

Live Theatre Tax Offset

A game-changing investment in Australia's creative future

Live theatre engages, entertains, educates and inspires audiences of all ages and backgrounds. It's an essential part of our cultural life and sharing of stories and experiences.

Across Australia, there were **8.5 million ticketed attendances** for theatrical productions in 2022 (including musical and dramatic theatre, opera, ballet and dance, and children's and family entertainment) which generated almost **\$790 million** in ticket revenue.

What is our proposal?

A **40% Live Theatre Tax Offset** for producers of live theatre to claim a tax deduction for production costs.

An industry game-changer

- To boost local and international private investment in Australia's creative future.
- Provide more jobs and career pathways for our skilled creators, performers, production and technical workers.
- Support the creation of new intellectual property, licensing and export opportunities.
- Encourage investment in the development of new Australian creative works.

How would it work?

- Similar to tax incentives already in place for screen and digital games industries where producers claim tax deduction for qualifying production expenses.
- Modelled on highly successful UK Theatre Tax Relief (TTR) in place since 2014.
- Designed through industry consultation with focus on being internationally competitive; available to commercial and not for profit producers; driving investment in new licensed and original Australian works; support local and international touring; and new export opportunities.

Why do we need it now?

- Production costs are 30-50% higher since the pandemic.
- 80% of investment capital for commercial theatre productions comes from offshore but we are not competitive with markets, such as the UK and US, which offer tax incentives.
- Government funding isn't keeping up with increased production and touring costs.
- Developing new original works can be riskier, take longer time and require more upfront expense to be audience-ready.
- Need to establish a new sustainable, long term funding source for live theatre (plus earned revenue, government funding and philanthropic support).
- Keep investing in local productions to retain and attract skilled workforce.

Who wins?

- **Australian performers:** more opportunities to appear in local productions and more secure career pathways through increased pipeline of productions.
- **Skilled production and technical workers:** increased industry activity and demand, additional investment in production standards and innovation, viable career pathways.
- **Industry suppliers and service providers:** direct and indirect flow-on benefit from live performance events and tours across creative, hospitality and tourism sectors.
- **Audiences:** more choice, greater diversity, affordability and accessibility (including regional touring).

How much?

A **40% tax offset** will deliver significant employment and industry activity gains, as well as **positive revenue return for government**.

<u>Economic Contribution</u>	<u>40% Tax Offset</u>	<u>50% Tax Offset</u>
Employment (FTE)	4,151	5,136
New productions	168 <i>Not for Profit: 50</i> <i>Commercial: 118</i>	210 <i>Not for Profit: 63</i> <i>Commercial: 157</i>
Industry output (direct and indirect)	\$1,505m	\$1,862m
Industry value add (direct and indirect)	\$486m	\$601m
Tax forgone	\$93m	\$116.2m
Tax received	\$117.3m	\$145.1m
Net tax position	\$24.3m	\$28.9m

Source: EY (2024), The benefits of providing tax offsets to Australian theatre producers, Live Performance Australia, August 2024