

Art Centres and COVID-19

An update on the pandemic's ongoing impact

July to December 2020

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Introduction

The disruption caused by the Coronavirus pandemic continues to impact Australian society, including the creative industries. To help understand the adaptation of art centres and provide the sector with information to negotiate unstable times, Desart is analysing available sales and production data from art centres.

This is the second report assessing the scope and scale of COVID-19's impact on art centres. The first report looked at the first 3.5 months of the pandemic, from the first lockdowns until 30 June; this report examines data from 1 July 2020 to 31 December 2020, encompassing six months of production and sales, including the peak sales period for art centres which includes most of the art fairs. Some further analysis tracks and compares key art centre metrics for 2019 and 2020.

Summary

This report compares some key measures of art centre activity between 1 July and 31 December 2020 to the same period in 2019. Results show art centres had an:

- 8.2% fall in average sales.
- 15.2% fall in the average number of artists active at each art centre.
- 27.2% fall in the average number of artworks produced.
- 20.3% fall in the average number of artworks sold by art centres.

These results are a significant improvement on those recorded during the first 3.5 months of the pandemic, as seen in Figure 1:

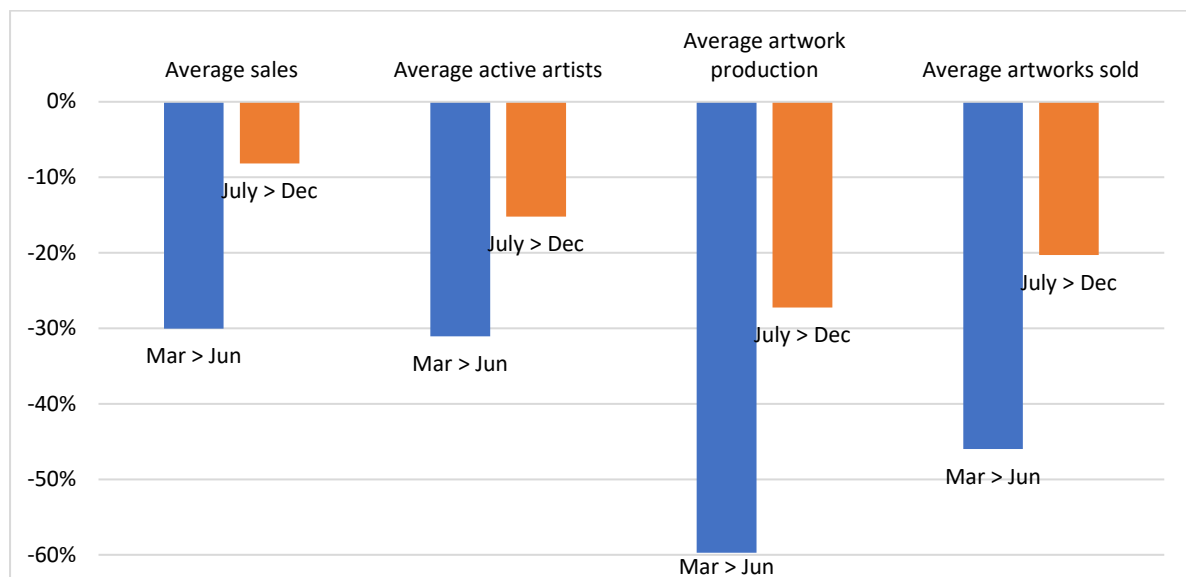


Figure 1: The change in art centres' average sales, average number of active artists, average number of artworks produced and average number of artworks sold, between 16 March and 30 June and 1 July and 31 December. Each metric compares 2020 activity with that recorded for the same period in 2019.

While difficulties in the production and sale of artworks continue for art centres nationally, some further signs of stability and growth are emerging. Art centres in South Australia recorded significantly better average sales in 2020 than in 2019; Western Australia also recorded sales that were marginally better to 2019. At an art centre level too there have been successes, with anecdotal information suggesting that art centres who maximised their online presence and pivoted to an e-commerce model saw improved sales. An additional benefit of this appears to be ongoing sales during the traditionally quieter summer months.

