

**BUSINESS
SYDNEY**



Our Theatres of Economic Dreams

Don't Let Live Theatre in Sydney Go Dark

A Business Sydney & Live Performance Australia Thought Leadership Paper
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Acknowledgement of Country

Business Sydney and Live Performance Australia acknowledges the Traditional Owners of the land where we work and live. We pay our respects to Elders past, present and emerging. We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islanders of all communities who also work and live on this land.

An Executive Summary

The live performance industry is one of Sydney's greatest competitive advantages.

It is a cornerstone of our visitor economy, a driver of our night-time economy and a vital contributor to employment, tourism and community wellbeing.

Every theatre production generates economic activity that extends well beyond the stage. Audiences dine in restaurants, stay in hotels, shop in retail precincts and use public transport before and after performances. Thousands of performers, musicians, technicians, stage crews, hospitality workers and small businesses depend on a vibrant theatre sector.

But it is also a sector that faces significant challenges and one that needs incentives to ensure that live performance can continue to shine.

“Business Sydney and Live Performance Australia say industry and government should work together to secure the future of one of Australia's most valuable cultural and economic assets.”

The recent cancellation of major productions highlights the growing pressures on the sector. A combination of rising production and touring costs, inflation, insurance premiums, labour costs and softer consumer demand have made Australia a more challenging market for producers.

It's important to remember the contribution live theatres make. The economic impact is significant.

An assessment commissioned by the theatre sector found that **every dollar spent by a theatre organisation generates an economy-wide spillover of \$4.39**, demonstrating the powerful capacity of live theatre to stimulate secondary and tertiary rounds of spending across the economy.

NSW leads the national theatre economy, with theatre-related turnover of **\$1.5 billion in FY23/24, supporting more than 10,000 jobs¹**.

¹ Economic Impact Analysis of the Australian Theatre Sector, Sound Diplomacy (2025)

(Executive Summary continued)

Live Performance Australia modelling in 2024 shows that a 40% production incentive would support 4,151 new full time equivalent jobs, support an extra 168 productions, add \$1.5 billion in direct and indirect industry output.

A lack of investment incentives available to support live performance production in Australia represents a further challenge. International markets increasingly recognise that targeted incentives can attract productions, reduce investment risk and generate significant economic returns.

Without coordinated action, Sydney could lose future productions to overseas destinations where live performance is actively supported through targeted government incentives.

Business Sydney and Live Performance Australia say it's time for industry and government to work together to secure the future of one of Australia's most valuable cultural and economic assets.



Why Theatre Matters: It's More Than Entertainment

Theatre is a significant economic driver for Sydney and its impact goes well beyond ticket sales. A successful production means:

- Restaurants are full before the show
- Hotels welcome interstate and international visitors
- Retailers benefit from increased foot traffic
- Public transport records higher patronage
- Thousands of creative professionals remain employed
- The CBD becomes safer, more vibrant and more attractive after dark

Theatre also strengthens Sydney's identity as Australia's cultural capital, attracting visitors, talent and investment while enhancing the city's global reputation.

Economic Impact Live on Stage

Theatre is not simply a cultural product. It is an economic catalyst.

Every dollar spent by a theatre organisation creates an estimated \$4.39 in economy-wide spillover activity, demonstrating the significant secondary and tertiary benefits generated through live performance.

With NSW's theatre economy generating \$1.5 billion in turnover in FY23/24 and supporting more than 10,000 jobs¹, the sector represents a significant contributor to the NSW economy and workforce.



“Sydney’s theatres are much more than places of entertainment, they are economic engines that bring our city to life. Investing in live performance is investing in the future prosperity of Sydney.”

Paul Nicolaou
Executive Director
Business Sydney

Challenges Facing the Sector

The live performance industry is facing a multitude of increasing financial and commercial pressures.

These include:

- Rising production costs
- Rising touring costs
- Inflation
- Higher insurance premiums
- Labour shortages and increasing labour costs
- Cost-of-living pressures affecting ticket sales
- Increased global competition
- Lack of investment incentives
- Increasing financial risk for producers and investors

The Growing impact on the Sector

The cost of staging and touring major productions has increased significantly, placing additional pressure on already challenging production budgets.

International markets, particularly the UK and USA, are competing aggressively for major productions by offering targeted incentives and supportive policy settings. Australia risks falling behind when producers can achieve stronger commercial returns in markets where governments actively recognise and support the broader economic benefits of live performance.

