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Howard Adams: Okay, thanks very much. Good evening, everybody, and welcome to the Live Music Business Council's update session on...

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Ant McKenna ALMBC: All right. Go for it, Howard.

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Howard Adams: Superannuation in the live music industry. Obviously, this is a subject that's been raging over the last few weeks and months, and I'm joined by a highly credentialed panel tonight to try and take the matter a little bit further forward. I'd just like to start.

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Howard Adams: by acknowledging the traditional owners of the land on which we're all working tonight, and pay my respects to their elders past, present, and emerging. I'd also like to make a disclaimer, and that is that although we have people on the panel who are qualified as accountants and lawyers and.

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Howard Adams: Tax advisors, the contents of this presentation are not advice and they're not intended to be relied upon as advice as you might do if you went to a high street and paid for it. The ALMBC is the organiser of this session and some of you may or may not know that we're a peak body.

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Howard Adams: not-for-profit representing about 3,000 members, mainly from the sole trader and small business community that work in the live music sector. We basically provide advocacy services, and also we effectively act as a chamber of commerce.

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Howard Adams: The purpose of this session is to share the latest information. We've got some very current information, which is some survey results that we'll go through tonight, which will actually show you what the industry feels, what the musicians feel, what the festival organizers feel. For example, we'll also talk about where we think the ATO is at, not only.

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Howard Adams: in terms of meetings that we have had with them, but also the updates and the advice that they have put out to the market, basically in response to things that they've heard from people like Carly Thompson, who's on the panel tonight.

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Howard Adams: Um, and whilst I'm talking about the panel, my name's Howard Adams, I run a music law firm called Cornerstone, and I'm the current chair of the Live Music Business Council. Um, the aforementioned Kylie Thompson.

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Howard Adams: Is a music industry tax accountant. Her business is Sorrento Strategic. She's the current treasurer of the ALMBC. Stephen Wade precedes me as chair of the ALMBC. He's still on the board and you will of course know him for running Select Music, one of the country's.

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Howard Adams: biggest booking agencies. We're also joined by Daniel Sears, who is Music Victoria's financial controller. So thanks very much indeed, panel, for joining tonight. So if I can start with the most current information we have, assuming that most people on this call tonight have joined the call because they understand the background to this issue.

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Howard Adams: Let's talk a little bit about the survey results that we've received in the last 48 h. So 1st of all, I should say that musicians and the people who book them and the people who are closest to them in the industry are not against Superannuation per se. Most people understand that Superannuation has been payable to.

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Howard Adams: musicians since they were deemed employees in 1992. But the big problem that we're now facing is the administration of the Superannuation. And how do we deal with this when the numbers that we're talking about are incredibly small and the administration, the way the protocol works now, is really.

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Howard Adams: out of step with the benefit financially that is being received, notwithstanding that, you know, there would be some on the left of politics who would say that doesn't matter. That's what super is all about. It's about gathering small amounts of money through your career. So you have a large nest egg.

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Howard Adams: When you hit 67. But, you know, the fact of the matter is that that financial burden and that time burden and the resources burn that comes with that has caused people to stop booking certain types of artists or close down festivals.

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Howard Adams: Which in the end means that, of course, gigs dry up for artists, and gigs dry up for, um, people who want to go and see them as well. Um...

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Howard Adams: So the first question that we really dealt with was this issue of musicians and the practice of being a sole trader. Treating sole trader musicians as sole traders seems to have unanimous.

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Howard Adams: support. And by that, I think what that means is that there was support at the rate of 92%.

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Howard Adams: that would be happy if musicians were treated in the same way, for example, as plasterers or plumbers. They came to your house, they did a job, they charged you a certain amount of money, and then they sorted out their own superannuation within their business that has strong support. According to the survey results that we have.

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Howard Adams: just receive, and unsurprisingly, it is also very strong amongst venues and agents, some agents and some festivals. I don't know, Carly, whether you want to make a comment on that. Were you surprised to see that that.

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Howard Adams: Such a strong result came back on that question.

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Kylie Thompson: Uh, not at all. All I've been hearing about, why aren't we treated the same as electrician as plumbers? Because everyone can understand that. Um, there's, um...

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Kylie Thompson: And unfortunately, the problem is that maybe not everyone understood before was that they specifically have been included in this special act back in 1992 that captures them.

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Kylie Thompson: And why I'm saying let's exclude them and treat them like plumbers and electricians, and why it's got to be so specifically related way back to 1992.

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Kylie Thompson: is also in 1992, in that Act, there are a lot of people that perform.

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Kylie Thompson: performing artists that have been getting super since 1992, such as people in theater, such as people in the film industry, acting, television, radio. They've all been caught as.

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Kylie Thompson: contract salary and wage earners, and have... it's been fantastic. Dancers as well, I've dealt with dancers over the years. They've all been getting their super for 9... since 1992. So that's great, that's fantastic, but unfortunately.

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Kylie Thompson: the people that are caught under this Act, who basically operate through an ABN and are a sole trader for all, um...

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Kylie Thompson: exactly the same reasons as someone is an electrician or a plumber is a sole trader. They have been caught up in this act.

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Danielle Siers: Thank you.

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Kylie Thompson: So it's those people that we're talking about that we think should be treated like other people running their own business. ABN means Australian Business Number. You're running a business. But under this special little thing, you're deemed an employee for super purposes.

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Kylie Thompson: So that's the people that we're talking about. And it's no surprise to me that if these people hadn't been getting super since 1992 or even 2022, when the 450 limit got dropped, that they're now saying, well, we don't want to be involved in all this hassle and all this admin and everything else.

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Kylie Thompson: Um, we're just running around our own business. If we've got extra money to put into super ourselves, it should be our choice. So that's a lot of the feedback that I've been getting.

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Howard Adams: Daniel, do you have any thoughts on that idea? I mean, you know, a plumber's call-out fee could be more than a guarantee at a pub on a Saturday night to play a gig. What do you think? Do you have any thoughts about...

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Howard Adams: Hello. Good.

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Danielle Siers: Well, it's funny, um, yeah, I predominantly come from the electronic music scene, and um, most of the time, DJs or producers are coming in there just with their USB, and they're using the equipment provided by the venue.

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Danielle Siers: And they can't, you know, delegate their services onwards. So if you were to kind of look at it as a normal kind of labour relationship, I kind of feel super would apply. But conversely, if you're a band and you're bringing in all your own equipment and everything else, that's...

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Danielle Siers: Very, very similar to being a tradie.

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Danielle Siers: Um, I think...

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Danielle Siers: Given that most people in the industry weren't aware of the superannuation laws.

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Danielle Siers: Um, it is coming as a shock to everyone, and...

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Danielle Siers: it's just... I... I also kind of do agree that, you know, sole trader musicians should be...

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Danielle Siers: You know, treated as a business rather than as an employee.

