



14 August 2025

**APRA  
AMCOS**

## **SUBMISSION**

### **NSW Government Tax Reform Consultation for Creative Industries**

As the largest music industry body in the region representing the rights of over 124,000 songwriters, composers and music publishers across Australasia, APRA AMCOS welcomes the opportunity to make a submission to the NSW Government's Tax Reform Summit for the Creative Industries.

We applaud the NSW Government for taking the step to convene this nationally vital conversation, which builds on policy discussions APRA AMCOS has been advancing with government over many years. Our response offers recommendations for targeted tax reforms to substantially strengthen Australia's music ecosystem, protect our cultural sovereignty, build our national intellectual property wealth and deliver significant economic returns.

#### **EXECUTIVE SUMMARY**

Recent research by Music Australia reveals that Australian music exports contribute an estimated \$975 million to the Australian economy, forming part of the broader \$8.78 billion in total revenue generated by the Australian music industry in 2023-24. This demonstrates the significant international demand for Australian music and the substantial export potential that strategic tax intervention can further unlock.

Our comprehensive reform package addresses the entire creative value chain, from grassroots venue development through to international export success. A new **AUSTRALIA LIVE tax offset** forms the foundation, combining live music incentives with theatre production rebates.

Oxford Economics modelling on a live music tax offset scheme could deliver positive net tax returns for government while creating up to \$920 million in Gross Value Added and 10,800 jobs, while also strengthening Australia's cultural sovereignty and intellectual property wealth.

International evidence from UN Trade and Development's 2024 Creative Economy Outlook shows creative services exports surged 29% globally from 2017-2022, reaching \$1.4 trillion, while creative industries now contribute between 0.5% and 7.3% of GDP across different nations. Significantly, Australia's opportunity lies in positioning itself at the higher end of this spectrum through targeted policy intervention that leverages our cultural strengths as force multipliers for international influence.

Our proposed strategic reforms include:

1. An innovative new **AUSTRALIA LIVE tax offset** that combines live music incentives with theatre production rebates
2. Improving investment opportunities for **Australian Music in Screen Development**
3. Expanding **R&D tax incentives** to the creative industries
4. Redressing **taxation inequities on arts prizes**
5. A suite of possible reforms that could help secure Australia's cultural sovereignty including **creating an Australian Music Production Fund** for sustainable career pathways that build IP wealth, and international best-practice schemes that **implement digital platform cultural levies** and **establish AI compensation frameworks**.

This comprehensive tax reform framework would create thousands of direct and indirect jobs across entertainment, hospitality and tourism, generate substantial economic returns exceeding government

investment, build Australia's intellectual property portfolio and long-term creative economy assets, strengthen cultural sovereignty while supporting export competitiveness, enhance soft power and cultural diplomacy, support regional development, protect Indigenous cultural rights, and future-proof the creative economy against AI and digital disruption.

## **ABOUT APRA AMCOS**

APRA AMCOS is the Australasian Performing Right Association and the Australasian Mechanical Copyright Owners Society. APRA AMCOS is the largest music industry body in the region, collecting and distributing performance and mechanical royalties on behalf of Australian and international songwriters, composers and music publishers. Licensee stakeholders include all major broadcasters and video on demand and music streaming services, as well as businesses such as background music suppliers, venues and events.

APRA AMCOS regularly works in partnership with governments at all levels to support development and career paths in music through the cornerstones of live music, digital platforms, screen music, interactive games, local venues, education and global exports. We are one of the leaders of a broad coalition of creative industry organisations that includes representative bodies from music, literature, screen, media, design, as well as First Nations cultural organisations.

[In FY24](#), our international income reaching an all-time high of \$86.1 million, demonstrating the global success and export potential of Australian songwriters, composers and music publishers. Despite this success, Australia's local live music ecosystem remains under severe threat. Local performance royalties are down 12.7% on FY19's all-time high, and we estimate that artists have now lost \$600 million in live earnings since before the start of the pandemic. This decline not only threatens individual livelihoods but undermines Australia's cultural sovereignty by reducing opportunities for local content creation, audience engagement and export development.

For a middle power like Australia, cultural exports and soft power influence extend our reach far beyond geographic and population constraints. These reforms represent a strategic investment in Australia's cultural future and international competitiveness, delivering exceptional returns while building the cultural assets that define national identity and global standing.

