

Review of artists' employment issues: Report on information gathering exercise

October 2009

Research on artists' work, incomes, tax and social security

Australia Council

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Summary

The information gathering exercise sought to tap into the specialist knowledge of peak agencies about difficulties artists experience in developing sustainable careers and earning income, and about difficulties artists face under Australia's tax and social security systems.

On 1 April 2009 a questionnaire was sent to 24 of Australia's peak national arts bodies and to the Australia Council's art form board directors. Included with the questionnaire was an executive summary of a review of the literature on artists, taxes and social security. Nine responses were received to the call for information (a 30 percent response rate).

The main issues identified in the responses are summarised below. The opinions reported in this summary are those of respondents and do not necessarily represent the views of DEWHA or the Australia Council.

Respondents reinforced the major issues set out in the literature review, a summary of which was provided along with the questionnaire, although no single issue was identified as particularly critical. Problems identified by respondents with relevance to both systems include:

- There is a low level of awareness among artists of the opportunities available to them under tax and social security systems, particularly income averaging and offsetting business losses against other income. A lack of knowledge and training in business skills among artists is a key problem.
- Timing issues impact on tax and social security treatment of artists' work, due specifically to a gap that commonly exists between undertaking work and being paid for work, which affects the claiming of expenses and is not accommodated well under social security rules.
- Artist is not seen as a legitimate occupation or career under either system.
- There is a lack of awareness by tax and social security agencies of the complex or atypical nature of artists' occupations.
- Models used to define artists' business practices are not always relevant.

Tax problems highlighted by respondents included:

- Tax status of Australia Council grants can cause problems where this inflates income in one year and more of the grant goes back to the government than stays with the artist.
- Artists earning over \$40,000 not being able to offset losses from arts businesses.
- A number of professional expenses are not able to be deducted from income, especially audition costs, portfolio photographs and agent fees, but also clothing, gifts, newspapers and professional publications, social functions, silent telephone number, theatre/film tickets and the professional costs of young performers.

Social security problems highlighted by respondents include:

- Artists are generally not well aware of the impact of certain types of grants on social security benefits.
- Lack of capacity of Centrelink staff to understand or respond to the financial circumstances of artists.
- Lack of acknowledgement of professional/creative development of artists as being a legitimate professional cost.

- Artists seeking income support within the social security system are required to look for and take up employment outside their areas of expertise.
- Many artists are unaware of the opportunities and their obligations under the system.
- The requirement to obtain separation certificates from previous employers to secure social security benefits is ‘humiliating and not conducive to [an artist’s] image.’
- Rental assistance is not attuned to the need for performing artists to be located in inner city accommodation.
- Some performing artists fall outside the 18 to 69 age brackets under which employers are obliged to pay superannuation, and are therefore not covered.
- Employees must earn a minimum of \$450 per month from one employer to qualify for Superannuation payments. Many artists do not receive this from one employer and are therefore not covered.
- Artists obtaining short-term contracts with high pay rates can incur the Superannuation contribution cap (\$29,220 per quarter) even though their quarterly income may be well below this.

The majority of respondents were unaware of the imminent changes to the employment services framework.

On general issues about the viability and sustainability of artist careers:

- Respondents reinforced most of the issues identified through the literature review, and added a number of other issues, including: small market size and lack of opportunities for Australian artists; lack of business training in education institutions; and lack of support to younger artists.
- A key additional issue noted by a number of respondents was a perceived lack of value, respect or understanding of the arts in wider Australian society.
- Respondents offered a number of ideas on how government can best support artists’ work and income generation, the majority of which are already identified in the literature review. Ideas included:
 - There needs to be a greater recognition of the importance and value of the arts generally. Two specific initiatives were offered as a way of achieving this: developing a commitment to the arts in the education system to improve understanding of artistic practice and raise awareness of the social contribution of the arts; and commissioning artistic works linked to national occasions in order to raise awareness.
 - Tax incentives should be introduced to help individual artists obtain philanthropic support.
 - An increase in government funding.
 - Eight other specific initiatives were put forward, including introducing seed funding for artists’ entrepreneurship; developing information resources to help artists navigate tax and social security systems; and developing a more strategic and targeted approach to promoting Australian artists internationally as a way to support income generation. Refer to the report on the information gathering exercise for the full list of ideas.

Introduction

This report summarises the outcome of the information gathering exercise undertaken as part of a collaboration between the Australia Council and the Department of the Environment, Water, Heritage and the Arts (DEWHA) to undertake research into artists' incomes and working lives. The information gathering exercise sought to tap into the specialist knowledge of peak agencies about difficulties artists experience in developing sustainable careers and earning income, and about issues artists face under Australia's tax and social security systems. The information uncovered through the exercise supplements the literature review and data analysis being undertaken for the project.

On 1 April 2009 a questionnaire was sent to 24 of Australia's peak national arts bodies and to the Australia Council's art form board directors. Included with the questionnaire was an executive summary of a review of the literature on artists, taxes and social security. Nine responses were received to the call for information.

This paper reports on the information gathering exercise. It contains:

- An overview of responses
- A digest of responses, which groups responses by each of the questions asked (attachment 1)
- Completed questionnaires (attachment 2)
- Arts Access Australia's response, which was not provided on the questionnaire (attachment 3)
- Media Entertainment & Arts Alliance 'Artstart' policy, which was provided separately with the Alliance's response (attachment 4)
- A record of communications distributed as part of the exercise (attachment 5)
- A list of individuals and organisations to whom the questionnaire was sent (attachment 6)
- A copy of the questionnaire, including the literature summary and bibliography (attachment 7)

This report summarises the responses and opinions expressed by peak agencies. The opinions described here do not necessarily represent the views of DEWHA or the Australia Council.

Summary of main themes and issues arising from responses

On artists' problems under social security and tax systems:

- There is a low level of awareness among artists of the opportunities available to them under tax and social security systems, particularly income averaging, and offsetting business losses against other income. A lack of knowledge and training in business skills among artists is a key problem.
- Artists are generally not well aware of the impact of certain types of grants on social security benefits.
- The majority of respondents were unaware of the imminent changes to the employment services framework.
- Respondents reinforced the issues set out in the literature review, although no single issue stood out as particularly critical. Respondents supplied some additional issues focused on specific problems that artists face under the systems.

On general issues about viability and sustainability of artist careers:

- Respondents reinforced most of the issues identified through the literature review.
- An additional issue identified as important by respondents was a perceived lack of value, respect or understanding of the arts in wider Australian society.
- Respondents offered a number of ideas on how government can best support artists' work and income generation, focussed on encouraging greater recognition of the arts generally as well as specific ideas on alterations to social security and tax rules and new policies and programs. The majority of these ideas were identified in the longer literature review that was not provided as part of the information gathering exercise.

Overview of responses

There were nine responses to the call for information. These are listed below. Survey forms were completed by all but one respondent (Arts Access Australia). The organisation of one respondent (Willowbank Studio) could not be considered a peak national organisation.

Respondents:

- Australian Society of Authors
- Willowbank Studio
- Arts Access Australia
- Arts Law Centre of Australia
- Australian Music Centre
- Viscopy
- Australian Major Performing Arts Group (AMPAG)
- Media Entertainment & Arts Alliance
- Australasian Performing Rights Association/Australian Mechanical Copyright Owners Society (APRA/AMCOS)

The information gathering round occurred at a time when a number of related calls for information on related topics were circulating:

- the Treasury's review of the tax system (the 'Henry review');
- a survey of artists' tax issues being undertaken by Griffith University's Brett Freudenberg for Arts Queensland; and
- the compilation of population master lists by Professor David Throsby for the latest in the Australia Council's artist survey series, which involves contacting many of the peak national agencies contacted in the information gathering for this project.

The communications distributed to peak agencies made clear that the exercise was distinct from Professor Throsby's work, and the literature review made reference to the Henry Review and the Freudenberg project. Minor confusion was expressed by some respondents over the position of the information gathering exercise in the context of the Throsby and Freudenberg projects, though this is not expected to have impacted on the information provided in responses.

The questionnaire contained ten questions grouped into two main sections: the first on social security and tax systems; the second on general issues on viability and sustainability of artists' careers. An overview of responses to each question is provided below. The response from Arts Access Australia stands out both in form (ie that the questionnaire was not

completed) and in content (it represents a sub group of artists with distinct social security issues). Their response is therefore reproduced in full in attachment 3. The overview below only refers to the response where there is an unambiguous implication relating to the question that relates to all artists rather than only artists with a disability.

The overview reports on responses and opinions expressed by peak agencies. The opinions described here do not necessarily represent the views of DEWHA or the Australia Council.

Section 1: Social security and tax systems and artists

1. Common experiences or problems artists have under Australia's social security and tax systems

Respondents largely reinforced problems identified in the literature review. Each respondent highlighted different issues, so no pattern emerged from responses about any one problem that is seen as particularly important by all respondents. Three respondents noted timing issues that impact on tax and social security treatment of artists' work:

- Not being able to claim expenses when income has yet to be earned is a problem. Some measures such as the Professional Artists ruling have helped but it is still a problem.
- Final payment of a commission fee is often well after the period during which the work was undertaken. The social security system is often not good at accommodating the common discrepancy between when work is undertaken and when payment for work occurs.

Tax problems highlighted include:

- Tax status of Australia Council grants can cause problems where this inflates income in one year and more of the grant goes back to the government than stays with the artist.
- Grants being taxable.
- Artists earning over \$40,000 not being able to offset losses from arts businesses.
- A number of professional expenses are not able to be deducted from income, especially audition costs, portfolio photographs and agent fees, but also clothing, gifts, newspapers and professional publications, social functions, silent telephone number, theatre/film tickets and the professional costs of young performers.

Social security problems highlighted include:

- Artists seeking income support within the social security system are required to look for and take up employment outside their areas of expertise.
- Lack of capacity of Centrelink staff to understand or respond to the financial circumstances of artists.
- Lack of acknowledgement of professional / creative development of artists as being a legitimate professional cost.
- Balancing a working life with a need to exist on unemployment benefits when work is not available.
- Many artists are unaware of the current provisions.
- The requirement to obtain separation certificates from previous employers to secure social security benefits is 'humiliating and not conducive to [an artist's] image.'
- Rental assistance is not attuned to the need for performing artists to be located in inner city accommodation.

- Some performing artists and actors fall outside the 18 to 69 age brackets under which employers are obliged to pay superannuation, and are therefore not covered.¹
- Employees must earn a minimum of \$450 per month from one employer to qualify for Superannuation payments. Many artists do not receive this from one employer and are therefore not covered.
- Artists obtaining short-term contracts with high pay rates can incur the Superannuation contribution cap (\$29,220 per quarter) even though their quarterly income may be well below this.
- Artists and social security system staff have difficulty in identifying the professional status of an artist. Clearer definitions are required to avoid confusion.

General problems relevant to both systems highlighted were:

- Artists ‘battle negative community perceptions’ about their choice of a career as an artist.
- Visual artist is not seen as a legitimate occupation or valid profession.
- A lack of awareness by tax and social security agencies of the nature of visual artists’ occupations.
- Models used to define artists’ business practices not always relevant.

2. Artists’ awareness of the opportunities available to them under social security

Most respondents indicated that artists are not well aware of the opportunities available to them under the social security system. Lack of awareness was specifically identified for:

- income averaging;
- basic principles of running a small business;
- offsetting losses from arts business against other income;
- understanding what expenses can and cannot be claimed;
- treatment of grants, awards, etc.; and
- superannuation.

Two respondents noted the importance of accountants and special advisers in ensuring artists exploit available opportunities, with one also noting that there are ‘very few’ advisers with a good understanding of the opportunities.

One respondent suggested that the lack of knowledge of available opportunities was compounded by a lack of knowledge in and inconsistent advice provided by the social security system.

3. Artists’ awareness of the impact of certain types of grants on their social security benefits

The majority of respondents believed that artists were not well aware of the impact of certain types of grants on social security benefits. It was noted that artists are often unaware that grants are taxable and may lead to loss of benefits, and that they are unaware of the types of expenses that can be claimed against the grants for tax purposes. One respondent highlighted variability in the information provided by arts organisations to the artists they hire or commission.

One respondent noted that performing artists are well aware of the impact of grants on their benefits.

¹ Note that the response to which this point relates provides examples that include both artists and non-artists. Nevertheless, since the problem relates to actors and performers, it has been included here.

4. Are artists missing out on opportunities while on income support?

The majority of respondents were unsure about this question. One respondent responded yes, highlighting the obligations under the social security system (particularly Newstart mutual obligation) as causing lost opportunities. Another respondent attributed lost opportunities to a 'one size fits all approach' to income support, which forces artists into compliance processes that do not support arts careers, and called for recognition of artists' unique work practices and social contribution to address the problem.

One respondent reported a 'feeling' among artists that they miss opportunities while on income support, and called for greater education of artists of opportunities.

5. Peak organisations' awareness of changes to the employment services framework, the likely impact of the changes and preparatory work in anticipation of the changes

The majority of respondents were unaware of the imminent changes to the employment services framework. Of the three respondents who were aware of the changes, two indicated that they were not sure what opportunities would be available for artists under the new framework, while one expected that the changes to job search compliance procedures could result in more appropriate opportunities for artists. There was no indication that any of the responding agencies was undertaking preparatory work in anticipation of the changes. One respondent indicated a willingness to provide information resources to its members, but suggested that it would prefer that these resources were prepared or sanctioned by government agencies in order to ensure that the information was reliable and accurate.

6. Comprehensiveness of the literature review

The majority of respondents indicated that the literature review covered the main issues of the topic. One respondent added issues experienced by artists who earn a substantial part of their income while overseas, which the respondent indicated 'can cause difficulties' when seeking income support, although the difficulties were not specified.

Section 2: General issues about viability and sustainability of artist careers

7. Key issues inhibiting artists in developing sustainable and viable careers in the arts

Figure 1 lists the issues identified by respondents as key in inhibiting artists' careers. Artists' low and unreliable incomes were noted by three respondents.

Five respondents highlighted a perceived lack of value, respect or understanding of the arts in wider Australian society. One respondent linked this undervaluing with a low willingness to pay for the arts in the wider Australian public, whether through consumer purchases or taxes.

Three respondents identified small market size or a lack of opportunities for Australian artists as a key inhibiting factor. Other issues identified in addition to those in the literature review are:

- A perceived 'self-defeating' attitude among artists relating to the prestige conferred by grants
- Lack of business training in education institutions
- Lack of support to young artists
- High cost of venues for performing artists
- Lack of expertise in small arts companies to provide advice to artists on tax and social security issues

- Technological changes have provided opportunities for artists to connect directly with audiences, but in so doing, they bypass the support and information provided by agencies under traditional distribution models (such as artist management agencies). New ways of providing information and support are therefore required to ensure that artists obtain career-supporting resources.

Figure 1: Key issues inhibiting artists in developing sustainable and viable careers in the arts

Key issue	Number of respondents	Response number
Size of market, lack of opportunities	2	1, 8,9
Incomes are low and/or unreliable	3	1, 2, 6
Self-defeating attitude among artists that they should be reliant on grants	1	1
Society undervalues the arts	4	4, 5, 6, 8,9
Non-commercial loss provisions should be more readily available to artists	1	4
Social security availability	1	4
Grants are taxed	1	4
Lack of access to specialist advice	2	5,9
Lack of business skills training for artists in education institutions	1	5
Lack of support to young artists	1	6
Cost of venues for performing artists	1	7
Lack of expertise in small arts companies (in order to advise artists of opportunities under tax and social security systems)	1	7

8. Additional ideas on how government can best support artists' work and income generation

There were 16 additional ideas for government support of artists' work and income generation. These are grouped below by whether they called for greater recognition of the arts generally (5), changes to the tax and/or social security system (2); specific policy or program recommendations (8); and calls for increased funding (2).