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Howard Adams: Hmm. And when you say people weren't aware of the superannuation laws, I mean, is that based on your sort of your personal experience or, I mean, I tend to agree with it, but I just wonder where that comes from, from your point of view.

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Danielle Siers: Um, I think...

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Danielle Siers: uh, if I was going to speak about the whole industry as a whole, of music... people are musicians, they're not accountants, and I know a lot of accountants didn't... that didn't know this specific rule also. Um...

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Danielle Siers: So when you're in the business of making music.

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Danielle Siers: It... it... like, the result of that is that a lot of people don't have the financial literacy that they actually need to know about how to run a business.

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Danielle Siers: And I think that there's a real disconnect there, where there's this expectation from the ATO that if you've got an ABN, you know exactly how to operate a business.

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Danielle Siers: Yet, you know, your business is making music, so there's just a disconnect there for me. Why no one knew about this rule?

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Howard Adams: Hmm.

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Danielle Siers: You know, a lot of...

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Howard Adams: Yes.

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Danielle Siers: venues, festivals, historically, have just operated, kind of, in this Wild West, this unmonitored, kind of, uh, landscape, where...

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Danielle Siers: people just, you know, it was like handshake deals and paying cash and these types of things, and Superannuation just wasn't ever in the picture. Like, it never came up. Ever.

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Howard Adams: Hmm.

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Danielle Siers: Because I know I've been involved with, um, various sorts of, uh, venues, festivals, and so forth, and...

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Danielle Siers: But always being an accountant is my main role. And asking, you know, do you pay this? They're like, no, you don't have to do that. Like, that's always, it's no one, no one believes that the rule is that you need to pay Superannuation for your musicians.

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Howard Adams: Okay.

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Howard Adams: Steve, I just want to ask you a quick question. One of the things that Danielle said then was that, you know, musicians cannot be expected to understand how to run a business. I'm not sure I actually completely agree with that. I always tell clients of mine, you know, who are taking themselves seriously. You are running a small business, and you need to treat it like that. How have you approached this at Select over the years?

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Danielle Siers: Yeah.

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Howard Adams: Oh.

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Howard Adams: Tom?

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Danielle Siers: Oh, Stephen can't unmute himself.

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Howard Adams: I just said that Danielle raised the point which I think some people would have some sympathy with that musicians can't be expected to know how to run a business but my advice generally to people who are taking themselves seriously in the industry is that you are a small business and you need to shape up and run it like a small business. I just wondered how.

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Stephen Wade: Can you ask that again? I was feverishly typing, I can't unmute.

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Howard Adams: What your attitude to that was and how has Select approached it over the years?

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Stephen Wade: Um, look, definitely, we understand that, you know.

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Stephen Wade: May I also say at the kind of top end of this, that my original history in the music industry was running a covers and concept agency.

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Stephen Wade: So I worked very heavily in clubs and pubs in New South Wales for the best part of 15 odd years. So I'm aware that, you know, this is an overall kind of issue for musicians who are predominantly either session musicians, cover musicians.

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Stephen Wade: crew and other people, as well as original artists.

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Stephen Wade: For us in the original space, it's something that we understand that a young artist or a young group of musicians who form an act.

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Stephen Wade: to them, the whole thing is just about getting out there, playing music, and they're not really thinking about the business side of things. Some may have management, or good management, uh, or good advice around them, um, to give them those understandings, but.

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Stephen Wade: I'd say pretty close to 100% of young acts that we deal with, if they don't have somebody that guides them to understand that this is what is going to be required of them.

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Stephen Wade: they will start their journey and will have no idea of the obligations that they are actually supposed to be a part of in the whole system.

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Stephen Wade: So, you know, yes, this is a big thing now that we are all discussing as an industry, and it will filter down, and orgs like Danielle and Vic there, you know, they will be able to go out to all the people in their states, and they'll be able to spread it, and obviously ALMBC and our members.

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Stephen Wade: We're hoping we'll do the same. But yeah, when we do get to that point, Howard, we have to be really clear in what we're actually explaining at the start.

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Howard Adams: Yeah, okay, cool. Well, if we just look at the next slide that deals with some feedback from the survey, it deals with this issue of the hobby form and the diminutive idea. And I'll just explain what that is. The hobby form is something that exists at the moment that you can execute if you provide services to a venue, for example, that allows you to say, well, look, you know, I'm a hobbyist. I'm under 75,000.

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Howard Adams: And therefore I'm not going to pay GST and you don't have to worry about GST when you pay me. So there is a body of thought that says that if something like that existed for musicians that were just doing a few very low paid jobs.

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Howard Adams: Gigs a month or something like that. They may have a job on which, of course, they'd be getting super or they may be retired and they may be drawing on their super. That might be something that could be used that would address, you know, certainly the sort of community festival type.

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Howard Adams: area. And the view amongst the people who were surveyed was that 83% said that they would be happy with that. I don't think that is a silver bullet, but I think it certainly would address.

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Howard Adams: a lot of the concern. Carly, have you had much in the way of discussion with people about a hobby form? How do you think that that might work?

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Kylie Thompson: Well, I... what I'd like to say is, as an accountant in the music industry for 30...

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Kylie Thompson: 6 years, that, um, very rarely any of my clients would use a statement of supply form, because I go out and...

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Kylie Thompson: Especially my modus operandi has been to try and get the young museos as they're coming out of high school, TAFE, WAPA, and teach them right. And that's all the workshops I've been going around doing with WAM for, you know, 10, 15 years.

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Kylie Thompson: So, I basically say to my musicians, it's not a hobby if that's what you're doing and that's the career that you're trying to build up for. And there's also these special carve-outs in the tax law, which are non-commercial loss rules. So, I basically say if.

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Kylie Thompson: Um, you're out there gigging, you're putting all this effort in, you're putting all your music out online, which obviously these days, you know, a Troye Sivan can make it from his bedroom in Perth. So I've been spruiking this for, you know, well over 25, 30 years.

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Kylie Thompson: that I don't like these.

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Kylie Thompson: There'll be forms, because if you... for the people that are genuinely in, um...

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Kylie Thompson: The business of being in music.

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Howard Adams: Hmm.

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Kylie Thompson: However, the Statement of Supply form does have a position, and in terms of the Newcastle, um, Hunter Valley Jazz Festival that canceled 322 sole traders.

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Kylie Thompson: I'm not quite sure of the percentage of those that are jazz musicians and, um...

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Kylie Thompson: you know, older musicians who basically love these festivals. I've had so much feedback from all sorts of festivals saying, we do this, we're retired, we're quite comfortably retired, we just love music, and hey, what do we want to do in retirement? We want to be able to share our joy of music.

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Kylie Thompson: So do we need super? No, we've had our career, we've lived our lives. We just want to hand in a statement of supplier form and say, hey, yeah, sure, we want to get paid, but do we really need the super? No, now we've got to go up and open up another super fund.

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Kylie Thompson: So, I do believe it is a contradiction to say, statement of supplier hobby, oh, but over this side of the tax law, we're going to deem you an employee for super purposes.