APRA AMCOS has long championed tax reform to support Australia's cultural and creative industries, and we are pleased that this important policy conversation, which we have advocated for since commissioning our first economic research in this area in 2012, is now receiving the attention it deserves through the NSW Government's summit initiative.

This submission is made on behalf of APRA AMCOS. While it reflects the policy position of the organisation, it does not purport to represent the individual views of every member.

## **THE HISTORY OF GOVERNMENT SUPPORT**

Cross-party recognition of the music industry's strategic importance has built sustained momentum for the comprehensive tax reform framework outlined in this submission. This demonstrates that targeted support for creative industries transcends political boundaries and reflects genuine policy consensus about the sector's economic and cultural value.

### **Previous government foundation support**

The Morrison Government's recognition of music industry challenges established important precedents for strategic intervention. In 2019, Minister for the Arts Mitch Fifield announced a \$30.9 million Australian Music Industry Package, acknowledging that "Australia's local music industry is one of our most important cultural exports, contributing up to \$6 billion to our economy each year".

This package included \$22.5 million over four years for the Live Music Australia initiative providing grants of up to \$10,000 each to small businesses for artist costs and equipment upgrades, \$2.1 million for a Women in Music Mentor program, \$2.7 million for an Indigenous Contemporary Music program, and \$1.6 million to expand Sounds Australia into Asian markets. The package directly addressed issues raised in the House Standing Committee on Communications and the Arts inquiry into the Australian music industry, demonstrating evidence-based policy development.

The pandemic highlighted both the music industry's vulnerability and their essential role in economic recovery. The Government's response included unprecedented support measures that recognised the unique employment structures within creative industries.

JobKeeper eligibility was expanded to include sole traders and self-employed artists, recognising that 81% of artists work as freelancers or are self-employed. The Restart Investment to Sustain and Expand (RISE) Fund was announced in June 2020 with \$75 million, expanded in March 2021 to \$200 million as part of the COVID-19 Creative Economy JobMaker Package.

### **Current government leadership through Revive**

The Albanese Government's landmark National Cultural Policy *Revive: a place for every story, a story for every place*, released in January 2023, established a five-year plan backed by \$286 million in dedicated funding over four years. *Revive* represents a transformational step ensuring the sector remains relevant to a modern Australian creative economy and can continue to provide strategic direction and leadership.

The centrepiece of *Revive* has been the establishment of Creative Australia to replace the Australia Council as the Australian Government's principal arts funding and policy body. This also included the creation of Music Australia, a national music development body as part of Creative Australia, with \$69.4 million of investment over four years to support and promote the Australian contemporary music industry to increase discoverability and develop markets and audiences. This represented the first dedicated strategic support specifically for contemporary music development in the nation's history.

The Albanese Government also announced \$8.6 million for Revive Live in 2024-25, with an additional \$8.6 million committed in 2025-26. This followed the March 2025 parliamentary Live Music Inquiry report "*Am I Ever Gonna See You Live Again?*", which made a tax offset for live music its first recommendation.

### **NSW Government landmark investment**

The NSW Government has committed \$103 million over four years since 2022 to contemporary music, establishing Sound NSW as a dedicated contemporary music office. This includes the state's first Arts, Culture and Creative Industries Policy *Creative Communities*, providing a 10-year framework supporting artists while expanding to include rapidly growing creative industries.

### **State and territory alignment**

Multiple other jurisdictions have developed comprehensive cultural plans aligning with the national *Revive* policy, including Queensland's *Creative Together 2020-2030*, South Australia's *A Place to Create*, and the Northern Territory's *Arts Strategy 2034*, demonstrating unprecedented policy coordination across all levels of government.

## **STRATEGIC CONTEXT FOR TAX REFORM**

This progression from the 2019 Australian Music Industry Package through COVID crisis response to comprehensive institutional reform under *Revive* demonstrates a sustained bipartisan recognition of the strategic importance of Australia's creative industries. While APRA AMCOS welcomes this support,

we consistently emphasise that **Australia urgently requires a national catalyst in the form of a tax offset to revive Australian live music**. In our recent survey, almost 80% of live music venues, nightclubs and promoters identified tax offset support as the most important long-term solution.