The recent production cancellations have had significant economic consequences, including lost revenue for venues, lost employment and income opportunities for performers and crew, and negative impacts on supporting industries such as accommodation, transport and hospitality. These cancellations serve as a reminder that maintaining a thriving theatre sector requires long-term policy support, strategic investment, and stronger recognition of the economic multiplier effect generated by live performance.

“The industry is approaching a critical point where producers are reassessing whether Australia remains commercially viable for major productions.”

Richard Evans
President
Live Performance Australia



Why Government Actions Matter

Many international markets recognise live performance as an economic investment.

London's West End is prospering and upstaging Broadway, luring American audiences and producers². This success has largely been attributed to the UK's Theatre Tax Relief scheme, which has reduced costs and risks for producers while encouraging private investment.

Governments in other international markets have similarly recognised that attracting productions creates benefits far beyond the theatre itself, generating employment, tourism, accommodation, hospitality, retail activity and tax revenue.

Sydney has the venues, audiences, talent and international reputation to compete with the world's leading theatre cities. What Australia now needs are policy settings that encourage producers to continue investing here. The economic case is compelling. Governments have recognised the importance of incentives to boost our creative sector through schemes already in place for the screen and digital games industries.

Supporting live performance is not simply a subsidy. It is an investment that generates employment, tourism, taxation revenue and business activity across multiple sectors of the economy.

The absence of appropriate investment incentives leaves Australian producers carrying a level of risk that increasingly makes international markets more attractive.

“The introduction of Theatre Tax Relief in 2014 was a game-changer, enabling theatre organisations to increase the number and scale of productions which in turn created jobs and opportunities across the UK. In the year the higher rate of tax relief was first introduced (in 2021), we estimate that at least 163 million pounds was invested into theatrical productions as a result of 38 million pounds of theatre tax relief. That is a return of over 4 to 1 for the public investment.”

Society of London Theatre and UK Theatre, 2024

² The Wall Street Journal: London's West End is Booming, and Upstaging Broadway

Five Point Plan



1. Introduce a National Live Performance Production Incentive

Australia should establish a targeted National Live Performance Production Incentive to encourage investment in theatre productions and attract major international productions.

The incentive would reduce the financial risk associated with developing, producing, touring live performances while generating broader economic benefits.

The incentive would take the form of an additional deduction on eligible production expenses incurred in bringing shows to the stage. Available to both commercial and not-for-profit producers, it would be modelled on existing incentives for screen and digital games in Australia, as well as tax relief schemes operating in the UK and USA. Producers would still be required to make an upfront investment before claiming the incentive.

The economic impact assessment undertaken for the theatre sector demonstrates the clear rationale for action.

A national production incentive would help ensure Australia remains competitive with international markets that already provide targeted support for live performance.

2. Establish a Sydney Theatre Growth Partnership

Create an ongoing partnership between government, Live Performance Australia, Business Sydney, producers, theatre owners and tourism organisations.



The partnership would identify opportunities to attract major productions, strengthen the theatre ecosystem and maximise the economic benefits of live performance.

3. Activate Theatre Precincts



Develop integrated partnerships linking theatres with restaurants, hotels, retailers and transport providers.

Sydney should make greater use of theatre productions as anchors for precinct activation, encouraging audiences to arrive earlier, stay longer and spend more across the CBD.



4. Grow Future Audiences

Expand school engagement, youth ticketing initiatives, accessibility programs and audience development strategies.

Building future audiences is essential to the long-term sustainability of the sector and ensuring live performance remains exciting and accessible to the next generation.

5. Position Sydney as the Theatre Capital of the Asia-Pacific



Promote Sydney internationally as the leading destination for live performance, new productions and cultural tourism.

Sydney has the venues, talent, audiences, tourism infrastructure and international connectivity required to become the Asia-Pacific's premier live performance destination.

Industry Voices Speak Out

“With the right policy settings and investment, Australia can secure the future of live performance while attracting more productions and creating more opportunities for Australian artists and audiences.”

KATE WICKETT
Chief Executive Officer | City Recital Hall



“When theatres go dark, the impacts extend well beyond the stage. They are felt throughout hospitality, retail and the broader visitor economy.”

