



auSDANCE
VIC

**Victorian Dance Studio Owner
COVID-19 Business Impact
Survey Report**
August 2020



ausDANCE VIC

Ausdance Victoria is the Peak Body for dance in the state. We provide advocacy and advice, as well as sector development and community engagement programs and events for a wide range of stakeholders, including independent dance artists and teachers, dance schools and studios, dance companies and ensembles, the education sector, and the broader community.

As a Registered Training Organisation, Ausdance Victoria provides accredited VET training, and we sit on state and national industry training advisory boards tasked with oversight of professional dance development, courses, and accreditation. We also represent the dance sector as part of the Arts Industry Council of Victoria.

Access this report online at ausdancevic.org.au

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CREATIVE VICTORIA



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Contents

- 02 Executive Summary**
- 03 Introduction**
- 03 Respondent Profile**
- 04 Financial Impact**
- 05 Employment Impact**
- 06 Access to Government Support**
- 07 Mitigation Strategies**
- 08 Outlook**
- 09 Voices from the Sector**
- 10 Recommendations**

Executive Summary

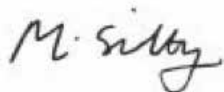
In the state of Victoria, dance is big business. From professional dancers and teachers, through to children taking classes at a local school, thousands of Victorians are engaged in dance activities on a weekly basis. Privately operated dance studios and dance schools generate in excess of \$300M in annual revenue and create an estimated 10,000 paid positions.

The impact of COVID-19 on Victoria's dance studio sector has been devastating, with many dance studios and companies ineligible for JobKeeper, or state government Business Support grants. As a result, many will not survive 2020.

The dance sector is highly interdependent. With artists out of work, and with many studios ineligible for economic stimulus support, the flow-on effect for the broader dance ecology, in terms of economic, physical, and mental wellbeing, is profound. If these businesses collapse, thousands of independent dance artists and associated workers will lose their primary sources of income, and the cumulative effect on local economies, such as performance venues, dance suppliers, and related retailers, will be exponentially catastrophic.

As the second wave of COVID-19 continues to devastate Victorian communities, and lockdown restrictions across Victoria pivot to adapt to the latest health data, Ausdance Victoria is responding to increasingly complex requests for support from the dance sector and, as this report shows, the outlook is grim.

Too often, dance is left out of the equation when it comes to government policy and consideration of the arts sector as a whole. This report shows that we ignore this vital contributor to Victoria at our social, economic, and creative peril.



Michelle Silby
Executive Director
Ausdance Victoria and Ausdance NSW

Introduction

In response to the impacts of COVID-19 on Victoria's dance sector, Ausdance VIC initiated a survey among owner-operated dance studios.

Open from 28 July – 3 August 2020*, the survey attracted 183 responses. Based on an estimated 1,000 – 1,200** dance studios across Victoria, this represents a response rate of approximately 15-18%.

This report presents key outcomes from this survey.

* 92% of responses were received by 31 July, just before the announcement of Stage 4 restrictions by the Victorian Premier on 2 August. Consequently, this survey primarily reflects the views and experiences of respondents prior to the implementation of Stage 4 restrictions on Melbourne, and the return to Stage 3 restrictions for regional Victoria.*

** While there is no official Victorian Dance Studio register, Ausdance Victoria estimates there are between 1,000 – 1,200 dance studios operating within Victoria. This figure is based on a combination of Ausdance Victoria membership, social media page memberships, and advertising data.**

Respondent Profile

All respondents are studio owners.

**78% Metropolitan Melbourne.
22% Regional Victoria.**

60% have been operating for more than 10 years.

121 respondents provided financial information.

90% of respondents report annual revenue of less than \$500,000.

Survey respondents reported total annual revenue of \$30.4M.