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Kylie Thompson: So, I'm, you know, it's just taken us 4 years. I've been trying to get a clear answer on this from everyone I know in Australia, and we did get a correct answer from the Deputy Commissioner of Payday Super on our meeting we had at the start of August, so at least we know in black and white, yes, super is payable on statement of supplier forms.

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Howard Adams: And then...

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Howard Adams: Mm-hmm.

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Howard Adams: Yeah, we did get that from the horse's mouth. But I kind of agree with you, Carly. It doesn't sort everything out. What source of the goose is source of the gander. If they're not going to pay Gst. If one part of the tax law doesn't apply, why should super apply? All right. Well, Carly, this is another one for you. This is 78% of the people that we survey said that the de minimis rule, which is something I know that you're pretty keen on would be a satisfactory way of addressing this. And this is something that I know that.

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Howard Adams: various bodies don't support, I'm sure including the Labour Party, because it means that there is a sort of number under which.

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Howard Adams: People are cut out of super. It may cause a problem that people so hitherto had got super. So, for example, lighting technicians working at a busy venue in Melbourne may have been paid super forever, but then, you know, might fall out of it under this. Do you want to explain a little bit about why you think the.

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Howard Adams: De minimis rule is a workable idea, and at what level you think the de minimis rule should cut in from a financial perspective.

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Kylie Thompson: Um, this is something that I've spent a lot... hours on, really, and, um, I've been talking to tax professors, um, tax... I'm a member of the Tax Institute, CPA Divisional Council.

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Kylie Thompson: Um, I've even had, um, the other day, a client in who used to work in the ATO for 28 years in the head of the super department. She's read my proposal, um, and taking it, um, to the media, because she thinks it's such a great idea.

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Kylie Thompson: Um, so I've done a lot of background research. I've ran it by agencies, all sorts of people. Um, we...

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Kylie Thompson: uh, spoke about at Big Sound, the amount of support of the industry that I had the next 48 hours in feedback. Um, I just totally believe.

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Kylie Thompson: that if we don't do something at the grassroots level of the music industry, we aren't going to be having anywhere for these people to go. Because the festivals and the venues, we'll get to an example later, which is the latest update on the tax office.

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Kylie Thompson: Um, advice we were given last Friday, um, and this rate of administration and nightmare and confusion, basically, and it's already happening in three months since the, the, the 1st of July when payday super come in.

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Kylie Thompson: Um, venues, agents, festivals just aren't going to deal with sole trader bands. So there goes the bottom end of the scale, where either one, you can't... you're not at that capacity to be able to purchase.

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Kylie Thompson: a company, you're not at that level yet, it's too, too, um, expensive. Two, you only gig occasionally, and you have various session members turn up, or, you know, it's not a regular band. Um, all these people are getting caught.

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Kylie Thompson: And, you know, if we go back to the festival that cancelled earlier on in the piece, 322 people to pay their super. I mean, and I know Ant's very big on this. The community festivals are all coming back at us.

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Kylie Thompson: Saying, we do this for the love of it, we don't... none of us get paid for this, and I know that having been on two festivals as the treasurer, the voluntary treasurer, and my festivals in the last four years have all had super paid for their sole trader musician artists.

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Kylie Thompson: But, because I've been aware of this, um, all the time. But, so I know what's involved, I know the administration involved, um, so...

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Kylie Thompson: Uh, my idea is basically to basically take the pain out of all of this, and I'm not really... if it's taken as, oh, someone can earn 5K, one sole trader 5K fee, I'd turn around and say to you, with all of my years of accounting.

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Kylie Thompson: If a sole trader can command 5K for a performance fee, then they should be in a company and on wages and paying their own super. I'm talking about my issue with 5K and why I've gone that high is it doesn't take much. I've spoken to someone today with a five piece band, 2K is nothing.

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Kylie Thompson: three... oh, she had a 1500 buck gig, \$300, and just said, oh my god, you know, 36 bucks each for those musos, I explained.

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Kylie Thompson: how this all worked, and she's just going, it's just not worth it. So...

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Howard Adams: Can I just stop you there for a second? Because I think that probably given that we've got 280 people on the call. There may be some people that have not heard in detail how the 5 K. De minimis rule works. Could you just at the risk of going over things twice for people who have heard it. But I think it's important to actually frame the conversation. And just.

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Howard Adams: Set out what it is that you have advocated for and you have obviously researched in the market for.

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Kylie Thompson: It's basically ongoing for a carve-out within the tax law. We've got to get this through Parliament, through Treasury, to change tax law. The ATO can't change tax law. The reason I'm going back to the 1992 law is that that's very specific for

musicians. I'm not attacking the 450 that got removed four years ago. That applies to every.

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Kylie Thompson: every Australian, every occupation in Australia. I'm not talking about that threshold that got removed. I'm talking about the fact that this sole trader, ABN musician, was specifically carved out and not treated like an electrician and plumber back in 92.

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Kylie Thompson: So I've come up with a figure to say if any of these people, um...

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Kylie Thompson: Uh, get a \$5,000 or less fee.

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Kylie Thompson: Then basically they are exempt or removed. It's a threshold. No super is payable by the person paying the 5K and then no, which then will include any way that 5K is divvied up by that sole trader MUSO to the people underneath them.

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Kylie Thompson: So it's just a matter of basically trying to say, let's just do a carve out, take the admin out of the lower end of the scale so these people do get a shot at a festival or a Sunday session gig in the corner of the pub and be noticed.

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Kylie Thompson: So I'm not aiming to get... And at that level, Music Australia's baseline, the last two years in a row, came out saying the average musician, which represented 80% of the contemporary music industry, the median income is \$14,800.

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Kylie Thompson: So if we removed super off 80% of the market, the other 20% were the ones earning up to the 180 plus.

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Kylie Thompson: Basically, if we removed 80% of... of the median, um...

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Kylie Thompson: the obligation on these people that aren't even earning 20K taxable income.

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Kylie Thompson: Is that a really big dent in the superannuation of these people if that's all they're earning?

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Kylie Thompson: Um, and the... for those people that do earn under \$46K, they do have the opportunity to put their own money into super up to \$1,000, and the government will give them a co-contribution of \$500.

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Howard Adams: I haven't really thought about this until now, but I suppose in a way what that.

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Howard Adams: does is it just provides a financial ceiling to treating musicians like tradies.

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Kylie Thompson: Correct.

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Howard Adams: Hmm. It's kind of the same thing, but there is a sort of guardrail there that says when you get to a certain level, you should be paid super, but the corollary of that is that you should also probably have a corporate structure or something that allows.

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Kylie Thompson: And but.

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Howard Adams: You know, booking agents and venues to more easily deal with you.

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Kylie Thompson: Yeah, now someone should say thank you.

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Ant McKenna ALMBC: I might just add, Howard and Kylie, that the idea of a de minimis in general, it's all about not...