The existing support represents crisis intervention and strategic planning rather than structural market reform. As Minister for the Arts Tony Burke noted, the Government is "looking at ways to support the long-term sustainability of the sector", precisely what our comprehensive tax reform package delivers through sustainable, market-based incentives that create lasting economic foundations.

This unprecedented trajectory of government investment, institutional reform, and parliamentary validation across multiple political cycles confirms that targeted tax intervention for creative industries is both necessary and politically achievable. Our submission builds on this established momentum by presenting the detailed policy framework needed to transition from crisis management and institutional development to comprehensive market-based growth incentives that will deliver sustainable long-term outcomes for Australia's creative economy.

## KEY RECOMMENDATIONS

### 1. AUSTRALIA LIVE TAX OFFSET

#### Background

A live music tax offset would be a strategic investment in an industry that is [worth \\$9 billion to the economy](#). Support for live music venues, festivals and touring artists through targeted tax measures wouldn't just help inject sustainability for individual businesses, it would help revitalise town centres, cities and suburbs, creating thousands of jobs that depend on a thriving music ecosystem.

The recent crisis to hit live music in Australia was building well before COVID-19. Warning signs were evident as early as 2010, when thousands marched in Melbourne to 'Save Live Australia's Music'. The pandemic didn't create the current crisis, it accelerated existing structural problems that had been undermining the industry for over a decade.

Between 2014-2019, Sydney's lockout laws provided a stark example of how key policy decisions can devastate an entire state's music ecosystem. There was a 40% drop in live performance revenue and 19% decrease in attendance at venues within the Sydney CBD lockout area.

Even before the pandemic, venues faced mounting economic challenges. Insurance costs have increased ten-fold, with policies premiums jumping annually. An overheated property market has pushed rent prices up while turning inner-city environments into asset markets where venues cannot compete. These cost pressures have made venues vulnerable to any additional shock. Meanwhile, touring and transport costs continue to spiral upwards while audiences struggle with cost-of-living pressures. This creates a perfect storm where fans want to see live music, but barriers are limiting access for both artists and audiences.

Development encroachment continues to threaten established venues. The "agent of change" problem, where new developments move next to existing venues and then complain about established operations, has been systematically undermining venues since at least 2003. When badly designed developments with no consideration for the local cultural ecology are built adjacent to existing activity, venue owners who had never received previous sound complaints suddenly find themselves non-compliant with environmental standards, forcing costly modifications or closure.

Current fast-tracking of development proposals to address the housing crisis risks dramatically accelerating this cultural destruction. Without adequate planning safeguards that consider existing cultural infrastructure, we are on a pathway to creating North Sydney-like environments, areas devoid of evening economy, street life, and cultural activity that improve quality of life for residents. The irony is that while these developments aim to provide housing, they systematically eliminate the cultural

amenities and social spaces that make neighbourhoods desirable places to live, work and socialise. This short-sighted approach to urban densification threatens to create sterile residential environments that lack the vibrancy and cultural richness essential for thriving communities.

### **From Agent of Change to Special Entertainment Precincts**

APRA AMCOS, working in partnership with the Live Music Office, has been instrumental in transforming the regulatory landscape from reactive "agent of change" protections to proactive "Special Entertainment Precincts." This innovative approach moves beyond simply protecting existing venues to actively fostering the development of new live music venues or areas through strategic zoning and planning frameworks.

Special Entertainment Precincts represent a paradigm shift in urban planning that recognises live music venues as essential cultural infrastructure deserving the same protection and planning consideration as other vital community services. These designated areas not only shield existing venues from sound complaints and development pressure but actively encourage new venue development by providing regulatory certainty and streamlined approval processes.

This transformation is particularly critical in the post-COVID landscape where venue attrition has reached crisis levels. With venue numbers still not at pre-COVID levels, simply protecting what remains is insufficient. Australia needs policy frameworks that actively encourage venue regeneration and new precinct development. Special Entertainment Precincts provide the regulatory foundation for rebuilding the live music ecosystem by creating zones where cultural and nighttime activity are the preferred land use ensuring that any new residential developments must incorporate appropriate soundproofing, and planning decisions prioritise cultural activity over generic mixed-use development.