The Media Entertainment and Arts Alliance provided a copy of its own 'Artstart' policy. This is reproduced in full in attachment 4.

Greater recognition:

- Commitment to the arts in education system to improve understanding of artistic practice and raise awareness of the social contribution of the arts
- Commissioning artistic works linked to national occasions to raise awareness
- Greater recognition of economic benefits of the arts
- Greater recognition of the unique nature of arts practice

Changes to social security/tax systems:

- Recognition of artists' research activity as legitimate employment under income support
- Tax incentives to help individual artists obtain philanthropic support

Specific policies or programs:

- Offer writers residencies in businesses where they write for the employer but also develop literary works
- Revise protocols and laws that impose compliance costs on artists
- Seed funding for artists' entrepreneurship
- More strategic and targeted approach to promoting Australian artists internationally as a way to support income generation
- Changes to artists' resale royalty scheme to improve returns to artists
- 'Percent for art' building scheme
- Improved government leadership in developing arts protocols and laws
- Improved delivery of information about opportunities to artists under both tax and social security systems, particularly through relevant state and federal based arts organisations

Additional funding:

- Increase funding of regional galleries to promote emerging artists
- Better resourcing for peak bodies that support artists

Attachment 1: Digest of responses

This attachment groups responses by question. Responses for each question are numbered according to the respondent based on the respondent numbers detailed below

Organisation	Respondent number
Australian Society of Authors	1
Willowbank Studio	2
Arts Access Australia	3
Arts Law Centre of Australia	4
Australian Music Centre	5
Viscopy	6
Australian Major Performing Arts Group (AMPAG)	7
Media Entertainment & Arts Alliance	8
APRA/AMCOS	9

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

1	For writers, the problem is being able to claim expenses when income has yet to be earned. Some measure such as the Professional Artists ruling have helped but it is still a problem Also, the tax status of Australia Council grants can cause problems where this inflates income in one year and more of the grant goes back to the government than stays with the artist.
2	No
3	Questionnaire not completed – information supplied separately. Issues include: <ul style="list-style-type: none"> • System is compliance and penalty driven. Artists report difficulties with differences in timing of earning and reporting income to Centrelink, being audited by the tax office, • Inconsistent application of rules by Centrelink staff • Centrelink income recognition based on turnover not profit • Risk of reclassification to lower payment based on working above prescribed hours per week thresholds
4	Literature review below summarises them well. Main concerns around grants being taxable; artists earning over \$40,000 not being able to offset losses from arts businesses;
5	<ul style="list-style-type: none"> • Lack of capacity of Centrelink staff to understand or respond to the financial circumstances of artists • Lack of acknowledgement of professional / creative development of artists as being a legitimate professional cost • In particular instances, for example a composer receiving a commission, the final payment of the commission fee is often well after the period during which the work was undertaken. The social security system is often not able to appropriately respond to this situation.
6	Viscopy's area of expertise is within the visual arts sector. Common problems include:

-
- Visual artist not seen as a legitimate occupation
 - A lack of awareness by tax and social security systems of the nature of visual artists' occupations
 - Artists seeking income support within the social security system required to look for and take up employment outside areas of expertise
 - Models used to define artists' business practices not always relevant.
-
- 7 Balancing a working life with a need to exist on unemployment benefits when work is not available. Many artists don't know the current provisions. However there is more that could be done to make it easier.
-
- 8 Long list of issues provided. For full details see response 8 in Attachment 2. Issues relate to: Tax averaging, Superannuation, Mutual Obligation, Separation certificates, Newstart allowance, Rental assistance, Declaration of income and Work-related expenses.
-
- 9 A number of problems were listed, including:
- Negative perception in the community and among social security personnel, particularly that artists' income generation difficulties are a lifestyle choice rather than a pathway to a successful career.
 - Music is generally not considered a valid profession.
 - Artists forced to have the same conversations and provide the same information over and over again to different people in different sections: no uniformity or internal cross referencing within the system.
-

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

-
- 1 No. Income averaging is poorly understood, and basic principles of running a small business.
-
- 2 No, I am not aware of income averaging. Just know to report money when earned [sic].
-
- 3 No. Questionnaire not completed – information supplied separately.
-
- 4 Probably not – unless they use an experienced arts accountant. I think many artists would be unaware of income averaging provisions and the ability to offset losses from arts business against other income.
-
- 5 No. There is a general lack of awareness of opportunities, apart from those artists who have had professional advice or assistance. There are also very few financial advisors or accountants who have a good understanding of these opportunities either.
-
- 6 No. Many artists are not aware of accessible programs opportunities etc and that this is further compounded by lack of knowledge and inconsistent advice from the social security system.
-
- 7 No. Income averaging
-
- 8 [S]ome performers...are aware...and ...some are not. The latter are only those who have not needed them at any stage of their career.
-
- 9 Level of awareness of the opportunities available to artists under social security is generally low.
-

A contributing factor is the fact that artists often hide their musical and artistic undertakings for fear of it being interpreted as a negative mark against their character (and subsequent means testing) when disclosing personal information in order to receive social security benefits – especially when the perception from the wider

community at large is that they should be engaged in “real employment”.

Awareness is raised when:

- An artist readily identifies themselves or is defined [under the system] as a “professional artist”, which leads to opportunities available to artists being effectively communicated, and improved awareness.
- Artists have entered into contractual arrangements with management or whose outfit/band is in a financial position to be able to afford to engage a professional accountant and in particular a specialised entertainment accountant.

Artists have a low awareness of the following:

- Appropriate self categorisation & relevance to Social Security
- Income averaging
- Reporting profit and loss relating to carrying on a business as a professional artist
- Issues relating to claiming expenses, inclusions and exclusions.
- Treatment of grants, awards etc
- Superannuation

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

- | | |
|---|---|
| 1 | No. They don't generally understand that these grants count as taxable income, or what claims they can make against the grants. |
| 2 | Was recently awarded a stipend for a residency but it didn't affect my payment |
| 3 | Questionnaire not completed – information supplied separately |
| 4 | Many artists are not and then are stuck with loss of social security benefits or a tax bill to have to repay. |
| 5 | No. |
| 6 | Many visual artists operate under a sole trader model. They are often not aware of issues such as grant impacts until they are adversely affected by them. |
| 7 | Some are and some aren't. I mainly deal with companies and again the level of information varies in terms of how their hiring of artists affects the artist's social security payments. |
| 8 | Yes, generally speaking the performance community is tight knit and self sufficient – and they talk to each other about different grants available to them and their impact. |
| 9 | Generally, most artists are unaware of the impacts of certain types of grants on their social security benefits , even after they are successful in receiving a grant. |

It is only when contractual grant conditions are presented that the full extent of the impact becomes known.

Specifically the amount of money granted (i.e. recording, composing, attending a specialised training course, undertaking a mentorship) may be treated as “income” by the assessing party and thus social security benefits are substantially reduced or withdrawn as a result – even if none or only a very minimal component of the total grant funding is to be expended on any living expenses.

d) Are artists missing out on opportunities while on income support? If yes, explain.

- | | |
|---|-----------|
| 1 | Not sure. |
|---|-----------|

2	You tell me
3	Questionnaire not completed – information supplied separately. Response indicates that tax benefits, entitlements and concessions are under-utilised.
4	Artists have occasionally mentioned that they feel they miss out while on income support and that it is difficult to balance trying to make a living as an artist and getting social security. It would be great if this balance could be more easily understood and if education for artists on income support is available.
5	No evidence of this.
6	The current social security system tends to have a one size fits all policy. Until such time as these systems recognise the unique nature of artists works practices and their important contribution to Australian society artists will continue to be forced into compliance processes and employment situations which do little to support opportunities for developing long term careers in the arts.
7	I can't comment
8	Yes – as described above there are numerous opportunities being missed out on due to the obligations under the Newstart allowance, mutual obligation and other requirements under the social security system.
9	Artists aren't necessarily missing out on opportunities whilst on income support – more so that they are potentially disadvantaged as a result, as outlined in the scenario above relating to funding grant recipients.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

1	No
2	No answer
3	Questionnaire not completed – information supplied separately. Not clear from response.
4	No answer but completed as if 'yes'
5	No.
6	No answer but completed as if 'yes'
7	Not really
8	No. According to our industrial organisers, we are unaware of the changes and not aware of their impact for performers and will need to investigate further.
9	No answer but completed as if 'yes'

If yes,

(i) *Do you expect the changes will provide opportunities for artists? Please describe.*

1	n/a
2	No answer
3	Questionnaire not completed – information supplied separately
4	Not sure what outcome will be.
5	No answer
6	There are changes to the employment services framework, such as changes to Jobsearch compliance procedures, which may result in artists being provided with more appropriate employment opportunities.
7	No answer
8	n/a
9	We do not have any specific views on possible opportunities.

(ii) *Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.*

1	No
2	No answer
3	Questionnaire not completed – information supplied separately
4	No.
5	No answer
6	No
7	No answer
8	n/a
9	APRA AMCOS has reviewed the employment services framework in relation to its own employees. There is certainly an opportunity for reference material to be provided to our members via our website, through our online newsletters and as part of our Connect information sessions with members. Given the potential complexity in presenting this information it would be preferable to provide government prepared and sanctioned advice or refer our members to a government information service.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

1	Seems OK
2	No answer
3	Questionnaire not completed – information supplied separately. Opinion not clear from response.
4	Through the work of Arts Law it is clear that (1) as a result of the low or infrequent incomes artists generally earn (cite “Don’t Quit your Day Job”), artists are as a demographic quite likely to need income support at some point in their career, and (2) they may be underprepared to deal with the complexities of tax or income support issues if they have not had specific training or exposure and that as a result (3) artists require further support in understanding and dealing with tax and social security issues.
5	No. Issues are generally well covered. Some artists in sound or music, particularly in the experimental area, travel internationally to earn the substantial part of their income, whilst being resident in Australia for the greater part of the tax year. This situation often causes difficulties when seeking support for periods of unemployment locally.
6	All the major issues are identified.
7	No answer
8	See answer to (a)
9	It is felt that the information provided offers a very thorough and detailed representation of the current social security and tax environment, in which musicians are operating and existing.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

1	Few opportunities, income stream so unreliable, also a self-defeating view that artists shouldn’t actually “work” but should be reliant on grants otherwise they are not “artists”. This is elitism and such people shouldn’t get grants anyway.
---	--

-
- 2 Lack of cashflow and cost of education and establishing a workplace
-
- 3 Questionnaire not completed – information supplied separately. Key issues identified relate to social security and taxation issues outlined previously.
-
- 4 As a very general level one could say that the arts are not taken very seriously in Australia and that our artists are not respected and valued within society (eg “it is a lifestyle choice”). Most people want to enjoy the pleasures and benefits of the arts but do not consider their value and often are unwilling to pay in any way (even through taxes). An ongoing advertising campaign would help to promote how valuable the arts are and how intrinsic they are to life’s enjoyment.
Without better income support for artists, a career as an artist will continue to be one of serious financial deprivation. So some small changes to make the non-commercial loss provisions more available to artists; to make social security more available and make arts grants tax-free would all assist.
-
- 5
- Public visibility and understanding of the particular financial situation faced by artists
 - Lack of visibility of any specialist financial advice available to artists, and difficulty for artists of accessing such advice, or developing any level of knowledge or expertise.
 - Almost complete absence of emphasis on the study of business skills for artists in most training institutions
-
- 6 Developing sustainable and viable careers in the arts is inherently difficult. Key issues within the Australian context include:
- Lack of resources - visual artists are among the lowest paid sectors of Australia’s cultural industries*.
- *Throsby D and Hollister V 2003 Don’t Give up Your Day Job 2003. Australia Council for the Arts, Sydney.
- Lack of recognition as a legitimate profession within Australian society.
 - Lack of low level support for young artists to develop sustainable careers
-
- 7 Limited opportunities for performing artists because of cost of venues. The actors, musicians etc need to perform and will do so via independent means but often the crunch is the cost of venues for them if they want to self present. Also the wide ranging administration and compliance issues associated with running a small company. It would be helpful if the Australia Council could fund a centralised administration service to support small companies so that they don’t go about reinventing the wheel each time and not being aware of their opportunities (like an Arts Law Centre but based around compliance issues like grant applications, audits, insurances, bank rules etc).
-
- 8 Too big a question but generally:
- Historical place of artists in society and the Australian population’s historical ambivalence towards the arts;
 - The size of the market and population;
 - Tax and superannuation rules and the lack of specific support from government for performers under the social security system.
-
- 9 The single biggest issue is that the wider community does not consider being an artist as a viable career for anyone other than those who have already achieved a measure of recognised commercial success.

One of the key issues is the number of artists practicing and participating in the music industry versus the number of artists that actually obtain commercial success and thus a sustainable and viable career for their profession – without the provision of benefits or retaining part or full time employment, which is often near impossible whilst in pursuit of said commercial recognition.

Very few musicians in Australia, both those with perceived success or otherwise make a living solely from their musical careers.

A major barrier to achieving ‘commercial’ success within Australia is the minimal broadcasting Australian content requirements, which ensures that the capacity for Australian artists to financially benefit is continuously suffocated and limits downstream revenue streams such as ticket and merchandise sales.

The other major issue impacting on an artists’ capacity to establish and maintain viable careers in the music industry is the unresolved issue of appropriately remunerating artists for their artistic works that are being downloaded, streamed, and acquired illegally, in the ‘new’ online environment. To date Internet Service Providers (ISPs) have refused to engage in meaningful dialogue with content providers like the music industry, let alone develop, consider the opportunity of commercial models that would provide remuneration for artists the illegal online traffic in music. APRA|AMCOS is currently in discussions with government in an attempt to instigate discussions with the ISP industry.

New technologies have lead to an increase in the number of artists producing and distributing their own product direct to consumers, outside the traditional parameters of the major recording companies. Accordingly, these artists lose the information and support traditionally provided through artist management or by record companies. APRA|AMCOS is in a position to assist with the distribution of relevant information and support in these cases.

b) Please provide any further thoughts on how government can best support artists’ work and income generation. Attachments are welcome.

- 1 I’d like to see writers being offered residencies within business where they can do writing work (press releases, annual reports, forms etc.) and have some time for their creative work. I’d like them to gain skills in other forms of writing. Businesses supporting such writer gain share in the kudos they receive when their works are published. But the idea is that the writer works at some tasks set by the funding employer for part of the time.
- 2 Increased budget to Regional Art Galleries to promote emerging artists.
- 3 Questionnaire not completed – information supplied separately.
- 4 Make sure the peak bodies that support artists are better resourced (eg Arts Law that does real work on real issues);
Revise unworkable protocols that make life harder and more expensive for artists eg working with children protocols; and encourage Governments to revisit laws which stifle creativity and instead actively support freedom of expression.
- 5
 - Tax incentives that enable individual artists to solicit investment from corporate or private donors
 - Explicit commitment to the arts in Australian education systems, with funding to support long-term residencies, commissions, etc to raise the awareness of artistic practice and its contribution to society
 - Seed funding to support entrepreneurial initiatives by artists
 - Government commissions for artistic works that celebrate national occasions / events / celebrations – raise the understanding that such gestures can be embraced by both individuals and the commercial sector.