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Ant McKenna ALMBC: putting a burden of undue administration onto some kind of a process. So it's about looking at a process that generates very small amounts of money and not putting an undue.

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Ant McKenna ALMBC: process in terms of the administration of that money. So, you know, the main thing that people keep talking to us about is the administrative burden. So that idea of a de minimis just fits perfectly into.

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Ant McKenna ALMBC: So that whole process.

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Howard Adams: Hmm. Okay. Well, maybe we should just keep going with the findings of the survey, and we'll we'll come back to what the the asks might be, and maybe then we'll hear from people online as to what they think about the potential.

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Howard Adams: argument that we're going to make to Treasury when we get to some consensus position. But what is happening in the market is that Muses are fearing that the 12% would essentially come out of their pockets. 70% of the people we surveyed said.

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Howard Adams: It did, and the effect of that is that provided it says so in the contract, it is permissible for people booking artists to simply say that the fee is inclusive of super. So effectively, a \$600 guarantee goes down to 534 plus super.

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Howard Adams: Um...

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Howard Adams: Work is anecdotally drying up. That was pretty consistent from those who were surveyed.

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Howard Adams: A regional New South Wales venue canceled all 150 gigs. I don't know where that was, but that seems pretty dramatic. So the ATO's view on all this, and I'm sure that people in the audience tonight may have had interactions with the ATO along the way. They're pretty black and white. Payday super didn't cause the problem. It just.

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Howard Adams: shine a light on the problem. As I said earlier, the deeming provisions that made musicians employees came in in 1992, and the 2022 changes, as Kylie said, with the removal of the 450 ceiling. I think it is fair to say that, you know, underpayment and super is endemic.

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Howard Adams: across the industry. But to be frank, I don't think we're Robinson Crusoe there. There's lots of casual work that has not been properly addressed, even in the professional services industry.

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Howard Adams: So the ATO's response, and I might throw to you again here, please, Kylie, because I know that you've been watching this very carefully, and there have been a number of things that have come out of the ATO over the last six weeks or so. Do you want to just quickly outline.

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Howard Adams: what you're seeing from the ATO, and perhaps give us an opinion on how practically useful it is.

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Kylie Thompson: Well, there's been some... I... I just was, uh...

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Kylie Thompson: Still surprised that, uh, my client today, I had to say, just go and have a look online. Um, if you actually just Google super for sports peop- sportspersons, it'll come up, because, um, sportspersons are in averaging just like, um, performing artists all the way along.

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Howard Adams: Hmm.

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Kylie Thompson: Um...

00:51:04.000 --> 00:51:24.000

Kylie Thompson: I do believe, and Music Vic have been involved, Creative Workplaces, I've been doing some major national talks with them. I myself as Sereno Strategic, also the ALMBC, we've done massive surveys and select music, some big agencies here in WA. Everyone's, I think we had 108 submissions from ALMBC members.

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Kylie Thompson: went into all of this. So, I do believe they put out a revision of the facts on the 28th of August. They then revised it again on the 16th of September. Um, so anyone that wants to Google super for sportspersons, it'll come up, which is the area that we're talking about, and it says.

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Kylie Thompson: looked at it today, last updated 16th the 9th. The ATO then also sent us last Friday, um, what they're calling... there's a flyer, and they're...

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Danielle Siers: Checklist.

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Kylie Thompson: checklist and straight away I went through all that Friday and there's a major discrepancy between one flyer and one checklist which I have actually clarified here to show you this is how it's developing.

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Kylie Thompson: Um, but a couple of the big things that have come out of this... I think I've got the three examples here, the three things I wanted to, um, discuss in terms of

what we got last Friday. Um, and... oh, the three important things that have come out since this whole thing happened with Payday Super, and it's all become more visible.

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Kylie Thompson: and some feedback and changes that have are now online with the OTO.

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Kylie Thompson: Um, so...

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Kylie Thompson: I guess, uh, I think we've got those in order, and have we the three scenarios to do with the band leader?

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Ant McKenna ALMBC: Uh, yep, I'll grab those, um...

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Kylie Thompson: Oh.

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Ant McKenna ALMBC: They're further on along, Kylie, so I'll...

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Ant McKenna ALMBC: Okay.

00:52:53.000 --> 00:52:54.000

Kylie Thompson: Yep.

00:52:55.000 --> 00:52:57.000

Ant McKenna ALMBC: No.

00:52:56.000 --> 00:52:57.000

Kylie Thompson: Sorry.

00:52:56.000 --> 00:53:02.000

Howard Adams: Maybe maybe Carly could just talk to it. I mean, we don't necessarily just.

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Kylie Thompson: Yeah, so, so basically, the three major things... I've actually just got a response at 404 from the Tax Office taking my, um, problem up with what they got wrong last week on their handout compared to their checklist, which was two different things.

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Kylie Thompson: Um, but interestingly, so where we started out before all the, um, basically shit hit the fan, um, with Payday Super, um, what the deal was, was if you had a sole trader, um, band leader who invoices for the whole band, and these are the talks I did only a month ago were relevant and correct at the time.

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Kylie Thompson: So, I use the example, Kylie's the band leader, does the gig for a thousand bucks, and she's got three people she pays \$250 to. The law, as it stood on July 1, before any interventions, were that.

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Kylie Thompson: Kylie gets paid the \$1,000 under her sole trader, ABN. So, basically, whoever's paying Kylie for the gig, the \$1,000.

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Kylie Thompson: the \$120 comes out of Kylie's \$1,000, and she gets, um, \$107 into super, and she's got \$892 left to... to divvy up the other three people.

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Kylie Thompson: Um, so that's the way it's working. Uh, when they released the 28th of August information, they now deemed, which was also due to the feedback from the draft ruling that a lot of people online here, I'd say, contributed to, they then came back and said, hmm.

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Kylie Thompson: We might actually deem in certain circumstances that Kylie is the agent for the band of four.

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Kylie Thompson: In that particular case, um...

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Kylie Thompson: whoever pays Kylie can pay her the \$1,000, and she can divvy up the \$250 to the other three.

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Kylie Thompson: And whoever pays Kylie can put 30 bucks into 4 lots of people's super.

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Kylie Thompson: Um, so...

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Kylie Thompson: So that is interesting. At least Kylie doesn't get the whole 120 super. But then the person, whoever's paying Kylie the thousand bucks now has the obligation to pay four lots of super instead of one.

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Kylie Thompson: So now, with the latest advice on Friday, on the checklist, they actually said, oh, there's a third option here, um...

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Kylie Thompson: Uh, basically, Kylie's acting as the agent, and we'll make 4 payments to the 4 band members, and 4 payments to the band super. So, I can only imagine, in terms of a festival, I always use this festival I had with 100 acts, 70 sole traders. So, they're now saying on that third option.

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Kylie Thompson: that, um, you can make 70 sole traders, 200... let's just assume they're all bands of 4, roughly, on average. Uh, let's just make 280 payments to 280 super funds.