However, the drop in production and participation are pronounced, contributing to a sustained fall in the number of artists producing artworks and an ongoing deficit in the number of artworks made. This has seen more artworks sold than produced over the six months to 31 December.

Sales: 1 July > 31 December 2020

Prior to the pandemic, art centre sales had grown for eight years. As previously reported, the first months of the pandemic caused an immediate impact on sales. Over the six months to 31 December 2020, the impact of the pandemic, while still significant, has eased.

Figure 2 compares average sales of art centres between 1 July and 31 December for 2019 and 2020. In 2019, average art centre sales were \$320,016; in 2020, it was \$293,913 – an 8.2% fall.

Total art centre sales for 2019 were \$24,961,280; for 2020 it was \$22,925,206. Applying the industry-standard commission rate of 60%, it is estimated that this decline resulted in \$1.22m less income for artists during the 184 days between 1 July and 31 December 2020.

Figure 2 also shows the average number of artworks sold by art centres between 1 July and 31 December for 2019 and 2020. In 2019, 39,675 artworks were sold, or an average of 508 per art centre. In 2020, total artworks sold fell 20.3% to 31,611, or an average of 405 per art centre.

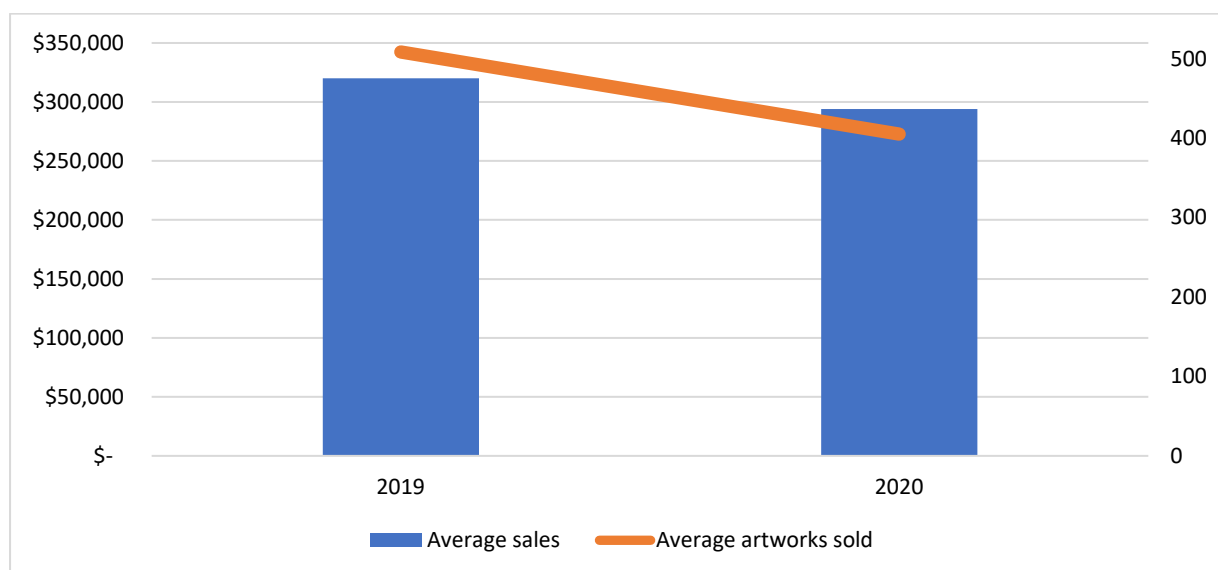


Figure 2: Change in average art centre sales and average number of artworks sold by art centres, 1 July > 31 December 2019 to 2020.

Figure 3 shows artwork production between 1 July and 31 December for 2019 and 2020.

In 2019, 38,544 artworks were produced, an average of 494 per art centre. In 2020, total artworks produced fell 27.2% to 28,047, an average of 360 per art centre. In 2020, the number of artworks sold (31,611) is 12.7% greater than the number of artworks produced (28,047). In 2019, 38,544 artworks were produced and 39,675 were sold, a 2.9% difference.

