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Submission to the Senate Environment and
Communications References Committee
Inquiry into the National Cultural Policy 2025



Submission to the Senate Environment & Communications References Committee from Ausdance, the federated network of Australia's dance peak industry body

Ausdance National makes this submission on behalf of the national Ausdance network of State and Territory organisations. Australia's dance ecosystem—artists, educators, Cultural dance leaders, companies¹, studios, festivals, community organisations and allied health partners—across metropolitan, regional and remote Australia. We welcome the Committee's targeted interest in (a) tax reform and productivity, and (b) emerging technologies including artificial intelligence (AI).

Our positions are grounded in prior Ausdance submissions (national, state and territory), sector research on valuing the arts, First Nations consultations, and lived experiences of dance professionals, workers, practitioners and small businesses. The Ausdance national network also applauds and supports ANA's (A New Approach) "Imagine 2035" call for a National Arts, Culture & Creativity Plan and urges its adoption alongside the National Cultural Policy. Such a plan should include a Strategy-on-a-Page, clear outcomes and measurements, and be underpinned by ongoing collaborations across levels of government (federal, state, territory, local) and with First Nations leadership.

In recognising culture's role in addressing major societal challenges (inequality, health, climate, social isolation, cohesion), we recommend policy settings and funding programs explicitly allow for arts responses with social / environmental purpose, not only economic outputs.

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¹ Ausdance acknowledges the recommendations of Co3 Contemporary Dance Australia in Western Australia, 2025, which reflect recommendations published in the Ausdance network's 'National Dance Gathering' report in 2023.

Context: the dance sector's contribution and needs

Ausdance organisations are long-standing service bodies for a vast mixed economy of artists, micro-businesses, schools, studios and cultural groups; participation is large-scale and lifelong, with distinct health and community benefits that standard economic KPIs often miss.

~961,343 Australians participate in dance activities regularly². Ausdance estimates an average of one teacher per 50 students or participants, meaning ~19,000 teaching professionals.³ There is a substantial data gap in the Australian context describing professional dance artists, dancers, choreographers, producers and coaches.

Evidence from Valuing the Arts⁴ urges shifting from narrow ROI to people-centred impact models (public value, wellbeing, social inclusion) and creative placemaking—vital for regional productivity. Ausdance policy work also highlights urgent system improvements in child safety and First Nations cultural safety, areas where investment in service organisations multiplies impact.

² <https://www.ausport.gov.au/clearinghouse/research/ausplay/results>

³ Estimate; participating includes all levels, includes volunteer/assistants, some teachers have many more or far fewer than 50 students, this research has not yet been completed.

⁴ <https://creative.gov.au/sites/creative-australia/files/documents/2025-04/Valuing-the-arts-PDF.pdf> <https://creative.gov.au/research/valuing-arts-australia-and-aotearoa-new-zealand>

Executive summary (key asks)

Tax & productivity

1. Establish an Australian Performing Arts & Exhibitions Production Tax Offset (PAPTO) modelled on the UK's permanent cultural reliefs (40% for non-touring; 45% for touring/orchestral), to catalyse more productions, regional touring and jobs.⁵ Include tax offsets to increase accessibility of performing arts venues.
2. Modernise artist/sole-trader taxation: update income-averaging thresholds, clarify treatment of prizes/grants, enable prepaid income smoothing, and fix GST/PAYG frictions for micro-enterprises—aligned to current national/state cultural tax reform processes.⁶ Broaden deductible expenses for small businesses so they're not considered 'private in nature' by the ATO. Define non-profit arts organisations registered with the ACNC as PBI's so FBT-exempt arts organisations are able to provide employees with salary packaging benefits.⁷
3. Unlock regional productivity with place-based investment and evaluation settings that capture wellbeing, inclusion and community impact—not just ticket counts.

AI: opportunities, risks & guardrails

4. Adopt sector-safe AI guardrails consistent with the Government's interim AI response: transparency, accountability for high-risk uses, provenance metadata, and no broad "free" copyright exceptions for training. Back collective licensing/compensation pathways.⁸
5. Back creatives-first AI principles (Creative Australia) and competition reforms (ACCC Digital Platforms Inquiry) so Australian arts businesses can bargain fairly in AI-augmented markets.⁹
6. Resource First Nations-led ICIP governance and cultural safety in datasets, and fund AI upskilling for workers and micro-orgs.