The work by APRA AMCOS and the Live Music Office in advancing this regulatory reform demonstrates how targeted policy intervention can move from defensive measures to growth-oriented frameworks that support both venue sustainability and urban cultural vitality.

Regional centres have also faced unique vulnerabilities. Smaller resident populations limit the size and frequency of shows regional venues can host, and regional venues often lack voice in policy development, meaning their specific challenges have been largely ignored throughout the 2010s.

Developing a sustainable regional touring footprint is critical not only for supporting touring artists but also as a catalyst for broader economic and social development. Regional tours provide artists with essential income streams between major city performances while offering regional communities access to high-quality cultural experiences that would otherwise be unavailable. A robust regional touring circuit creates employment for local sound technicians, security staff, hospitality workers, and support crew, while driving accommodation bookings, restaurant patronage, and retail spending that benefits entire communities.

### **Tax scheme proposal**

We propose combining APRA AMCOS's extensively researched live music tax offset with Live Performance Australia's theatre producer rebate scheme to create the comprehensive 'AUSTRALIA LIVE' tax scheme. These reforms would align with established tax policy principles by extending existing production incentives to live performance, thereby treating creative industries consistently, supporting smaller independent venues as well as emerging and established artists, and addressing the documented crisis in live music venues where Australia has still not reached the number of live venues pre-pandemic.

#### **For live music venues and festivals**

Live music tax offsets would significantly boost the incomes of musicians and artists and give venues and festivals long term sustainability. [Oxford Economics](#) modelling shows that even at the conservative combined level (5% rebate for existing venues plus support for new venues to begin hosting), the

scheme would boost musician incomes by \$205 million per year with an additional 203,200 gigs, supporting the creation of 7,400 direct and indirect jobs across entertainment, hospitality, and tourism with \$636 million GVA. The report modelled combined scenarios up to the maximum levels (20% rebate for existing venues plus higher support for new venues), which would deliver \$294 million boost to artist incomes, an additional 322,500 gigs, 10,800 new jobs across the entertainment ecosystem and \$920 million GVA.

### For touring artists

Tax offsets for touring artists would provide a refundable offset calculated as a share of artists' travel expenses. The [Oxford Economics report](#) identified that such a program would support visibility both locally and globally, promote cultural and economic recovery, encourage artists to re-enter the industry and tour, stimulate regional economies, lift artists' incomes, and support music exports. The report noted that without support, the collapse in incomes has made musicianship unsustainable for many Australian musicians, with flow-on effects for support crew, agents, managers and producers, putting our domestic industry and export market at risk.

### For theatre productions

A 40% tax offset for live theatre production costs would encourage private investment in Australian theatre and help establish ongoing funding sources alongside existing revenue from ticket sales, sponsors, donors and public funding. [Live Performance Australia's research](#) demonstrates that such an offset would support substantial job creation, industry value growth, and new theatrical production development across both commercial and not-for-profit sectors, while producing a positive net tax position for government.

### Similar international models

- French law provides a tax credit for live music and variety shows under Article 220 of the Tax Code, introduced in 2016. [Investing in French and Foreign Music Catalogues: Practices and Risks - CNMLab](#)
- The UK offers [Theatre Tax Relief](#) available from September 1, 2014, with the current rate for surrendering losses at 40% for non-touring productions and 45% for touring productions. These rates were made permanent from April 1, 2025.

### Evidence base

- [EY Study \(2016\)](#): Found that tax rebates for live music could result in 87% increase in live music performances and \$40.2 million windfall for the Australian economy, with an estimated 2,017 new venues staging live music across Australia.
- [Oxford Economics Report \(2022\)](#): Modelled three tax offset scenarios for existing live music venues (5%, 10%, and 20% of expenses) and found that 60% of venues agreed an offset of at least 5% would encourage them to host more live music, with venues hosting an average of 18 more gigs under the 5% scenario. The report showed revenue impacts ranging from \$235 million rise in venue revenue under the 5% scenario, with government costs of \$60-230 million depending on the scenario, while delivering \$90-120 million in government tax revenue benefits.

[Parliamentary Recognition](#): The Committee's recommendations validate years of advocacy from APRA AMCOS and our partners across the ecosystem, with Parliament releasing the Live Music Inquiry report *Am I Ever Gonna See You Live Again?* that made a tax offset for live music its first recommendation, backing vital reforms for live music.