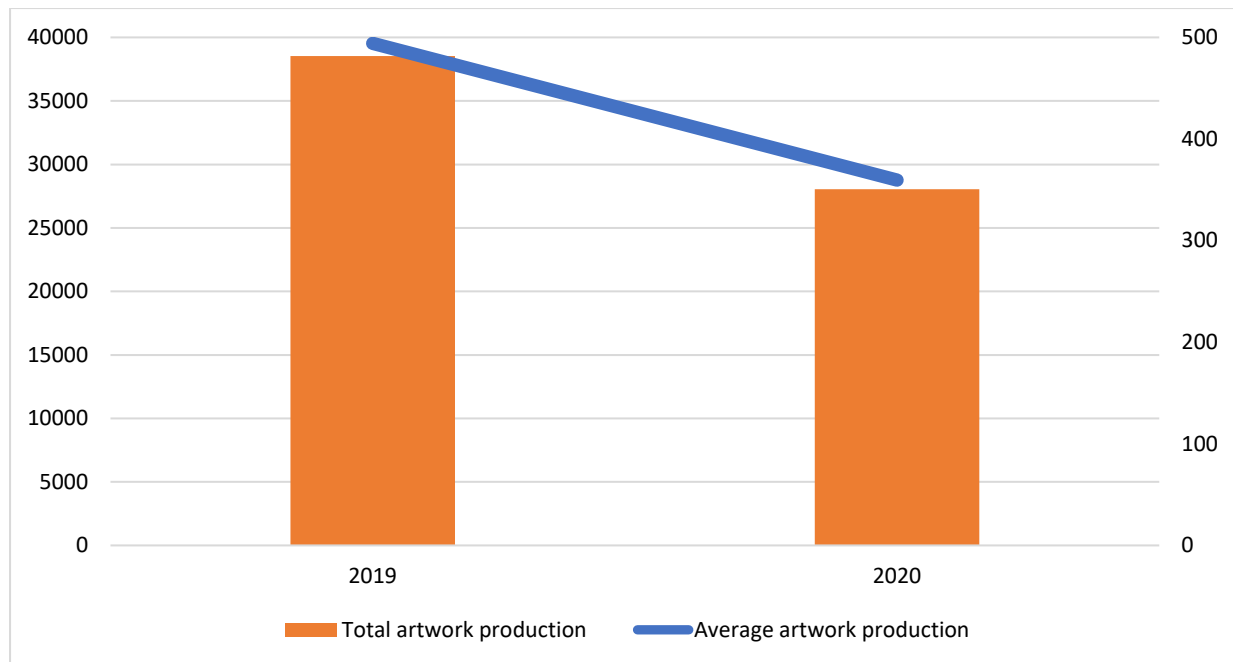


Figure 3: Change in the average artwork production per art centre and total artwork production, 1 July > 31 December 2019 to 2020, for the period 1 July and 31 December.

Artists

The COVID-19 pandemic has also contributed to a decline in the number of artists producing artworks between 1 July and 31 December 2020 compared to 2019.

In 2019, there were 7,018 active artists, or an average of 90 per art centre. In 2020, the number of active artists fell 15.2% to 5,950, or an average of 76 per art centre, as shown in Figure 4.