⁵ <https://www.gov.uk/government/publications/corporation-tax-new-permanent-rates-of-relief-for-theatre-orchestra-museum-and-galleries-tax-relief/permanent-40-and-45-rates-for-theatre-orchestra-museum-and-galleries-tax-reliefs>

⁶ <https://www.gov.uk/government/publications/corporation-tax-new-permanent-rates-of-relief-for-theatre-orchestra-museum-and-galleries-tax-relief/permanent-40-and-45-rates-for-theatre-orchestra-museum-and-galleries-tax-reliefs>

⁷ <https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/fringe-benefits-tax/fbt-concessions-for-not-for-profit-organisations/fbt-exempt-organisations>

⁸ https://storage.googleapis.com/converlens-au-industry/industry/p/prj2452c8e24d7a400c72429/public_assets/safe-and-responsible-ai-in-australia-governments-interim-response.pdf

⁹ <https://creative.gov.au/creative-australia-principles-generative-artificial-intelligence-and-creative-work>

Potential tax reform & ways to boost productivity

1) Create a Performing Arts & Exhibitions Production Tax Offset (PAPTO)

What: A federal rebate for eligible live productions and exhibitions (dance, theatre, cultural dance, festivals/touring, museum & gallery exhibitions), with higher rates for touring/regional activity. Ensure tax offset for touring costs

Why: The UK's now-permanent cultural reliefs (Theatre, Orchestra, Museums & Galleries) at 40% / 45% are widely credited with unlocking productions, jobs and exports; Australia lacks a parallel live-performing relief outside screen.¹⁰

High venue hire fees are a critical barrier for small and mid-sized arts organisations, particularly in dance where production budgets are modest and box-office risk is high. Barriers need to be lowered for small organisations to present new work in professional venues. We also need to encourage greater regional touring and community access. This will reduce risk in programming and support more sustainable business models.

Valuing the Arts in Australia and Aotearoa New Zealand report explicitly argues we need to move beyond narrow economic metrics (like box office/tourism returns) and adopt **people-centred frameworks** that capture social inclusion, wellbeing, and community value. It also positions **creative placemaking** as a key method for understanding and demonstrating arts impact.

Recommendations:

- **Base rate 'PAPTO' at 40%, 45%** for touring/regional activity and First Nations-led productions; include eligible pre-production, rehearsal and remount costs; anti-avoidance and cultural tests per the UK model.
- **Allow charities and small businesses/companies** to claim (cashable for loss-makers), unlocking SME liquidity that grants alone can't provide. This should include tax relief for the hiring of public venues.
- **Pair with a 'Regional Touring Uplift'** to correct market failure in thin markets and support Cultural sovereignty for First Nations communities.
- **Venue Hire Tax Relief** to reduce the effective cost of hiring publicly funded or not-for-profit performance spaces. This could be designed in two complementary ways:
 - **Offset model:** organisations claim back a percentage of eligible venue hire costs (e.g. 40-50%), payable as a refundable tax offset even where the organisation operates at a loss.
 - **Rates/property relief:** state and local governments receive incentives to provide reduced hire fees by granting property tax concessions to venues that offer affordable access to small and not-for-profit arts groups.

¹⁰ <https://www.gov.uk/government/publications/corporation-tax-new-permanent-rates-of-relief-for-theatre-orchestra-museum-and-galleries-tax-relief/permanent-40-and-45-rates-for-theatre-orchestra-museum-and-galleries-tax-reliefs>

Expected outcomes: More new works, sustained touring circuits, skills retention, and productivity spillovers across hospitality, tourism and education, mirroring UK impacts.¹¹

2) Modernise tax settings for artists, sole traders & micro-orgs

Current rules burden small creative businesses, penalise volatile incomes, and discourage risk. Sector peak bodies (Ausdance, LPA, TNA, NAVA, Creative Australia) are actively contributing to current cultural tax reform processes.¹²¹³

Recommendations:

- **Update income averaging thresholds and mechanisms** for special professionals; enable optional forward averaging on multi-year commissions/touring cycles.
- **Offer FBT exemption** to arts & cultural organisations registered with ACNC to provide salary packing benefits for employees.¹⁴
- **Clarify prize/grant taxation** (non-assessable where not a quid-pro-quo; practical guidance for multi-year project grants and residencies).
- **Fix GST/PAYG frictions for micro-enterprises** with seasonal spikes; consider a creative-industry simplified accounting method.
- **Recognise training & compliance costs** (child safety, workplace safety, First Nations Cultural safety) as eligible deductible professional expenses for sole-trader educators and studios—reflecting mandated standards. Some compliance-related costs are generally not deductible because they may be considered ‘private in nature’.¹⁵
 - Payments for Elders/Traditional Owners to meet compliance with First Nations Cultural Protocols
 - Working With Children Check / Blue Card fees, police checks, criminal history checks.
 - First Aid training and renewals
 - Child Safety compliance costs
 - Fitness industry registrations / other accreditation fees
 - Cost of new academic qualifications
 - Compliance equipment with dual use