## 2. AUSTRALIAN MUSIC AND SCREEN DEVELOPMENT

We strongly advocate for elevating the role of Screen Composers within the Significant Australia Content (SAC) test guidelines to better support Australian intellectual property generation through original music composition. Currently, the SAC guidelines set out a problematic tiered system where the nationality and place of residence of screen composers are simply "considered" rather than being given "very important" or "particularly important" weighting alongside writers and directors. Screen Composers should be elevated to the "very important" tier, recognising that original screen music composition generates high-value intellectual property and returns ongoing long-term revenues to the Australian creative economy.

Beyond original composition, there is significant untapped potential in the synchronisation licensing of Australia's extraordinary depth and breadth of existing recorded music into new screen productions. This reform should be coupled with additional incentives that support the integration of Australian recorded music into screen productions, building on the success of [New Zealand On Air's dedicated sync licensing funding](#) which specifically promotes "the increased integration of local music into Aotearoa New Zealand's screen productions" as part of their commitment to "showcasing outstanding New Zealand music and songs within local screen offerings to enhance the experience for audiences."

These combined reforms would create a comprehensive framework that incentivises both new Australian music creation and the utilisation of our existing rich musical catalogue in screen productions. This dual approach supports both our screen and music industries while ensuring Australian stories are told with authentically Australian musical voices - whether through bespoke original scores or the strategic placement of existing Australian music that enhances narrative and cultural resonance.

These measures would build on existing successful frameworks from screen production incentives, minimising new administrative infrastructure while utilising established government agency mechanisms, and deliver positive net tax positions for government through increased economic activity and employment while building the intellectual property wealth of the nation.

## 3. EXPAND R&D TAX INCENTIVES TO CREATIVE INDUSTRIES

Currently, research in arts is excluded from federal research and development (R&D) tax rebate schemes despite significant innovation occurring in areas such as music technology, interactive media, game development, and digital content creation. The arts and creative industries represent one of Australia's fastest-growing export sectors and increasingly rely on cutting-edge technology and research-driven innovation.

Expanding R&D tax incentives to specifically include arts and creative industries would recognise that contemporary music and screen production involves substantial research and development activities, from developing new sound technologies and production techniques to creating innovative interactive experiences and digital platforms.

This expansion would support Australian creative technology companies competing globally, encourage innovation in music production, game development, and digital media, build Australia's competitive advantage in the creative technology sector, align tax policy with the reality that creative industries are technology-driven innovation sectors and support the development of Australian intellectual property for key export markets.

The expansion of the R&D tax incentives to also include live music activity was also proposed by EY in the 2016 report commissioned by APRA AMCOS.

## 4. REMOVE TAXATION ON ARTS AND MUSIC PRIZES

Currently, sporting achievements are recognised through tax exemptions for prize money, while arts and music prizes remain subject to taxation. This creates an inequitable treatment between cultural and sporting excellence. Arts and music prizes should receive the same tax treatment as sporting prizes to ensure fair recognition of Australian cultural achievement.

This reform would align with existing practice for the Prime Minister's Literary Awards and recognise that cultural prizes serve the same function as sporting prizes in promoting excellence, raising Australia's international profile, and supporting career development in areas of national significance.

## 5. ADDITIONAL TAX SCHEMES FOR GOVERNMENT CONSIDERATION

We advocate strongly for the **AUSTRALIA LIVE** offset and the expansion of screen incentives to support Australian music as our key recommendations. Alongside this, we outline below a suite of other possible tax scheme reforms that should be considered by industry and government to help secure Australia's cultural sovereignty. These schemes include international examples that merit consideration as part of the summit:

### 5 (a) Digital Platform Cultural Levy

[France's streaming tax specifies](#) that streaming services such as Spotify, Deezer and Apple Music earning above €20 million in annual turnover will have to pay a new tax charge of 1.2% on all streaming revenue generated in France to fund cultural development.

Should the Australian Government consider such an approach, it would be essential that any cultural levy implementation does not impact or undermine current local licensing arrangements between streaming platforms and rightsholders, ensuring existing royalty flows to creators remain protected and unaffected. This maintains the integrity of Australia's cultural value chain while potentially generating additional support for local content development and intellectual property creation.