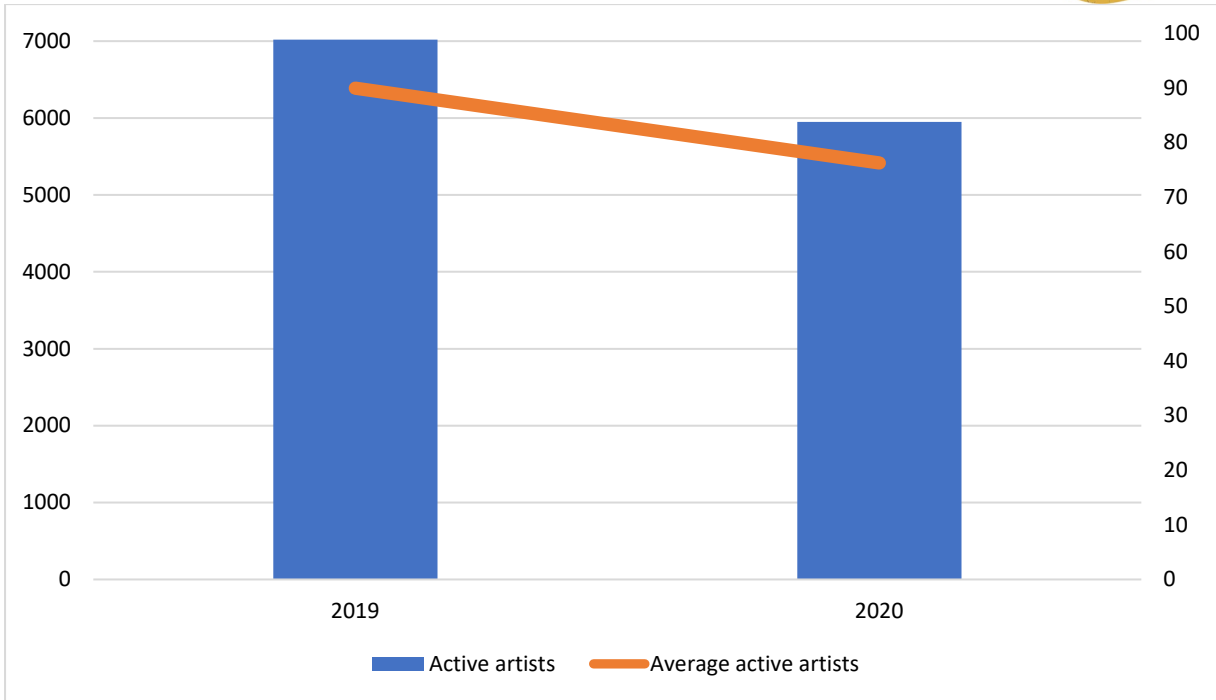


Figure 4: Change in the total numbers of active artists and average number of active artists per art centre between 2019 to 2020, for the period 1 July and 31 December.

Location

Figure 5 compares the change to art centres in each state and the Northern Territory across four key metrics between 1 July and 31 December in 2019 and 2020. The key metrics are average sales, average number of active artists, average number of artworks sold, and average number of artworks produced.

South Australian art centres saw a 21.1% increase in sales and Western Australian art centres a 1.0% increase between 2019 and 2020. However, 2020 art centre sales in the Northern Territory and Queensland fell by 18.3% and 13.5% respectively, compared to 2019. The large number of art centres in the Northern Territory¹ – and the decline recorded by these centres – has cancelled out the gains made in South Australia and Western Australian art centres, resulting in the fall nationally of 8.2%.

All states and the Northern Territory recorded a decline in the average number of active artists of around 15% as well as falls in artwork production of between 23% and 36%. The number of artworks sold in Northern Territory art centres in 2020 declined almost 25% compared to 2019, significantly more than the three states, where falls of around 10% were recorded.

¹ In the data, the Northern Territory had 45% of art centres and 32% of sales.

