

TNA Federal 2025-26 Budget Recommendations

Summary of Recommendations

| Recommendation 1: Tax reform to incentivise giving and alleviate financial stress for creatives | |
|--|---|
| A. Introduce tax exemption for income earned from arts grants and fellowships | \$1.8 million pa of foregone tax on Creative Australia grants and fellowships. Additional scoping needed. |
| A. Commission a review to extend PBI status to a broader range of arts and cultural organisations | \$2 million |
| Recommendation 2: Support for national touring, exchange, and regional development | |
| A. Double the current investment in Creative Australia's Playing Australia program | Additional \$8.2 million pa |
| Recommendation 3: Support for children, young people and the arts | |
| A. An arts access subsidy program for schools modelled on the Parliament and Civics Education Rebate (PACER). | \$25 million pa |
| B. A pilot program for a national Creative Schools program modelled on Sporting Schools | \$10 million |
| C. Reinstate Creative Australia's ArtStart program | \$1 million pa |

Recommendation 1

Tax reform to incentivise giving and alleviate financial stress for creatives

A. Introduce tax exemption for income earned from arts grants and fellowships.

The Australian Government should introduce a tax exemption for income earned from arts grants and fellowships by independent creatives (sole traders). This exemption would apply to grants and fellowships awarded by government agencies and philanthropic foundations for the purpose of supporting creative practice, professional development, and project development.

The average income of creatives remains extremely low. Creative Australia's [Artists as Workers](#) study found that the average total income for artists is 26% below the average for the Australian workforce, with half of all artists earning less than \$10,000 from their creative work. Additionally, TNA's [2024 Indie Survey Report](#) found that independent creatives earned an average of only \$21,608 per year from creative practice.

Creatives are working multiple jobs to earn a living, often in precarious employment. TNA's 2024 Indie Survey Report also found that 79% of indies worked in other jobs outside their creative practice, and there has been a steady increase in those taking on part-time and full-time work compared to previous reports. Indies are also diversifying their income across non-arts industries.

Grants and fellowships are a vital part of how creative work is made. Grants and fellowships play a vital role in supporting the creative practice and professional development of artists. A tax exemption for this income would further enhance the impact of these vital funding mechanisms.

Benefits to independent creatives, the creative industries, and the public:

- **Increased financial stability:** This exemption would provide much-needed financial relief to artists and creatives, who often struggle to make a living from their creative practice.
- **Cost savings:** Creatives would have to spend less of their already low income on tax advice and services, which is often necessary due to the diverse income streams, expenses, and deductions creatives have. A tax exemption would remove the need for this.
- **Greater creative freedom:** By reducing the financial burden on creatives, this exemption would allow them to focus on their creative work and provide more public benefit.
- **Incentive for excellence:** This exemption would create an incentive for artists to pursue excellence in their work and contribute to the vibrancy of the Australian arts and cultural sector.
- **Enhanced career development:** By providing financial support for professional development and project development, this exemption would help artists to build sustainable careers in the arts.

This tax exemption would be a significant step towards recognising the value of artists and creatives to Australian society and supporting the sustainability of the arts and cultural sector.

B. Commission a review to extend PBI status to a broader range of arts and cultural organisations

TNA supports Live Performance Australia's (LPA) recommendation to commission a review to extend PBI status to a broader range of arts and cultural organisations including those supporting accessibility, First Nations communities, youth and education.

Presently, there are over 11,000 registered PBIs in Australia. To be recognised as a PBI, an organisation must:

- be an institution and meet the legal meaning of charity/be entitled to be registered as a charity.
- be organised, conducted or promoted to provide benevolent relief to people in need. Benevolent relief includes working for the relief of poverty, sickness, disability, suffering or misfortune. This relief may be indirect, such as through raising funds to provide benevolent relief.

Most TNA's 220 organisation members are small-to-medium performing arts organisations that are already registered as charities.

The salaries of arts organisation employees remains comparatively low: TNA's biennial [Salary Survey Report](#) highlights how on average most roles in arts organisations are paid below the national average income, and are consistently well below salaries offered in the broader not-for-profit sector (according to the [Pro Bono Salary Survey](#)).

PBI status would have meaningful impact on the income of arts workers. Extending the eligibility so that some arts organisations could be recognised as a PBI would make them eligible for a Fringe Benefits Tax exemption, giving their employees access to salary packaging and other fringe benefits that would increase their take home pay.

Arts organisations would also benefit. The process to become a charity is streamlined through becoming a PBI, removing administrative burden, and may also make organisations eligible for a wider range of grants and funding opportunities. Importantly, it would make employment with these organisations more attractive, allowing them to attract and retain skilled workers, which is particularly important given the current skills shortages across the industry.

TNA and LPA recommend that the Government commission a review/working group to investigate an extension of the arts and cultural organisations that can register as a PBI. For example, by expanding the definition of benevolent relief to include more live performance organisations that support accessibility, young people, First Nations communities, and education. An advantage of this approach is that it can build upon existing frameworks and processes to strengthen sector capability. Work to investigate the details and implementation of this extension could be undertaken with existing departmental resourcing and be informed by expert advice from Creative Australia.