3) Measure what matters: Embed people-centred impact in funding & tax reviews

Tie future program evaluations and any PAPTO reporting to public value, wellbeing, and social inclusion outcomes—not only attendance/subsidy ratios—per leading research. This

¹¹ <https://uktheatre.org/theatre-tax-relief/>

¹² <https://tna.org.au/tnas-submission-on-the-nsw-governments-cultural-tax-reform/>

¹³ <https://visualarts.net.au/news-opinion/2025/tax-reform-artists-submissions-close-10-august/>

¹⁴ <https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/fringe-benefits-tax/fbt-concessions-for-not-for-profit-organisations/fbt-exempt-organisations>

¹⁵ The ATO classifies some expenses as “**private in nature**” when they relate to meeting basic legal or personal eligibility requirements for work (e.g. child safety checks, police checks, driver’s licences). Such costs are seen as about the individual’s right to work rather than the actual income-earning activity, and are therefore non-deductible.

ensures regional and First Nations community benefits are captured and rewarded. Annual, disaggregated cultural participation data, tracked in the national framework should feed into wellbeing metrics; also include arts/culture in health¹⁶, cohesion, social inclusion reporting.¹⁷ This reflects the broader impact of and participation in arts and culture across the country in all communities.

AI: opportunities, risks and challenges

Australia can embrace AI's creative upside while protecting artists' rights, competition, and cultural safety. Government signals already point the way: risk-based guardrails, obligations for high-risk AI uses, and transparency around training data and outputs.¹⁸

Creative Australia has also set out sector-specific principles to centre human creativity and fair benefit-sharing.¹⁹ Meanwhile, the ACCC's Digital Platforms Inquiry (final report 2025) underscores the need for market rules so small creatives can bargain fairly with dominant intermediaries in AI-augmented markets.²⁰

Submissions from within the dance sector, including Co3 Contemporary Dance Australia (WA), also highlight the urgent need for mechanisms to ensure creators are fairly remunerated in the context of AI.

Recommendations:

No broad copyright exemption for AI training. Maintain that using Australian creators' works to train AI requires permission or a statutory/collective licensing pathway with remuneration—reject proposals to allow “free” training use. Recent debate shows claims of easy consensus are premature; creators strongly oppose a blanket “fair use” approach.²¹

Introduce a levy on AI creative suppliers, with proceeds directed to artists whose work underpins training datasets and generative systems. This levy model would sit alongside collective licensing and bargaining frameworks, creating a tangible revenue stream for

¹⁶ Adamek, C, 'Creative learning through dance: Exploring effects on mental wealth across generations' (2022) pp72-87 In D. Price, J. Meiners & A. Kipling Brown (Eds.), [Proceedings of Panpapanpalya 2018, the 2nd Joint Congress of Dance and the Child International and World Dance Alliance Global Education and Training Network](#). Adelaide, Australia, 8–13 July 2018.

¹⁷ <https://newapproach.org.au/wp-content/uploads/2024/11/A-New-Approach-ANA-Insight-Report-Transformative-Edge-2024.pdf>

¹⁸ <https://www.industry.gov.au/news/australian-governments-interim-response-safe-and-responsible-ai-consultation>

¹⁹ <https://creative.gov.au/creative-australia-principles-generative-artificial-intelligence-and-creative-work>

²⁰ <https://www.accc.gov.au/about-us/publications/serial-publications/digital-platform-services-inquiry-2020-25-reports/digital-platform-services-inquiry-final-report-march-2025>

²¹ <https://www.theguardian.com/technology/2025/aug/14/scott-farquhar-thinks-australia-should-let-ai-train-for-free-on-creative-content-he-overlooks-one-key-point>

creators while maintaining space for innovation and experimentation in practice, distribution, and audience engagement²²

Transparency & provenance by default. Require model developers to keep and disclose training data records for high-risk models; encourage adoption of content provenance standards (e.g., C2PA) across funded projects and platforms that distribute creative works. (Consistent with the Government’s interim AI guardrails.)²³

Collective licensing & bargaining frameworks. Resource collecting societies and peak bodies to pilot opt-in licensing schemes for model training; align with forthcoming competition reforms so small firms can bargain collectively with platforms.²⁴

Targeted support for safe adoption.

- Small-grant “AI for Creatives” vouchers for studios/independents to adopt ethical, privacy-safe tools (admin automation, captioning/access, rehearsal analytics).
- Compute credits & training via Creative Australia to level the playing field for SMEs and regional practitioners.²⁵

First Nations Cultural safety & ICIP. Fund First Nations-led protocols for dataset governance, consent, benefit-sharing and cultural risk review in AI projects, aligning with Ausdance-facilitated consultations that stressed authentic, community-controlled processes.