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Kylie Thompson: or 70 payments to the Kylies of the world, the band leaders, or 280 payments to everyone. Um, how you're gonna get the venues and the festivals.

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Kylie Thompson: to pay super for people that they didn't make the payment to and reconcile all that's beyond me. But anyway, this is where we're heading. We're not getting any clear answers, we're just getting a whole lot of administration thrown on what's coming back to me. Not-for-profit festivals where people aren't getting paid to administer the.

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Kylie Thompson: Super. And a whole lot of admin, and a whole lot of headache for people that can't...

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Kylie Thompson: provide the information in a timely manner.

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Howard Adams: Steve, I know that Select over the years has bent over backwards to make sense of this and to comply with obligations. How have you found the examples, for example, provided by the tax office on their website? Have they been of any use or do you have any thoughts about that? Because I think this information piece is completely lacking in my view here.

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Stephen Wade: Yeah, I I think I think you're right there, and looking at the comments that that are coming through on the side panel there.

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Stephen Wade: You can see that our industry.

00:57:08.000 --> 00:57:24.000

Stephen Wade: is just incredibly diverse, and the complexities are enormous. Because as I pointed to earlier, you know, the live music industry is everything from original artists, either solo, who are paying.

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Stephen Wade: Kind of their own independent musician.

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Stephen Wade: there is... like, I just cannot fathom that there would be any industry in Australia that would have the amount of complexities that we do. And I get that the government, uh, and the ATO has to.

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Stephen Wade: In relation to this, try and do a one-size-fits-all.

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Stephen Wade: Um, but we already, uh.

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Stephen Wade: Uh, no, within our organization, and, you know, we do about 2,500 shows a year, and we have about 30 or 40 sole traders that are artists.

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Stephen Wade: that we've been trying to work through this ourselves.

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Stephen Wade: Some of the examples that the ATO put up did come through.

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Stephen Wade: our company, going to them and through ALMBC presenting to our team and going, hey, this is, like, an actual legitimate grassroots scenario that has happened.

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Stephen Wade: Um, and it was great to see that there was at least an acknowledgement straight away from them that what we were presenting.

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Stephen Wade: made sense.

00:58:45.000 --> 00:58:47.000

Stephen Wade: My concern...

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Stephen Wade: with every kind of week that goes by, and even out of something today with having so many people jump on, is that there is a genuine concern from our industry that nobody wants to do the wrong thing or be potentially caught.

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Stephen Wade: or held up by the ATO as having done the wrong thing.

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Stephen Wade: But if we can't get clarity, simple clarity.

00:59:14.000 --> 00:59:17.000

Stephen Wade: across the multitude of things that we're doing.

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Stephen Wade: Uh, we have to try and come up with some other way for the government to explain to us how we can fit in.

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Stephen Wade: to this whole...

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Stephen Wade: kind of circus that super has become for our... for our industry. Otherwise, we're going to continue to have.

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Stephen Wade: 45 different opinions, where people have been told that some accountant, or some lawyer, or the ATO, or their friend, or a pub owner has said, this is what it is.

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Stephen Wade: And we just can't, like, the arguing of that is irrelevant, because ultimately, the ATO will be the ones that will come after you.

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Howard Adams: Okay.

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Stephen Wade: If they believe you haven't done it the way it's supposed to be done.

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Howard Adams: Yeah, I think there's a sort of cart before the horse issue here, isn't it, that the ATO has indicated that it is not on a witch hunt. It's not out there auditing people, but going forward, it would like to see compliance. But the difficulty with that is that if compliance is not.

01:00:15.000 --> 01:00:42.000

Howard Adams: made to be straightforward or understandable or workable, then it's difficult for them to expect people to do it. But I do think there's a moment here where we need to gather together our thoughts in a coherent way and have those thoughts to be consistent, even if there are a range of thoughts that perhaps only 80% of the people agree with. But we need to get very close to that.

01:00:42.000 --> 01:00:59.000

Howard Adams: before we can have a proper conversation with them, and before they will take any notice of us. So I do think, you know, explaining to the ATO that it's not really an issue about paying it. It's really an issue about compliance. And if it's put like that.

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Howard Adams: then I think there is a greater possibility that we'll get some form of result. And the other thing, of course, is that you know the survey showed that musicians are losing gigs. They're being paid less festivals and venues are sort of discouraged from booking sole traders, and that is of itself, you know, a hammer blow to the live music economy, and that needs to be explained as well. Now, whether we can quantify that in an actual financial downside.

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Howard Adams: number. I don't really know, but I would have thought that does go into the same discussion, because in the end it's not just about allowing people to have a dignified retirement. The real nuts and bolts behind all this is that when we're all retired, our children aren't working to pay the state pension to us. So, however you put it.

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Howard Adams: It is a tax issue. And that's a revenue issue.

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Howard Adams: Um, where are we then? Um...

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Howard Adams: Simple ideas. Sorry?

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Kylie Thompson: Sorry.

01:01:56.000 --> 01:02:02.000

Kylie Thompson: Sorry, Howard, I just wanted to, um, carry on from waiting because I've been dealing...

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Howard Adams: Yeah, sure.

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Howard Adams: Yeah, please do. Please do. Go ahead.

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Kylie Thompson: With maybe some girl who's a guru on paying everyone and we're trying to work stuff out. So this is the second thing that came out of these revisions,

which is fantastic. And I know a lot of people are asking about this. So one of the great things that came out of this was.

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Kylie Thompson: Um, which was a question I had in, uh, WA Music Week from a big festival guy come up to me. So now what they've definitely come out clearly with the example, and it's, um, we do have the example here. I think it's example number nine on their website, which kind of says.

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Kylie Thompson: If you've got a 5K fee for a festival and it's going to cost you 3K to attend the festival, then the festival only has to pay the super on the 2K labour component. So there's a lot of people here asking about that.

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Kylie Thompson: labour component. And there's a very clear example on there. Now, something that.

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Ant McKenna ALMBC: We've got that later on in the presentation too, Kylie. Yep.

01:02:56.000 --> 01:02:59.000

Kylie Thompson: Yeah, I guess because Wade was talking.

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Howard Adams: We can move in. Let's just deal with it now. This is, I think, whilst Carly's in her slow.

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Ant McKenna ALMBC: Okay.

01:03:03.000 --> 01:03:18.000

Kylie Thompson: Sorry. So what way these girls come up with? Well, and it is a reality, and I've gone back and asked the tax office last Friday. I said, it's just to do with the wording what they've got on their site. But, as everyone here would know that goes to a festival.

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Kylie Thompson: Um, which I asked a girl this morning, she's gonna, um, fly over from Queensland back to WA for NANA.

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Kylie Thompson: \$1,500 fee. What's the airfares for five musicians and the band and the accommodation and all that? You're not even going to make your \$1,500. So Nanak should be getting a fee for travel reimbursement of \$1,500.