Recommendation 2

Support for national touring, exchange, and regional development

A. Double the current investment in Creative Australia's Playing Australia program

The [Playing Australia](#) grants program, administered by Creative Australia, supports performing arts companies by helping to meet the high costs associated with touring live productions to regional and remote locations. Regional touring allows presenters to access new audiences and offers numerous employment opportunities, as well as ensuring regional audience engagement with a diverse range of touring product.

The primary challenge for national touring is the significantly increasing costs – in higher performance fees, travel and freight, and venue and wages costs – and the price sensitivity of audiences (i.e. increasing ticket prices to cover increased costs results in reduced audience numbers). According to Live Performance Australia, across the board, [costs have risen approximately 30-50% since the pandemic](#).

These increased costs combined with stagnant federal and state investment levels and reduced, and more risk averse local government budgets, means that the capacity for national touring is severely reduced simply because producers can no longer afford it. While coordinated investment across three levels of government will go a long way towards maximising value and outcomes, it simply cannot make up for the fact that current investment is not keeping up with the increasing costs of living.

This has negatively impacted resourcing available to companies for their core business. It has also led to reductions in their regional touring footprints and the number of shows per venue, as many venues can no longer afford to bridge the gap between touring expenses for the producer and their own performance fees. As an example, Live Performance Australia (LPA) indicated early in 2024 that [their members have already had to cut their regional touring programming by 25% and expect that this will increase to 50% by 2026](#). Additionally, some shows are now cutting cities such as Canberra and Adelaide out of their touring network, focusing primarily on Sydney, Melbourne and Brisbane.

The reduction in regional touring has significant implications for regional Australians, who are often disproportionately reliant on touring productions for access to high-quality arts and cultural experiences. Regional audiences already face barriers to accessing diverse performing arts due to geographic isolation and limited local resources, and the decline in touring footprints exacerbates this inequity. Without adequate investment, many regional communities risk losing the social, cultural, and economic benefits that live performances bring. These include fostering community cohesion, enriching local cultural life, and supporting regional tourism through associated hospitality and business activity. A strengthened Playing Australia program would help ensure that regional audiences continue to experience the transformative impact of live performances, maintaining equitable cultural access across Australia.

A permanent increase of at least \$8.2m per annum to Playing Australia is needed to sustain national touring in Australia.

Recommendation 3

Support for children, young people and the arts

Children and young people have the right to play, to access culture, to self-expressions and to engage with rigorous and complex performing art. Not only does art created for and with and by children and young people have intrinsic impact, but it also has an evidenced impact on their holistic selves, on community cohesion, mental health and well-being, and on their sense of possibility and view of the world.

Children and young people are marginalised groups, and often neglected in an adult-focused world. They have little opportunity to express their voice or to assert power. They are often doubly marginalised by societal structures and systems that fail to adequately recognise and address their unique needs and rights. They are a deeply intersectional demographic. The ages of 0 - 24 make up 30% of Australia's population.

Participation in the arts is decreasing: The ABS has reported a concerning [decrease in children's creative participation and attendance between 2017-18 and 2021-22](#).

- 59% of children participated in a creative activity, down from 63%.
- Attendance at cultural venues or events among children fell from 94% to 80%, with attendance at at least one performing arts event dropping from 57% to 31%.

The Children, Young People and the Arts (CYPA) sector continues to struggle from inequitable investment, leading to poor salaries and working conditions, and limited capacity and growth.

This trend, driven by the effects of COVID-19, shifting technology use, the cost-of-living crisis, and broader cultural changes, highlights the need for urgent intervention to reverse the decline in participation. If left unaddressed, this could negatively impact literacy, social cohesion, and health, with significant consequences as children and young people grow up and enter the workforce.

Workforce shortages and unsustainable careers continue to impact the sector. In 2024 71% of TNA member organisations said they are still being affected by the production and technical workforce shortage. In the last 12 months, 33% of Indies have taken action to leave the industry due to burnout, lack of employment, and seeking better pay, benefits, and work-life balance.

The sector continues to grapple with changing audience behaviours. Audience attendance and revenue have only just [recovered to pre-pandemic levels in 2023](#), with art forms like dance and theatre showing slower growth.

We need to build confidence in creative sector careers and better equip young creatives to apply their skills across sectors – responding to future demands and disruptions. To do that, we must consider engagement, participation, and training pathways from early years through to employment. TNA's recommendations focus on earlier stages of the creative workforce pipeline that need urgent attention.

A. An arts access subsidy program for schools modelled on the Parliament and Civics Education Rebate (PACER).

The proposed Arts Access Subsidy Program aims to increase equitable access to arts and cultural experiences for Australian schoolchildren, from Prep to Year 12, by addressing financial barriers to participation. It is inspired by the successful [Parliament and Civics Education Rebate \(PACER\) Program](#), which encourages school visits to significant parliamentary and civic sites. This program would similarly subsidise travel, tickets, and access costs for arts-related excursions, enhancing exposure to theatre, galleries, museums, festivals, and libraries.

