



REPORT:

THE ARTS AND COLLECTIVE CRISIS

Investigating how the community engaged arts sector provides crucial spaces for community connection, resilience-building and escape.

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Written by Jessica Pantano, Milk Crate Theatre





01. Executive Summary

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This report examines the impact of the ongoing cost-of-living crisis on Australia's most disadvantaged communities and illustrates how arts programs can help address some of the challenges these communities face. By exploring Milk Crate Theatre's data, a case study on Waterloo (a Sydney-based suburb) with insights from a local service provider, and relevant Australian and international research, the report highlights the transformative potential of creative engagement in fostering resilience, connection, and escape during times of collective crisis.

The current cost-of-living crisis is significantly affecting Australia's most vulnerable communities, forcing those with already limited incomes to stretch their budgets to cover rising costs of essentials like housing, electricity, and food. At Milk Crate Theatre, we are witnessing these impacts firsthand on our community members, many of whom are experiencing or at risk of homelessness and housing instability. Our community includes individuals living with mental health challenges or disability support needs, those who have experienced domestic violence or trauma, and people from First Nations and/or Culturally and Linguistically Diverse (CALD) backgrounds, including refugees and people seeking asylum. Milk Crate Theatre's data, along with reports from prominent service organisations and government departments, reveals an increase in isolation and a greater dependence on healthcare and social services due to the pressures of this crisis.

Arts organisations supporting in the community-engaged arts practice offer valuable opportunities for connection, creativity, and personal growth for people facing disadvantage. These experiences can build resilience, improve mental health, and foster a sense of agency, helping to counteract the adverse effects of a collective crisis. Such organisations play an essential role in supporting vulnerable communities, underscoring the need for increased investment and funding for these interventions. This report explores how creative practices can contribute to collective resilience during times of crisis and advocates for recognising the community-engaged arts sector as a vital component of broader solutions to social challenges.

We recommend:

- Establishing more diverse funding pools for arts initiatives that provide essential spaces for community connection and growth.
- Prioritising outcome-based data over numerical output data to better assess the impact arts programs deliver to communities.
- Exploring international models to inspire the development of arts and healthcare initiatives in Australia.
- Enhancing the visibility of community-engaged arts among funders and audiences to celebrate and support artists from diverse backgrounds.

These actions will help ensure that community-engaged arts organisations can continue to support Australia's most vulnerable communities through times of crisis.



02. The Impact of Collective Crisis

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In 2024, the global collective crisis has placed immense strain on households across Australia. Among the hardest hit are the nation's most vulnerable citizens, who are already grappling with financial instability and a range of complex lived experiences.

COLLECTIVE CRISIS

A collective crisis refers to a community's response to a series of challenging issues or disasters. Many argue that our communities have been in a state of ongoing crisis for several years, facing multiple natural disasters, the COVID-19 pandemic, and inflationary pressures that have placed enormous stress across society.

The cost-of-living crisis in Australia is particularly complex. The price of essentials—utilities, groceries, and daily necessities—has risen disproportionately to wages, pushing the average household budget to breaking point for thousands of families¹. This strain is especially pronounced for those on low incomes, including individuals reliant on Australia's social welfare system as their primary source of income².

As of the end of 2023, nearly one-third (31%) of the Milk Crate Theatre community depended on Australian social welfare payments as their primary income source. A report by the Australian Council of Social Service (ACOSS) on poverty and inequality found that 60% of people receiving JobSeeker Payment live in poverty³. Those near or below the poverty line struggle to afford basic necessities, such as clothes for a job interview, internet access, or food. This leaves little room for activities that foster personal growth or support well-being, such as social events, theatre, cinema, live music, or dining out.

Inflation and rising living costs are driving more Australians into financial hardship, with many unable to make ends meet⁴. This financial pressure also overwhelms community service providers, who are struggling to support households in need, as illustrated in the Waterloo case study in this report.

A recent ACOSS survey³ revealed the following:

- 96% of welfare recipients reported that payments were insufficient to cover basic needs.
- Two-thirds reported skipping meals or eating less.
- 70% had reduced their heating usage.
- Half of the respondents were either in or expecting to go into energy debt.
- 96% were paying more than 30% of their income on rent.



40%

of respondents are experiencing worse mental health than they did in 2023.