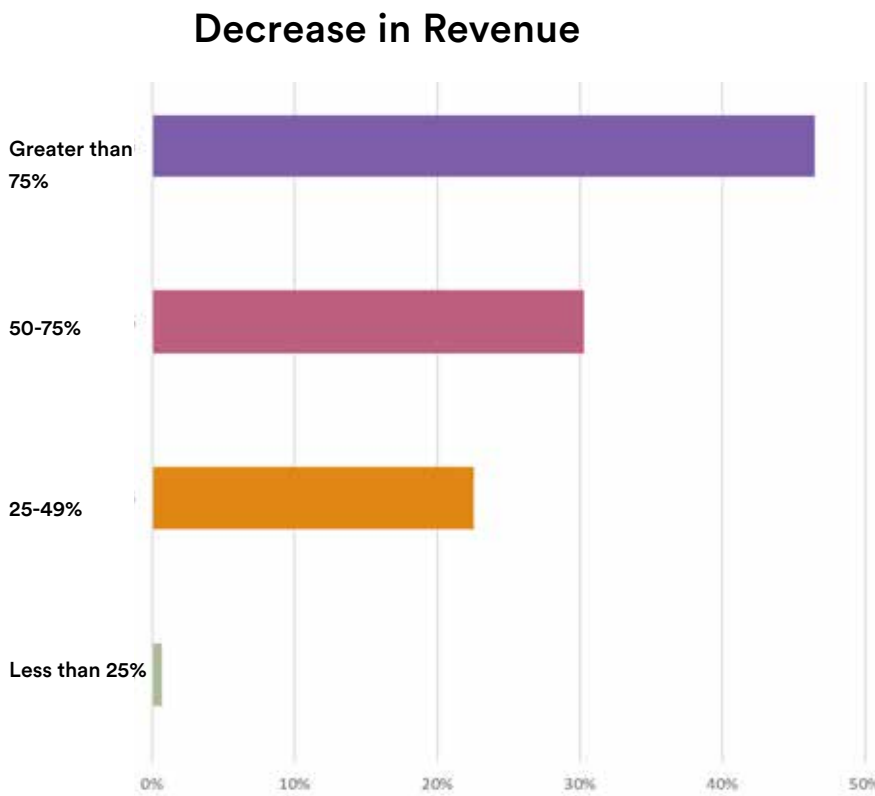
Assuming this figure represents 10% of the total sector, dance studios in Victoria generate over \$300M in annual revenue.

Before COVID-19, respondents reported that a total of 1,321 positions were employed or contracted by their businesses. Of these, 80% were casuals or contractors, 12% were part-time employees, and 8% were full-time employees.

Acknowledging that a number of casuals and contractors work across multiple dance studios, given the survey data, it is reasonable to estimate that in excess of 10,000 paid positions are created by dance studios in Victoria.

Financial Impact

100% of respondents reported a decrease in revenue since the start of COVID-19 in March 2020. More than 85% of studios have seen a revenue reduction of 50% or greater.



“We have lost 80% of students in Term 3 and are only just surviving. Many students are finding it difficult to engage online, or their families cannot continue extra-curricular activities financially.”

“Students are struggling with Zoom and they miss the connection with their peers. Many are self-conscious dancing at home, feeling exposed in a space shared by their family. Many people simply don't have the space to do this.”

“After 32 years running this business, my student numbers have never been this low. Even in my first year, I had more students than what I have currently. I feel that my business will close down at the end of the year, or before we commence Term 4, if we still have lockdown restrictions. I will be devastated to close after completing 33 years and having nothing to show for the last year.”

Impact on Employment

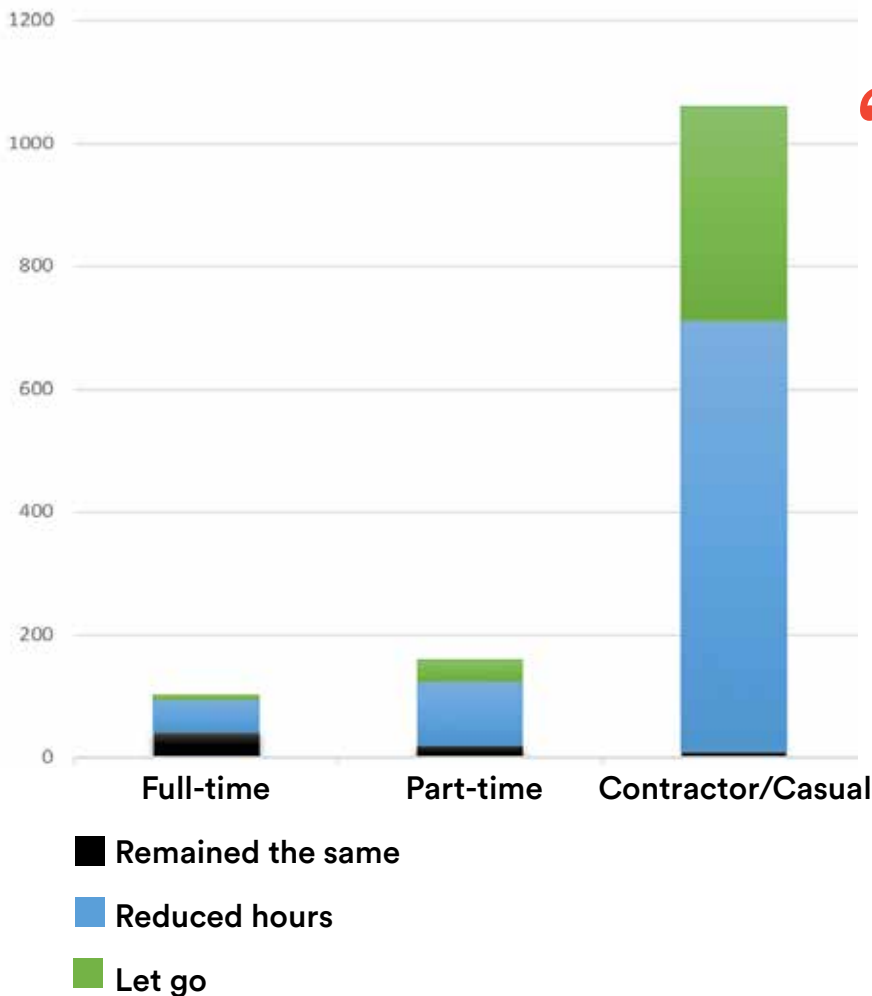
**60% of Businesses have had to let staff go.
90% have reduced staff hours.**