Uphold child safety in AI use. Fund sector training and practical guidance for studios and youth programs adopting AI tools (e.g., image synthesis, biometric capture), integrated with emerging child-safe obligations.

²² Submission support for recommendations of Co3 Contemporary Dance Australia, Ausdance WA

²³ https://storage.googleapis.com/converlens-au-industry/industry/p/prj2452c8e24d7a400c72429/public_assets/safe-and-responsible-ai-in-australia-governments-interim-response.pdf

²⁴ <https://www.accc.gov.au/about-us/publications/serial-publications/digital-platform-services-inquiry-2020-25-reports/digital-platform-services-inquiry-final-report-march-2025>

²⁵ <https://creative.gov.au/creative-australia-principles-generative-artificial-intelligence-and-creative-work>

Implementation roadmap (12–24 months)

Immediate (0–6 months):

- Announce design process for PAPTO with industry taskforce (including First Nations leadership; regional touring uplift).
- Treasury/Creative Australia to publish an artists' taxation modernisation package aligned to NSW Art of Tax Reform outcomes and Commonwealth policy settings.²⁶
- Government to confirm AI guardrails settings for high-risk uses and a plan for training-data transparency obligations.²⁷

Near term (6–12 months):

- Introduce PAPTO legislation; pilot a collective licensing sandbox for AI training with willing rights-holders.
- Table fundraising harmonisation proposal via National Cabinet/Consumer Ministers Meeting to scrap duplicative state schemes.
- Launch AI for Creatives vouchers (admin automation, access services, safe rehearsal tools).

Year 2 (12–24 months):

- First PAPTO claims processed; publish people-centred impact dashboard (wellbeing, inclusion, regional participation).
- ACCC-aligned bargaining/competition measures operational for platform-creator negotiations in AI contexts.²⁸
- National ICIP & AI protocol adopted across federal arts programs.

²⁶ <https://www.nsw.gov.au/departments-and-agencies/dciths/ministerial-media-releases/art-of-tax-reform-unlocking-opportunities-to-improve-taxation-for-australian-creative-industries>

²⁷ https://storage.googleapis.com/converlens-au-industry/industry/p/prj2452c8e24d7a400c72429/public_assets/safe-and-responsible-ai-in-australia-governments-interim-response.pdf

²⁸ <https://www.accc.gov.au/about-us/publications/serial-publications/digital-platform-services-inquiry-2020-25-reports/digital-platform-services-inquiry-final-report-march-2025>

Why this package is credible & fair

It mirrors proven international levers (UK cultural tax reliefs) while tailoring to Australian realities (regional distances, First Nations Cultural leadership, micro-enterprise dominance).

It reduces friction and duplication letting small organisations redirect time to creative work and compliance that keeps kids safe.

It aligns with current inquiries and policy (National Cultural Policy inquiry; cultural tax reform processes; AI interim response; ACCC platform reforms).

It centres people and place, as urged by Valuing the Arts, ensuring evaluation captures the real productivity story: capability, participation, health, inclusion, and identity.

Conclusion

Australia's dance sector is ready to scale creative output, jobs, exports and community impact if we pair smart tax levers with rights-respecting, pro-competition AI guardrails. If we do this, Revive's promise "a place for every story"—becomes daily practice in communities, studios, companies – on all stages nationwide.

Annex:

Evidence base from Ausdance & partners (selected)

- National Cultural Policy submissions and sector position: Ausdance QLD (2022) articulated dance's health, education and community impacts, and equity of access across regions and ages.
- National pre-budget (2025): Calls for investment in Ausdance service capacity (child safety; First Nations cultural safety) as national infrastructure for safer, more productive workplaces.
- First Nations consultations (2024): Trust-based, community-controlled processes are essential for legitimacy and impact—principles we recommend embedding in PAPTO settings and AI/ICIP governance.
- Valuing the Arts (QUT/Australia Council): Shift to people-centred impact and creative placemaking to reflect genuine value and long-term productivity.

References to parliamentary and sector processes (recent)

[Committee page & timetable \(National Cultural Policy inquiry\).](#)

[Call for views on cultural tax reform \(NSW, informing national policy\).](#)

[Creative Australia submission on cultural tax reform.](#)

[ACCC Digital Platforms Inquiry final report \(2025\) & DP-REG joint statement.](#)

[Australian Government interim response on Safe & Responsible AI \(2024\).](#)

[Sector concerns regarding permissive AI copyright proposals \(media coverage\).](#)

[UK cultural reliefs—policy basis for PAPTO.](#)