

National Cultural Policy Consultation

Submission from the South Australian Government
June 2026



National Cultural Policy: South Australian Government Submission

Aboriginal and Torres Strait Islander people have made and continue to make a unique and irreplaceable contribution to the state of South Australia. The Government of South Australia acknowledges and respects South Australia's Aboriginal people and nations as the state's first peoples and recognises Aboriginal people as traditional owners and occupants of South Australian land, sky and waters.

The Government of South Australia acknowledges that the spiritual, social, cultural and economic practices of Aboriginal people come from their traditional lands and waters, and that Aboriginal people continue to maintain and practise cultural and heritage beliefs, languages and laws that are of ongoing importance today.

Background

The South Australian Government welcomes the opportunity to contribute to the development of the next National Cultural Policy, and congratulates the Minister for the Arts, the Office for the Arts, and Creative Australia on the successful delivery to date of *Revive*, Australia's current National Cultural Policy.

Collaboration between the Commonwealth and state and territory governments through the National Cultural Policy provides a critical framework for aligning strategic priorities, leveraging investment, and strengthening the long-term sustainability of the arts, cultural and creative industries across jurisdictions. Strong alignment between Commonwealth and state policy reduces fragmentation, enables coordinated investment, and supports consistent approaches to data collection, evaluation, and research nationwide.

For South Australia, this collaboration is particularly important in supporting small-to-medium organisations, independent artists, and regional activity, where matched funding and joint initiatives can improve financial viability and reduce precarity across the sector.

As governments seek to strengthen the evidence base for policy and investment decisions, a nationally consistent evaluation framework is invaluable. Such a framework supports the assessment of cultural policies across jurisdictions and enables more effective comparison, learning, and continuous improvement.

Partnership with the Commonwealth is also essential to delivering culturally appropriate and nationally consistent approaches to supporting Aboriginal and Torres Strait Islander arts, cultural and creative industries. A shared policy framework strengthens investment in First Nations leadership and cultural authority, while ensuring that outcomes remain locally informed and community led.

We encourage the Commonwealth Government to continue using the National Cultural Policy to provide leadership on key issues, including reducing regulatory barriers, improving tax settings to support creative businesses, and encouraging private giving and philanthropy.

The South Australian Government considers that the National Cultural Policy should be guided by shared understandings between all levels of government, including:

- A commitment to fair and equitable access to Australian Government funding and support for arts, cultural and creative industries, regardless of location.

- Recognition that each jurisdiction has a distinctive arts, cultural and creative industries landscape and differing working conditions for artists and creatives, including the need to identify, support, and strengthen each jurisdiction's signature strengths and areas of national leadership.
- Recognition of the public value of arts, cultural and creative industries, underpinned by strong, evidence-based research that informs legislation, policy, and funding decisions, and is actively promoted across government and within the wider community.
- A commitment to a collaborative, partnership-based approach to arts, cultural and creative industries funding across jurisdictions, including through bipartisan funding arrangements and/or national frameworks.

The arts, cultural and creative industries are currently facing significant challenges, including rising costs, workforce insecurity, and changing audience behaviour. The National Cultural Policy provides an important mechanism for coordinated responses to these challenges, enabling jurisdictions to benefit from national-scale initiatives while contributing local insights and innovation.

Support for the Sector in South Australia

The South Australian Government supports the growth and development of the arts, cultural and creative industries through CreateSA in the Department of the Premier and Cabinet.

Following significant consultation, in March 2025 the South Australian Government released *A Place to Create*, a 10-year cultural policy that sets out a long-term vision for the state's arts, cultural and creative industries. The policy aims to ensure the state benefits from the demonstrated economic and societal value derived from this important sector.

The policy outlines a vision of thriving arts organisations, cultural institutions, and creative businesses – all operating within a dynamic, interconnected ecosystem. It places a renewed emphasis on access to and participation in our cultural life.

A Place to Create is a whole of government initiative deliberately designed to align with *Revive*.

It was developed following extensive consultation with South Australia's arts, culture and creative sector, the wider community and across government. This consultation has informed this South Australian Government Submission to the next National Cultural Policy.

Current Sector Challenges

Making a sustainable living as an artist in Australia is becoming increasingly precarious due to low and irregular income, rising living costs, and structural features of the sector that limit financial stability.