A majority of respondents indicated that JobKeeper was only able to be accessed by the studio owner, and that the 80% of casual and contract roles were not eligible for this support.

Before the impact of COVID-19, respondents reported that a total of 1,321 positions were employed or contracted by their businesses. Of these, 80% were casuals or contractors, 12% were part-time employees, and 8% were full-time employees.

When the whole sector is considered, in excess of 10,000 paid positions are created by dance studios in Victoria.

Employment Impact



“We have accessed JobKeeper for full-time and part-time staff. All contractors had to reduce hours and be paid from the business.”

“As a sole trader I am once again falling through the cracks when it comes to government business grants. For 26 years I have paid taxes and kept professional dance contractors employed.”

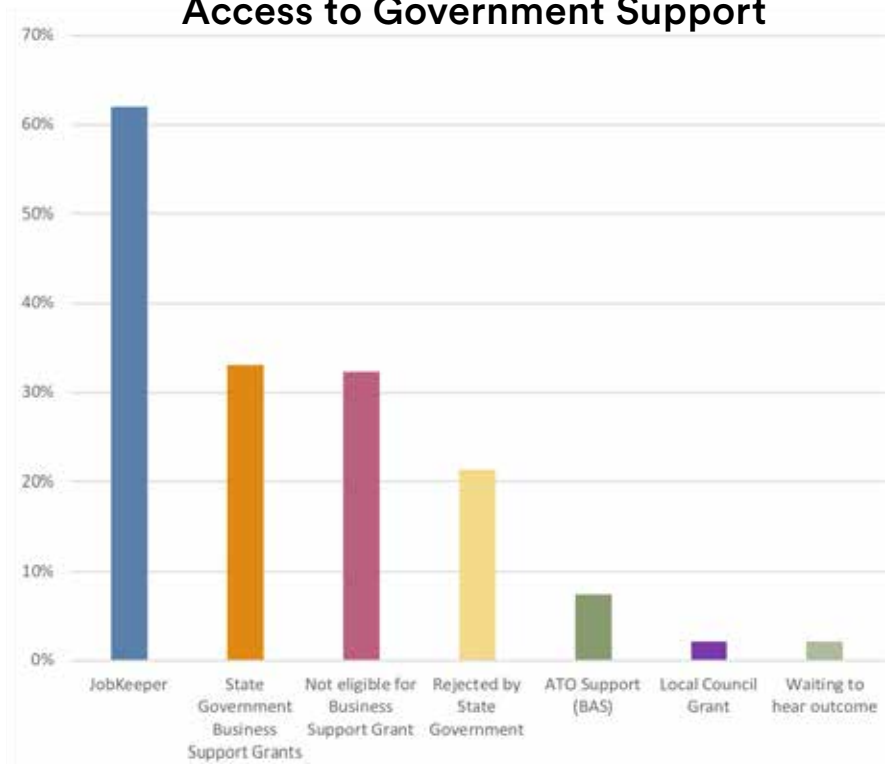
Access to Government Support

62% receiving Federal JobKeeper.
33% receiving State Government Business Support Grants.
54% ineligible or rejected for State Government Support.