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Kylie Thompson: And there's no super. So that's the way we see it. We've asked that, um, because they then put a statement there as if to say, oh, we don't expect any performance fee, well, um, that the cost would outweigh the performance fee. Oh, no, yes, it does. That's how the industry operates.

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Kylie Thompson: So we're waiting on an answer from that. Obviously, I'm pretty excited that I got a straight response from Friday till today on my other question about the third example that they've come up with. So we're trying to get clarity, and they've been very responsive anyway, so that's a good thing.

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Howard Adams: It's...

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Howard Adams: It's...

01:04:12.000 --> 01:04:32.000

Danielle Siers: I was gonna say, it's kind... that's kind of strange, because if you tour international artists, and you paying... you apply for a variation for them, a withholding tax variation, right? And they ask you, why do you want to vary the tax rate? And it's like, because they've incurred all of this expenditure. So, they accept it for some artists.

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Kylie Thompson: Yes?

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Danielle Siers: But not for Australian residents, so...

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Ant McKenna ALMBC: Well, they call that a de minimis as well. That's exactly a de minimis that's put in place to reduce the administration.

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Howard Adams: Well, I'd, I'd, I'd like to...

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Howard Adams: Okay.

01:04:43.000 --> 01:04:59.000

Howard Adams: I'm glad you made that point, Danielle, because it was on my mind, and I could see Stephen was nodding along. But I've just been going through this process for the 1st time, and you can reduce the 30% that you have to withhold, and the ATO will entertain that, and they'll entertain that even before you've.

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Kylie Thompson: And so...

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Howard Adams: been paid the money.

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Stephen Wade: And on some occasions, Howard, they actually vary it to zero, because...

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Danielle Siers: Yes.

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Howard Adams: Mm-hmm.

01:05:03.000 --> 01:05:05.000

Kylie Thompson: Yes.

01:05:05.000 --> 01:05:07.000

Kylie Thompson: Good, you might go off. Yeah.

01:05:05.000 --> 01:05:08.000

Danielle Siers: Yeah, I've, I've, yep.

01:05:06.000 --> 01:05:24.000

Stephen Wade: Because the artists have, yeah, so one of the biggest things, and of course, again, as I say, I know that on this, uh, panel, there's lots of people that are, you know, either part-time musicians or full-time musicians playing covers in a pub or a club or a band, so this part of.

01:05:08.000 --> 01:05:10.000

Danielle Siers: Yep.

01:05:24.000 --> 01:05:41.000

Stephen Wade: the conversation would not, you know, relate to them directly. But one of the things that we discovered from our agency, and we're pushing forward, and I'm lucky that I've got a wonderful financial manager called Kathy Skow, who.

01:05:41.000 --> 01:05:56.000

Stephen Wade: spends a lot of time behind the scenes ensuring that, you know, our company stays on top of these types of things. And that was one of the key things that we were talking about wanting to present back to government, that, for example, if you've got.

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Stephen Wade: an artist that's getting paid \$500 to do a support in four different places. So they're going to earn \$2,000, but it's going to cost them \$3,000 to do that show.

01:06:11.000 --> 01:06:16.000

Stephen Wade: How could they possibly pay or be paid any superannuation?

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Stephen Wade: for something that is actually minus \$1,000. So, we don't even know how could you actually say what was the component of.

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Stephen Wade: actual work or service provided during that scenario. So, it does feel that we could have an angle going to government to say that.

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Stephen Wade: Well, yeah, we've got artists who can easily prove that it costs them.

01:06:44.000 --> 01:06:52.000

Stephen Wade: what they're getting paid, or they actually lose money to go and do their show. So, it's just another angle.

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Stephen Wade: of us trying to show that this is, you know, probably not always something that is meant to be done for every single musician in Australia.

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Howard Adams: Hmm, yeah, absolutely. The the other thing that has become apparent is that the clearinghouse that in some way improved the efficiency of compliance has been.

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Howard Adams: Closed. Carly, do you want to just talk a little bit about that? And is there some.

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Howard Adams: support for reinstating some sort of clearinghouse that would streamline things.

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Kylie Thompson: Oh, look, uh, it's the most classic thing I've ever seen, bringing payday super in on the 1st of July and shutting down the cheapest, quickest way to do that the day before.

01:07:37.000 --> 01:07:55.000

Kylie Thompson: Um, so I can't see them regenerating it, even if it's suitable for our industry or not. I think that that horse has bolted. They told us to get all the information out of there. Um, it's shutting down and it's gone forever. They even didn't process payments after about the 16th of June and bounced them back.

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Kylie Thompson: So, um, in terms of a free clearinghouse, yes, um...

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Kylie Thompson: I'm not allowed to, as a financial planner, um, give any product advice about recommending one, but I do know there are some very large, um, industry funds that do offer a free clearinghouse. I tend to say to my clients, because I can't recommend a financial product.

01:08:16.000 --> 01:08:25.000

Kylie Thompson: Um, where is your super at? Um, inquire with them. Um, but yes, there are free clearinghouses out there. There are a lot of, um...

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Kylie Thompson: Uh, the other... the problem is, I'm very much all zero, but there's zero in my old QuickBooks. Um, there's payroll super products that aren't as expensive as the big all-inclusive, um.

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Kylie Thompson: Zeros, for example, which, you know, this is a problem with Zero. You want to pay Super 3 Zero, all of a sudden, my \$35 a month.

01:08:49.000 --> 01:09:04.000

Kylie Thompson: clients with one employee, you know, all of a sudden, they have subcontract musicians. They're up at \$100 a month, \$135 a month, which is extremely expensive to, um, these small people that, um, aren't gigging that often.

01:09:04.000 --> 01:09:07.000

Kylie Thompson: Um, so...

01:09:07.000 --> 01:09:14.000

Kylie Thompson: we were talking at... on our board meeting recently. Wouldn't it be great if we had our own creative, um...

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Kylie Thompson: clearinghouse. We could... we could maybe run something to, you know, for our members or whatever. I've gone to my financial planning, um, licensee in Melbourne. They can't even offer, um, open up their own special fund. Like.

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Kylie Thompson: You have no idea the, um...

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Kylie Thompson: red tape involved with financial planning, which was all about the Royal Commission 2017. So, these things aren't easy, um, and cannot be suggested by someone like myself. Other people might be able to.

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Howard Adams: Well, look, I think what we've got to do as a matter of some urgency is work out what we can say, what is plausible, and what will get majority support across the industry. And we need to work that out.

01:09:58.000 --> 01:10:14.000

Howard Adams: at short order. And if there are players out there who simply cannot agree or cannot commit, but don't necessarily disagree, we possibly need to sort that out as well. There's a great deal of difference between being opposed to a submission.

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Howard Adams: And just not full-throatedly supporting it. I mean, as someone said earlier on, the music industry is a very broad church. It covers retired people playing saxophone in an amateur jazz band. It covers people who are.