Reduced discretionary spending is driving audiences to purchasing tickets later and less frequently, increasing revenue uncertainty for creative producers. At the same time, inflation has driven up operational, production and presentation costs – for example insurance, utilities, labour, venue hire and other upfront costs. Furthermore, AI and digital disruption are creating uncertainty around income and copyright.

Artists and creatives are disproportionately affected by these factors due to already low baseline earnings. Artists are some of Australia's lowest-paid workers, with visual arts and craft workers earning an average annual income of around \$13,937 from their arts practiceⁱ, and the average annual income for authors from their craft being around \$18,200ⁱⁱ.

Arts, cultural and creative industries contribute to economic activity (jobs, tourism, local economies), social cohesion and community wellbeing, and Australia's national identity and international reputation.

Precarity threatens the sustainability of this ecosystem. Without intervention, these pressures risk constraining creative output, workforce stability and the broader creative economy.

These challenges are consistent internationally and across Australia. We encourage the Commonwealth Government to consider these factors through the next National Cultural Policy.

South Australian Government Recommendations

The South Australian Government's Submission to the next National Cultural Policy recommends a suite of opportunities and reforms¹ which, if implemented by the Australian Government, could have transformational effects for Australia's arts, cultural and creative industries.

The Submission has two areas of focus:

1. Work led by the New South Wales Government, in collaboration with other states and territories, focusing on opportunities for cultural tax reform; and
2. The recommendations of the South Australian Artists at Work Taskforce that fall within the remit of the Australian Government.

We commend the Australian Government for continuing to build the next National Cultural Policy around the five pillars first set out in *Revive* and note that while we have not structured this document around the pillars, our submission aligns with and intersects with all five pillars.

Cultural Tax Reform

On 25 September 2025, the New South Wales Government convened a summit at the Sydney Opera House with leaders across the arts and creative industries, along with tax and policy experts, to develop and prioritise a set of policy proposals. Representatives from the South Australian Government, along with the Commonwealth and other jurisdictions attended the Summit.

The intention was to build an evidence-based understanding of where there is a case for government intervention, the rationale for a tax-based approach (rather than grants or regulation), and the efficacy, costs and risks of Commonwealth tax reform.

The Summit investigated over 300 written submissions received through a public consultation. Over 80 ideas were raised through this process.

Following the Summit, a joint communique was issued between Ministers for New South Wales, South Australia, Victoria and Western Australia in which the states agreed to, where possible, co-ordinate their approach to cultural tax reform as part of consultation on the next National Cultural Policy.

The South Australian Government now joins other state and territory governments to provide coordinated submissions to the Commonwealth on potential tax reform matters outlined in the 'Targeted Cultural Tax Reform Recommendations' in the New South Wales Government's Submission, which

¹ Note that information in this Submission is provided for policy consideration purposes only and is generalised information that does not constitute legal advice.

draws on the more than 80 ideas raised through the 2025 Art of Tax Reform Summit process and follows an expert assessment of the most viable and/or most prominently discussed suggestions.

Together, the proposed reforms and improved supports outlined in this paper aim to reduce financial pressures on artists, arts organisations and creative businesses, and incentivise the creation and retention of Australian intellectual property and talent.

The South Australian Government notes that this important work has been led by the New South Wales Government, which developed the ideas expressed below. We thank the New South Wales Government for its leadership in this area.

1. Australian content offsets

Australia's live performance sector, which includes live music, festivals, theatre and dance, is under significant pressure from a combination of rising operational costs, reduced consumer spending due to cost-of-living pressures, and rapidly changing business models.

For this sector, upfront costs are high, lead times are long and most revenue is contingent on live attendance. Inflation has driven up operational, production and presentation costs – for example insurance, utilities, labour, venue hire and other upfront costs. These conditions have reduced touring activity and limited producers' ability to secure private investment.

One of the ways other jurisdictions are supporting their live production sectors is through production incentives such as tax offsets. The UK Government's Theatre Tax Relief (TTR) offset scheme was introduced in 2014 with the objective to use a targeted tax measure to encourage and support UK producers to continue to develop productions, and to specifically incentivise touring productions.