-
- More strategic and targeted approach to raising the profile of Australian culture internationally; more encouragement and support of Australians participating in international networks; acknowledgement that the opportunity for Australian artists to travel opens opportunities for income earning.
-
- 6
- Greater recognition that a flourishing cultural sector in Australia is fundamental to the continuing development of a vital and successful economy.
 - Recognition of the unique nature of artists work practices
 - Government support for a fully functioning Artists' Resale Right scheme.
 - the scheme in its current form will only deliver visual artists a fraction of the income of a fully functioning scheme.
 - Implementation of innovative schemes/initiatives which provide employment for artists. eg
 - a federally sponsored 'new building percent for art' scheme
 - unemployment benefits for emerging artists which recognise research as a legitimate employment development activity
 - Responsible government leadership in developing arts policy. eg
 - The recent Protocols for Working with Children in Art not only adds a difficult and unnecessary layer of compliance and expense for Australia Council funded artists and arts organisations but also the resources used in developing the protocols could be put to better use. Protection for children in these situations is already adequately supplied under existing Australian legislation.
 - Better delivery of information about the opportunities available to artists under the social security and tax systems
-
- 7 As above
-
- 8 I have attached our Artstart policy for your information. [Provided in Attachment 4]
-
- 9 Five main points made:
- It is important that government provide public support for the artistic community and work to change in public perception. An improvement in the valuing of the arts will impact positively on the overall potential for income generation.
 - A change in national perception would go a long way towards improving the treatment of artists within the social security system.
 - Improve local content policies and practices of commercial radio
 - Facilitate meaningful discussions between ISP providers and artistic content communities.
 - Communication and provision of information resources detailing the benefits available to artists through the relevant state and federal based arts organisations.
-

Attachment 2: Completed questionnaires

Respondent 1: Australian Society of Authors

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

For writers, the problem is being able to claim expenses when income has yet to be earned. Some measure such as the Professional Artists ruling have helped but it is still a problem
Also, the tax status of Australia Council grants can cause problems where this inflates income in one year and more of the grant goes back to the government than stays with the artist.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

No. Income averaging is poorly understood, and basic principles of running a small business.

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

No. They don't generally understand that these grants count as taxable income, or what claims they can make against the grants.

d) Are artists missing out on opportunities while on income support? If yes, explain.

Not sure.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009? NO

(i) Do you expect the changes will provide opportunities for artists? Please describe.

See above

(ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

NO

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

Seems OK

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

Few opportunities, income stream so unreliable, also a self-defeating view that artists shouldn't actually "work" but should be reliant on grants otherwise they are not "artists". This is elitism and such people shouldn't get grants anyway.

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

I'd like to see writers being offered residencies within business where they can do writing work (press releases, annual reports, forms etc.) and have some time for their creative work. I'd like them to gain skills in other forms of writing. Businesses supporting such writer gain share in the kudos they receive when their works are published. But the idea is that the writer works at some tasks set by the funding employer for part of the time.

Respondent 2: Willowbank Studio

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

No

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

No, I am not aware of income averaging. Just know to report money when earned.

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

Was recently awarded a stipend for a residency but it didn't affect my payment

d) Are artists missing out on opportunities while on income support? If yes, explain.

You tell me

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

If yes,

(i) Do you expect the changes will provide opportunities for artists? Please describe.

(ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

Lack of cashflow and cost of education and establishing a workplace

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

Increased budget to Regional Art Galleries to promote emerging artists.

Respondent 3: Arts Access Australia

See attachment 3.

Respondent 4: Arts Law Centre of Australia

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

Literature review below summarises them well.
Main concerns around grants being taxable; artists earning over \$40,000 not being able to offset losses from arts businesses;

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

Probably not – unless they use an experienced arts accountant. I think many artists would be unaware of income averaging provisions and the ability to offset losses from arts business against other income.

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

Many artists are not and then are stuck with loss of social security benefits or a tax bill to have to repay.

d) Are artists missing out on opportunities while on income support? If yes, explain.

Artists have occasionally mentioned that they feel they miss out while on income support and that it is difficult to balance trying to make a living as an artist and getting social security. It would be great if this balance could be more easily understood and if education for artists on income support is available.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

If yes,

(i) Do you expect the changes will provide opportunities for artists? Please describe.

Not sure what outcome will be.

(ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

No.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

Through the work of Arts Law it is clear that (1) as a result of the low or infrequent incomes artists generally earn (cite "Don't Quit your Day Job"), artists are as a demographic quite likely to need income support at some point in their career, and (2) they may be underprepared to deal with the complexities of tax or income support issues if they have not had specific training or exposure and that as a result (3) artists require further support in understanding and dealing with tax and social security issues.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

As a very general level one could say that the arts are not taken very seriously in Australia and that our artists are not respected and valued within society (eg "it is a lifestyle choice"). Most people

want to enjoy the pleasures and benefits of the arts but do not consider their value and often are unwilling to pay in any way (even through taxes). An ongoing advertising campaign would help to promote how valuable the arts are and how intrinsic they are to life's enjoyment. Without better income support for artists, a career as an artist will continue to be one of serious financial deprivation. So some small changes to make the non-commercial loss provisions more available to artists; to make social security more available and make arts grants tax-free would all assist.

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

Make sure the peak bodies that support artists are better resourced (eg Arts Law that does real work on real issues);
Revise unworkable protocols that make life harder and more expensive for artists eg working with children protocols; and encourage Governments to revisit laws which stifle creativity and instead actively support freedom of expression.

Respondent 5: Australian Music Centre

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

- Lack of capacity of Centrelink staff to understand or respond to the financial circumstances of artists
- Lack of acknowledgement of professional / creative development of artists as being a legitimate professional cost
- In particular instances, for example a composer receiving a commission, the final payment of the commission fee is often well after the period during which the work was undertaken. The social security system is often not able to appropriately respond to this situation.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

No. There is a general lack of awareness of opportunities, apart from those artists who have had professional advice or assistance. There are also very few financial advisors or accountants who have a good understanding of these opportunities either.

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

No.

d) Are artists missing out on opportunities while on income support? If yes, explain.

No evidence of this.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

No.

If yes,

(i) Do you expect the changes will provide opportunities for artists? Please describe.

(ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

No. Issues are generally well covered. Some artists in sound or music, particularly in the experimental area, travel internationally to earn the substantial part of their income, whilst being resident in Australia for the greater part of the tax year. This situation often causes difficulties when seeking support for periods of unemployment locally.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

- Public visibility and understanding of the particular financial situation faced by artists
- Lack of visibility of any specialist financial advice available to artists, and difficulty for artists of accessing such advice, or developing any level of knowledge or expertise.
- Almost complete absence of emphasis on the study of business skills for artists in most training institutions

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

- Tax incentives that enable individual artists to solicit investment from corporate or private donors
- Explicit commitment to the arts in Australian education systems, with funding to support long-term residencies, commissions, etc to raise the awareness of artistic practice and its contribution to society
- Seed funding to support entrepreneurial initiatives by artists
- Government commissions for artistic works that celebrate national occasions / events / celebrations – raise the understanding that such gestures can be embraced by both individuals and the commercial sector.
- More strategic and targeted approach to raising the profile of Australian culture internationally; more encouragement and support of Australians participating in international networks; acknowledgement that the opportunity for Australian artists to travel opens opportunities for income earning.

Respondent 6: Viscopy

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

Viscopy's area of expertise is within the visual arts sector.

Common problems include:

- Visual artist not seen as a legitimate occupation
- A lack of awareness by tax and social security systems of the nature of visual artists' occupations
- Artists seeking income support within the social security system required to look for and take up employment outside areas of expertise
- Models used to define artists' business practices not always relevant.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

No. Many artists are not aware of accessible programs opportunities etc and that this is further compounded by lack of knowledge and inconsistent advice from the social security system.

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

Many visual artists operate under a sole trader model. They are often not aware of issues such as grant impacts until they are adversely affected by them.

d) Are artists missing out on opportunities while on income support? If yes, explain.

The current social security system tends to have a one size fits all policy. Until such time as these systems recognise the unique nature of artists works practices and their important contribution to Australian society artists will continue to be forced into compliance processes and employment situations which do little to support opportunities for developing long term careers in the arts.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

If yes,

(i) Do you expect the changes will provide opportunities for artists? Please describe.

There are changes to the employment services framework, such as changes to Jobsearch compliance procedures, which may result in artists being provided with more appropriate employment opportunities.

(ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

No

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

All the major issues are identified.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

Developing sustainable and viable careers in the arts is inherently difficult.

Key issues within the Australian context include:

- Lack of resources - visual artists are among the lowest paid sectors of Australia's cultural industries*.
- Lack of recognition as a legitimate profession within Australian society.
- Lack of low level support for young artists to develop sustainable careers

*Throsby D and Hollister V 2003 *Don't Give up Your Day Job* 2003. Australia Council for the Arts, Sydney.

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

- Greater recognition that a flourishing cultural sector in Australia is fundamental to the continuing development of a vital and successful economy.
- Recognition of the unique nature of artists work practices
- Government support for a fully functioning Artists' Resale Right scheme.
 - the scheme in its current form will only deliver visual artists a fraction of the income of a fully functioning scheme.
- Implementation of innovative schemes/initiatives which provide employment for artists. eg
 - a federally sponsored 'new building percent for art' scheme
 - unemployment benefits for emerging artists which recognise research as a legitimate employment development activity
- Responsible government leadership in developing arts policy
 - eg The recent *Protocols for Working with Children in Art* not only adds a difficult and unnecessary layer of compliance and expense for Australia Council funded artists and arts organisations but also the resources used in developing the protocols could be put to better use. Protection for children in these situations is already adequately supplied under existing Australian legislation.
- Better delivery of information about the opportunities available to artists under the social security and tax systems

Respondent 7: Australian Major Performing Arts Group (AMPAG)

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

Balancing a working life with a need to exist on unemployment benefits when work is not available. Many artists don't know the current provisions. However there is more that could be done to make it easier.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

No. Income averaging

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

Some are and some aren't. I mainly deal with companies and again the level of information varies in terms of how their hiring of artists affects the artist's social security payments.

d) Are artists missing out on opportunities while on income support? If yes, explain.

I can't comment

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009? Not really

If yes,

(i) Do you expect the changes will provide opportunities for artists? Please describe.

(ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

Limited opportunities for performing artists because of cost of venues. The actors, musicians etc need to perform and will do so via independent means but often the crunch is the cost of venues for them if they want to self present. Also the wide ranging administration and compliance issues associated with running a small company. It would be helpful if the Australia Council could fund a centralised administration service to support small companies so that they don't go about reinventing the wheel each time and not being aware of their opportunities (like an Arts Law Centre but based around compliance issues like grant applications, audits, insurances, bank rules etc).

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

As above

*Respondent 8: Media Entertainment & Arts Alliance***1) Social security and tax systems and artists**

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

Tax averaging: While performers fall within the "Income averaging for special professionals, 2008" rules freelance and casual film, television and theatre production technicians and crew members (such as freelance DOPs, gaffers, lighting designers etc) do not. This despite the fact that many of the same issue of income variability apply to their chosen careers.

Superannuation: Employers are generally obliged to make superannuation payments for those aged between 18 and 69. However, many of the Alliance's members fall outside of this age bracket – be they for example younger cinema workers, older ticket collectors at sporting events, and actors. With no obligation to contribute superannuation upon employers these workers are encumbered with additional administrative burdens and costs in organising their own superannuation.

In addition, employees currently must earn a minimum of \$450 per month from the one employer to qualify for superannuation payments. Again this places a significant proportion of our members at a distinct administrative and cost disadvantage. The nature of work in the media, film and television production industry is such that short term contract work with a multitude of employers every month is very common. Many workers will receive a sum less than \$450 for working with one employer one week and a similar sub-\$450 amount the next with another. In these cases no superannuation provisions are made by any of the employers.

At the other end of the spectrum, a performer may secure a high rate of pay for a commercial that is going into mass release. For two or three days, the performer will secure an abnormally large amount of income where superannuation will then be capped at the current threshold of \$29,220 per quarter. That same performer might then find themselves without employment for the following three months or more.

Social security: Performers suffer from distinct disadvantages under the social security system.

Mutual Obligation: The unemployed must participate in extra activities like a program or training course to "improve" their chances of finding work if they are aged between 18 - 49 years and have been getting Newstart Allowance, Youth Allowance, Special Benefit or Parenting Payment for 6 months. Performers are disadvantaged in that there are few if any gazetted activities that would assist to develop their skills as performers.

Separation certificates: Performers are forced to have to regularly gain a separation certificate from previous employers for social security benefits. This process is humiliating and not conducive to the performer's positive image – despite this being a common occurrence in the industry.

Newstart allowance: Many arts workers receive or have received the Newstart Allowance. Like other benefit recipients they must be able to take up fulltime work if it is offered, although they can agree the areas in which they are able and willing to work in the 'Preparing for Work Agreement'. They must also prove that they have gone to a number of interviews. The nature of work as a performer is that work is intermittent and variable. Performers find it difficult to accept full time jobs outside of their chosen career because they must go to auditions at varying times and therefore can either find themselves unable to fulfil the employment obligations of full time work in another industry or must forgo their chosen career.

Rental assistance: Current rules for, and levels of, rent assistance are inappropriate and need to be adjusted for bona fide performers since performers are required to live for the most part in inner city Melbourne or Sydney where rents are higher.

Declaration of income: Performers are required to declare weekly or fortnightly earnings. These have to be revised constantly for those performers who work in the voice over industry since they are paid fees for short stints of work and they do not know when the voice over will be broadcast. Once it is broadcast, they are suddenly paid at a random date and time. This impacts upon the performers social security payments.

Work-related expenses: Professional expenses related to obtaining work are not currently able to be deducted from income earned. Examples of expenses critical to obtaining work that should be deductible are audition expenses, photography and agents fees.

Auditions: The nature of the work as a performer is such that the act of obtaining work – ie the audition process – is an integral part of the process of obtaining work and sustaining a career as a performer.

Photographs: For an entertainer who has obtained recognition or standing in the industry, then the expense incurred in compiling a portfolio should be regarded as an expense of being part of the entertainment industry.

Agents fees: Recognised artists who have a portfolio of work and experience in the industry should be able to claim these up front fees, particularly incurred as a result of changing agents.

Other deductible work-related expenses currently not allowable need to be reconsidered too.

Clothing: It is commonplace for an employer's wardrobe person to contact an actor once cast and ask them whether they have various items of "conventional" clothing. The performer is often pressured by an employer to provide a great deal of their own clothing in the course of a TV series, TV commercial or film. During the period of employment the actor will generally not have access to those items of clothing provided for the production for private purposes. It is customary for the wardrobe department to retain the outfit for the duration of the production or the length of time the character is required to wear the particular outfit.

Gifts: The giving of gifts on first night are a fundamental tradition in the entertainment industry here and throughout the world. The giving of gifts is not only an act of good will but also acts as a publicity agent to maintain good relations with actors, directors and producers for potential roles in the industry.

Newspapers: Where a newspaper or magazine carries articles on the industry in which the artist works a deduction should be claimable.

Technical or professional publications: "General" publications need to be claimable deductions as well because they provide valuable information for performers, such as auditions, new projects, directors who have funding for projects and new productions. Performers are also under express legal obligation to publicise the production on which they are engaged. These publications are important educational tools for performers. They contain information on the manner in which the artist is publicised; how the artist's production is publicise etc.

Social functions: Performers attend various industry functions and awards nights in order to promote and publicise a show in which they are or have been engaged. This is a standard contractual requirement and is clearly connected to the earning of their income.

