

## Submission Package

### Proposal for an Arts Worker Participation Pilot Under Existing Workforce Australia Frameworks

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#### Why This Proposal Matters

There has been ongoing discussion internationally about artist income support schemes and artist income support models.

A number of countries have experimented with variations of:

- guaranteed artist income programs,
- cultural stipends,
- and direct artist support systems.

While some programs have produced positive cultural outcomes, many have faced challenges relating to:

- long term cost,
- administrative complexity,
- political sustainability,
- and public concern regarding accountability and eligibility.

This proposal does not seek creation of a broad standalone artist income support scheme.

Instead, the proposal suggests that Australia may already possess many of the legislative and administrative mechanisms required to support professional artistic economic participation within existing employment services frameworks.

#### Executive Summary

This submission proposes consideration of a structured Arts Worker Participation Pilot operating within existing Commonwealth employment services and social security frameworks.

The proposal draws upon existing Self Employment Assistance arrangements as an operational and administrative precedent. It proposes that approved artistic participation activities may, within an appropriately structured framework, be recognised as participation activities for eligible participants engaged in sustained professional artistic economic activity.

The proposal does not seek unconditional exemptions from participation obligations or broad welfare system redesign. Rather, it proposes exploration of a structured pilot recognising that professional artistic labour markets frequently involve project based work, irregular income patterns, development periods, and self directed professional activity that do not always align neatly with conventional wage employment pathways.

The submission also identifies structural issues relating to assessable income treatment for artists and proposes that a limited pilot framework may explore whether category specific approaches could improve alignment between assessable income calculations and actual disposable income within artistic labour markets.

The proposal is intended to:

- improve administrative consistency
- reduce arbitrary participation outcomes
- strengthen professional accountability
- recognise professional artistic economic participation
- maintain review and compliance mechanisms
- operate within existing legislative and administrative systems where possible

### **Purpose of this Submission**

This submission proposes exploration of an Arts Worker Participation Pilot operating within existing Commonwealth employment services and social security frameworks. The proposal draws upon existing Self Employment Assistance arrangements as a relevant administrative and operational precedent.

The proposal does not seek wholesale welfare reform or creation of a new unconditional entitlement category. Rather, it proposes consideration of a structured pilot recognising that professional artists frequently operate within labour markets characterised by project based work, irregular income patterns, long development periods, and self directed professional activity.

The submission suggests that existing legislative and administrative frameworks may be capable of supporting a structured pilot pathway recognising approved artistic participation activities within an appropriately reviewable framework.

### **Current Framework**

Current employment services and social security frameworks already permit approved participation activities, tailored participation arrangements, and recognition of self employment pathways in certain circumstances.

Relevant frameworks include:

- Social Security Act 1991 (Cth)
- Social Security (Administration) Act 1999 (Cth)
- Workforce Australia employment services frameworks
- Self Employment Assistance Guidelines
- Social Security Guide operational guidance

Current arrangements do not automatically exempt artists from participation obligations. However, current guidance recognises that self employment activity and approved participation activities may be capable of satisfying participation requirements in defined circumstances, including where sufficient work test requirements are met.

Where sufficient work test requirements are not met, additional participation requirements may apply.

The proposal therefore does not seek removal of participation obligations. Rather, it proposes consideration of a more structured and nationally consistent participation framework relevant to professional artistic labour markets.

### **Centrality of the Artist**

This proposal aligns primarily with the Centrality of the Artist pillar within Revive: Australia's National Cultural Policy.

Professional artists frequently undertake sustained professional activity that may include rehearsals, creative development, production activity, touring preparation, grant applications, portfolio development, audience development, and professional promotion.

Current employment services systems may already accommodate alternative participation pathways in some circumstances, particularly in relation to self employment and approved participation activities. However, artists may continue to experience inconsistent administration and variability in how participation obligations are applied.

This submission proposes that approved artistic participation activities may, within an appropriately structured and reviewable framework, be recognised within employment participation systems.

### **Self Employment Assistance as Operational Precedent**

Self Employment Assistance provides an important operational precedent.

SEA currently recognises business development and self employment activities as participation pathways administered within Workforce Australia. Participants may satisfy participation requirements through approved business related activities undertaken within program structures and participation arrangements.

SEA demonstrates that the Commonwealth already administers:

- alternative participation pathways
- approved participation activities
- structured review and reporting systems
- time limited participation frameworks
- self directed economic participation models

This proposal suggests that similar administrative mechanisms may be capable of adaptation to professional artistic practice through a limited pilot framework.

