



Live performance tax offsets	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would allow businesses to access:</p> <ul style="list-style-type: none"><li>live music venues offset – 10% tax offsets for the costs of hosting live music</li><li>touring artists offset – 50% offset for travel expenses</li><li>theatre production offset – 40% tax offset for the costs of live theatre production.</li></ul> <p>The proposal would be ongoing and start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <ul style="list-style-type: none"><li>The theatre production offset would have similar eligibility requirements as the existing screen producer offset.</li><li>Each offset is fully refundable.</li></ul>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$1.1 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in taxation revenue and an increase in departmental expenditure.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Each of the sets of expenses are already deductible for company tax as legitimate business expenses. This policy would generate additional tax offsets for expenditure in their relevant categories.

**Table 1: Live performance tax offsets – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-4.1	-327.1	-361.3	-385.3	<b>-1,077.8</b>
Underlying cash balance	-4.1	-327.1	-361.3	-385.3	<b>-1,077.8</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Uncertainty & Sensitivity

The financial impact of the proposal is uncertain and highly sensitive to the following factors:

- The number of venues that become licenced for live music and the additional live music events offered by existing live music venues under the proposal.

- The average travel costs and proportion of domestic versus overseas travel for touring artists performing shows in Australia.
- The number of theatre productions performed in Australia and their average costs.

The financial impacts of the proposal include a set of behavioural assumptions on the uplift of theatre productions, touring artist shows and live music events due to the tax incentives of the proposal. Although the refundability of the tax offset acts as a strong incentive, there is still a question of whether the industry has the capacity to achieve these uplifts as it is still recovering from steep contractions during the Covid 19 pandemic.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The offsets would be legislated and implemented prior to the policy start date, or assurances given that they would be legislated before returns are lodged for the 2025-26 year (e.g. before 1 July 2026).

### Live music venues offset

- Live music venues would include Hotels and Bars, Restaurants and Cafes, Clubs, Nightclubs and similar venues.
- Venues hosting live music would grow in-line with Gross Operating Surplus Corporate + Gross Mixed Income (GOS).
- The average cost to hire a live music performance would be around \$1,500 per performance.
- There would be an uplift of around 18% in year 1 and 35% ongoing, in live performances. Including additional performances at venues that already host live music and performances at new venues. Based on the Australasian Performing Right Association and Australasian Mechanical Copyright Owners Society's (APRA AMCOS) *Economic impact of tax offsets on the live music industry* research.<sup>1</sup>

### Touring artists offset

- There are around 16,500 primary workers (artists) in the initial year of this policy and would grow by the GOS growth rate.
- Estimated touring artists weighted average travel costs are around \$45,000 per tour and grow in line with Consumer Price Index (CPI).
- Around 75% of all touring artist gigs will be performed whilst travelling and incur travel expenses.
- Weighted average of around 9 performances per tour.
- There would be an uplift of around 18% in year 1 and 35% ongoing in touring performances in response to the tax offset, supported by the live music venues tax offset hiring live music artists.

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<sup>1</sup> [Economic impact of tax offsets on the live music industry, Australasian Performing Right Association and Australasian Mechanical Copyright Owners Society \(APRA AMCOS\)](#)

## Theatre production offset

- There are 3 categories of theatre productions by size small commercial, medium commercial and large commercial.
- The estimated average production cost of each production size is around \$75,000 (small), \$1.5 million (medium) and \$15 million (large).
- There are estimated to be currently around 2,100 small productions, 100 medium productions and 12 large productions in Australia per year.
- The number of small, medium and large theatre productions would grow in line with GOS.
- Around half of the production costs for large theatre performances would be incurred overseas and be ineligible for the offset.
- There would be around a 5% uplift in theatre productions.

Under all offsets business have an end of financial year date of 30 June and the offsets will be claimed, used and refunded at assessment in the following financial year.

As with all tax offsets, but particularly refundable tax offsets, there is potential for tax minimisation and characterisation of income from other sources to take advantage of such measures. As such the Australia Taxation Office (ATO) departmental expenses would be equivalent to 2023-24 Budget measure: *Small Business Support – Small Business Energy Incentive* for setup and build and 2022-23 Budget measure: *Patent Box — tax concession for Australian medical and biotechnology innovations*<sup>2</sup> for ongoing compliance and review indexed to WCI 3.

## Methodology

Each of the 3 offsets were estimated using a top-down modelling approach. In which analysis was undertaken to determine the size of each offset's eligible cohort and the amount of eligible expenditure.

## Live music venues offset

The Live music venues offset budget impact was calculated by assessing the number of venues (Hotel, Bar, Restaurant, café, Club, Nightclub & Other) that currently host live music multiplied by the average number of live music events and the assumed behavioural uplift.