Silent telephone number: Because of the unique nature of the performance profession silent numbers should be deductible as high profile performers may often be faced with a deluge of calls from fans or individuals or organisations requesting their time. In some cases, stalking may take place. Performers therefore need to go to some lengths to protect themselves and their privacy as part of their ongoing employment and employability.

Theatre/film tickets: It is essential to the development of a performer to observe other performances

and current productions for the purpose of:

- self-education;
- development of skills knowledge and experience of types of performance;
- dramatic direction;
- understanding of a playwrights work
- learning and observing choreography, musical direction etc and
- understanding the type of productions produced by a certain company.

Without a solid knowledge of productions and art forms the performer has little to contribute to his or her craft.

Juveniles: Juvenile performers like their adult counter parts are obliged to travel to remain in work in the industry and accompanying relatives will need to move as well. These expenses should be deductible.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

It is our understanding that there are some performers who are aware of the opportunities available and there are some who are not. The latter are only those who have not needed them at any stage of their career.

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

Yes, generally speaking the performance community is tight knit and self sufficient – and they talk to each other about different grants available to them and their impact.

d) Are artists missing out on opportunities while on income support? If yes, explain.

Yes – as described above there are numerous opportunities being missed out on due to the obligations under the Newstart allowance, mutual obligation and other requirements under the social security system.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009? **According to our industrial organisers, we are unaware of the changes and not aware of their impact for performers and will need to investigate further.**

If yes,

(iii) Do you expect the changes will provide opportunities for artists? Please describe.

(iv) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

See answer to (a)

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

Too big a question but generally:

- Historical place of artists in society and the Australian population's historical ambivalence towards the arts;
- The size of the market and population;
- Tax and superannuation rules and the lack of specific support from government for performers under the social security system.

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

I have attached our Artstart policy for your information. [Provided in attachment 4]

Respondent 9: APRA/AMCOS

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia’s social security and tax systems? Please list and describe the main issues.

Artists constantly battle negative community perceptions (including those of social security personnel) that the life of a musician and the activities pursuant to achieving commercial success (the commitment and time required for touring, recording, rehearsing, writing etc) are a choice or an alternative lifestyle rather than a pathway to a successful career.

Music is generally not considered a valid profession. People often fail to appreciate that most musicians must make the difficult decision to leave the security of full time employment in order to leverage a level of commercial success and achieve a sustainable income from their music.

Ironically, it is when artists sign a record deal and/or have a number of levels of support in place (booking agent, record company, publisher, management) that additional income through social security and tax incentives is required the most. However this is often the hardest time for them to receive and retain benefits.

Summary of main issues:

- Many complaints and concerns about reporting requirements of the Department of Social Security, about twelve months ago. Specifically concerning the fact that artists were forced to have the same conversations and provide the same information over and over again to different people in different sections and there was no uniformity or internal cross referencing.
- A number of issues with the online reporting systems and their constant errors or inability to process information.
- Concerns about having to respond to questioning about “Living Arrangements” particularly when a number of musicians from the same band are often sharing a house together. There is a common feeling that the line of questioning is not only intrusive, but that incorrect assumptions can often be made. Particularly, that if you “regularly participate in social or leisure activities with anybody listed in your household” that you are ‘de facto partners’ which impacts Centrelink payments. Importantly, being songwriter/composer and/or performing in a band should not necessarily be considered merely as social or leisure activities. Music creators, as with professional sports people, train for many years in order to develop a career that ultimately may or may not provide a level of financial sustainability.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

Generally, we believe that the level of awareness of the opportunities available to artists under social security is low.

A contributing factor is the fact that artists often hide their musical and artistic undertakings for fear of it being interpreted as a negative mark against their character (and subsequent means testing) when disclosing personal information in order to receive social security benefits – especially when the perception from the wider community at large is that they should be engaged in “real employment”.

It is only when a musician readily identifies themselves or is defined by staff as a “professional artist” that opportunities available to artists are effectively communicated, thereby improving the

level of awareness.

The issue of categorisation is considerable. It may be advantageous to qualify further the extent to which people identify as professional, semi-professional or hobbyist.

Similarly artists that have entered in to contractual arrangements with management or whose outfit/band is in a financial position to be able to afford to engage a professional accountant and in particular a specialised entertainment accountant, are most certainly more aware of and indeed undertaking the business benefits that exist.

It is our view that artists would have a low awareness of the following:

- Appropriate self categorisation & relevance to Social Security
- Income averaging
- Reporting profit and loss relating to carrying on a business as a professional artist
- Issues relating to claiming expenses, inclusions and exclusions.
- Treatment of grants, awards etc
- Superannuation

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

Generally, most artists are unaware of the impacts of certain types of grants on their social security benefits , even after they are successful in receiving a grant.

It is only when contractual grant conditions are presented that the full extent of the impact becomes known.

Specifically the amount of money granted (i.e. recording, composing, attending a specialised training course, undertaking a mentorship) may be treated as “income” by the assessing party and thus social security benefits are substantially reduced or withdrawn as a result – even if none or only a very minimal component of the total grant funding is to be expended on any living expenses.

d) Are artists missing out on opportunities while on income support? If yes, explain.

Artists aren’t necessarily missing out on opportunities whilst on income support – more so that they are potentially disadvantaged as a result, as outlined in the scenario above relating to funding grant recipients.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

If yes,

- (i) Do you expect the changes will provide opportunities for artists? Please describe.

We do not have any specific views on possible opportunities.

- (ii) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

APRA|AMCOS has reviewed the employment services framework in relation to its own employees. There is certainly an opportunity for reference material to be provided to our members via our website, through our online newsletters and as part of our Connect

information sessions with members. Given the potential complexity in presenting this information it would be preferable to provide government prepared and sanctioned advice or refer our members to a government information service.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

It is felt that the information provided offers a very thorough and detailed representation of the current social security and tax environment, in which musicians are operating and existing.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

The single biggest issue is that the wider community does not consider being an artist as a viable career for anyone other than those who have already achieved a measure of recognised commercial success. Even then success is understood in the narrowest of terms and potential revenue streams including artist royalties are rarely understood or considered.

One of the key issues is the number of artists practicing and participating in the music industry versus the number of artists that actually obtain commercial success and thus a sustainable and viable career for their profession – without the provision of benefits or retaining part or full time employment, which is often near impossible whilst in pursuit of said commercial recognition.

Very few musicians in Australia, both those with perceived success or otherwise make a living solely from their musical careers.

A major barrier to achieving ‘commercial’ success within Australia is the phenomena in the music industry that exists relative to the need for radio airplay and the very evident increase in an artists’ revenue earning capacity as a result of successfully receiving such airplay.

The very nature of radio airplay policies for commercial stations, with such minimal requirements relative to Australian content, ensures that the capacity for Australian artists to financially benefit is continuously suffocated.

In addition, without the limited opportunity for broadcast on Australian commercial radio impacts substantially on the potential increase in artists overall profile and subsequently, the ability to earn from other revenue streams, such as ticket and merchandise sales.

The other major issue impacting on an artists’ capacity to establish and maintain viable careers in the music industry is the unresolved issue of appropriately remunerating artists for their artistic works that are being downloaded, streamed, and acquired illegally, in the ‘new’ online environment. The profoundly significant changes that are currently taking place with respect to the traditional models of music creation, distribution and consumption are having enormous effects on artists’ collective income streams.

To date Internet Service Providers (ISPs) have refused to engage in meaningful dialogue with content providers like the music industry, let alone develop, consider the opportunity of commercial models that would provide remuneration for artists the illegal online traffic in music. There is an enormous opportunity for ISPs and content providers to enjoy a mutually beneficial commercial relationship for online music sharing/downloading that would effectively render piracy redundant –

making all music available all the time as part of a bundled service provided as part of the monthly subscription to an ISP.

APRA|AMCOS is currently in discussions with government in an attempt to instigate discussions with the ISP industry.

There has been an enormous increase in the number of artists producing and distributing their own product outside the traditional parameters of the major recording companies, brought about by new technologies which have enable creators and fans to more directly interact. Accordingly, information and support traditionally provided through artist management or by a record company also needs to be available directly to artists. APRA|AMCOS is in a position to assist with the distribution of relevant information.

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

During a 2005 interview, frontman for 'successful' Australian band The Drones, Gareth Liddiard summed up current perceptions that erode the recognition of the cultural significance and respect for the work of artists. It illustrates the importance of government providing public support for the artistic community and how through a change in public perception, the valuing of the wider arts community will impact positively on the overall potential for income generation.

"Here, if you're not John Farnham, you're a dole bludger. That's what a musician is," liddiard begins. "In Europe, it's bizarre – they treat you like a great human being because you're doing something creative. They treat musicians with as much respect as their great engineers."
(<http://www.messandnoise.com/articles/10345>)

A change in national perception is required and this would go a long way towards the treatment of artists within the social security system.

Reiterating comments made above, the other major impacts on artist remuneration include the policies and practices of commercial radio and the current absence of any meaningful discussions and negotiations relating to commercial opportunities between ISP and content communities.

APRA|AMCOS recently made a submission to the Review of Commercial Radio Australia and is in dialogue with government in relation to instigating discussions with the ISP community.

Specifically and of immediate benefit would be the communication and provision of resources detailing the benefits available to artists through relevant state and federal based arts organisations.

Attachment 3: Response from Arts Access Australia

17 April 2009



Arts Access Australia

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Dear Nick

RE: Review of artist's employment issues

Arts Access Australia, as the national peak body for arts and disability, thanks the Australia Council and Department of the Environment, Water, Heritage and the Arts for the opportunity to inform your joint information gathering exercise on artist's employment issues.

Arts Access Australia sees this information gathering as a timely exercise given the ALP election commitment to Social Security and the Arts policy. Additional national policy drivers for people with a disability include development of a National Disability Strategy, National Arts and Disability Strategy and National Mental Health and Disability Employment Strategy, as part of the government's Social Inclusion Agenda, in addition to changes to the employment services framework.

There are several critical issues, detailed over the following pages, which limit the capacity for people with a disability to earn income from the arts. These include disincentives built into the current welfare, taxation and employment service frameworks. Arts Access Australia has outlined potential solutions to these difficulties, including legislative changes, development of employment strategies and resource development. We believe these solutions have positive implications for all artists including Centrelink payment recipients.

Should you have any queries about this response or Access Australia then I can be contacted by phone on 02 9518 0561, 0419 201 338 or email ed@artsaccessaustralia.org

Yours sincerely



Gareth Wreford
Executive Director

CC: Frank Panucci Director Community Partnerships
Michelle Hall Key Organisations

Arts Access Australia

April 2009

‘Social Security the Arts and Disability’

Response to Australia Council and DEWHA artists employment issues survey

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Policy Context – Social Security the Arts and Disability

Australian Government

The ALP election strategy *New Directions for the Arts*, at page 6, commits the Australian Government to developing a ‘Social Security and the Arts’ policy that harmonises current Australia Council, Centrelink and the Australian Tax Office rules and determines the most equitable way to treat earnings and royalty payments for artists currently receiving welfare.

In addition the Australian Government Social Inclusion Agenda encompasses a series of reviews and strategies relevant to social security, the arts and disability. These include:

- National Disability Strategy
- National Arts and Disability Strategy
- National Mental Health and Disability Employment Strategy
- Employment Services Review

All Australian Government, State and Territory Arts Funding Authorities make some grants to people with a disability. There are two state jurisdictions, SA and WA, that offer dedicated programs of support for individuals.

Arts SA Richard Llewellyn arts and disability trust fund

In March 2006, the Government of South Australia announced the establishment of a new \$1 million arts and disability trust fund.

The program is named after Richard Llewellyn, who was a tireless supporter of the arts and an enthusiastic advocate for universal accessibility.

In 2008-09 the trust distributed \$198,168 to 22 individuals and organisations.

The Richard Llewellyn arts and disability trust fund is a partnership between Arts SA and the Department for Families and Communities. The trust is financially controlled by the Public Trustee and administered by Arts SA.

Arts SA advises potential applicants to consider the impact of a grant on their Centrelink payments and to consider having their grant auspiced by a third party.

http://www.arts.sa.gov.au/webdata/resources/files/program_Richard_Llewellyn.pdf

Department of Culture and The Arts WA – Disability Arts Inclusion Initiative

The Department of Culture and the Arts (DCA) and the Disability Services Commission (DSC) have collaborated in a three year funding partnership with the aim of enabling people with disabilities to access and experience positive connections to everyday community life through arts and cultural activities. As part of its new strategic plan, the DSC has provided \$550,000 over three years to the DCA to deliver and administer Disability Arts Inclusion Initiatives. The Initiative consists of two separate projects: the Organisations Project, which provides opportunities for arts and cultural organisations to develop and manage pilot

programs that increase participation opportunities and create positive attitudes towards people with a disability; and the Artists Project, which will test and improve access for artists with disabilities to DCA project funding. DCA is one of three state government departments working on access and inclusion projects with the DSC.

At the time of writing the first round of grants for artists with a disability are awaiting government approval before being announced.

DCA advised potential applicants to consider the impact of a grant on their Centrelink payments and to consider having their grant auspiced by a third party.

http://www.dca.wa.gov.au/funding/grants/grants_for_artists_with_disabilities

Arts Access Australia

Arts Access Australia has been active in responding to government reviews and strategies relevant to social security, the arts and disability including:

- December 2008 National Disability Strategy Discussion Paper Response
- November 2008 National Arts and Disability Strategy Discussion Paper Response
- October 2008 Disability Employment Services Review Response
- August 2008 Exposure Draft of the New Employment Services 2009-12 Purchasing Arrangements Response
- June 2008 National Mental Health and Disability Employment Strategy Response

Copies of these responses are available from the Arts Access Australia website at:

<http://www.artsaccessaustralia.org/AAA-Areas-of-work>

Issues – Social Security the Arts and Disability

Arts Access Australia notes the points identified through your literature review. As there is no specific consideration given to the issues faced by artists with a disability we provide the following items of background information and specific issues identified through our research and consultations for your consideration.

Number of Artists with a Disability and their Income

One of the few sources of information on artist's income is the 2003 Australia Council report: Don't give up your day job: an economic study of professional artists in Australia, by David Throsby and Virginia Hollister.

The 2003 Throsby income and participation figures indicate that, overall, just over 9% of artists self-identify as having a disability and the average income earned by all artists from their creative activities is \$24,600 (see appendices). Income figures are not available for artists with a disability.

In 2009 Arts Access Australia commissioned data tables from the Australian Bureau of Statistics on employment of people with a disability in cultural occupations and in cultural industries. With appropriate caveats about comparability of data sources and quality the figures broadly agree with Throsby 2003 estimate indicating people with a disability comprise about 9% of professional artists.

These figures suggest that people with a disability are under-employed as professional artists and supports the development of specific arts employment strategies.

Flexibility of Employment Programs

While the welfare to work reforms continued by the Rudd government have introduced greater flexibility for people with a disability to move between employment programs, as far as we are aware, there has been no specific consideration given to arts employment patterns. We see as yet unrealized potential for increased arts employment through changes like the Employment Pathway Fund, a stronger focus on work experience, strengthening the New Enterprise Incentive Scheme, provision of employment brokerage services and the Innovation Fund for highly disadvantaged job seekers.

Looking at current disability employment programs ACE, the peak body for Australia's Disability Employment Network, noted in their response to the National Mental Health and Disability Employment Strategy that:

The Disability Employment Network sits within the Ministry of Workforce Participation and is funded by the Department of Education, Employment and Workplace Relations. There are approximately 224 Disability Employment Network providers nationally that last year supported over 60,000 people with disability prepare for and or join the nation's workforce. People with intellectual disability and psychiatric disability are the primary groups assisted, accounting for approximately 60% of our service users. Most of the jobseekers that access our network are in receipt of the Disability Support Pension.