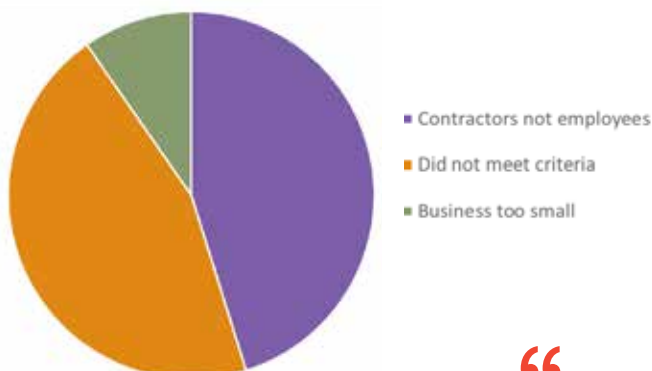
With business structures that engage high numbers of casual and contractor staff, dance studio businesses reported limited access to JobKeeper and other stimulus measures.

Most commonly studios have only been able to access JobKeeper for the owner, part-time and full-time staff, leaving 80% of workers in the sector unsupported.

Access to Government Support



Reason for Ineligibility or Rejection



“I applied for the \$10k payment [from the Victorian government] but was rejected due to not having an ‘employee’. My staff are all subcontractors.”

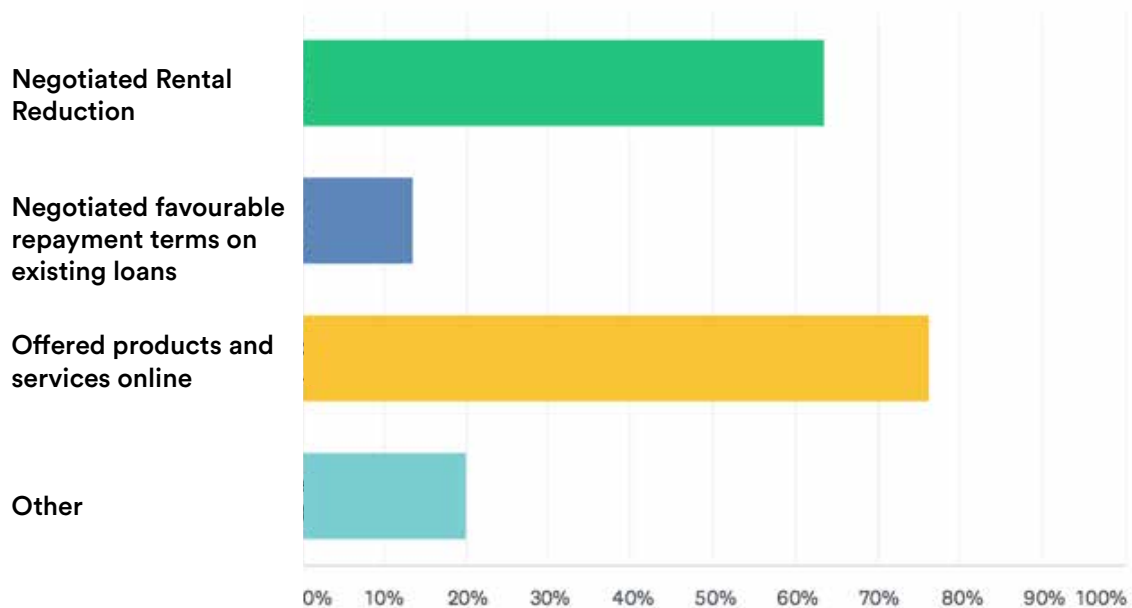
“We have been operating for 28 years and have always paid taxes and provided employment opportunities, but because of the structural set-up of our business, we have missed out on any support.”

“We are not an ‘employing’ business, our teachers are contractors, therefore we are not eligible for business grant support.”

Mitigation Strategies

Dance studio owners have adopted a range of strategies to mitigate the impact of COVID-19, with over 76% pivoting their operations to offer products and services online, and 64% negotiating rental relief from their landlords.

Mitigation Strategies Employed



“Other” strategies cited by respondents include:

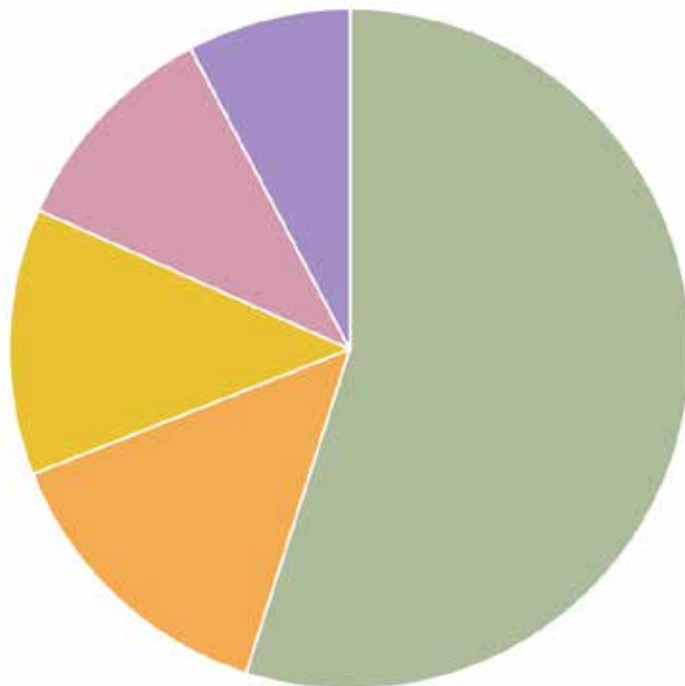
- taking out new business loans
- reducing personal expenses
- lowering fees to retain students
- reducing staff hourly rates
- accessing superannuation
- negotiating reductions with licensing
- canceling budgeted spending