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Howard Adams: Budding to be, um, the next time.

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Howard Adams: Impala and it covers tribute bands, covers bands, all sorts of things and and Because it's a broad church, we need to find, in my view, the points of commonality And that sort of brings me in the last nine minutes that we have for this presentation to talk about.

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Howard Adams: what are we going to do next? Because I'm, for one, and I'm sure everyone else on this call, and many of the people listening, um, don't think that it is going to help to have too many more of these events. We are getting to a position now where we know what the issues are, we understand what the stakeholders think, we understand.

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Howard Adams: the ideological positions that some people have politically and all that sort of stuff. But we have to put that to one side and just work out what it is that we can actually justifiably say that is going to have a measure of success that's going to improve things. So can I just suggest, first of all, that we will.

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Howard Adams: finalize the results of this report. I think having proper empirical data is, you know, the cornerstone of pretty much everything these days, so we'll do that.

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Howard Adams: I think subject to the board's view, we would.

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Howard Adams: come up with a draft response and socialize that idea, so that will cover most of the ideas that you've heard today, and I don't think we can.

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Howard Adams: We can't go in with a laundry list of things. Generally speaking, if you're dealing with government, you need to ask them to change around three or four big ideas. That's about it. Any more than that, it's too much.

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Howard Adams: And then, of course, we would need to go back out to our members and all the other bodies. Oh, Carly's putting her hand up. Sorry, Carly, have I done something?

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Kylie Thompson: Sorry, I have had a couple of clients on board I just wanted to bring in, just to give a real-life reality to this, and someone's...

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Howard Adams: Sure, please do.

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Kylie Thompson: Someone's just asked about door splits, so I'm hoping my client Mikey's here, who actually runs 20 bands here in WA. Um, and we've been talking, uh, that was the third thing here that has been addressed in the last few months is the door splits.

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Kylie Thompson: And there's a very.

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Ant McKenna ALMBC: What's Mikey's name, Kylie?

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Kylie Thompson: Mikey Wiggle. I don't know if he's here.

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Ant McKenna ALMBC: Yep, he is. I've just unmuted him.

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Kylie Thompson: It's very mean to stick.

01:12:43.000 --> 01:12:44.000

Mikey Wiegele: Bye, guys.

01:12:44.000 --> 01:12:46.000

Howard Adams: Hi, Mikey.

01:12:44.000 --> 01:12:59.000

Kylie Thompson: This guy loves music. So, so Mikey came to me about the 15th of July, 2022, when he heard about the 450, um, minimum getting dropped, because at that stage, um.

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Mikey Wiegele: I do, yeah.

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Kylie Thompson: he had... he was the leader of about 8 bands, uh, the other day till it's, uh, 20. Um...

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Mikey Wiegele: Yeah.

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Mikey Wiegele: Yeah, it's getting worse.

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Kylie Thompson: Yeah, so also Mikey has his FIFO job, he's a married man with a lot to lose, so going into a partnership with 20 different bands really isn't on the cards.

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Kylie Thompson: Um, and Mikey's very meticulous, um, and gone through all of the information that's come out in the last few weeks.

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Kylie Thompson: and really, he feels like he does door deals with the rest of his band, so maybe Mikey, just give a bit of an indication how you've been going the last 4 years.

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Mikey Wiegele: Yeah. No, thanks, Kylie. And this is great to have this group like this here. It's been great listening to what you've had to say so far. But in terms of where I'm at, I'm very much the small player here. And, you know, Danielle was talking earlier about a lot of musos not really having much of an idea commercially. Well, that's exactly what I deal with, and I'm paying about 80 musos.

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Mikey Wiegele: Um, sort of out of the books for very small gigs, often ranging between 200 to \$500 per player for a show that we're doing. Um, and with the new sort of rules that have come in, I'm having to do individual super payments to each of those people every time I do a gig.

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Mikey Wiegele: And so I did, on the Saturday I just gone, played in 4 bands at a single show. I've got about 12 musos to pay out of that, and each of them earning about \$200, so that's like \$16 each, but...

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Mikey Wiegele: it's all got to go through. So, as it stands now, um, it's a lot of extra work for me. And as Kylie said, I do have a full-time job and four kids, so it's, uh, it's, uh, it's not great. But in terms of the revenue share agreement thing there, I also do some gigs where.

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Mikey Wiegele: we have a band together that is taking, basically, a ticket risk agreement together as a group, where we will charter a venue and get a promoter on board, we'll pay all the expenses, and just hope that we get across the line from a ticket sales perspective. And most of those are quite successful.

01:14:58.000 --> 01:15:13.000

Mikey Wiegele: But we do end up with, like, a, um, basically a split that goes between each of the players. And the way that I'm reading the rules at the moment is that as long as we have a commercial arrangement in place, that we can sort of distribute that money without super having to be withheld. So that's...

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Howard Adams: That's, that's, uh...

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Mikey Wiegele: That's the stance I'm taking.

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Howard Adams: That sounds about right to me, because what the Ato says on a door split is that you're all embarking on a commercial endeavor together, and they're for risk of upside risk of downside which you're sharing, which is entirely different to being paid a guarantee. That's quite a nice idea.

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Mikey Wiegele: Yep.

01:15:29.000 --> 01:15:35.000

Kylie Thompson: So, Howard... Howard is a lawyer, Mikey, on the board with me. So, Howard...

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Mikey Wiegele: Yeah.

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Mikey Wiegele: Can I help?

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Kylie Thompson: Yeah, we... well, I've spoken to a lawyer last week, um, when this come up, and um, so what we're believing is that most of the venues will want to pay my... and mind you, Mikey, because of the amount of.

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Kylie Thompson: Bansi had 4 years ago, I recommended he go into a priority-limited company. And the fact that he had a lot to lose because of his age, his income, his family, his house, and everything else, and everything he did, he's in a priority-limited company, and that suits Mikey.

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Mikey Wiegele: Mmhm.

01:16:03.000 --> 01:16:05.000

Mikey Wiegele: Yep.

01:16:03.000 --> 01:16:13.000

Kylie Thompson: Um, he knows that he's not getting any super because of it, but he does this because he loves running. Some... somehow it got from 8 to 20 bends. Um...

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Mikey Wiegele: Okay.

01:16:13.000 --> 01:16:28.000

Kylie Thompson: So, what I'm saying to Mikey, and this is a suggestion, so this has been a great thing that's come out in the last few revisions on the Tax Office website, that definitely ruled out ticket sales. There's no super if you receive the ticket sales from the venue.

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Kylie Thompson: But my problem is if you have the sole trader bandleader then distributing that to the other people, is that a payment for the performance or is it a ticket split? So I believe you'd need some really decent, contract here.

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Kylie Thompson: in place from Mikey's company to all of those to say they're getting a share of the ticket split after all these things are covered. So that's... we're going to be working on that.