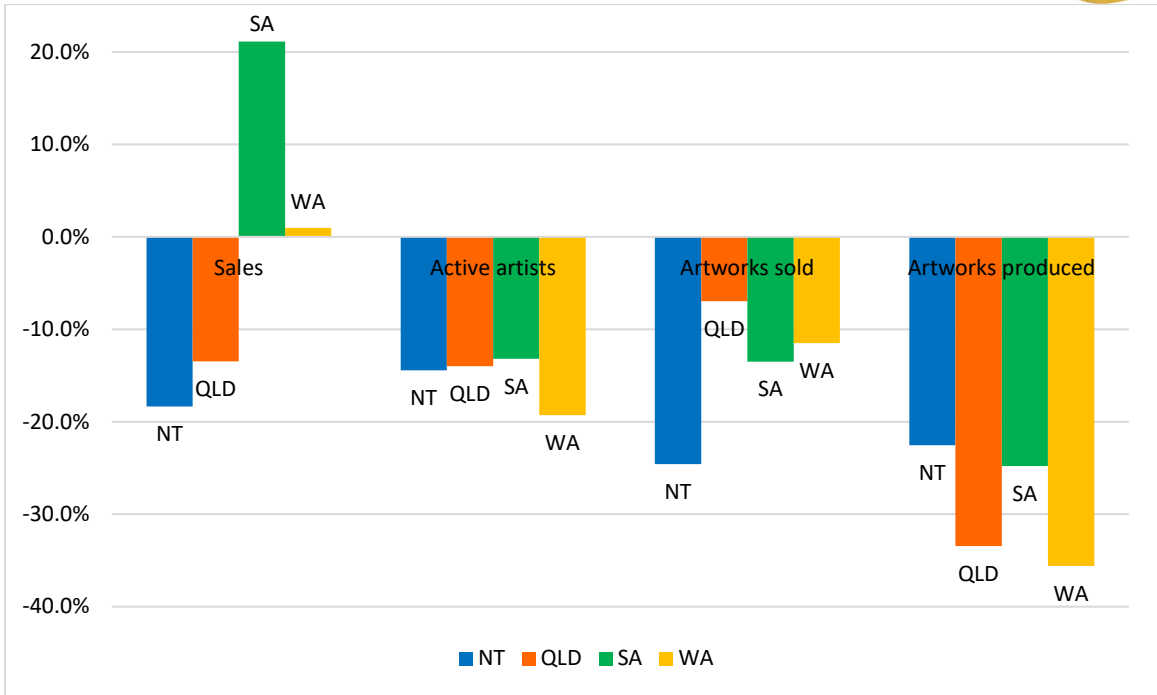


Figure 5: Art centres by state and Northern Territory, showing the change in average sales, average number of active artists, average number of artwork sales and average artwork production between 2020 and 2019, for the period 1 July and 31 December.

The last 12 months

With the approaching anniversary of the pandemic’s start in March 2020, the changes that have occurred to sales, production and participation over that time can be tracked over a full year.

Figure 6 shows the percentage difference in average monthly sales between 2020 and 2019. The steep, sustained deficit in sales during the autumn and winter months of lockdowns and national uncertainty is clear, as is the sales boost recorded in the last months of 2020.

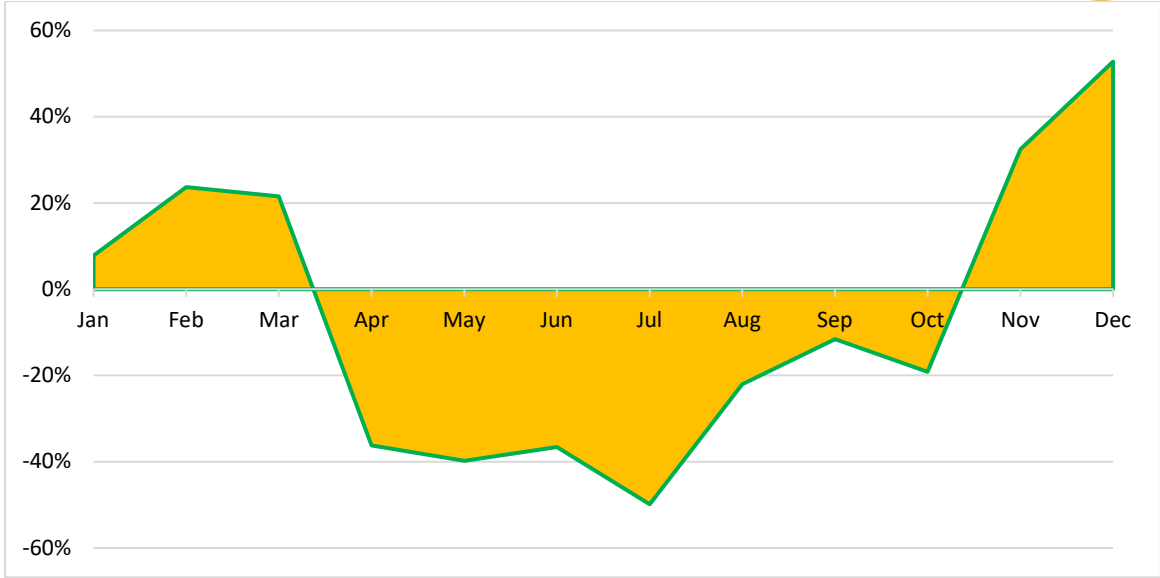


Figure 6: Percentage difference between 2019 and 2020 in average monthly art centre sales.