Through the experience of preparing our response to the NMHDES, a few themes emerge which I believe are relevant to the development of a National Arts and Disability Strategy. These relate primarily to current program guidelines not providing the type of flexibility that is arguably required to support an individual wishing to pursue a career in the arts. To this end, more could be done in the areas of supporting people with disability who;

- aspire to be self-employed (as would be the case for many artists with disability)
- secure casual work (a major stepping stone to more permanent work and a fact of life for many artists – with and without disability)
- are perhaps only able to work eight or less hours a week as a result of their disability or due to the amount of work available in their chosen career (again, a fact of life for artists with and without disability)

The human right of people with a disability to follow their vocation of choice can be constrained by the funding and performance criteria for the services established to support them. In employment these constraints lead to a focus colloquially referred to as ‘food, filth and factories’.

In our experience the Department of Education Employment and Workplace Relations (DEEWR) could demonstrate greater recognition of the patterns of employment in the arts sector and the contribution of the sector to the economy.

There is also some anecdotal evidence that the pattern of part-time and self-employment found in the arts can be suitable for people with episodic conditions like mental illness.

Common barriers to arts careers for people with disabilities

International research by the USA National Centre for Arts and Disability in 2004, and Australian research into Arts and Disability by the Australia Council in 1995, finds common barriers to arts participation including:

- Lack of access to the arts community through non-inclusive programs and spaces
- Limited access to training and education
- Financial disincentives in welfare frameworks
- Arts careers are discouraged

In addition there are significant attitudinal barriers to employment with few employers recognizing that people with disabilities often make better employees based on performance, work safety, attendance, retention and morale.

There could also be greater awareness among employers of available programs of support like the workplace modification scheme.

Specific issues with Welfare and Taxation Frameworks

Arts Access Australia's research indicates that artists with a disability, particularly those not in full time or regular employment, face many specific issues with the welfare and taxation frameworks. Artists with a disability may have a particular aversion to lump sum income which is how arts sale, performance fees and grants are paid.

There is a gap between the Australian Tax Office provisions for income averaging and non-commercial losses which presume a level of earned income and the reality for many artists with disabilities of maintaining a base level of Centrelink income while being supported to take steps towards employment and enterprise.

Welfare / Taxation Issue	Artists Response
Income leads to loss or reduction in welfare payment	Avoid or limit income. Dip into tied project grant payments to make up lost Centrelink income. Acceptance of gift or barter system in lieu of payment especially for smaller amounts. Some artists work for organisations that manage their income to avoid penalty.
Income affects means tested benefits (there are many) especially Health Care concessions	Avoid or limit income. Some artists work for organisations that manage their income to avoid penalty
System is compliance and penalty driven. Artists report difficulties with differences in timing of earning and reporting income to Centrelink, being audited by the tax office, being forced to undertake medical reviews to assess work capacity	Avoid or limit income Stress and loss of productivity
Inconsistent application of rules by Centrelink staff	Avoid or limit income and interaction with Centrelink which may lead to increased penalties or underpayment of entitlements
Centrelink income recognition based on turnover not profit and artists with disabilities can face higher costs to earn income therefore have lower profit.	Avoid or limit income
Risk of reclassification to lower payment based on working above prescribed hours per week thresholds	Avoid or limit income
Inaccessibility of information e.g government forms only available in PDF	Increased costs and time for compliance
Complexity of Taxation and Welfare system and lack of information for artists	Under-utilized tax benefits, entitlements and concessions. Increased costs and time to run business
Tax Office definition of professional artist may be difficult for a person with a disability to satisfy if they can only work limited or irregular hours due to their disability	Don't apply for arts grants requiring professional status and an Australian Business Number

Case Studies - Social Security the Arts and Disability

1) Professional arts worker with stable condition

- Not aware of ATO averaging provisions therefore not utilising them
- Higher costs to earn income e.g transport and assistance
- Costs and time for complex tax system e.g GST
- Government forms only available in PDF.

2) Emerging and professional artists working for an organisation

- Artists avoid enterprise where it will affect their welfare payments and benefits
- The organization manages artists payments from sale of their work to avoid Centrelink penalties

3) Professional arts worker with episodic condition

- Higher costs to earn income e.g. transport and assistance
- Avoids small bits of work due to complexity of Centrelink reporting and potential risk to benefits
- Accepts gifts in lieu of payment
- Aware of Tax Office income averaging though too complex and costly (accounting) to use
- Risk of losing health care concessions would result in significant out of pocket expenses for medications so actively limits working hours.
- Has incurred Centrelink penalties due to timing differences between reporting income earned and subsequent payment from employer.
- Can earn a significant income while undertaking contract work though this has resulted in Centrelink medical reviews of work capacity based on extrapolated full time annual earning capacity
- Audited twice by the Australian Tax Office in the last 5 years leading to considerable expense in record keeping, accounting, stress and a loss of privacy when outed as 'disabled' to all employers by Centrelink

4) Emerging artist receiving a grant

- Artist on a Disability Support Pension received a state government grant for project costs including a modest fee. Centrelink treated the whole grant as income which resulted in a cut to the artists welfare payments. The matter ended up before the Social Security Appeals Tribunal.

Solutions – Social Security the Arts and Disability

Further Research and Focus Groups

While this paper is able to suggest some solutions to identified issues there is a clear need for specific research and artists focus groups to ensure that the full complexity of the interaction of disability, welfare and taxation is understood and priority issues identified. Focus groups of artists should include representatives from Centrelink, Arts Funding Authorities and the Department of Families and Housing Community Services and Indigenous Affairs.

Auspicing of Grants – Centrelink Ruling

Both Arts SA and DCA WA have advised artists in receipt of welfare payments to consider having their grant auspiced as a way of managing the recognition of income by Centrelink. Recent advice from Centrelink indicates this may be a grey area that requires clarification via a specific ruling.

Allowable Scholarships / Prescribed Payments

Both the current welfare and taxation frameworks allow for exempt payments that are not treated as income by Centrelink and / or the Tax Office. Further investigation of these provisions and international examples should be sought and a solution proposed so that artist's earnings are not assessed as income for Centrelink or Tax purposes.

Arts SA research had uncovered a valuable precedent in the Social Security Act where nominated 'allowable scholarships' exempt as income include one from the Society of Foot and Mouth Painters. The other two are from Rotary and Cranford University.

The Social Security Act also allows for 'prescribed lump sum payments' that are exempt from being counted as income.

Finally the Tax Office list numerous payments that are not taxable:

<http://www.ato.gov.au/print.asp?doc=/Content/19901.htm>

Given Throsby 2003 figures indicating significantly lower than average incomes are earned by artists from their creative work a sound argument could be developed for artists income, below a certain threshold, to be exempt from Centrelink and Tax Office assessments of income. Such a move would provide a significant benefit to all artists including those with a disability.

Information for Artists

DADAA Inc (WA) is planning to develop specific information sheets for artists. Given the current complexity of the welfare and taxation frameworks, and resulting confusion among

artists, this planned resource has great significance and should be supported and promoted nationally.

Development of Arts Employment Strategies

Specific employment portfolio support could be used to develop employment strategies, career forums, resources, advice and support for artists with a disability. There are several International examples to draw from including the USA and UK.

Example USA Artists with Disabilities Careers Forums

Since 2002, the National Arts and Disability Center in partnership with the National Endowment for the Arts, VSA arts, and the Social Security Administration have assisted states in conducting forums to address the challenges and opportunities for people with disabilities pursuing employment in the arts. The Forums seek to provide artists with disabilities the opportunity to network with other artists and potential arts employers. In addition, the Forums and follow-up activities provide professional development training and opportunities for artists with disabilities along with a unique understanding of the impact of work on benefits.

The National Arts and Disabilities Centre and partners have developed or gathered together specific arts and disability and related resources including:

- arts career guides
- guides to disability payments, benefits and earning arts income

<http://nadc.ucla.edu/careers.cfm>

Example UK Shape Arts - Artists Resources

With support from the Arts Council of England Shape have developed a range of resources for creative professionals including:

- Creative Lives: publication of examples of disabled artists with careers
- Artist Resource Pack: information about being an artist
- Rough Guide to Access to work: resource publication about getting access support
- The Referral document: resource publication of employment and training support

<http://www.shapearts.org.uk/projects/projectdetail/index.asp?view=59>

Key People in Social Security the Arts and Disability

Clare Tizard

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Note: Clare Tizard at Arts SA is liaising with Centrelink about payments made by the Richard Llewellyn Arts and Disability Trust

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Note: Arts Access Australia has requested that DCA investigate the impact of grant payments to artists with a disability as part of their planned evaluation of the Disability Arts Inclusion Initiative.

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Note: Boris Kaspiev is also involved in National Mental Health and Disability Employment Strategy discussions

Appendices - Social Security the Arts and Disability

Appendix 1. Arts SA Centrelink Briefing Paper

Note: Arts SA have permitted Arts Access Australia to share information with the Australia Council.

BRIEFING



Government of South Australia
Arts SA

SUBJECT

Briefing re Centrelink and Richard Llewellyn Arts and Disability Trust applicants

PURPOSE

To provide a briefing on the issue of Richard Llewellyn Arts and Disability Trust (RLADT) funding to applicants in receipt of Centrelink payments.

BACKGROUND

In early October, Robert Petchell wrote to the members of the board of the RLADT alerting them to an issue that has come about for one of The Jam The Mix The Gig clients, XXXXX. XXXXX received \$5,572 from the trust in July 2008 to produce a CD of his original music. In his application it clearly states that the funds are to be used to pay for the production of the CD including studio hire, mixing and production as well as payments to the other musicians involved in the project. The amount stipulated in the budget as direct payment to XXXXX is \$320, which is the same fee as the other musicians involved.

Unfortunately when XXXXX declared this income to Centrelink the grant was considered as income and as a result his Disability Allowance has been decreased for the duration of the project. He has appealed the decision and the tribunal heard the case on 20 October 2008. Robert Petchell has written a letter in support of XXXXX, which is attached. The results from the hearing will not be known for approximately two weeks.

Whilst this is the first time this issue has been formally raised with Arts SA on behalf of an applicant, other clients have mentioned it in the past. It appears that Centrelink deals with each situation on a case-by-case basis and it depends on the size of the grant.

DISCUSSION

There are a number of ways that other organisations, including Arts SA, deal with the issue of paying grants to individuals.

Arts SA

Arts SA runs three other programs that provide support for individual applicants: Independent Makers and Presenters, Contemporary Music and the Aboriginal & Torres Strait

Islander arts development program. In these programs professional practising artists, who are the main recipients of grants from these programs, are aware that the payment of a grant may affect any Centrelink payments and they are entitled to make provision for this in their budgets. They usually incorporate a living allowance within their budget for the duration of the project. In some instances, particularly in the ATSI program, applicants sign a Statement by Supplier form that indicates that it is a private recreational pursuit or a hobby. This is not encouraged, as arts funding is not usually available to non-professional artists.

Dame Roma Mitchell Trust

The Dame Roma Mitchell Trust provides grants to young people in care. It does not make any individual payments to the grantee. All payments go to the supplier and are made by the Public Trustee. For example, if a grantee wishes to participate in a training course, they provide a quote at the time of the application and the Public Trustee draws a cheque made out to the institution and this is sent to the grantee who then makes the payments. In the same way if the grant is for an item of equipment such as a fridge or computer, the applicant provides a quote and the name of the preferred supplier and the Public Trustee draws a cheque to be paid to the supplier.

Wyatt Benevolent Fund Trust

The Wyatt Benevolent Institution Inc is a private charitable organisation that administers a trust for the benefit of South Australians who are in financial need. It provides grant funds to develop or continue innovative projects that address the welfare, housing or education needs of people who are financially disadvantaged. Applications are accepted from social workers, care workers, or other professional support workers on behalf of individuals. All payments are made to organisations which auspice the grant on behalf of the applicants.

Country Arts SA

Country Arts does not pay directly to individual artists but arranges for individuals to be auspiced by organisations so that they are not disadvantaged. The application forms and contract documentation makes provision for auspicing organisations. The applicant is still responsible for the artistic acquittal of the grant and the auspicing body is responsible for the financial acquittal.

Carclew

Carclew makes grants to individuals who then declare these grants as income, which is therefore taxable. In some instances the applicant fills in the Statement by Supplier form that states that it is a private recreational pursuit or a hobby. This is also applicable if the applicant does not have an ABN.

Ausdance

Ausdance offers a service to individual artists whereby it auspices the grant and pays all of the invoices etc for a 5% auspicing fee. Artists utilising this services include the auspicing fee in their grant application. At the end of the project Ausdance provides the applicant with a financial report

All of these options could be considered in solving this issue. Another alternative would be to further the discussion with Centrelink about the nature of the grants and provide evidence that the grants are not providing individual benefits to the applicants but rather funds to pay other suppliers. This however is not always the case as some applicants to the program work as professional artists and include a living allowance in their budget to cover the loss of benefits for the duration of the project. Therefore any discussion with Centrelink would need to differentiate between these two types of individual grant payments.

SUMMARY/RECOMMENDATIONS

It was recommended that the Manager of the Richard Llewellyn Arts and Disability Trust, investigate possible option for dealing with this issues and include in the guidelines for 2009 as statement notifying clients of a possible problem with their payments should they be successful.

Suggested words are:

Please note that if you are in receipt of a disability allowance or pension, a grant from the Richard Llewellyn Arts and Disability Trust may affect this allowance. If you believe your payments may be affected please discuss with Arts SA.



Clare Tizard
Manager, Richard Llewellyn Arts and Disability Trust
Strategy, Policy and Initiatives

24 October 2008

Note 8 April 2009

At the Board Meeting of the Richard Llewellyn Arts and Disability Trust held on 25 November 29009 the Board discussed this briefing and agreed that some form of auspicng arrangement may be a way of dealing with this issue.

The Manager, Richard Llewellyn Arts and Disability Trust was asked to investigate a suitable organisation and set up the process required to be in place for the 2009 round.

On 1 April the Manager met with the Director of the Disability Information Resource Centre (DIRC) to discuss the possibility of them auspicng grants for clients.

DIRC already has an arrangement in place whereby they auspice funds for small organisations, they have not auspiced grants for individuals in the past but were happy to take on this role.

The arrangement that was agreed between Arts SA and DIRC is that when the successful applicants are notified of their grants they will be offered the choice of payment of the funds directly into their own account or having the funds auspiced by DIRC.

If they choose to have the funds paid directly then they will be obliged to sign a Funding Agreement with Arts SA (See attached).

If they choose to have there funds auspiced then they will get a letter from DIRC stating this arrangement and a Funding Agreements will be developed between Arts SA and DIRC.

All payments will be made by DIRC on behalf of the client.

This role will attract a 5% auspicng fee which Arts SA will pay.

Appendix 2. Artists with disabilities in Australia

Throsby, David, Virginia Hollister (2003), *Don't give up your day job: an economic study of professional artists in Australia*, Sydney: Australia Council, custom tables.

Number of disabled artists within each Principal Artists Occupation

	Intellectual disability	Physical disability	Mental illness	Artists w disabilities	Percent of all artists in the survey
Writers	1	18	7	24	10.96
Craft Practitioners	1	5	3	9	7.32
Visual Artists	2	27	15	41	17.15
Composers	0	6	4	10	15.15
Actors including Directors	1	4	2	7	4.38
Dancers including Choreographers	0	1	1	2	2.67
Musicians including Singers	0	9	5	14	9.86
Community Cultural Development Workers	0	1	1	2	5.26
Total	5	71	38	109	9.09

Appendix 3. Artists Incomes in Australia

Throsby, David, Virginia Hollister (2003), *Don't give up your day job: an economic study of professional artists in Australia*, Sydney: Australia Council.

