts writer and manager, she has worked as a journalist and broadcaster for media such as the ABC, RTRFM and The West Australian newspaper, contributing media content and commentary on art, culture and design. She has also worked for arts organisations such as Fremantle Arts Centre, STRUT dance, and the Aboriginal Arts Centre Hub of WA, as well as being a sessional arts lecturer at The Western Australian Academy of Performing Arts (WAAPA).