The proposal does not suggest that SEA operates as a direct exemption model. Rather, SEA is presented as an operational precedent demonstrating that structured non traditional participation pathways already exist within Commonwealth employment services administration.

### **Assessable Income Considerations**

Assessable income under social security law differs from taxable income under taxation law.

Artists commonly incur significant professional costs including:

- agent commissions
- management fees
- production expenses
- marketing costs
- touring expenses
- rehearsal related costs

These costs may significantly reduce disposable income even where gross assessable income appears relatively high.

The proposal does not seek broad reform of assessable income definitions across the social security system. Instead, it proposes that a limited pilot framework may explore whether category specific

allowable deduction approaches could improve alignment between assessable income calculations and actual disposable income within artistic labour markets.

Any such pilot would require careful design, departmental oversight, integrity safeguards, and formal evaluation mechanisms.

### **Implementation and Review**

The submission proposes that any pilot framework should:

- operate for a defined trial period
- include periodic review mechanisms
- maintain accountability and participation requirements
- be subject to departmental evaluation
- operate within existing administrative systems where possible
- maintain integrity and compliance safeguards

The proposal also suggests that any pilot may benefit from consultation with:

- arts organisations
- employment services specialists
- Services Australia
- Workforce Australia administrators
- professional artists and creative workers

### **Political and Administrative Considerations**

The proposal recognises that governments must consider:

- workforce participation outcomes
- labour market integrity
- administrative consistency
- compliance safeguards
- fiscal impacts
- public confidence in participation systems

Accordingly, the proposal is structured as a limited pilot rather than a permanent entitlement framework.

The proposal also seeks to distinguish professional artistic economic participation from recreational or hobby activity through structured participation criteria, review mechanisms, record keeping expectations, and demonstrated best endeavours to generate assessable income.

### **Conclusion**

This submission proposes that existing legislative and administrative frameworks may be capable of supporting consideration of a structured Arts Worker Participation Pilot within Workforce Australia.

The proposal is based on existing precedents already operating within Self Employment Assistance and related participation systems.

The submission seeks consideration of whether approved artistic participation activities may be more effectively recognised within structured employment participation frameworks, with appropriate review, accountability, integrity safeguards, and pilot evaluation mechanisms.

## Appendices

- Appendix A: Assessable Income vs Taxable Income for Artists
- Appendix B: Work Commitments Under JobSeeker
- Appendix C: JobSeeker Participation Exemptions
- Appendix D: Study and Training vs Self Employment Participation Categories
- Appendix E: Relevant Australian Legislation and Administrative Frameworks
- Appendix F: SEA Legislative and Administrative Precedent
- Appendix G: Arts Worker Status Proposal
- Appendix H: SEA for Artists Proposal
- Appendix I: Professional Economic Participation Criteria
- Appendix J: Legislative and Administrative Frameworks
- Appendix K: Unintended Consequences, Industry Transition, and Economic Participation

The following appendices provide supporting technical material and legislative analysis.

### Appendix A: Assessable Income vs Taxable Income for Artists

Assessable income for Centrelink purposes and taxable income for taxation purposes are not the same thing. They are calculated under different laws, for different purposes, and using different rules.

The tax system exists to determine how much tax a person owes. It aims to measure real business profit after expenses. The tax system generally allows a wide range of deductions including agent commissions, manager fees, advertising, promotion, accounting costs, travel, production costs, and prior year losses.

The social security system exists to determine eligibility for income support payments. Under the Social Security Act 1991, assessable income for social security purposes is calculated differently. Many ordinary business costs that reduce real disposable income are either restricted or not fully recognised.

Artists and musicians commonly operate within commission based and project based income structures. Income may pass through multiple intermediaries before any disposable income remains. A performer may receive a gross payment for a performance while retaining only a small portion after agents, managers, production expenses, rehearsal costs, crew, promotion, and venue related expenses are paid.

Under current arrangements, Centrelink may assess much of the gross amount as income despite the fact that the artist has retained very little disposable income. This creates a structural mismatch between actual financial reality and social security assessment outcomes.

This issue is particularly significant for:

- musicians
- performers
- touring artists
- freelance creatives
- production workers
- independent arts practitioners

The current framework was largely designed around regular wage employment and does not adequately reflect episodic or irregular artistic income patterns.