GRAEME KEARNS
Chief Executive Officer | Foundation Theatres

“More than 31.4 million tickets were sold to live performances in 2024, surpassing the combined attendance of Australia's major sporting codes. Theatre is not just a cultural asset; it is a significant economic driver, generating more than \$4 billion in economic activity each year and supporting thousands of jobs in cities and regional communities across the country.”

SUZANNE JONES
CEO & Producer | JONES Theatrical Group



“International productions are highly mobile, and producers invest where they see confidence, stability and strong government support. Sydney already has the ingredients for success. By strengthening our policy settings, we can ensure Australia remains an attractive destination for world-class productions.”

TIM MCFARLANE AM
Executive Chairman | Trafalgar Entertainment

“Sydney has earned an international reputation for staging world-class productions. We must ensure the policy environment allows that success to continue.”

MICHAEL CASSEL AM
Chief Executive Officer | Michael Cassel Group



The Theatre Economy

Every Theatre Ticket Creates Activity

Live Performance Australia modelling in 2024 shows that a 40% production incentive would support 4,151 new full time equivalent jobs, support an extra 168 productions, add \$1.5 billion in direct and indirect industry output.

This means the economic value of a theatre production extends well beyond ticket sales. Money spent on a production flows through the broader economy — supporting workers, suppliers, hospitality venues, accommodation providers, retailers, transport operators and tourism businesses.

A thriving theatre sector therefore creates vibrant precincts, safer streets, stronger businesses and a more compelling visitor experience.

A THEATRE PATRON TYPICALLY CONTRIBUTES TO:

Dining before or after the show |
Accommodation providers | Retail purchases |
Parking or public transport | Taxi and
rideshare services | Employment throughout
the visitor economy

THEATRE SUPPORTS:

Performers | Musicians | Producers |
Technicians | Stage crews |
Hospitality workers | Accommodation
providers | Retailers | Tourism
businesses | Local communities

A Call to Action

Sydney has all the ingredients required to become the leading live performance destination in the Asia-Pacific.

These include:

- **World-class venues**
- **Exceptional creative talent**
- **Strong audiences**
- **A globally recognised visitor economy**
- **A theatre economy worth \$1.5 billion and supporting more than 10,000 jobs**

Needed now is coordinated leadership.

“Business Sydney and Live Performance Australia call on the Federal and NSW Governments to work with industry to implement targeted reforms that encourage investment, support theatre productions and attract international touring productions.”

Central to this should be the introduction of a **National Live Performance Production Incentive** that recognises the significant economic contribution generated by theatre and live performance.

By adopting the recommendations outlined in this report, governments can strengthen jobs, grow tourism, activate our CBDs, support hospitality and retail businesses and ensure Sydney remains Australia’s premier destination for arts, culture and live entertainment.

Together, we can ensure the curtain never falls on Sydney’s live performance sector.



A Unified Call for Theatre Support

“Together, we believe Sydney has the talent, infrastructure and global reputation to become the leading live performance destination in the Asia-Pacific. By working collaboratively across government, industry and business, we can secure the future of live performance, strengthen our visitor economy, create jobs and ensure Sydney continues to be one of the world’s great cultural cities.”

MARGY OSMOND

Chief Executive Officer | Tourism Transport Forum

“Sydney’s live performance industry is one of our city’s greatest strengths. Every production creates jobs, attracts visitors, supports restaurants, hotels, retailers and transport providers, and brings life to our CBD. Investing in theatre is not simply supporting the arts—it is investing in Sydney’s economy, our communities and our global competitiveness.”

STACEY MCBRIDE

General Manager | Accommodation Australia NSW

“Major theatre productions encourage visitors to stay longer and experience more of what Sydney has to offer. Hotels, accommodation providers and tourism operators all benefit from a vibrant calendar of live performances. Theatre plays a critical role in growing Sydney’s visitor economy.”

JOHN HART OAM

National President | Restaurant & Catering Australia

“A thriving theatre sector creates thriving hospitality businesses. Every performance brings diners into restaurants, cafés and bars, supporting local jobs and helping create the vibrant night-time economy that makes Sydney such an attractive global city.”

CHRIS RODWELL

Chief Executive Officer | Australian Retail Council

“Retail flourishes when our cities are active. Theatre productions increase foot traffic, encourage spending and help create vibrant precincts where businesses can grow. A strong live performance sector is good for retailers, good for consumers and good for Sydney.”



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