Mean earned income of artists(a), 2000-01 financial year

Practising professional artists	Creative income (\$)	Other arts-related income (\$)	Total arts income (\$)	Total non-arts income (\$)	Total income (\$)
Writers	20,400	6,100	26,400	19,700	46,100
Visual artists	12,600	7,300	20,000	9,300	29,300
Craft practitioners	19,100	4,000	23,300	7,000	30,300
Actors	22,500	5,000	27,400	14,300	41,700
Dancers	16,700	7,100	23,900	3,000	26,900
Musicians	17,700	9,800	27,600	13,500	41,100
Composers	12,700	14,000	26,700	11,500	38,200
Community cultural development workers	8,400	8,300	16,700	9,400	26,100
Total	17,100	7,400	24,600	12,600	37,200

Attachment 4: Media Entertainment & Arts Alliance 'Artstart' policy

Government Support through the tax and social security system for performers

The Department of the Environment, Water, Heritage and the Arts (DEWHA) are currently investigating the following support measures for "artists":

- Start-up assistance for emerging artists;
- An ArtStart program to give better employment opportunities in their field to artists who are on welfare;
- Consideration of adding arts activities to the criteria for employment and community participation in Work for the Dole programs;
- A Social Security and the Arts policy to harmonise rules across Australian Government agencies and ensure earnings and royalty payments are treated equitably.

See Appendix A: Current Australian support measures for Australian Artists

This is based upon the 2007 Labor Party *New Directions for the Arts* including the policy known as *ArtStart*:

A Federal Labor Government, working collaboratively with the sector, state and local governments ... implement ArtStart as a critical step in acknowledging the important role of Australian artists.

The ArtStart program will review the current state of artists' incomes and introduce initiatives that enable artists currently on welfare greater opportunity to produce work and generate employment.

Specifically, issues confronting young and emerging artists will be addressed through the provision of start-up assistance for professional artists.

Labor will develop a 'Social Security and the Arts' policy that harmonises current Australia Council, Centrelink and Australian Tax Office rules and determines the most equitable way to treat earnings and royalty payments for artists currently receiving welfare.

Labor will consider adding 'participation in arts projects' to the criteria for employment and community participation in work for the dole programs where it is likely that such participation will improve a person's prospects of gaining employment or private income.

Alliance Position

The following are a list of general principles that the Alliance would like to see included in the Government's development of a program of Social Security reforms for Artists:

- The inclusion of performers (including actors, singers, dancers, comedians, performing artists and magicians) within the category of Artists in any proposed reforms;
- Reforms to current Mutual Obligation programs including:
 - *Assistance Programs*: Specific resourcing within the Job Network allocated to:

- case managers to concentrate on identifying and strengthening the skills an artist needs to develop professionally in order to work as full time as an artist;
- the placing of performers in relevant performance/arts-based employment consistent with the career development of the individual;
- The ability to register “performing artist” or “artist” as their career in order to qualify for any Artstart benefits, with Equity membership on element in demonstrating bona fides;
- The ability to refuse a non-performing arts or related job and retain unemployment benefits;
- *Work for the dole*: Performing Arts activities to be included in the range of Work for the Dole placements available;
- *Training*: Small business, self employment and creative skills training appropriate for performers should be introduced with adequate funding;
- *Part time work*: Performing artists be allowed to be engaged in their own creative work, work on community performing arts projects or other related work in satisfying the requirement to work part time 130 hours over 13 fortnights;
- Rental assistance: Current rules for rent assistance adjusted for bona fide ArtStart recipients since performers are required to live for the most part in inner city Melbourne or Sydney where rents are higher;
- Income earned from performance fees (with some restrictions including time limits and thresholds) be included in the category of Exempt Income, ie, income which is not assessed when claiming a payment from Centrelink;²
- If income earned is not exempt then professional expenses related to the obtaining of employment in their chosen career should be able to be deducted from the income earned.

Existing Australian Proposals

The National Association for the Visual Arts (NAVA) have put forward the following two proposals relevant to performers:

Living wage for artists

In its last two election policies. Labor has made a commitment to the provision of a “living wage” for two years after graduation for art practitioners engaged in professional activities. This is intended to bridge the start-up phase of an artist’s business. Such a scheme would be of great benefit in allowing practitioners to build the essential ground work for their careers without the added pressure of having to earn income. The terms of eligibility could be based on those proposed for the Tax Public Ruling.

Similar scheme to PACE

² Current categories exempt:

- a rent subsidy paid by the Commonwealth, a state or a territory
- most payments made by Centrelink on behalf of other government departments. Please Note: these payments may be income for the Family Tax Benefit Income Test.
- compensation for loss of, or damage to, building, plant and personal effects
- returns from superannuation investments for all customers under Age Pension age
- payment for a dependent child

Pathways to Arts and Cultural Employment currently operating in New Zealand. In Australia such a scheme may become a recognised activity under "employment and community participation".

The Myer Report of the Contemporary Visual Arts and Craft Inquiry 2002 also put forward the view that there may be scope for a range of arts activities with community benefits to satisfy the mutual obligation criteria. Visual arts and craft community projects are often eligible for support through the Work for the Dole program. There are opportunities for more artist-led Work for the Dole initiatives. There may be scope for a nationally coordinated program, run through Work for the Dole, for unemployed artists to work in Australia's network of artist-run initiatives.

International Models

There exist a number of models social security and pension support for artists/ performers.

- a. ***New Zealand's Pathways to Arts and Cultural Employment (PACE) scheme:*** PACE allows artists to register "arts" as their first choice career; and allows Government case managers to concentrate on identifying and strengthening the skills an artist needs to develop professionally in order to work full-time as an artist;
- b. ***Ireland's Community Employment Schemes:*** Artists can be engaged in their own creative work, work on community arts projects or other related work while having access to training opportunities. Participants must carry out approx. 20 hours a week with the scheme to maintain their benefits, leaving them more free time to pursue other work in their own time. Unlike social welfare, under a CE Scheme, the artist can top up their income through selling their works of art without affecting their benefit. In addition to this are the *Cnuas* (which works as an annuity paid to artists for a period of five years) and pension schemes both run by the state supported Aosdana Artist collective;
- c. ***Canada's Income Tax Act:*** Performing artists who are self-employed can deduct reasonable business expenses, including the following: insurance premiums on musical instruments and equipment, the cost of repairs to instruments and equipment, legal and accounting fees, union dues and professional membership dues, an agent's commission, publicity expenses, transportation expenses related to an engagement, cost of music, acting or other lessons incurred for a particular role or part or for the purpose of general self-improvement in the individual's artistic field. Artists who are employees may deduct reasonable employment expenses, subject to certain limitations (e.g. advertising and promotion, travel expenses).
- d. ***The Netherland's Wet Inkomensvoorziening Kunstenaars (WIK) scheme:*** Unemployed artists are allowed to keep up their artistic work and attempt to get themselves established after the six-month period in return for a slightly lower benefit – 70 per cent of the regular benefit under the National Assistance Act. Artists who make use of it are not obliged to apply for jobs and need not accept positions deemed to be inappropriate. Artists are also allowed to supplement their income by up to 125 per cent of the national social security benefit. Professional expenses related to artistic production can be deducted from gross supplementary earnings before these are set off against the benefit.
- e. ***Germany's 'Kunstler Sozialkasse' (KSK):*** Allows independent artists to enjoy the same degree of social protection as employees covering health insurance and old age pensions but not unemployment benefits.

- f. **The UK's 'New Deal for Musicians'**: offers musicians access to advisory support from a specialist Music Industry Adviser (MIA); an Open Learning route, lasting up to 26 weeks, support and guidance from a Music Open Learning Provider (MOLP) who will support participants through a range of open learning materials and provide jobsearch support.
- g. **France's Social Security Scheme for Self-Employed Artists**: Despite being self-employed, at the end of their second year of activity, Artists become entitled to social security benefits under the same conditions as salaried employees.
- h. **Belgium's new Social Security rules for Artists**: When unemployed, creative artists may be able to refuse a non-artistic job and retain unemployment benefits if the artist performed a minimum of 156 working days of artistic activity in the previous 18 months, if the job offered is not physically or intellectually compatible with their artistic work, and if the job offered involves risks which could impede artistic skills. Where the creative activity is a secondary occupation, performed during the period of unemployment, this activity will not generally affect the unemployment benefit, provided the activity is declared to the benefit office. The unemployment benefit payable will not be affected by the secondary creative occupation, provided the artist's annual taxable income does not exceed a specified amount. If the unemployed artist earns more than this threshold, the unemployment benefit falls proportionately
- i. **Austria's Law on Social Security for Artists (*Künstler-Sozialversicherungsfondsgesetz*)**
Freelance artists are treated the same as other self-employed professionals. A *Social Security Insurance Fund for Artists* which grants artists a pension supplement, if their annual income from the artistic falls below a certain level and the sum of all their income does not exceed a maximum level. The pension supplement is based on self-evaluation of future income.

See Appendix B for further details

Appendix A: Current Australian support measures for Australian Artists

In 2000 an amendment to the New Business Tax System (Integrity Measures) Bill 2000 ruled that professional artists with non-art income of less than \$40,000 would be able to continue to offset their losses as a professional artist against their non-art income.

In most regards an artist is treated as a business and is subject to the same tax rulings as any business. Otherwise the artist is regarded as an employee, albeit possibly an unemployed one. The above ruling seems to introduce a hybrid notion of what an artist is for taxation purposes. Income averaging does apply to those arts workers who comply with the ATO's definition of a special professional – this includes performers, artists, composers, writers, computer programmers, inventors and production associates.

Many arts workers receive or have received unemployment benefits otherwise known as the Newstart Allowance. Like other benefit recipients they must be able to take up fulltime work if it is offered, although they can agree the areas in which they are able and willing to work in the 'Preparing for Work Agreement'. Artswokers who are identified as self-employed are eligible for Newstart Allowance if the Profit and Loss of the business shows that their earnings for that financial year have not exceeded a certain amount.

Jobseekers are assisted in their search for employment by Job Network members whose role it is to identify training needs and arrange training, arrange interviews for suitable positions etc. Newstart Allowance reduces according to what income levels the recipient has earned in a fortnightly period.

Mutual Obligation and Work for the Dole

The unemployed must participate in extra activities like a program or training course to "improve" their chances of finding work if they are aged between 18 - 49 years and have been getting Newstart Allowance, Youth Allowance, Special Benefit or Parenting Payment for 6 months.

People can meet their Mutual Obligation requirements by participating in one, or a combination of:

- Employment and Community Participation
- Training
- Assistance Programs

Under Employment and community participation there are a number of programs forms including

- Part-time paid work: (where you must be doing at least 130 hours over 13 fortnights)
- Community Development Employment Projects (CDEP): (in Indigenous communities).
- Community Work: (where you must do 200 hours in six months (if you are aged 18 - 20), 240 hours in six months (if you are aged 21 - 39) and 150 hours in six months (if you are aged 40 - 49).
- Green Corps: You must do five days a week for six months. Green Corps is available for young people aged 17 - 20, and you will get a training allowance instead of Youth Allowance.
- Relocation: You can choose to move to another area where you have more chance of finding a job or where your skills are in higher demand. This must be followed by 14 weeks of intensive job search;
- Work for the Dole (WFD) provides work experience placements for job seekers in approved activities including arts and heritage which provide facilities and services to local communities. Artists receiving benefit could therefore be forced to work in jobs unrelated to their art form, possibly to the detriment of their artistic production and skill maintenance.

Projects are administered on behalf of the Commonwealth by private sector organisations called "Community Work Co-ordinators" or CWCs. CWCs source, develop and co-ordinate project opportunities through a variety of non-profit and community sector organisations, known as "sponsors". For example, in the case of the TAP Gallery project in Darlinghurst, Sydney, the CWC is Broadway Anglican Youthworks and the sponsor is TAP Gallery. In the case of Geelong Adult Training and Education (GATE) which runs projects including Breathing Space Community Arts and Art By the Ocean, GATE plays the role of both CWC and sponsor.

Under training there are a number of programs forms including:

- Approved Language, Literacy and Numeracy Training: You must do 10 to 20 hours of activity a week in an initial training block of 160 hours. There is a maximum of 800 hours training available in 160 hour blocks and access depends on your needs, participation and improvement in skills. In some cases, participation in approved Language, Literacy and Numeracy training may be compulsory.
- Part-time study in an approved education or training course:
- Australian Apprenticeships Access Program: The length of the course followed by intensive job search activity for a minimum of 17 weeks. You must complete the program.
- Defence Force Reserve: You must do 200 hours in six months (if you are aged 18 - 20), 240 hours in six months (if you are aged 21 - 39) and 150 hours in six months (if you are aged 40 - 49).

Under Assistance Programs there are a number of programs forms including:

- Youth Pathways: helps young people who are most at risk of not making a successful transition to reach their full potential by keeping them engaged or re-engaging them with education and training.
- Job Placement, Employment and Training: Maintain regular contact with the Job Placement, Employment and Training Provider for the length of the program (at least six months). The hours each fortnight can vary depending on your needs. You must complete the program.
- Career Planning: this is available in most locations and involves two small-group sessions, each running for about two hours, with the option of two additional one-on-one sessions. It does not satisfy Mutual Obligation requirements.
- Voluntary work/training courses: Centrelink has a large national register of approved not-for-profit community organisations you can contact about voluntary work.

Performing artists in advertising

After an 18-month debate the ATO agreed a change in regulations in 2002, concerning performing artists working in advertising. A new regulation, effective from 1 April 2002 states that advertising agents can no longer require actors to provide an ABN or deduct 48.5%. All work a performer does in the advertising industry will be deemed to be liable to Pay As You Go (PAYG) tax. Any advertising agency which insists on an ABN will be working outside the regulation and can be reported to the Alliance (an actors' group) or the ATO. If an actor does use an ABN it will be ineffective. Superannuation of eight per cent³ must also be paid by the employer.

³ Nine per cent from 1 July 2002.

Not having to produce an ABN is expected to make life easier for artists. The reasoning is that, as actors are genuinely employees, they should be covered by appropriate safeguards for employees such as superannuation and workers compensation. Another advantage is the avoidance of the administration costs and time involved in preparing a Business Activity Statement (BAS), GST reporting and/or hiring a professional accountant (Alliance Online, 2002).

Appendix B: International Models: New Zealand

The Pathways to Arts and Cultural Employment (PACE) scheme was launched in November 2001, under the Labour/Alliance Government. The aim of PACE is to assist job seekers willing and able to pursue a career in the arts and creative industries to move towards sustainable employment and self-sufficiency. Its two basic purposes are: to allow artists to register "arts" as their first choice career; and to allow Work and Income case managers to concentrate on identifying and strengthening the skills an artist needs to develop professionally in order to work full-time as an artist.

Generally, a job seeker is required to sign a 'Job Seeker Agreement', the terms of which has been decided in conjunction with a case worker. These agreements outline the obligations that the applicant must adhere to in order to receive benefits. One of these obligations is to look for work. Under the PACE scheme, a 'cultural worker' can list art as their first career choice. The applicant must still sign a Job Seeker Agreement (JSA), but they are freed from looking for work outside their field. Essentially, PACE customises services already offered by Work & Income (New Zealand's equivalent of Centrelink), to be specifically responsive to cultural workers. These set out training and employment activities, goals and key milestones that will move the artist closer towards sustainable income. Each JSA have a timeframe for reporting. This process of planning and reporting through the JSA describes the artist's responsibility and obligation to meet their work test requirements. As long as the artist is progressing with the agreed activities they will be considered to be meeting their work-test requirements. A PACE Resource Pack has been developed for Winz case managers to show PACE clients about the arts & cultural opportunities that exist in New Zealand.