The proposal advanced in this submission is not to rewrite the entire social security income framework, but to establish a contained category based approach for recognised Arts Workers using adjusted allowable deductions tailored to artistic labour markets.

### **Appendix B: Work Commitments Under JobSeeker**

Under current Australian law, JobSeeker recipients are generally required to satisfy participation obligations. These obligations are often described publicly as "job seeking," however the legislation itself is broader and more flexible than standard job applications alone.

Participation requirements may include:

- job search
- training
- study
- business development
- approved activities
- self employment activity
- rehabilitation or capacity based participation

The Social Security Act and associated administrative frameworks require that obligations be reasonable, suitable, and tailored to individual circumstances.

The law already allows self employment and business activity to satisfy participation requirements in appropriate circumstances. Artists and creative workers may already undertake activities that reasonably align with employment participation, including:

- rehearsals
- creative production
- auditions
- grant applications
- portfolio development
- networking
- audience development
- professional promotion

In practice, however, there is no nationally consistent framework recognising artistic activity as participation. Outcomes therefore vary widely between individual decision makers and providers.

The proposal advanced in this submission seeks to create consistency and clarity through a recognised Arts Worker Participation Pathway.

### **Appendix C: JobSeeker Participation Exemptions**

Current social security arrangements provide a range of exemptions, reductions, and modifications to standard participation obligations.

These include:

- medical exemptions
- reduced work capacity arrangements
- caring responsibilities
- approved study or training
- crisis and exceptional circumstances
- self employment participation arrangements

Medical exemptions may apply where a person has temporary illness, injury, or mental health conditions limiting work capacity.

Approved study and training arrangements may replace standard job search where the study improves employment prospects.

Caring responsibilities may reduce or remove obligations where a person is responsible for dependent children, people with disability, or elderly relatives.

Self employment arrangements already permit approved business development activity to substitute for standard job applications in some circumstances.

The current problem is not the absence of flexibility in law. The problem is inconsistency in recognition and application, particularly for artistic and creative work.

### **Appendix D: Study and Training vs Self Employment Participation Categories**

Approved study and training are recognised administrative categories within the current system. Once approved, they are applied relatively consistently and with limited discretion.

Self employment participation operates differently. Rather than existing as a single formal exemption category, self employment participation is generally implemented through discretion, tailored job plans, and substitution of activities.

This means:

- outcomes vary more widely
- individual caseworker judgement plays a larger role
- artists and freelancers experience inconsistent treatment
- there is less certainty for participants

The legal authority already exists for participation substitution. The issue is administrative structure rather than legislative absence.

The proposal advanced in this submission seeks to formalise artistic participation pathways in a way comparable to recognised study or training arrangements while preserving accountability and review mechanisms.

## **Appendix E: Relevant Australian Legislation and Administrative Frameworks**

The primary legislation governing JobSeeker, participation obligations, and employment services includes:

Social Security Act 1991

This Act establishes:

- JobSeeker qualification rules
- income and assets tests
- participation obligations
- authority to substitute approved activities
- employment pathway mechanisms

Social Security (Administration) Act 1999

This Act governs:

- administration of participation requirements
- compliance and review
- information gathering
- payment continuation and suspension
- approved activity administration

Workforce Australia Framework

This framework authorises:

- approved employment pathways
- contracted providers
- participation substitution
- employment services programs
- self employment pathways

Delegated Instruments and Guidelines

The Commonwealth routinely administers employment services through:

- ministerial directions
- program guidelines
- departmental determinations
- provider contracts

These mechanisms already provide the legal authority required to establish an Arts Worker Participation Pathway.

## **Appendix F: SEA Legislative and Administrative Precedent**

Self Employment Assistance is a current Commonwealth employment services program operating within the Workforce Australia framework.

SEA replaced the former New Enterprise Incentive Scheme.

SEA demonstrates that government already recognises:

- self employment as a legitimate employment pathway
- business development activity as valid participation
- substitution of job search obligations
- structured support outside traditional wage employment

SEA participants may:

- undertake approved business activities instead of job search
- receive mentoring and training
- continue receiving income support
- satisfy obligations through self employment participation

Importantly, SEA does not operate under a standalone Act. It operates under existing social security and employment services powers.

This creates a direct precedent for an equivalent arts specific pathway using the same administrative model.

### **Appendix G: Arts Worker Status Proposal**

This proposal recommends creation of a nationally recognised Arts Worker Status under JobSeeker and related employment services systems.