Children and young people deserve cultural equity: Many schools, particularly in regional, rural, and disadvantaged urban areas, struggle to fund arts excursions due to transport costs, ticket prices, and accessibility needs. This often results in limited arts and cultural engagement for students who stand to benefit the most.

Arts and cultural engagement will enhance educational outcomes: Exposure to the arts has been linked to improved cognitive skills, creative thinking, social awareness, and emotional well-being, directly aligning with educational goals outlined in the Australian Curriculum.

The program provides support for the arts ecosystem: By subsidising school visits, the program will stimulate demand for arts organisations and venues, providing vital revenue streams and increasing the visibility of Australian cultural institutions.

This program aligns with the government's National Cultural Policy, REVIVE, by addressing cross-portfolio objectives in education, social inclusion, and regional development. It underscores a commitment to ensuring that every Australian child, regardless of location or socioeconomic status, has the opportunity to experience the transformative power of arts and culture.

Program Design

1. **Eligibility:** All registered Australian schools, including government, independent, and Catholic schools, would be eligible to apply for subsidies. Priority would be given to schools from low socioeconomic areas and regional or remote locations.
2. **Subsidy Components:**
 - **Transport Costs:** Covering buses or other travel modes to and from arts venues.
 - **Ticket Discounts:** Reducing the cost of admission for performances, exhibitions, or events.
 - **Accessibility Support:** Funding for specialised transport or assistance for students with disabilities.
3. **Funding Allocation:** Rebates calculated on a per-student basis, with potential for capped annual funding per school to ensure broad participation.
4. **Administration:** Managed by the Department of Education in collaboration with Creative Australia, using streamlined application and reimbursement processes akin to PACER.

Budget and Pilot Phase

An initial pilot phase in 2025-26 could test the program in selected regions, allowing for evaluation and refinement. Key metrics, such as participation rates, cost-effectiveness, and stakeholder satisfaction,

would inform broader rollout in subsequent years. A budget allocation of \$10 million is proposed for the pilot phase, scaling to \$50 million annually for national implementation.

B. A pilot for a national Creative Schools program modelled on Sporting Schools

One of the reasons that many Australian schools are unable to fulfil the requirements of the Australian Curriculum: The Arts is the shortage or unavailability of qualified/experience teaching staff. Schools must often rely on external providers to provide arts engagement opportunities for their students, and then only if their budgets allow for it, leading many students, particularly in regional Australia, to miss out.

Creative Schools is a proposed Federal program that would be delivered by the Department of Education in collaboration with the Office for the Arts and Creative Australia, which would partner with local arts organisations to help schools increase children and young people's participation in the arts and connect them with community arts opportunities. This is based on the existing Sporting Schools program.

[Sporting Schools](#) is an Australian Government initiative designed to help schools increase children's participation in sport and connect them with community sport opportunities. Sporting Schools programs are provided free to children and their families to help students build the confidence and capability to be active for life. To help achieve this, Sport Australia has partnered with more than 35 national sporting organisations (NSOs).

Grants of between \$1,000 and \$3,600 are available per primary school for each term, and schools use these funds to engage the NSOs to deliver sports activities for students. This ensures students have access to free, high-quality sport programs at school, establishes partnerships between sporting organisations and schools to promote involvement in sport outside of school, and builds capabilities in both schoolteachers and coaches in the sport workforce.

This is an excellent youth engagement model because it provides accessible services for young people in spaces they already attend, connects schools and young people with community organisations, gives agency to schools and local communities, and is a cost- and resource-effective, devolved method of government spending. Creative Schools would ease pressures on schools trying to comply with the arts curriculum, and address workforce issues by both providing employment and strengthening early stages of the talent pipeline.

TNA proposes that initially a targeted, fixed-term pilot program is devised in 2025-26, and trialled in schools in 2026-27, followed by evaluation to inform the next stages.

C. Reinstate Creative Australia's ArtStart program

[ArtStart](#) was a program by Creative Australia, which was available to recent creative arts graduates to support a career or business development strategy for their arts practice. Between 2009 and 2015 grants of \$10,000 were given to young artists wanting to establish a career as a professional artist, until

[the program had to be cut](#) after the government at the time dramatically reduced Creative Australia's budget.

A [longitudinal study of early career artists](#) by the Creative Australia found that **ArtStart recipients spent more time on their practice and earned a higher proportion of their income than non-recipients**. It also found recipients had **more confidence in their career, felt their artistic practice met or exceeded their expectations, and saw a large increase in their network of contacts after receiving their grant**.

ArtStart is a proven, cost-effective program model for developing a secure arts workforce, the absence of which has contributed to the skills shortages and workforce decline that the sector is experiencing today. It's reinstatement via additional investment in Creative Australia will be welcomed by the sector.

Theatre Network Australia

www.tna.org.au

Facebook: [@theatrenetworkaustralia](#)

Instagram: [@theatrenetworkaustralia](#)

LinkedIn: www.linkedin.com/company/theatre-network-australia

G5/152 Sturt Street, Southbank VIC 3006

(03) 9947 1015

info@tna.org.au