The term 'cultural worker' incorporates practitioners involved in arts administration, preservation, tuition production, curation, as well as those working in the design industry, and, of course, those involved in creating original works.

While PACE has work-test requirements, it also recognises that some cultural workers do generate their own work and income opportunities. To support that, Case Managers will work with them to identify and overcome barriers to progress and to encourage the development of their own professional practice. This would form part of their individual Job Seeker Agreement. If the individual case worker can be convinced that you are making progress with your artform, then you will be considered to be meeting your work-test requirements.

For many artists their career is their focus and they will need a business structure to professionally manage their careers. Work and Income (NZ's Department of Employment and Training) provide training for small business skills and self employment, the first step in accessing this support may be referral to a seminar for Enterprise Allowance.

To access PACE, a person must qualify for unemployment benefits with Work & Income NZ and be willing and able to take up paid employment.

To be involved in PACE a person must be eligible to receive a benefit and want to work in the arts and cultural industry. They demonstrate their commitment to pursuing a career in the arts by:

- Identifying relevant training and work experience.
- Being able to articulate a clear vision of their work and career plans.
- Actively seeking employment opportunities related to their creative skills.
- Actively seeking opportunities to present or publish their work for public display.

- Actively seeking and undertaking training to advance their personal and professional development.
- By strengthening their capacity for professional work.

PACE is focused on helping arts and cultural job seekers find and develop employment opportunities that are suited to their training, skills and employment goals. Therefore artists will be expected to accept employment that matches their skills and assists them in their professional development. If they do not, as with all other work test beneficiaries, sanctions may be imposed.

How long artists can stay on PACE will vary for individual job seekers and depend on them making progress towards achieving the goals and milestones agreed to in their Job Seeker Agreement. If a job seeker is successfully working toward achieving their training and employment goals, they will continue to be supported by PACE. If a job seeker is not fulfilling the terms of the Job Seeker Agreement with good reason, their Case Manager may question whether an arts and cultural job choice is a viable employment or career option.

Case Managers do not assess the artistic merit of the practitioners' work. Their focus is to help arts and cultural job seekers develop their career and find sustainable employment. Case Managers will be assessing progress made against their Job Seeker Agreement.

The process of charging income earned by arts and cultural job seekers is no different to the process of charging income for other Work and Income clients. Income from wages is charged against the benefit at the gross rate. The amount charged from sales or performance fees can be reduced to account for expenses incurred to produce or present the work. PACE clients are able to earn \$80.00 gross per week before their unemployment benefit is affected.

Arts and cultural job seekers income is likely to be irregular and the period over which income is earned and charged against a benefit will depend on the individual circumstances of each case. Artists and Case Managers discuss and make agreements for income reporting in the JSA. To assist this process to work well artists need to keep appropriate records including a diary for when work is done.

International models: Canada

Certain deductions to the *Income Tax Act* (1985) are in effect for visual artists and writers, and performing artists. Visual Artists and Writers: visual artists and writers who are self-employed are entitled to deduct reasonable expenses incurred in connection with earning income from their business, including work space in home expenses and professional membership dues. Visual artists and writers who are employees can deduct, within certain limitations, their expenses paid (e.g. advertising and promotion, travel expenses) to earn employment income from "qualifying artistic activity" which includes:

- creating (but not reproducing) paintings, prints, etchings, drawings, sculptures or similar works of art;
- composing a dramatic, musical or literary work;
- performing a dramatic or musical work as an actor, dancer, singer or musician; or
- an artistic activity in respect of which the taxpayer is a member of a professional artists' association that is certified by the Minister of Communications, now the Minister of Canadian Heritage.

Performing artists who are self-employed can deduct reasonable business expenses, including the following: insurance premiums on musical instruments and equipment, the cost of repairs to instruments and equipment, legal and accounting fees, union dues and professional membership dues, an agent's commission, publicity expenses, transportation expenses related to an engagement, cost of music, acting or other lessons incurred for a particular role or part or for the purpose of general self-improvement in the individual's artistic field. Artists who are employees may deduct reasonable employment expenses, subject to certain limitations (e.g. advertising and promotion, travel expenses). An employee, who is employed in the year as a musician and is required as a term of the employment to provide a musical instrument for a period in the year, may deduct certain costs related to the musical instrument (e.g. capital cost allowance, amounts for maintenance, rental and insurance of the instrument). It should be pointed out that both employed and self-employed artists may make such deductions only against their self-employed artistic income. This provision applies to both visual artists and writers and to performing artists. The deduction related to musical instruments for performing artists is the only one that does apply to artists' employment income.

Artists receive an income tax credit, calculated on the basis of fair market value, for a gift to institutions and public authorities designated under the Cultural Property Export and Import Act (1985), which regulates the import and export of cultural property and provides special tax incentives to encourage Canadians to donate or sell important objects to public institutions in Canada. An independent, administrative tribunal certifies cultural property for income tax purposes by making determinations with respect to the "outstanding significance and national importance" and the fair market value of objects or collections donated or sold to museums, archives and libraries. It is a tax credit scheme for "donors" of cultural property that may include an artist if the person actually owns the artwork at the time of the gift, but the scheme itself is open to any taxpayer in Canada who wishes to make a gift to public institutions. Arts service organisations recognised by the Minister of Canadian Heritage and the Minister of Revenue as having charitable status may issue receipts for income tax purposes to persons

Status of the Artist

Enacted in 1993 and brought into force in 1995, the *Status of the Artist Act (1995)* officially recognises the contributions artists make to Canadian cultural, social, economic and political life and establishes a policy on the professional status of the artist. It also recognises rights of freedom of

association and expression of artists and producers, as well as the right of artists' associations to be recognised in law and to promote the socio-economic well being of those whom they represent. Although Part I of the *Act (1995)* established the Canadian Council on the Status of the Artist, which was intended to provide advice to the Minister of Canadian Heritage, to date, this part of the *Act* has not been implemented. Part II of the *Act (1995)* established the Canadian Artists and Producers Professional Relations Tribunal, and put into place a framework for the conduct of professional relations between artists and producers within federal jurisdiction (government institutions and broadcasting undertakings under the jurisdiction of the Canadian Radio-television and Telecommunications Commission). The Tribunal reports to Parliament through the Minister of Labour.

As *Labour Law* falls under provincial jurisdiction in Canada, the *Status of the Artist Act (1995)* applies only to artists engaged by the federal government. It does not apply to individuals working in employer-employee relationships; nor does it apply to producers and artists working under provincial jurisdiction. Quebec was the first province to have its own status of the artist legislation (which preceded the federal law) in 1987. Recently, however, both Ontario and Saskatchewan have introduced *Status of the Artist*-enabling legislation in 2007, and Newfoundland and Labrador has just begun the process to move towards creating the same type of legislation. Efforts continue to be made to encourage other provinces to consider enacting similar legislation.

The Tribunal has encouraged constructive professional relations between self-employed artists and producers under its jurisdiction. The Tribunal defined 23 sectors of artistic activity and certified 21 cultural associations by 2002. Fourteen final scale agreements have been reached including some with government producers and specialty television services. The effect of the Tribunal's work has yet to be fully felt in respect to raising the earnings of many self-employed artists in Canada who have average incomes (including income from other employment) CAD 7 300, less than the average income of CAD 31 757 for all workers in Canada (*Census 2001*).

The *Status of the Artist Act* was reviewed in 2002-2003 as stipulated in section 66. (Prairie Research Associates 2002) Although the *Act (1995)* was endorsed by those consulted, there was also a consensus that the legislation, by itself, is insufficient to bring about significant change in artists' socio-economic circumstances. The *Act's* restriction to federal producers, the fact that it addresses only labour relations, and the fact that it does not apply to producers sub-contracted by producers within federal jurisdiction are seen by artists' organisations in particular as its main shortcomings. There was general agreement that other kinds of measures are necessary if the socio-economic circumstances of self-employed artists are to improve. The evaluation recommended that other policies and programmes be explored to improve the situation of artists, in addition to possible amendments to the *Act (1995)*, itself. The Departments of Canadian Heritage and Human Resources Development Canada continue to seek progress in this regard.

International Models: Ireland

Artists who are registered as self-employed in Ireland can apply for *Unemployment Assistance* if their income falls below the current level of the social welfare benefit, subject to a means test, and they are available for and actively seeking work. This has been problematic for artists, who may be pressured into finding work outside their creative area.

*Fas*⁴ the national government agency with responsibility for training and employment, gives priority to those with the most difficulties in the labour market. Both artists and arts organisations have used their training and employment schemes extensively to help artists become better equipped for work. *Fas Community Employment Schemes (CE Schemes)*, are used by artists to get off the unemployment register. Under these schemes the artist can be engaged in their own creative work, work on community arts projects or other related work while having access to training opportunities. Participants must carry out 19.5 hours a week with the scheme to maintain their benefits, leaving them more free time to pursue other work in their own time.⁵

Unlike social welfare, under a CE Scheme, the artist can top up their income through selling their works of art without affecting their benefit.

Artists are generally only allowed to stay on the scheme for a year. However, applications for a second, and (maximum) third year are considered from applicants over 35 who were previously unemployed for over three years. A problem with the Scheme is that there is no individual in *Fas* specifically to deal with the training and employment requirements of artists. Hence it is up to the artists to make their programmes fit within *Fas*'s requirements, which is not always possible without substantial modifications. Artists have also complained that the schemes can be exploitative. Artists involved in teaching and other professional work in colleges and schools as part of their community work earn in a number of days the same rates as a professional would normally charge for a couple of hours of the same work.

Two important financial schemes are run by Aosdana, the affiliation of creative artists, established by the Arts Council in 1983. In 2002, there were approximately 189 members, comprising 90 visual artists, 17 musical artists, and 82 artists from the field of literature. Funding is channelled from the State through the Arts Council who also deals with its administration. The first is called *Cnuas* which works as an annuity paid to artists for a period of five years with the potential to be renewed for subsequent five-year periods. This scheme is designed to enable artists to concentrate their energies on the full-time pursuit of art. The artist must therefore satisfy the Arts Council that they are not pursuing any other part-time or full-time paid work.⁶ Currently, its members are only visual artists, writers and composers.

⁴ *Fas* is the Irish term for 'grow'.

⁵ The allowance on the CE scheme is roughly the same as Unemployment Assistance (£105 [€133] a week for a single person with no dependents) and participants can keep all the secondary benefits of social welfare such as rent assistance and a medical card.

⁶ When the scheme commenced, its value was approximately £15,000 (€19,478) for the five-year period. The value of this scheme in 2002 is approximately £8,747 (€11,072). The total number of artists in receipt of *Cnuas* in 2002 was 100 or a total funding of £8,747,000 (€11.1 million).

Aosdana also runs a pension scheme, the cost of which is borne in equal parts by the Arts Council and Aosdana members. Pensions paid out to artists are based on the number of years they have subscribed to the scheme. To qualify for Aosdana membership, artists must be at least 30 years old.

Tax

A provision exists for artists in Ireland that grants tax-exempt status to self-employed creative artists, that is, composers, writers and visual artists. The exemption was initially introduced in the 1969 Finance Act and applies to all creative artists who qualify for residency as defined by the Revenue Commissioners. The government decides whether the work is original and creative, and whether it has cultural or artistic merit. Seemingly performers are not included in this scheme since 'interpretive' artists do not qualify.

International Models: The Netherlands

Artists whose incomes fall below a certain level are entitled to claim a social security benefit, as are all citizens of the Netherlands under the National Assistance Act (Algemene Bijstandswet, ABW). Benefit is awarded on the condition that the claimant acknowledges the obligation to apply for jobs and to perform suitable work. After a period of six months, the government can insist that the person either accepts a job or returns to education.

It was realised that the ABW did not meet the needs of artists as those on assistance would have to retrain or apply for jobs despite their wishes to pursue their artistic profession. Because of this, artists were granted an exemption from this law by the Income Provision for Artist Act of 1999 or Wet Inkomensvoorziening Kunstenaars (WIK). This is the third generation of this scheme following its introduction in 1949. The current act is designed to support artists in launching their careers. Artists who make use of it are not obliged to apply for jobs and need not accept positions deemed to be inappropriate. Unemployed artists are allowed to keep up their artistic work and attempt to get themselves established after the six-month period in return for a slightly lower benefit – 70 per cent of the regular benefit under the National Assistance Act.⁷

Artists are also allowed to supplement their income by up to 125% of the national social security benefit.⁸

Professional expenses related to artistic production can be deducted from gross supplementary earnings before these are set off against the benefit.⁹

An artist is allowed to use the WIK income provision for a maximum of four years. They do not have to be consecutive years but artists must claim within a period not exceeding 10 years. To be eligible for the WIK, the artist's income must be below the social minimum derived from the National Assistance Act and they must be able to prove that they practice art on a professional basis. Applicants are screened by an independent advisory body, the Provision Fund for Artists

⁷ In 2002, the entitlements were 1,014 NLG (€456) for single people, 1,428 NLG (€642) for single parents and 1,635 NLG (€736) for married or cohabiting couples.

⁸ The sums available to the artist are therefore 1,810 NLG (€815) for singles, 2,328 NLG (€1048) for single parents, and 2,586 NLG (€116) for couples, which is considerably higher than the standard benefits for non-artists of 1,448 NLG (€652), 1,862 NLG (€838), and 2,069 NLG (€931) respectively (Ministerie Van Sociale Zaken en Werkgelegenheid, 2002).

⁹ (Visual artists are allowed to deduct a fixed sum of expenses of 10,000 NLG (€4,500) a year while other artists are allowed a 5,000 NLG or €2,250 deduction).

(Voorzieningsfonds voor Kunstenaars, VvK). Screening is based on an asset and income test and an assessment of whether the artist is a 'professional' or not. The artist must also have earned a gross turnover of more than 2,400 NLG, or €1,092, or more from their artistic endeavours in the previous year¹⁰. The occupational assessment is based on their artistic production, time devoted to it, participation in exhibitions and other attempts to sell their goods or services, but not on artistic quality. Artists who claim the benefit within 12 months of completing a professional arts education programme are screened only on the basis of holding a diploma or degree from a recognised arts education institution. In 2001, approximately 4,200 artists made use of the WIK scheme. Approximately 70–75% of these were creative artists and 25–30% performing artists (Holvast, 2001).

A programme known as a 'flanking policy' is attached to the WIK scheme to help support artists develop a remunerative and self-sufficient practice. It is run by the Arts Platform Foundation (Stitching Podiumkunstwerk, PKW) and the Provision Fund for Artists (VvK). Within this programme artists can apply for a small amount of financial support for a range of business-related activities such as legal and financial advice, education, training, or investments for their new business. Support may also be given to artists who develop 'mixed' professional practices, for example, supplementing the income received from their art work by giving art lessons at schools (Ministerie Van Onderwijs, Cultuur en Wetenschappen, 2002).

Alongside the WIK Scheme, there are also several hundred basic stipends up to a maximum of 60,000 NLG or €27,200 for a two-year period given to artists with insufficient income to carry on their artistic work. The salary may be adapted to the artist's own income and requirements being, for example, taken up in a period of low sale. One example is the Starter Stipend which is a contribution to the artist at the start of their career.¹¹

The Income Provision for Artists Act was reviewed in 2002. This review highlighted some need for change. Recently a new government was elected and it is not yet known if WIK will be continued in its present form or not.