Eligibility criteria may include:

- demonstrated professional artistic practice
- evidence of creative output
- intent to derive income from artistic activity
- self employment or equivalent professional status

Once recognised, Arts Worker Status would:

- replace standard job search requirements
- recognise artistic activity as participation
- provide nationally consistent administration
- reduce arbitrary caseworker discretion
- improve compliance clarity

Approved activities may include:

- rehearsals
- production work
- writing and composition
- touring preparation
- marketing and audience development
- grant and commission applications

Status would be reviewed periodically, such as every six months, to ensure ongoing participation and accountability.

## Appendix H: SEA for Artists Proposal

This proposal recommends establishment of an arts specific employment assistance program modelled on Self Employment Assistance.

The proposed framework would:

- recognise artistic practice as an employment pathway
- substitute job search with artistic participation
- provide structured participation requirements
- allow mentoring and development support
- operate within existing legislative powers

The proposed program would sit within Workforce Australia or a comparable administrative structure.

Potential activities may include:

- creative development
- production and recording
- professional rehearsals
- portfolio and audience development
- grant applications
- touring and exhibition preparation
- professional collaboration

Two payment models are possible:

- continuation of JobSeeker with modified obligations
- a time limited Arts Allowance similar to SEA arrangements

This model avoids broad welfare reform while creating a practical and targeted pathway recognising the realities of artistic labour markets.

## Appendix I: Professional Economic Participation Criteria

This appendix proposes a framework for distinguishing professional artistic economic participation from recreational or hobby activity within a potential Arts Worker Participation Pilot.

The purpose of the framework is to maintain integrity and accountability while supporting genuine professional artistic practice.

The proposed framework is intended to support structured participation assessment rather than automatic qualification.

### Current Context

Australian taxation, business, and employment services systems already distinguish between commercial business activity, genuine self employment activity, and hobby or recreational activity.

The Australian Taxation Office already applies business versus hobby tests in taxation administration. Similarly, Workforce Australia and Self Employment Assistance frameworks assess commercial intent, participation effort, self employment activity, and business development activity.

The purpose is not to assess artistic merit or commercial success. Rather, it is to determine whether a participant is genuinely engaged in sustained professional artistic economic participation.

#### Proposed Core Standard

The proposed assessment standard is "Professional Economic Participation".

This refers to sustained and genuine participation in artistic activity undertaken with the intention of generating assessable income and developing ongoing professional practice.

#### Indicative Participation Criteria

Business and Administrative Indicators may include:

- active ABN
- registered business name
- appropriate legal or business structure
- business banking arrangements
- GST registration where applicable
- maintenance of professional financial records
- evidence of invoicing or contractual activity

Professional Practice Indicators may include:

- evidence of sustained professional artistic activity
- public release history
- exhibitions, performances, or professional presentations
- paid engagements or commissioned work
- applications for grants, commissions, residencies, or festivals
- professional portfolio material
- touring or exhibition preparation
- audience development activity
- rehearsal and production work

Industry Participation Indicators may include:

- recognised industry participation
- membership of professional associations
- engagement with managers, agents, producers, galleries, publishers, venues, or presenters
- participation in recognised festivals, showcases, or industry programs
- collaboration with other professional practitioners

Economic Participation Indicators may include:

- demonstrated best endeavours to generate assessable income
- evidence of seeking commercial opportunities
- marketing and promotional activity
- active audience engagement
- ongoing market participation
- pursuit of professional opportunities

#### Best Endeavours Requirement

Participants would be expected to demonstrate genuine and ongoing best endeavours to generate assessable income through professional artistic activity.

This requirement is intended to maintain integrity and distinguish professional practice from recreational activity.

#### Record Keeping Expectations

Participants may be expected to maintain:

- invoices
- contracts
- business accounts
- tax records
- promotional records
- applications and submissions
- project documentation
- performance or exhibition records

#### Current Framework vs Proposed Reform

Current Framework:

Current employment services and social security frameworks already assess self employment activity, sufficient work tests, commercial intent, and business participation in some contexts.

Proposed Reform:

This submission proposes a structured Arts Worker Participation Pilot establishing clearer participation criteria, improved administrative consistency, and recognition of professional artistic economic participation within an approved framework.

### **Appendix J: Legislative and Administrative Frameworks**

#### Social Security Act 1991 (Cth)

##### Section 593 - Qualification for JobSeeker Payment

Operative effect:

Establishes qualification requirements for JobSeeker Payment.