IMPACT ON MENTAL HEALTH

The cost-of-living crisis has intensified feelings of loneliness and isolation, as many Australians can no longer afford social activities or small comforts. A recent ABC report highlighted the mental health toll:

“..social isolation and loneliness are ongoing concerns, exacerbated by recent financial stress, leaving many feeling trapped in a cost-of-living lockdown.”⁵

Milk Crate Theatre’s 2024 annual survey of Collaborative Artists echoed these findings, with 40% of respondents reporting worse mental health this year compared to 2023². The ongoing stress of the COVID-19 pandemic combined with rising living costs is severely impacting vulnerable communities.

This surge in poor mental health correlates to a growing reliance on frontline services among Australia’s most disadvantaged. Emergency, health, and community services are now facing unprecedented demand from people who have never required support before. Homelessness assistance requests have also risen in 2024, as highlighted in a recent Homelessness Australia report:

“Since July 2020, rents have surged by 30.4%, leading to a 6.2% increase in people seeking homelessness assistance due to financial stress since 2022.”⁶



Photo by Clare Hawley, 2021. *Tiny Universe* presented by Shopfront Arts Co-Op & Milk Crate Theatre.



“It is impossible to save for large bills... It’s depressing, and often, I do not see the point of it all”.

Milk Crate Theatre, Collaborative Artist

35%

have sought out financial services support more than they did in 2023

85%

agreed that the cost-of-living crisis is negatively affecting their mental health

MILK CRATE THEATRE COMMUNITY

At Milk Crate Theatre, we use the term ‘Collaborative Artist’ rather than ‘participant’ to honour the creative energy and lived experiences that individuals contribute to our workshops, developments, productions, and performances.

In preparing this report, we collected additional data from Collaborative Artists currently engaged with our programs. Among the respondents, 40% reported increased use of mental health services, and 35% sought financial support more frequently in 2023 than in previous years. Additionally, 85% indicated that the cost-of-living crisis is negatively impacting their mental health².

Some of our Collaborative Artists shared their struggles in a recent survey. One artist noted:

“It is impossible to save for large bills. My medical, mental, and housing needs are not being met. It’s depressing, and often, I do not see the point of it all.”

The link between financial stress and poor mental health is unmistakable. Another Collaborative Artist living with a disability shared:

“I’m on the Disability Support Pension, and expenses have skyrocketed. It’s hard to save money or make it last through each fortnight. I’ve had to stop socialising and connecting with others due to a lack of funds.”

These personal accounts highlight how the cost-of-living crisis is affecting Australians’ mental health and their ability to engage with their communities.

IMPACT ON ARTISTS

As an arts organisation working at the intersection of creativity and social impact, we are keenly aware of the profound effects that financial instability has on professional artists. Australian artists, in particular, face heightened vulnerability during the current financial crisis, with many earning incomes just above the national minimum wage.⁸

A 2024 Creative Australia report reveals that the average artist's income is \$54,500—26% below the overall workforce average⁷. With the national minimum wage at \$45,905.60 per annum⁸, this highlights the financial precarity many artists endure. Writers, actors, directors, and other creative professionals face an elevated risk of poverty and homelessness.

Artists are not only the custodians of our cultural legacy but also critical voices that reflect and challenge societal values. Losing their contributions would mean a loss of joy, reflection, and resilience that sustains communities in difficult times.

Protective measures and support are essential to safeguard these vulnerable yet vital members of our society. Investing in artists' stability is an investment in the cultural and emotional fabric of Australia—a core element of a vibrant, humane society.



Photo by Patrick Boland, 2019. *Natural Order* presented by Milk Crate Theatre.



03. Waterloo: Case Study

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“For me, it’s medicinal; in many ways, I feel healed.”

Milk Crate Theatre, Collaborative Artist

WATERLOO

Waterloo is a vibrant inner-city suburb on the edge of Sydney’s CBD, with working-class roots and a rich culture of arts and community. It also has high concentrations of social housing, where many residents face employment barriers due to disability, illness, or age: “37.5% were unemployed, 33.3% were retired, and 29.2% could not work due to illness or disability.”⁹

For many residents, Australian social support payments are the primary source of income. A 2023 survey revealed that around 71% of households in Waterloo are single-person, with 28% of respondents reporting frequent feelings of loneliness and 36% experiencing occasional loneliness.⁹ Compounding these challenges, many residents will soon face relocation due to planned housing redevelopments. This is a confronting reality for long-term residents, some of whom have called Waterloo home for over 20 years. The community is navigating a mix of advocacy efforts and apprehension about the upcoming changes.