The TTR provides a significant source of funding for the UK's theatre, opera, dance, and musical companies. Qualifying organisations can make additional deductions based on eligible production expenditure, reducing profit or surplus to the point where they become entitled to receive payable credit from the UK tax office.

The TTR has proven successful in supporting the sector to grow and thrive. A February 2026 independent reviewⁱⁱⁱ found it is having significant positive outcomes. Financially, claimants earned 37 per cent more income than non-claimants, and 162 per cent more income from international activity. The scheme has a benefit-cost ratio of £4.5 million in Gross Value Added for every £1 million invested by the UK Government.

The reform proposed through the National Cultural Policy would expand offsets that already exist in the screen sector to other areas to support Australian content and producers. Areas suggested for potential expansion include live performance, live music, museum and gallery exhibitions, literature, touring artists and regional creative work.

Unlike grants, rebates are not capped by application rounds; instead, they are tied to the scale of actual expenditure. This makes them highly business-focused - the more a production company spends locally, the greater the rebate received (and the greater the economic benefits to the nation). Unlike grants, rebates can be sought for activity any time in the year and are not constrained by the timing or caps of rounds. Rebates give production companies confidence to scale their production, as the more they spend locally the more they receive, and thus the economic benefits are higher than for grants.

It is envisaged that such rebates would incentivise new Australian work, thereby creating and retaining more Australian intellectual property and talent. The scheme could also seek to ensure that Australian creatives and companies are owners in the production of these new works.

Further consultation with the sector should be undertaken in order to progress this opportunity.

2. Increase non-commercial loss income threshold

A key barrier to many artists and creatives working professionally in the arts is the limited income they can earn. Artists are some of Australia's lowest-paid workers, and many seek additional, non-arts income-generating work to support themselves financially.

Current tax rules limit the capacity of artists and creatives with legitimate professional practices from being able to claim losses in the current financial year, reducing their 'take home pay'. Professional artists who earn less than \$20,000 from their artistic practice and above \$40,000 from non-artistic income (for example teaching) are unable to claim their creative losses in the current financial year due to non-commercial loss rules.

This proposal would enable artists to be able to deduct more of their losses immediately by increasing the non-commercial loss threshold from \$40,000.

Like many of the proposed reforms, it is expected that the number of beneficiaries may be relatively small (compared to the overall population), however the impact for individual artists and creatives will be significant.

3. Make certain prizes and grants tax-free

Art prizes can be pivotal in elevating an artist's career. Prize money is generally taxed on the grounds that it is income derived from work, however there is a case that this should be recognised as having attributes closer to those of a gift or a windfall gain rather than a payment for services. There is a precedent in Australia for this as the Prime Minister's Literary awards are tax exempt.

The reform proposal is to make prize and grant money awarded to individual creatives or artists zero tax or concessional tax. Implementing this reform would ensure prizes are treated more consistently across the sector.

A potential approach could be to limit eligible prizes or grants to those made by organisations that already have deductible gift recipient status as a registered cultural organisation (as determined by the Australian Tax Office). Establishing criteria for qualifying tax-free prizes and grants would be required to prevent misuse.

4. Recognise market value for donated works from artists

Artists who donate their own works for fundraising purposes often experience difficulties claiming an income tax deduction for the market value of the work donated – generally they can only claim the cost of materials, under-valuing the true scale of their contribution while also discouraging donations of original art.

Allowing artists to deduct the market value of their own donated works would better value their contribution and incentivise further giving, with valuation mechanisms, valuation thresholds, and other safeguards to ensure compliance and prevent misuse.

This proposal would aim to recognise the market value for donated works from artists through Legislative reform.

5. Expand Public Benevolent Institution status or Fringe Benefit Tax exemptions

Not-for-profit arts organisations often struggle with staff retention, citing low wages as a key driver. Individuals report they are discouraged from working in the sector due to low pay and a lack of available incentives.

This proposal would allow arts and creative not-for-profit organisations to access enhanced Fringe Benefit Tax exemptions such as a cap of \$30,000 per employee – a benefit currently available to only some charitable organisations with Public Benevolent Institution status.

6. Increase Private Ancillary Funds distribution requirements

Private Ancillary Funds are philanthropic trusts that receive tax concessions and must distribute a minimum share of their assets each year to charities with deductible gift recipient status.