In comparing the average monthly sales for art centres between 2020 and 2019, the deficits during the peak winter months are again clearly seen in Figure 7. However, after the shocks triggered during the pandemic’s first months, a rebuilding of sales during 2020 commenced, highlighted by the November and December periods generating 32.4% and 53.8% respectively more sales than in 2019.

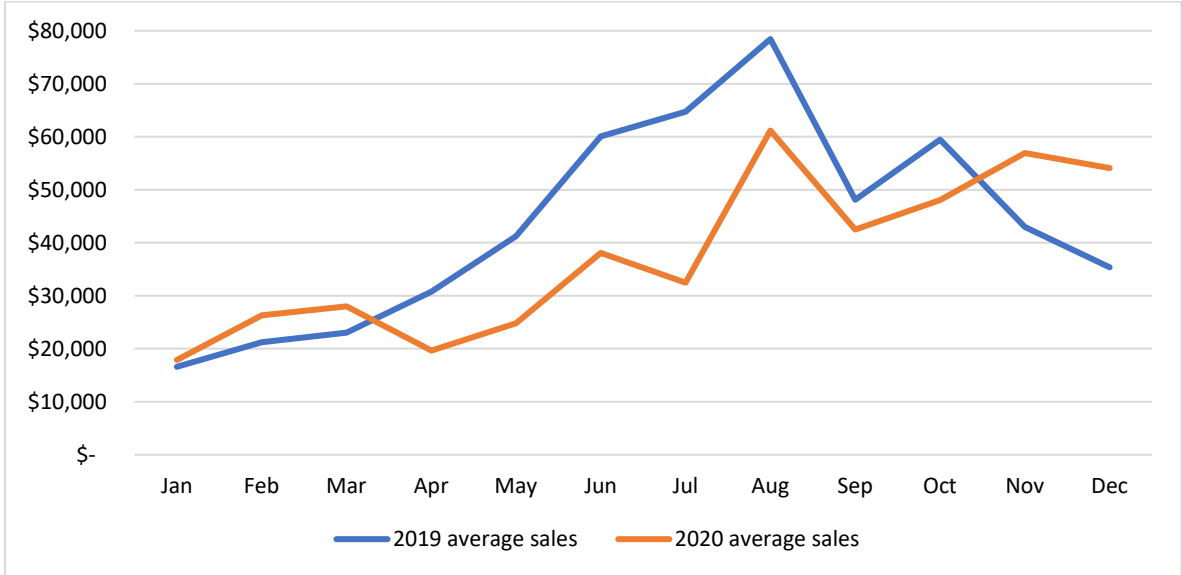


Figure 7: Monthly comparison of average art centre sales from 1 January 2019 to 31 December 2020.

A similar pattern is shown when comparing the average number of artists active at each art centre in 2020 and 2019, as seen in Figure 8. The deficit over the middle months of the year is clear, as is the rebuild during the latter months of 2020.