Events for venues (within the earlier mentioned categories) that currently do not host live music was calculated by the number of venues multiplied by the average number of live music events these venues are expected to host.

The aggregate number of events was multiplied by the average cost of live music to determine the overall expenditure on live music by venues which was subsequently multiplied by the 10% refundable tax offset and entirely applied on tax assessment (one financial year delay from economic activity), due to the offsets refundability.

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<sup>2</sup> [Budget Paper No. 2 Budget measure: Patent Box — tax concession for Australian medical and biotechnology innovations, Page 23](#)

## Touring artists offset

The Touring artists offset budget impact was calculated by the weighted average travel costs (transportation & accommodation) for basic tours, moderate tours and premium tours.

Live music event data was sourced and a weighted average live music event per tour was calculated and multiplied by the weighted average touring cost.

This aggregate touring cost was multiplied by the assumed behavioural uplift and by the 50% refundable offset for travel expenses and entirely applied on tax assessment.

## Theatre production offset

The Theatre production offset budget impacts were calculated by assessing the total number of small, medium and large productions per year multiplied by the average cost of each category.

Half of the large production costs are assumed to occur overseas and are removed from the aggregate total.

The remaining aggregate total cost of all size category of productions was then multiplied by the 40% refundable offset for theatre production costs and entirely applied on tax assessment.

## Departmental

ATO departmental expenses were calculated as described above and continue into the medium term, to allow for compliance action and reviews.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>3</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Australian Bureau of Statistics (ABS) (2021) [Gross operating surplus and gross mixed income](#). ABS website, accessed 9 May 2025.

Bark (2025) [How much does Event Entertainment cost?](#). Bark website, accessed 9 May 2025.

BIS Oxford Economics (2022) [The economic impact of tax offsets on the live music industry](#). BIS Oxford Economics an Oxford Economics Company, accessed 9 May 2025.

Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) (2023) [Australia's live music sector: an occupation based analysis](#). DITRDCA website, accessed 9 May 2025.

Digital Music News (2014) [This Band Just Finished A 28 Day Tour And Made How Much?!](#). Digital music news website, accessed 9 May 2025.

Earnest & Young (EY) (2023) [Live Performance Industry in Australia](#). EY, accessed 9 May 2025.

IBIS World (2023) [Music and Theatre Productions in Australia - Number of Businesses](#). IBIS World website, accessed 9 May 2025.

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<sup>3</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

New Musical Theatre (2016) Broadway Budgets 101: [Breaking Down the Production Budget](#). New Musical Theatre website, accessed 9 May 2025.

Reserve Bank of Australia (RBA) (2025) [Exchange Rates](#). RBA website, accessed 9 May 2025.

Royalty Exchange (2018) [What Does It Cost To Tour In 2018?](#). Royalty Exchange website, accessed 9 May 2025.

The Conversation (2022) [With 9 Broadway musicals currently on Australian stages, musical theatre is thriving again](#). The Conversation website, accessed 9 May 2025.

Time Out (2023) [A timeline of Covid-19 in Australia, two years on](#). Time Out website, accessed 9 May 2025.

## Attachment A – Live performance tax offsets – Financial implications

**Table A1: Live performance tax offsets – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Tax revenue</b>													
<i>Live music venues offset</i>	-	-87.0	-102.0	-107.0	-114.0	-121.0	-127.0	-134.0	-141.0	-148.0	-156.0	-296.0	-1,237.0
<i>Touring artists offset</i>	-	-54.0	-65.0	-68.0	-74.0	-80.0	-87.0	-94.0	-101.0	-109.0	-118.0	-187.0	-850.0
<i>Theatre production offset</i>	-	-183.0	-193.0	-209.0	-227.0	-247.0	-267.0	-288.0	-311.0	-335.0	-360.0	-585.0	-2,620.0
<b>Total – tax revenue</b>	-	-324.0	-360.0	-384.0	-415.0	-448.0	-481.0	-516.0	-553.0	-592.0	-634.0	-1,068.0	-4,707.0
<b>Expenses</b>													
<b>Departmental</b>													
<i>Australian Taxation Office</i>	-4.1	-3.1	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5	-9.8	-19.8
<b>Total (excluding PDI)</b>	-4.1	-327.1	-361.3	-385.3	-416.3	-449.4	-482.4	-517.4	-554.5	-593.5	-635.5	-1,077.8	-4,726.8

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Live performance tax offsets – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	..	-7.0	-23.0	-41.0	-60.0	-82.0	-107.0	-134.0	-164.0	-198.0	-235.0	-71.0	-1,051.0
<b>Underlying cash balance</b>	..	-6.0	-19.0	-36.0	-55.0	-77.0	-101.0	-127.0	-157.0	-189.0	-226.0	-61.0	-993.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>4</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

<sup>4</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)