There are widespread views that the mandatory distribution rate is too low, reducing potential philanthropic donations to the arts and creative industries, and other charitable causes.

This reform would see the minimum distribution from philanthropic trusts to charities and arts organisations increase. For example, the rate could be raised to 8 per cent, which would likely have the effect of accelerating the flow of philanthropic funds delivering immediate support for the sector.

7. Improve tax education, support and guidance

Artists and creative workers face a tax system built for regular wage earners, with complicated mechanisms that are hard to navigate.

Creative workers are often not able to afford professional tax guidance and, as a result, are struggling to understand existing guidance including provisions designed to support the sector such as income averaging.

Despite lower-than-average incomes, artists and creative workers may be paying more tax than they must. This has the effect of reducing the 'after tax' income of artists and creative workers.

This proposal would improve information available for artists and creatives about the tax system. This could include online tools, training for tax practitioners and expanding in-person support.

The South Australian Government notes the significant support provided to the sector by the Commonwealth Government through Creative Workplaces and encourages this as a mechanism through which such support and guidance is provided.

Artists at Work Taskforce Recommendations

In 2022, the South Australian Government made an election commitment to convene a taskforce to develop strategies to address the deep work insecurity and income inequality experienced by many artists and acknowledged that, too often, artists are engaged in insecure work and survive in an environment of paucity.

The Artists at Work Taskforce was established in March 2024 to recommend actions to address this work insecurity and income inequality.

The Taskforce's work culminated in a report to the Minister for Arts that included recommendations to address the challenges facing people working across the arts, cultural and creative industries. It included 56 recommendations and sub-recommendations, several of which are within the remit of the Australian Government.

We now seek to raise these recommendations with the Commonwealth Government through this Submission, noting that this should not necessarily be taken to imply endorsement by the South Australian Government.

These Artists at Work Taskforce recommendations are 'that the South Australian Government should':

1. Develop a new award, under the state awards system, to cover a broader range of artists and arts workers who are not otherwise covered by an award; and
2. Take a leadership role in advocating nationally for the improvement of processes regarding independent artists' access to benefits by:
 - 2.1. Ensuring that grants and the way they are paid do not unfairly compromise eligibility for concessions or government income support benefits, including:
 - 2.1.1. That project grant payments are not automatically recognised as personal income.
 - 2.1.2. That income from lump sum grant payments can be amortised across the project period.
 - 2.1.3. That processes for reporting income from grants are simple and accessible.
 - 2.2. Ensuring that all State and Federal public funding agencies have a consistent policy of allowing the auspicing of grants and/or staged payment.
 - 2.3. Ensuring that the National Disability Insurance Scheme (NDIS) recognises creative practice as employment.

Additional Information on Recommendations

Should the Commonwealth Government wish to investigate these recommendations through the National Cultural Policy, it may wish to consider the following additional information:

Recommendation: Develop a new award, under the state awards system, to cover a broader range of artists and arts workers who are not otherwise covered by an award.

Although this recommendation is to develop an award under the state system, only state and local government employees are covered by the state award system. Employees of private companies are national system employees under sections 13 and 14 of the *Fair Work Act 2009* (Cth). Additionally, people who are employed by sole traders, partnerships, other unincorporated entities, or non-trading corporations in South Australia are also national system employees as these are state referred businesses pursuant to sections 30D and 30N of the Act. It is for these reasons that the South Australian Government's response to this recommendation was not to develop a new state award, but rather to raise the matter at a national level for consideration.

The Taskforce did not identify any particular workers, or classes of workers, that it considered were not currently covered by an award. However, the Fair Work Commission produced a discussion paper during the Modern Awards Review 2023-24 relating to the arts and culture sector. The Fair Work Commission's analysis found that the following occupations may not have specific coverage in modern awards:

1. Choreographer
2. Composer
3. Jewellery Designer
4. Music Director
5. Potter or Ceramic Artist
6. Screenwriter
7. Script Editor
8. Sculptor
9. Web Designer.