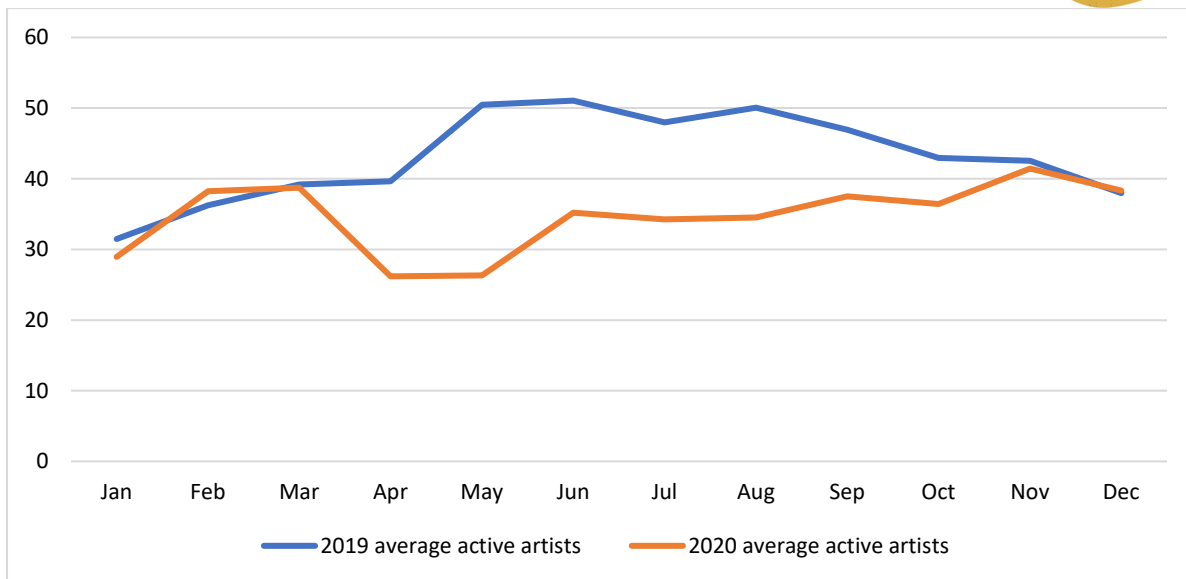


Figure 8: Monthly comparison of the average number of artists active at art centres from 1 January 2019 to 31 December 2020.

In line with other observations in this report, of the four metrics, artwork production has seen the most significant decline. Figure 9 shows that the falls during the pandemic’s early months were greater, the deficits have lasted longer and there has been a more tentative and uneven recovery.

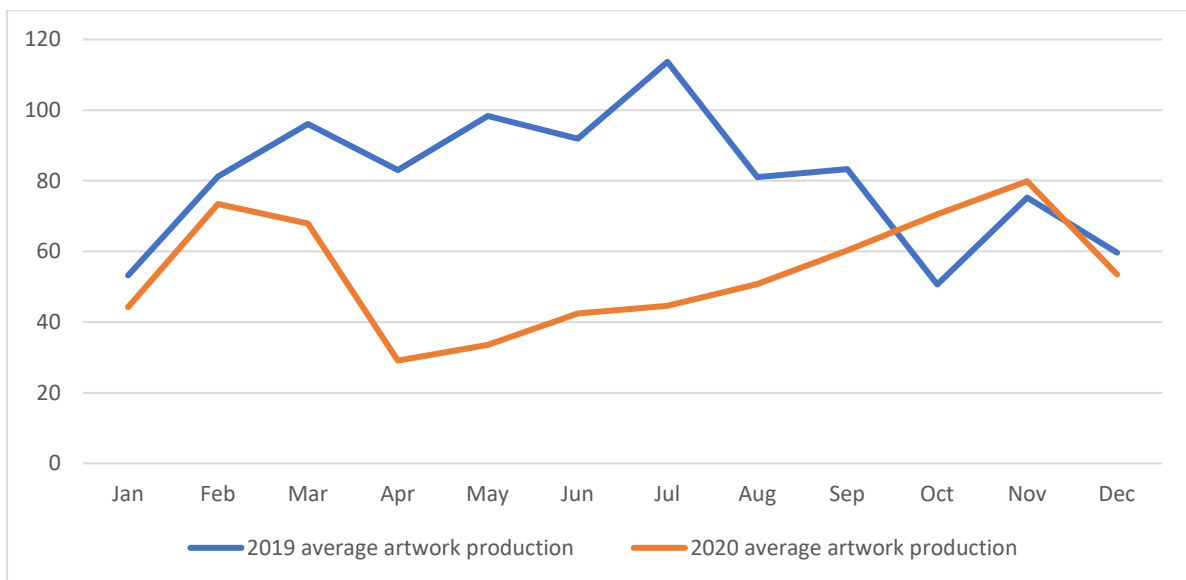


Figure 9: Monthly comparison of the average number of artworks produced at each art centre from 1 January 2019 to 31 December 2020.

In assessing the average number of artworks sold at each art centre a similar pattern is again shown. Figure 10 highlights the sales deficit faced by art centres during the traditional peak sales months each winter, but also the results of adaptation and pivoting to online sales. These new strategies also appear to have improved sales during the quieter summer months.