The UK Culture, Media & Sport Committee [officially recommended](#) that all subscription video-on-demand platforms operating in the UK pay a 5% levy on their UK subscriber revenue into a cultural fund administered by the British Film Institute.

Such a levy could be designed to support local content obligations for both music and screen platforms, ensuring Australian audiences have access to Australian stories and music. The Australian Government has been exploring streaming platform regulations that would require subscription video-on-demand (SVOD) services to invest a percentage of their Australian-derived revenues in local content.

Australians are now more likely to watch online video than traditional television, yet streaming platforms operate outside official broadcast regulation with no formal obligation to invest in Australian content production. While commercial broadcasters must meet Australian content quotas and Pay TV platforms must spend 10% of expenditure on Australian drama, streaming services face no equivalent requirements despite generating substantial revenue from Australian subscribers.

A unified cultural levy approach across both audio and screen content has the potential to provide comprehensive support for Australian creators while ensuring that international platforms operating in Australia contribute appropriately to the cultural ecosystem from which they profit. This mechanism would address the government's concern about the growth of online cultural products that lack cultural regulation and the potential "drowning out" of Australian voices and stories by predominantly overseas platforms.

## 5 (b) Enhanced AI technology compensation framework

APRA AMCOS' landmark [AI and Music Report](#) showed that 97% of our members demand that AI providers should be obliged to disclose when they use copyrighted works as training data, while 89% of our Aboriginal and Torres Strait Islander members believe AI will lead to increased cultural appropriation. The report predicts that by 2028, 23% of music creators' revenues will be at risk due to generative AI, an estimated cumulative total damage of over \$519 million in only four years.

### Indigenous Cultural and Intellectual Property

The threat to First Nations artists and communities is particularly acute. The Productivity Commission's *Aboriginal and Torres Strait Islander Visual Arts and Crafts Study Report* found that inauthentic products accounted for an estimated 55-61% of the \$250 million visual arts market in 2019-20, demonstrating the scale of existing cultural appropriation. The Commission identified that "many inauthentic products make use of Indigenous Cultural and Intellectual Property (ICIP), such as sacred symbols, in inappropriate ways and without the authorisation of traditional custodians. This misrepresents traditional stories and images and limits the economic benefits flowing back to Aboriginal and Torres Strait Islander people."

ICIP also exists in the songs and music made available on digital platforms, representing a significant cultural threat to Aboriginal and Torres Strait Islander communities as AI platforms continue to inject content with consent.

Any weakening of copyright protections or failure to address AI's unauthorised use of ICIP would compound existing challenges and represent a massive blow to First Nations artists and communities. The Productivity Commission noted that "legal recognition and protection of ICIP are patchy, with few limits on whether, how and by whom ICIP is used in visual arts and crafts." With AI systems capable of generating unlimited content, the potential for cultural harm and economic displacement is exponentially greater than traditional forms of appropriation.

The widespread appropriation of Aboriginal and Torres Strait Islander cultural expressions through AI systems threatens not only individual artist incomes but the cultural sovereignty and economic self-determination that are fundamental to Closing the Gap objectives.

### AI opportunities and risks

France's comprehensive approach to AI regulation and cultural sector protection addresses the urgent challenge identified in our *AI and Music Report*. France has developed extensive AI policy initiatives including proposed amendments to the Intellectual Property Code (IPC) that would impose taxes on AI system operators where works are generated based on content with unidentifiable origins. [Article 4 of the proposed IPC amendment](#) specifically imposes a tax on companies operating AI systems used to generate derivative works.

French policy makers, through bodies such as the Higher Council for Literary and Artistic Property (CSPLA), have been tasked with clarifying transparency obligations for AI providers and ensuring fair remuneration for cultural creators. This includes requirements for AI model providers to disclose the data used for training and respect copyright obligations.

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### **5 (c) Australian Music Production Fund (AMPF)**

We propose consideration of an Australian Music Production Fund (AMPF), a government-supported music entity designed to incentivise local and international productions to hire Australian composers while building sustainable career pathways in screen music.

A joint venture between government and industry, producers hiring Australian composers could receive a tax rebate on composer fees, while the AMPF covers key elements of music production costs (musicians, recording studios, arrangers, engineers, assistants). To access benefits, productions must hire Australian composers and spend music production costs in Australia, promoting new original commissioned music rather than library purchases or overseas recording.