“I was shocked and surprised, because I’ve just moved in here, created a really safe space, and also formed a really good community around me,” shared a Waterloo resident.¹⁰

This sentiment reflects the feelings of many who are unsettled by the redevelopment and the inevitable relocation it will bring.

THE FRONTLINE EXPERIENCE

Counterpoint Community Services, a well-established support and advocacy organisation in Waterloo¹¹, has been on the frontlines of the escalating demand for services. Michael Mackenzie Shreenan, Executive Officer at Counterpoint, noted,

“...we have witnessed a significant increase in demand since the cost-of-living crisis following COVID-19. Over the past eight months, our small team has assisted 130% more clients than our funding agreement originally stipulated.”

Despite operating beyond capacity, Counterpoint continues to reach new community members, providing crucial support to those at risk of falling through the cracks.

“This surge has led us to extend our support to those who might otherwise have been unable to reach us. We are now serving 178% more clients than our funding Key Performance Indicators (KPI) allow.”

If one organisation is under this level of strain, many community services across Australia are likely experiencing similar pressure, stretching volunteers and social workers to their limits. Nevertheless, Mr Shreenan recognises the community's resilience:

“...we are inspired by our social housing community's unwavering resilience and solidarity in this challenging cost-of-living crisis. Their ability to work together, volunteer, and support each other is unmatched.”



Photo by Lucy Watson, 2023. *Manifesto* presented by Milk Crate Theatre.



83%
have better ways
of coping when
they are down

100%
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workshops

67%
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THE POWER OF THE ARTS

In response to the crisis, organisations like Counterpoint and Milk Crate Theatre are offering programs that help alleviate its negative impacts. Since 2017, Milk Crate Theatre has partnered with Counterpoint to deliver free arts programs in Waterloo, launching three projects under the banner of 'Waterloo Creative Ensemble' to foster connection and community.

The first project, Interim, was a 2019 performance addressing themes of bureaucracy and waiting in response to redevelopment news. In 2022, the ensemble created Waterloo, a series of six short films developed by community members to reflect their experiences. These films showcased the trust and deep relationships Milk Crate Theatre has established with the community.

In 2023, the ensemble developed Manifesto, an interactive installation. The following data² illustrates the profound impact on participants:

- 100% agreed they felt a sense of community from attending weekly workshops.
- 83% developed better coping strategies.
- 83% reported increased self-confidence.
- 67% had greater hope for their future.

One Collaborative Artist described the impact:

“For me, it’s medicinal; in many ways, I feel healed.”

Another shared,

“Milk Crate has given me purpose, drive, and an opportunity to connect with others during difficult times in my life. I feel cared for, valued, and inspired.”

These insights highlight the essential role of arts programs in fostering connection, enhancing well-being, and counteracting the negative effects of collective crises.



Photo by Patrick Boland, 2019. *Natural Order* presented by Milk Crate Theatre.



04. A Creative Response

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“The arts and creative dedication that companies like Milk Crate Theatre bring, is such a valuable asset to the community. We need more of this.”

Milk Crate Theatre, Collaborative Artist

During times of collective crisis, the arts sector often sees reduced funding, with restricted revenue from audiences and tightened government spending. Yet, despite its potential to address social challenges, particularly for Australia’s most vulnerable communities, the arts are frequently overlooked.

There is an urgent and unmet need for accessible creative programs that provide spaces for communities to come together, forge connections, and build new skills and confidence. These initiatives help mitigate the impacts of crises, and the following provides commentary around the creative response to crisis.

MORE DIVERSE FUNDING OPPORTUNITIES

Community-engaged creative arts programs, such as those run by Milk Crate Theatre, provide essential spaces for connection, skill-building, and enjoyment, easing the strain on community and health services during crises.

Recent policies released by the Australian Commonwealth Government and NSW Government have recognised the importance of community-engaged practice and we are starting to see the roll-out of these policies at the time of writing this report. Funding data from Creative Australia¹⁴ and Create NSW¹⁵ shows that community-engaged arts organisations have received lower levels of funding compared to organisations of a similar size in other practice areas. Currently, no Community Arts and Cultural Development (CACD) organisations are funded through the National Performing Arts Partnership¹⁶, which aims to significantly invest in the Australian arts for the benefit of national audiences.