Another Dutch policy of value to artists is a small non-contributory pension for artists scheme, established in 2002. If an artist receives a subsidy from one of the five culture funds, then the fund will pay an additional 10% of the amount into a pension fund. The artist cannot withdraw the funds into another pension fund, but can put money into it.

The Netherlands does have social assistance programmes for artists administered by the government and private artists' associations. The Artists' Provident Fund, for example, is used to provide a weekly minimum wage, holiday allowance, some occupational expenses and a health insurance contribution for artists. Funds for this programme are collected from a matching fund of government money and fees collected from artists' unions.

Tax

VAT on regular sales in the Netherlands is set at 17.5%. A reduced rate of six per cent is applied to sales of art works and tickets to performing arts events such as the theatre, concerts and cinema. The products of writers and composers are VAT-exempt.

¹⁰ Art Academy graduates are not subject to this rule and are also allowed less stringent occupational assessment to be accepted into the scheme.

¹¹ An amount of approximately 35,000 NLG or €19,200 is awarded for a period of up to 12 months, within two and a half years of leaving an advanced education arts institution (ERICarts, 2001)

International models: Germany

Employed artists benefit from the same social security benefits (such as health care and pensions) and unemployment payments as all other employees in Germany. However a partially publicly funded social insurance scheme for self-employed artists known as '*Kunstler Sozialkasse*' (KSK) was established by the Artists' Social Security Act of 1983 (*Künstlersozialversicherungsgesetz* or KSVG) in order to enable independent artists to enjoy the same degree of social protection as employees. It covers health insurance and old age pensions but not unemployment benefits.

The scheme was developed for self-employed artists as they were not eligible for the normal employer contribution schemes (covering health, pensions etc.), and because of their often poor incomes. The normal contribution for all German taxpayers is 19.1% of income tax for pension funds, 1.7% social funds and 13.5% for health insurance. Artists who are employees pay half the contribution from their income taxes and the employer pays the other half. Self-employed persons are liable to pay both shares, but under the KSK, the State and enterprises using artists' works such as art dealers, gallerists, auctioneers publishers, theatres, broadcasters and others also contribute to health insurance and pension schemes for living fine artists. Contributions towards the KSK are shared between the individual artist (50%), enterprises regularly using artists' work (30%) and the state (20%).

To be accepted into the KSK, artists have to prove that they are self-employed and that they earn a minimum income of 7,680 DM or €15,053 a year. Professional newcomers such as graduates are exempt from the minimum income criteria but must prove their freelance status. In 2000, 112,209 artists were registered with KSK (39% visual artists, 26% musicians or composers, 24% authors, translators and freelance journalists, and 11% performing artists) (ERICarts, 2001).

International Models: UK

The 'New Deal for Musicians' was introduced into the UK on a trial basis in 1999, and on January 28 this year was made permanent. NDfM offers musicians:

- Access to advisory support from a specialist Music Industry Adviser (MIA) during the Gateway period and beyond;
- An Open Learning route, lasting up to 26 weeks, based on a national set of workbooks relevant to the music industry;
- Support and guidance from a Music Open Learning Provider (MOLP) who will support participants through a range of open learning materials and provide jobsearch support; and
- Flexibility on the existing self-employment route to give continued access to open learning materials and to allow test trading as part of a band.

Part of the existing UK welfare scheme, 'New Deal for Musicians' is for those aged 18 to 24 who want a career in the music industry – including instrumentalists, vocalists, composers, songwriters and DJs. The recipient works for a period of 12 months with a New Deal Personal Advisor, who will identify any help or training the applicant will need to work in the industry. The applicant will then be referred to a 'consultant' from the music industry, who will be supportive and offer realistic advice on the chances of succeeding. The benefit is available for the period of one year. No other area of the arts industry is yet covered by such a scheme. The government has not ruled out extending the New Deal for Musicians to other arts fields, but is waiting to gauge its initial success.

The Scheme was evaluated in 2007 with a number of recommendations to alter the scheme slightly including Restrict participation to those individuals who have a realistic chance of succeeding in the music industry and Introducing a work placement element.

International Models: France

Since 1 January 1977, artists / authors benefit from a specific social security scheme which stipulates that, although they are self-employed, at the end of their second year of activity, they become entitled to social security benefits under the same conditions as salaried employees: *Social Security Scheme for Self-Employed Artists (1977)*

International Models: Belgium

In Belgium, the social security law was amended recently, and as of 1 January 2001, more generous benefits are available to some unemployed artists. The new provisions are aimed at individuals working as creative, interpretive or performing artists. Different benefits are available depending upon whether the creative, interpretive or performing arts constitute the main occupation of the individual, a secondary occupation, or a hobby.

a) *Hobby*—The practice of creative arts as a hobby will not impact upon the eligibility of an individual to unemployment benefit.

b) *Main Occupation*—Creative artists are entitled to unemployment benefit when the creative arts is not their main occupation. When unemployed, creative artists may be able to refuse a non-artistic job and retain unemployment benefits if the artist performed a minimum of 156 working days of artistic activity in the previous 18 months, if the job offered is not physically or intellectually compatible with their artistic work, and if the job offered involves risks which could impede artistic skills.

c) *Secondary Occupation*—Where the creative activity is a secondary occupation, performed during the period of unemployment, this activity will not generally affect the unemployment benefit, provided the activity is declared to the benefit office. The unemployment benefit payable will not be affected by the secondary creative occupation, provided the artist's annual taxable income does not exceed a specified amount. If the unemployed artist earns more than this threshold, the unemployment benefit falls proportionately

International models: Austria

Since January 2001, when the new *Law on Social Security for Artists (Künstler-Sozialversicherungsfondsgesetz)* came into force, freelance artists are treated the same as other self-employed professionals, which means they must pay their statutory social security insurance if they earn more than 6,453 euros per annum. In many cases, the new law created a situation whereby artists end up making two different types of social insurance payments: statutory insurance for freelance work and any other social security insurance payments which result from other part-time employment contracts they may have. As many freelance artists are employed both part-time *and* do free-lance work, the contribution to the social security system is relatively high compared to total income.

The new *Law* set up a *Social Security Insurance Fund for Artists (Künstlersozialversicherungs-Fonds)* which grants artists a pension supplement of up to euro 85.5 per month, if their annual income from the artistic activity is at least euro 4,094 and the sum of all their income does not exceed euro

19 622 annually. The pension supplement is based on self-evaluation of future income. If either of the above limits are not achieved, or are exceeded, the supplement has to be paid back. Those artists entitled to receive a grant must meet certain requirements such as being specifically trained (art-university graduates, for example). Others are selected by a specific board (commission). Each year about 4,500 to 5,000 artists receive this pension supplement; about 20% do not reach the minimum level.

The reform of the artists' social insurance is among the cultural policy priorities of the new government. However, in contrast to announcements by the government to abolish the minimum level (euro 4 094), a draft version of an amendment to the law provides only for changes, such as allowing prizes and scholarships to be taken into account as part of the income, and the possibility for those artists with a lower income to receive a supplement also for health and accident insurance.

Attachment 5: Communications

Initial email alerting to information gathering exercise

From: Nick Herd
Sent: Wednesday, 4 March 2009 14:04 PM
Subject: Research - artist's working lives

I am writing to let you know about an information gathering exercise we intend to contact you about within the next couple of weeks, in which we will be asking for your input on a range of issues relating to artists' working lives and the support of artists.

The information gathering is part of a research project the Australia Council is undertaking in partnership with the Department of the Environment, Water, Heritage and the Arts (DEWHA). The research aims to provide data analysis and literature reviews on artists' incomes, the nature of arts work, trends in the artist labour market, and the impact of government tax and welfare policies on artists' working lives.

We would like to obtain your organisation's input as part of our information gathering for the project. To this end, I aim to email you within the next two weeks with more detail information on the project, and a background draft literature review of the key aspects of artists' work and issues artists experience under tax and social security systems.

In the email, we will be asking for your responses on a range of issues, including:

- Your comments on the issues raised in the review;
- additional information sources and research you are aware of that relates to income support for artists; and
- ideas and input on what you see as the key issues in government support for artists' work and income generation.

We are working to a short timeline on this project, so I wanted to alert you in advance to allow you to schedule time to respond. We expect to contact you within the next two weeks, with a deadline for input within two to three weeks after that.

It is important to note that this is not a formal consultation for the development of policy. Rather, it is an information gathering round with a limited range of peak national bodies such as yours for the purpose of feeding into research. Although there is no definite plan regarding publication of the results of the research, we can undertake to feed back key outcomes to agencies who participate.

Please also note that this is a separate project from latest research being undertaken by Professor David Throsby for the Council. We are aware that your organisation may already have been contacted by Professor Throsby, or a member of his research team, regarding his current survey of practising professional artists.

We hope you will be able to work with us in developing this important piece of research. If you have any questions, please do not hesitate to contact me by email or by phone on (02) 9215 9119.

With best wishes

Dr Nick Herd
Director, Research & Strategic Analysis
Australia Council for the Arts

Email containing questionnaire

From: Nick Herd
Sent: Wednesday, 1 April 2009 14:24 PM
Subject: Review of artists' employment issues: Information gathering

Dear colleagues

As promised in my earlier email of 4 March (see below) about our research into artists' working lives, please find attached a file that contains

- 1) A set of questions for you to complete;
- 2) A summary problems experienced by artists under tax and social security systems identified in a review of Australian and overseas literature; and
- 3) A list of references from which the literature review has been derived.

Please read the review, complete the questions and return your responses **by 17 April**.

Nick Herd
Attachment: Questionnaire

Reminder email

From: Nick Herd
Sent: Wednesday, 15 April 2009 10:53 AM
Subject: RE: Review of artists' employment issues: Information gathering

Dear colleagues

A reminder that we are seeking your responses to our short questionnaire (attached) on artists' working lives by Friday 17 April. If you would like to respond but are unable to do so by Friday, please let me know.

Many thanks to those who have already responded.

Nick Herd

Final reminders

1 May 2008: Final reminder emails sent to individuals who had indicated they intended to provide a response.

Attachment 6: Organisations and individuals contacted

Mr	Gareth	Wreford	Arts Access Australia
Ms	Robyn	Ayres	Arts Law Centre of Australia
Ms	Julie	Dyson AM	Ausdance
Mr	John	Davis	Australian Music Centre
Dr	Jeremy	Fisher	Australian Society of Authors
Ms	Catrina	Vignando	Craft Australia
Ms	Evelyn	Richardson	Live Performance Australia
Mr	Drew	MacRae	Media Entertainment & Arts Alliance
Dr	Richard	Letts AM	Music Council of Australia
Mr	Jim	Rimmer	National Arts and Cultural Alliance
Ms	Tamara	Winikoff	National Association for the Visual Arts
Ms	Susan	Donnelly	Australian Major Performing Arts Group
Ms	Ruth	Smiles	Regional Arts Australia
Ms	Jacqueline	Woodman	The Australian Writers' Guild
Mr	Terry	Noone	Musicians Union of Australia
Ms	Libby	Baulch	Australian Copyright Council
Mr	Dean	Ormston	Australasian Performing Rights Association/Australian Mechanical Copyright Owners Society
Mr	Stephen	Peach	Australian Recording Industry Association
	Stephen	Peach	Phonographic Performance Company of Australia
Ms	Joanne	Craig	Viscopy
Ms	Maree	McCaskill	Australian Publishers Association
Ms	Pilar	Kassat	Auscan, c/- Community Arts Network of WA
	Rohini	Sharma	Kultour Network
Mr	Ross	McCaul	Copyright Agency Limited

Australia Council art form board directors

Ms	Lydia	Miller	Aboriginal and Torres Trait Islander Arts Board, Australia Council
Mr	Andy	Donovan	Interarts, Australia Council
Mr	Andy	Donovan	Dance, Australia Council
Mr	Andy	Donovan	Theatre, Australia Council
Ms	Susan	Hayes	Literature, Australia Council
Mr	Kon	Gouriotis	Visual Arts, Australia Council
Mr	Paul	Mason	Music, Australia Council
Mr	Frank	Panucci	Community Partnerships, Australia Council
Mr	Tony	Grybowski	Major Performing Arts, Australia Council
Mr	Atul	Joshi	Key Organisations

Attachment 7: Copy of questionnaire

Review of artists' employment issues: Information gathering

March 2009

The Australia Council and the Department of the Environment, Water, Heritage and the Arts (DEWHA) have entered into a collaboration to undertake research into artists' incomes and working lives. The research will focus on the incomes and working lives of professional artists, and will take into account structures and trends in the labour market. It is intended that the research will improve both organisations' understanding of artists' issues and experiences in this area. The summary of issues included in this file has been developed following a preliminary scan of literature and debate in Australia and overseas. The proposed solutions that are noted in the summary are those that have been raised in the course of the debate and do not necessarily represent the views of DEWHA or the Australia Council.

As part of our information gathering for the project, we are asking for input from the peak national bodies that represent artists. The information obtained from peak bodies will be used to supplement an analysis of data on the working lives of Australia's artists.

Below you will find:

- (i) A set of questions for you to complete;
- (ii) A summary of problems experienced by artists under Australia's tax and social security systems, which is based on a review of Australian and overseas arts policy literature; and
- (iii) A list of references from which the summary review has been derived.¹²

We would be grateful if you would provide responses to the questions below. Please keep your responses as brief as possible. We welcome any attachments that summarise your organisation's position or that you think would provide more detail on the issues.

Please note that this project is not linked to any other Government review (for example, the Government's review into the taxation system, the 'Henry Review').

WHAT TO DO

- Please answer the questions below, either in the boxes provided or separately. We welcome any attachments or references to relevant information resources.
- Return your responses by email to c.madden@australiacouncil.gov.au, or by fax to (02) 9215 9074.
- Responses are due by 17 April.
- If you have any questions about this questionnaire, please contact Dr Nick Herd on (02) 9215 9119, or n.herd@australiacouncil.gov.au.

¹² Note that (ii) and (iii) are not reproduced here.

Questions

Please complete the questions below by writing in the boxes provided, or by providing your thoughts in a separate file.

1) Social security and tax systems and artists

a) Are you aware of any common experiences or problems artists have under Australia's social security and tax systems? Please list and describe the main issues.

b) Do you think that artists are well aware of the opportunities available to them under social security (eg: income averaging and reporting profit and loss relating to carrying on a business as a professional artist)? If no, list and describe opportunities that you think artists have a low awareness of:

c) Are artists aware of the impact of certain types of grants on their social security benefits? If not, describe the major problems.

d) Are artists missing out on opportunities while on income support? If yes, explain.

e) Is your organisation aware of the changes to employment services framework due for implementation from 1 July 2009?

If yes,

(iii) Do you expect the changes will provide opportunities for artists? Please describe.

(iv) Are you undertaking any preparatory work or planning any resources or other initiatives in anticipation of the changes? If yes, please describe.

f) Please read the summary of literature on artists and tax and social security attached. Are there any major issues or problems not identified in the summary? Is there important research or analysis not identified in the reference list? Please describe below. References and attachments are welcome.

2) General issues about viability and sustainability of artist careers

a) What, in your opinion, are the key issues inhibiting artists in developing sustainable and viable careers in the arts? Please describe below.

b) Please provide any further thoughts on how government can best support artists' work and income generation. Attachments are welcome.

Attachments in the original questionnaire not reproduced here:

- Summary of literature on artists, taxes and social security
- Bibliography