This model addresses critical challenges facing Australian screen composers, including career sustainability, lack of pathways for emerging talent, and pressure from multinational companies demanding rights buyouts that threaten royalty income streams. By keeping intellectual property within Australia and supporting local production ecosystems, the AMPF would strengthen cultural sovereignty while building sustainable creative careers.

### **5 (d) Recording and publishing expense deduction model**

The [US HITS Act is now law](#), allowing artists, songwriters, producers, and labels in the US to deduct up to US\$150,000 in recording expenses in the same year those costs are incurred, rather than spreading deductions out over several years. This demonstrates growing policy recognition of the need for targeted music industry tax support and provides a model for supporting independent music creators through immediate tax relief that improves cash flow and encourages reinvestment in creative careers.

The French Government has also introduced tax credit schemes that allow record labels to offset part of their recording costs through tax deductions. The system was anticipated to bring more than €10 million into the sector when it was announced.

France also created a similar tax credit scheme for music publishing in 2022, allowing companies to benefit from a tax credit corresponding to 15% (increased to 30% for SMEs) of expenses incurred to support the creation of musical works and promote new talent development.

Italy has a comprehensive music industry tax credit scheme called "Tax Credit Musica" that provides significant support for music recording and production. The Tax credit for music production qualifies as an advantageous tax incentive, offering a 30% reduction on costs associated with certain activities in the artistic area. The tax benefit aims at supporting and promoting the entire music industry, from the creative till the promotion phase.

## **CONCLUSION**

There's growing international recognition that the creative industries require comprehensive tax support frameworks. As digital transformation reshapes global cultural markets and AI threatens traditional creator revenue streams, strategic tax intervention has become essential for maintaining cultural sovereignty and building sustainable creative economies.

Our submission presents a comprehensive tax reform package that positions Australia to leverage its creative strengths as a confident cultural middle power local at the apex of the Indo-Asia-Pacific.

The reforms we've proposed work to address every stage of the creative value chain, from grassroots venue development through to international export success:

- The **AUSTRALIA LIVE tax offset** forms the foundation by rebuilding the live music ecosystem that serves as the training ground for Australia's global musical exports.
- Combined with **expanded R&D tax incentives for creative industries**, we create an innovation framework that supports both traditional artforms and cutting-edge creative technologies.
- **Enhanced screen music incentives** through SAC test reform and sync licensing support ensure Australian stories are told with authentically Australian musical voices, while
- the **Australian Music Production Fund** builds sustainable pathways for screen composers to compete internationally.
- **Digital platform cultural levies** ensure that global streaming services contributing to Australia's cultural consumption also contribute to Australia's cultural creation.
- **Removing taxation inequities on arts and music prizes** and implementing **AI compensation frameworks** protect creators' rights and incomes in the digital age, while
- **recording and publishing expense deductions** provide immediate cash flow relief for independent music creators building export careers.

The evidence demonstrates that strategic tax intervention in creative industries delivers exceptional returns on investment while building the cultural assets that define national identity and international standing. With Australian music exports already contributing \$975 million to the economy as part of the industry's total \$8.78 billion revenue base, the potential for growth through targeted policy support is substantial.

The package would strengthen export competitiveness by supporting Australia's music exports and positioning the nation to capture an even greater share of the global music market, while enhancing soft power and cultural diplomacy by amplifying Australia's international influence through cultural reach. The reforms would support regional development by creating sustainable touring circuits and cultural hubs beyond major cities, protect Indigenous cultural rights through implementing frameworks that respect and economically benefit First Nations communities, and future-proof the creative economy by addressing AI challenges while supporting innovation in creative technologies.

As noted in the parliamentary Live Music Inquiry report: "Australia is home to some of the most innovative, world-class songwriters and performers on the planet, but without confident policy interventions, the gains we've made will be hamstrung."

This comprehensive tax reform package represents more than industry support: it's a strategic investment in Australia's cultural future and international competitiveness.

We urge the NSW and Victorian Governments to champion these reforms at a national level and look forward to working collaboratively with government, industry and community stakeholders to implement these transformative changes for Australia's creative future.