We strongly support the new policy priorities around equity and access and advocate for more multi-year funding opportunities for community-engaged arts organisations. Such long-term commitments would allow these organisations to:

- Employ more Australian artists, helping lift them out of poverty and promoting economic engagement.
- Develop sustained programs that build community resilience and enhance individual wellbeing.



PRIORITISING OUTCOME-RELATED DATA AND ECONOMIC VALUE

We advocate for a shift in success measurement across sectors, where outcome-related data—directly reflecting the impact on participants—should take precedence over simple numerical metrics. While attendance numbers are important, they don't capture the broader social impact. Feedback from participants and artists is essential to redefining program success.

Moreover, government should consider assigning economic value to arts program outcomes—such as cost savings in healthcare and social services—which could open new funding opportunities. If substantial economic benefits are demonstrated, arts organisations engaged in Community Engaged Arts Practice, especially smaller ones, could attract more sustained support.

INTERNATIONAL MODELS

Many Australian arts organisations already work at the intersection of community and art. Successful international models offer compelling evidence for expanding cross-portfolio programs and increasing arts funding to support community wellbeing and health.

The “Arts on Prescription” model, popular in the UK, has shown remarkable results in addressing depression, anxiety, and other mental health issues. This approach allows doctors to prescribe arts programs—such as classes and theatre—as part of a patient's treatment. In one study from Gloucester, UK, the program led to a 37% reduction in GP consultations and a 27% reduction in hospital admissions among participants, resulting in savings of £216 per patient¹³.

While Australia's cultural and health infrastructure has yet to fully embrace such initiatives, this data provides a basis for developing similar programs locally. The success of Arts on Prescription highlights its potential to reduce pressure on Australia's healthcare and social services sectors, while also creating new revenue streams for small-to-medium arts organisations working in these areas.

SHIFTING THINKING ON COMMUNITY ENGAGED ARTS

The community-engaged arts sector, including CACD, plays a transformative role by amplifying the voices of underrepresented groups. Through their work, they tell purpose-driven stories, often featuring performers with lived experience rather than formal training.

Both high-level art produced by major institutions and grassroots artistic endeavours deserve equal recognition. Prioritising community-engaged arts can attract more diverse audiences, including those who attend mainstage productions, and increase philanthropic interest. This shift could also open pathways for non-professionally trained artists to gain recognition and access paid roles in the broader arts sector.

Furthermore, increasing the representation of diverse backgrounds and experiences in arts and culture reduces the marginalisation felt by these communities, supporting a more equitable society where all people have the opportunity to thrive.



05. Conclusion

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Amid the 2024 cost-of-living crisis, households across Australia are feeling the strain, with the most vulnerable being hit hardest. For Milk Crate Theatre's community—those navigating mental health issues, homelessness, trauma, and disability—the impact is profound. As property markets soar and food prices rise, those with the least are struggling the most, leading to heightened loneliness and isolation. This surge in social and financial pressures has increased reliance on frontline services, further stretching already limited resources.

In the face of these challenges, arts-based programs like those of Milk Crate Theatre play a crucial role in fostering connection, wellbeing, and resilience—qualities essential to both responding to and recovering from a collective crisis. While frontline services need increased funding, we also advocate for:

- **Establishing more diverse funding pools for arts initiatives that offer essential spaces for community connection and growth.** Increased support would not only benefit community members facing disadvantages but also aid Australian artists, many of whom fall within the second-lowest income bracket.
- **Prioritising outcome-based data over numerical output metrics.** While metrics like attendance are important, they do not fully capture broader social impact. By assigning economic value to outcomes, we can better assess the cost savings these arts programs deliver to frontline services, creating new funding avenues for small to medium-sized organisations that positively impact their communities.
- **Exploring international models to inspire hybrid arts and healthcare initiatives in Australia.** The UK's "Arts on Prescription" model has demonstrated the potential to alleviate pressure on frontline services and open new funding streams for organisations working at this intersection.
- **Building an evidence base for how Community Engaged Arts supports vulnerable communities among funders and audiences.** This could challenge the misconception that 'community art' or 'community theatre' is inferior to high-level, mainstage productions and celebrate the extraordinary work created by artists from diverse backgrounds.

Through these initiatives, we can deepen our impact and create lasting change for communities across Australia.



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