“I have incurred lots of additional costs such as retraining staff to teach online, having wifi installed at our workplace, purchasing software and paying for a lawyer, as I needed help negotiating rent relief. None of these are covered in government support and it has meant they have come out of my direct savings.”

Outlook

92% of respondents expressed concern about their business surviving until the end of March 2021. This reflects their analysis before stricter lockdowns were imposed in early August.

Likelihood of Surviving



- My business is struggling but, with government support, will survive.
- My business is struggling and, as it is not eligible for government support, will definitely not survive.
- My business is struggling and, even with government support, it will be unlikely to survive.
- My business is doing OK and can survive until the end of March 2021.
- None of the above, responses include:
 - my business is 100% closed
 - business is surviving on personal savings
 - struggling and outcome is too early to say

“The issue for our business is that we have dropped to about 25% of what our income was at the same time last year, yet our overheads have not reduced accordingly. With no performance events either to bring in income, such as concerts, cabarets, competitions, musical productions, soirées, exams etc., there is a huge reduction in our annual income. This is why the business will not survive to March 2021.”

“I may survive with government support but I am worried, as we like other dance schools, are closed over the long summer break and (normally) rely on concert income to get through this time.”

“I feel our industry is forgotten, and loss of performances will have a large financial impact. Applications for arts/performing artists grants don't seem to apply to dance studio businesses.”

Voices from the Sector

“It would be helpful if the Dance sector could have more relevant return-to-business regulations, and not be considered the same as “gyms”. We run our classes with an enormous amount of discipline and classroom structure. Students are fully monitored by teachers at all times, and we must be able to have classes of 20 students to be viable. Reduced class sizes will force us to cut staff hours even further.”

“When we reopen there will be fear in coming back. There will also be a lack of money in the community. Let’s push for the community to know the superior benefits of Dance in health, mind, and body.”

“The mental health and wellbeing of the students and staff will be the biggest impact not yet fully realised.”

“Whilst I know my team are doing a wonderful job of online teaching, Dance is a challenging medium to teach in this manner. Particularly for younger students. More than 50% of our 6 & under age group have paused enrollments due to online learning. This is the biggest area of business growth.”

“It would be appreciated for our industry to be recognised for the strong economic contributor that it is to this country. Government representatives have tarnished the perception of our very significant industry, through thoughtless comments that show ignorance, and are damaging to our businesses.”

“It is just so sad to watch 30 years of hard work disappear in front of my eyes. It will take multiple years to get it back to what it was. It is also hard to be placed with Gyms. Dance schools can “social distance” better than any other business, we have been doing it forever.”

“Not only the financial impact has been hard, but more so the mental and emotional impacts have been HUGE. Not only on myself as the business owner but on my students.”

“I thank you for reaching out and welcome any assistance. At this point, being a Melbourne dance or performing arts teacher is a laughable occupation. I watch my neighbours sit about & do nothing earning triple what I do, whilst I literally work myself to death trying to keep my teachers working and a bit of food on the table, but it is not tenable long term. Any longer in lockdown and we will not survive.”

Recommendations

- 1. Review and address exclusionary criteria that makes sole traders ineligible for business support grants.**
- 2. Recognise sole traders that engage contractors as legitimate business models, who are eligible for business support grants.**
- 3. Develop additional funding opportunities for those businesses that missed out on the previous business support grants.**
- 4. Re-categorise dance and performing arts schools as *educational businesses* rather than gyms for the purpose of Restricted Activity Directions.**
- 5. Consider offering an exemption for dance and performing arts schools to allow them to broadcast dance education classes, from their studios, during Stage 4 restrictions, while following all other State and Federal COVID-19 health and safety guidelines.**
- 6. Consider a government sponsored campaign and government incentives to encourage families and children back to dance and performing arts classes.**

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