Practical relevance:

Provides the statutory framework within which participation obligations operate.

##### Section 611 - Assets Test

Operative effect:

Establishes assets thresholds affecting JobSeeker eligibility.

Practical relevance:

Relevant to treatment of business assets and self employed participants.

### Income Test Provisions

#### Operative effect:

Establish statutory rules relating to assessable income for social security purposes.

#### Practical relevance:

Relevant to treatment of irregular artistic income and allowable deductions.

### Social Security (Administration) Act 1999 (Cth)

#### Part 3, Division 2A, Sections 40A to 40G - Employment Pathway Plans and Participation Arrangements

#### Operative effect:

Provide administrative framework for Job Plans, participation arrangements, compliance administration, and participation requirements.

#### Practical relevance:

Relevant to structured participation activities and approved participation pathways.

### Information Gathering and Review Powers

#### Operative effect:

Provide authority for review, reporting, compliance administration, and payment administration.

#### Practical relevance:

Relevant to periodic review mechanisms proposed within an Arts Worker Participation Pilot.

### Social Security Guide References

#### Guide 3.11 - Mutual Obligation Requirements

##### Guide 3.11.1.10 - Setting Job Search Requirements

##### Guide 3.11.2 - Job Plans

##### Guide 3.11.3 - Suitable Activities

##### Guide 3.11.3.70 - Self Employment

##### Guide 3.11.5 - Exemptions

##### Guide 3.11.6 - Fully Meeting Requirements

#### Practical relevance:

These operational guidance materials demonstrate existing administrative flexibility regarding participation activities, self employment participation, job plans, suitable activities, exemptions, and participation administration.

### Workforce Australia and SEA Frameworks

#### Self Employment Assistance Guidelines

#### Operative effect:

Establish operational framework for SEA participation, business development activity, mentoring arrangements, and participation structures.

#### Practical relevance:

Provide an operational precedent for structured alternative participation pathways.

### Self Employment Assistance Deed 2022-2027

#### Operative effect:

Provides contractual and operational framework supporting approved self employment participation arrangements.

#### Practical relevance:

Demonstrates existing Commonwealth mechanisms for administering approved alternative participation pathways.

### Workforce Australia Participation Framework

#### Operative effect:

Supports approved participation activities, provider arrangements, and structured employment services pathways.

#### Practical relevance:

May be capable of supporting a structured Arts Worker Participation Pilot framework.

### References and Source Materials

- Social Security Act 1991 (Cth)
- Social Security (Administration) Act 1999 (Cth)
- Social Security Guide 3.11
- Social Security Guide 3.11.1.10
- Social Security Guide 3.11.2
- Social Security Guide 3.11.3
- Social Security Guide 3.11.3.70
- Social Security Guide 3.11.5
- Social Security Guide 3.11.6
- Workforce Australia Guidelines Part B - Self Employment Assistance
- Workforce Australia Self Employment Assistance Deed 2022-2027
- Department of Employment and Workplace Relations - Self Employment Assistance materials

## Appendix K: Unintended Consequences, Industry Transition, and Economic Participation

### Purpose

This appendix addresses potential unintended consequences arising from an Arts Worker Participation Pilot and considers broader labour market, industry, and economic implications.

### Industry Context

Australia's contemporary music and creative industries have undergone substantial structural change over the past two decades.

Historically, independent artists could generate meaningful income through physical sales, touring, licensing, and traditional distribution models.

Under contemporary streaming models, equivalent audience engagement may generate substantially lower revenue outcomes.

### Potential Concern: Increased Participation in Income Support Systems

One potential concern is whether recognition of professional artistic participation pathways could increase the number of individuals seeking access to JobSeeker or related participation systems.

### Pilot Versus Systemic Reform

The proposal is intentionally framed as a limited pilot rather than a universal entitlement framework.

### Leaning Into Positive Economic Outcomes

The proposal also suggests that some potential unintended consequences may represent positive economic outcomes if appropriately structured and managed.

### Professionalisation Rather Than Dependency

The proposal seeks to support:

- structured workforce participation
- business formalisation
- professional artistic development
- long term economic participation within the creative industries

### Conclusion

The proposal suggests that an Arts Worker Participation Pilot should be considered as part of a broader strategy supporting business development, workforce participation, and sustainable creative industry growth within

Australia.