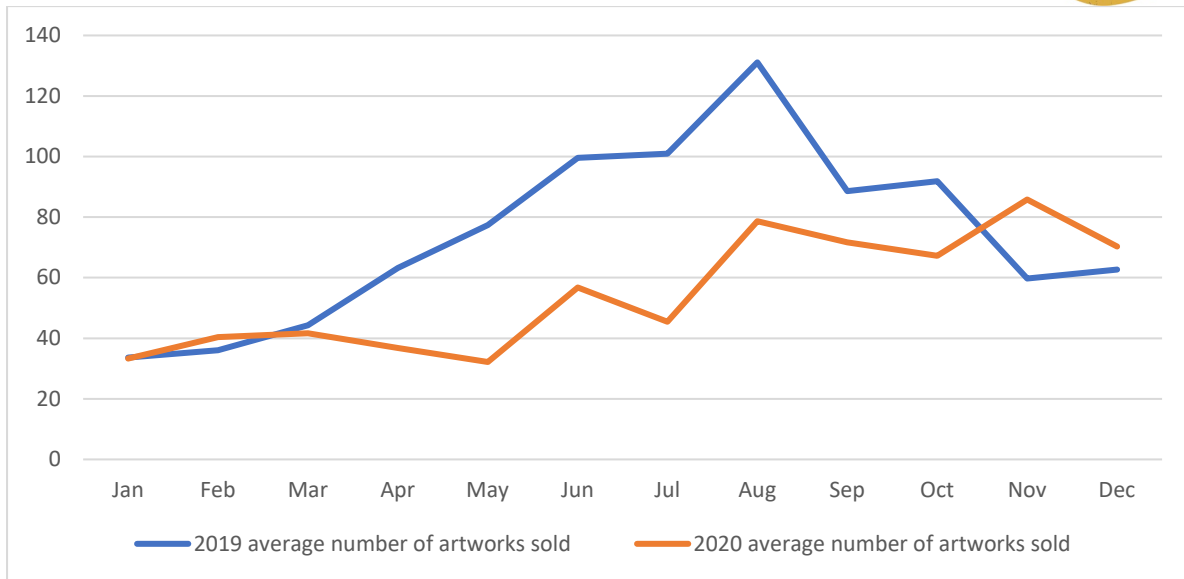


Figure 10: Monthly comparison of the average number of artworks sold at each art centre from 1 January 2019 to 31 December 2020.

Methodology

This report is based on information from the art centre’s operational database, the SAM platform. While this data does not include every art centre, it covers a statistically significant sample and provides a reasonable picture of art centre performance. This data includes sales information that has not been audited and is therefore subject to change and refinements. Based on historical comparisons, the difference between database results and audit results is unlikely to be significant enough to change the overall findings and observations made in this report.

Art centre participation: the number of art centre datasets available varies from year to year. For this report, 77 complete art centre datasets were available for 2019 and 2020, including:

- Northern Territory art centres reporting: 35
- Queensland art centres reporting: 13
- South Australian art centres reporting: 9
- Western Australian art centres reporting: 20

The following terms are used in this report; their relevant definitions/inclusions are:

- Sales or total sales: the total of all sales invoices/receipts created by art centres.
- Active artists: an active artist is any artist who produced a catalogued artwork, sold a catalogued artwork or received a payment from the sale of a catalogued artwork.
- Artworks sold: the number of catalogued artworks sold.
- Artwork production: the number of catalogued artworks produced.



Some data are available for art centres outside of the three states and the Northern Territory; however, this data only provided around 1% of results and was thus excluded in some of this report's analysis.

All data used for this update is fully de-identified. All figures are non-adjusted.

Disclaimer

This report is based on third party data representing a sample of the art centres in remote and regional Australia. While Desart is not in a position to verify the accuracy of that data or determine how representative it is, Desart has no reason to believe that the data on which this report is based is not accurate or broadly representative of the sector as at the date of publication. The information in this report is provided by Desart in good faith but is of a general nature and should not be relied on in lieu of appropriate professional advice. Desart does not warrant or guarantee its reliability, accuracy, completeness or fitness for purpose and accepts no liability whatsoever arising from, or connected to, the use of any material in this report.