The Fair Work Commission also noted that, while an award may appear to apply to a particular occupation, coverage will only be extended if the work is performed for an employer in the industry that award is expressed to cover. For instance, an author may be covered by the Journalists Award when performing work for an employer in the published media industry such as an online journal or literary magazine, but that coverage does not extend to work performed by an author in other industries.

Given the varied nature of work performed by artists and creatives, and the varied organisations and employers with which they interact, this could result in additional gaps in award coverage. Ensuring consistent award coverage across the arts and creative industries would provide workplace protections for employees.

Recommendation: Ensuring that grants and the way they are paid do not unfairly compromise eligibility for concessions or government income support benefits, including:

1. *That project grant payments are not automatically recognised as personal income.*
2. *That income from lump sum grant payments can be amortised across the project period.*
3. *That processes for reporting income from grants are simple and accessible.*

Generally, government grants are taxable and need to be declared as assessable income for tax purposes. The Taskforce recommended reform of processes around the interaction of grant funding and access to benefits such as those provided by Centrelink and the NDIS.

Grant funds paid as a lump sum can affect an artist's entitlement to Centrelink benefits. Grant funds are typically treated as non-remunerative lump sums which are spread across a 52-week period for the purposes of income assessment.

Project grant funding is awarded in accordance with an itemised budget, of which an artist's wages or fee is only one component. The Taskforce considered it creates a situation of unfairness for an artist's entitlement to benefits to be affected by the entirety of the grant being treated as personal income.

As grants are generally taxable, this can also affect payments which depend on adjusted taxable income, such as the Child Care Subsidy, Family Tax Benefit, and Carer Allowance.

There can also be challenging tax implications of project grants being recognised as taxable income. The effect of this can be later offset by claiming tax deductions with respect to other project expenses. However, given many artists operate in a state of financial precarity, cashflow pressure can result in substantial hardship.

If grant income could be amortised across the project period, this may allow for a more fair and accurate reflection of an artist's income.

The Taskforce considered that the current method of grant funding reporting and its impact on federal government benefits to be complex and in need of revision. It recommended collaboration with federal agencies to establish a transparent process for arts grants that will not negatively affect artists' income support. A simplified reporting process could eliminate the issues described above that result from the current method of assessing artist income.

Recommendation: Ensuring that all State and Federal public funding agencies have a consistent policy of allowing the auspicing of grants and/or staged payment.

Artists may opt to have grant funding auspiced by another organisation for various reasons. If the artist chooses, the grant is paid to the organisation which manages and administers the funding on the artist's behalf. Auspicing can reduce the artist's tax liability as the auspicing body receives the grant funds and pays the project expenses directly.

Most Australian jurisdictions accept auspiced applications, however policies differ. A nationally consistent approach is desirable in the interests of fairness, clarity for artists and auspicing bodies, and simplicity regarding the tax and social benefits implications of auspicing.

Recommendation: Ensuring that the National Disability Insurance Scheme (NDIS) recognises creative practice as employment.

The NDIS can fund support in employment for participants who need extra help to pursue their employment goals. NDIS participants can use this assistance in any workplace, including government and non-government organisations, supported employment services, social enterprises, micro-businesses, self-employment or family-run businesses.

The NDIS Guiding Principles for the Future of Supported Employment include that people with disability have real options for employment, and a range of support options available to meet their employment goals, people with disability have the right to equal remuneration and associated conditions for work of equal value, and people with disability have the opportunity to develop their career by learning new skills and undertaking training on an ongoing basis.

Supporting disabled artists to work professionally in their creative practice speaks to these principles.

Ensuring that artistic and creative practice is recognised as employment by the NDIS will allow artists to have access to the necessary services to support their careers. Where there are fewer access barriers, disabled artists will be enabled to make the most efficient use of funding.

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- ⁱ McQuilten, Grace; Powell, Chloe; Badham, Marnie; MACNEILL, CATHERINE; Lye, Jenny (2025). Visual Arts Work: Key Research Findings, Implications and Proposed Actions. RMIT University. Report. <https://doi.org/10.25439/rmt.28693721.v2>
- ⁱⁱ <https://researchers.mq.edu.au/en/projects/2022-national-survey-of-australian-book-authors/>
- ⁱⁱⁱ <https://www.artscouncil.org.uk/research-and-data/cultural-tax-reliefs-impact-review>