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Kylie Thompson: Um, so thanks, Mikey. I just wanted to bring that in, because you're a real-life person, that this is... I mean, you could talk about the fact you put your big band that gets a decent fee into a partnership.

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Mikey Wiegele: Yeah, yeah, we did do that. So, we... there was one particular band that was a bit of a standout from the rest that was, um, being, you know, very commercially successful, and in that particular scenario, it worked out better for us to go into a partnership there, because the amount of money that was sort of coming through, I think we sort of...

01:17:19.000 --> 01:17:34.000

Mikey Wiegele: net around \$50K a year for that one band with four players in it. So, um, you know, actually it's probably more than that, that's what comes to the players, but it's, uh, yeah, it's... that one definitely warranted a partnership, because it does sort of get around, pretty much, all those obligations from a super perspective.

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Howard Adams: Hmm, look, I...

01:17:34.000 --> 01:17:53.000

Kylie Thompson: And also, you're all your age, you've all got your own thing going on, you've all got your own super, so in this particular... but that's where people need to go to their accountants, and there's a lot of online stuff in Facebook music groups, with unauthorised people saying on there, just go and form a partnership, and I'm having a heart attack.

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Mikey Wiegele: Yep.

01:17:40.000 --> 01:17:41.000

Mikey Wiegele: Yep.

01:17:43.000 --> 01:17:45.000

Howard Adams: Hmm.

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Kylie Thompson: And I can't keep commenting on every group because I had to pull back a few weeks back because I just wake up in the middle of the night and I'm having nightmares about people giving legal advice, which I'm an accountant and I wouldn't even do.

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Howard Adams: Yeah, thank you.

01:17:54.000 --> 01:17:56.000

Mikey Wiegele: Yeah, yeah.

01:18:07.000 --> 01:18:25.000

Howard Adams: Can I just say this? I agree with you, Kylie, that you probably would have to have some wording around it, but I would have thought that's the sort of thing you can put into a fairly standard template and not make it too legal, you know, a little bit like, for example, the.

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Mikey Wiegele: Yeah.

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Howard Adams: simple documents that musicians are asked to sign when they, um, record with people, just to say they don't have any rights in the, for example, the publishing, or something like that. So, I think that's quite an elegant idea. We should give some more thought to that.

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Kylie Thompson: Yeah, and I just, sorry, I just have my second client on here, who's kind of knee-deep in the Sydney music scene, moved from WA over there about 8 or 9 years ago. John O'Sultan, he's there, is he?

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Kylie Thompson: And, um...

01:18:54.000 --> 01:18:56.000

John O'Sullivan: Yeah, I'm here, colleague. How are you.

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Kylie Thompson: Hello, John. Um, John's just going to give us a bit of an indication of, uh, and he's just been at a festival last weekend and things like that, just how he's coped with this in the last four years.

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John O'Sullivan: Yeah, so, um, I'm in a band with, uh, two other guys. We've been consistent. I've been... initially, I was invoicing on my ABN, but when Kylie said I'd become liable for the super a number of years ago, we discussed how we could handle it.

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John O'Sullivan: Uh, we formed a partnership, I think it's probably 3 or 4 years ago now. Um, I just recognized, as soon as I looked at it, that venues would have absolutely no interest in paying.

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John O'Sullivan: Three little super contributions on top of gig fees. So by doing the partnership, now these are guys I play with all the time. So it actually works for us. It doesn't necessarily work for, for everybody, but you know, we can, we can just invoice. There's no super.

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John O'Sullivan: component, because we're a partnership, and it's taken away the liability for me as a sole ABN holder. I still have an ABN, and I still...

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John O'Sullivan: report all my musical expenses as a musician through that, but the partnership essentially invoices, gets the money in, and distributes it. The only expenses we pay out of that is the accountancy fees, so it's not like...

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John O'Sullivan: We buy equipment or anything, we buy our own. So that's how we operate.

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Kylie Thompson: Yeah, and you were saying that, uh, since the... when I caught up with you in Sydney a few weeks back, that, um, all the gigs that... if anyone is paying the super... the... is taking it... in the Sydney scene, they're taking it out of the gig fee, and also festivals. You've just been to a festival.

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John O'Sullivan: it's...

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John O'Sullivan: Yeah, I don't think some of the community festivals even know about this yet, to be honest.

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John O'Sullivan: Um, and it is being taken out of the gig fee, it's not 12% on top. Venues aren't an interest at all. I've even had, um...

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John O'Sullivan: seen some, you know, heard stories where venues are saying you must be a partnership or a company before you get a gig. So they're actually enforcing structures on musicians.

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John O'Sullivan: A lot of people at the bottom end are just going to either stop or just won't be able to continue. You could actually make the case, too, that it's seriously going to affect the nighttime economy of all the big cities.

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John O'Sullivan: and smaller rural towns because you've got state governments pushing for that. Sydney is a prime example. They've decimated with the lockout laws. Now they're really going to kill it because there won't be any musicians playing.

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John O'Sullivan: Or it'll be significantly reduced. So.

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Kylie Thompson: Thanks, John. And how does this compare to the Irish music industry?

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John O'Sullivan: Oh, well, if you remember when I met you at the WAM thing about 9 years ago, you came in and said, oh, what are you doing about paying your tax? And I laughed, because in Ireland, we don't pay tax on musical income, because they just...

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Kylie Thompson: Let's all go to Ireland!

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John O'Sullivan: Yeah, yeah. It was an alien concept. But I have to say, I did take Kylie's advice and I got an ABN first. And I make a loss on my music business every year for years. But when you get over a threshold, you can actually claim it back.

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John O'Sullivan: So, I've had a couple of nice paydays in losses from, um, you know, accrued losses through my music business. So, there's...

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John O'Sullivan: There is light at the end of the tunnel for various things, so yeah, it's worth doing things right.

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Kylie Thompson: Thanks, John, and thanks, Mikey. I just thought it's real-life experience is really good to share.

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Howard Adams: That was great. Thanks.

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Danielle Siers: I was just gonna add in, like, while I love the concept of the revenue sharing and how it, you know, really is just a transfer of funds, therefore that's not...

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Danielle Siers: super isn't, um, applied. But in situations where you're a festival, playing a festival, something like that isn't possible.

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Kylie Thompson: No, no, no, no.

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Danielle Siers: You know, so it, it'd only really, um, yeah.

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Kylie Thompson: No.

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Kylie Thompson: It's working for pub gigs that can do door deals, yeah.

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Danielle Siers: Yeah, that's it.

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Kylie Thompson: yeah, it's one aspect. Then there's the other second aspect is, um, Wadey's World, which is, um, trying to place people where there's serious costs.

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Danielle Siers: Yeah.

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Kylie Thompson: that come out of that big fee. Um, so where you're splitting the invoice between travel reimbursements and the labour component, which can also be, again, higher of, uh, equipment and the labour component.

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Danielle Siers: Yes.

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Kylie Thompson: Um, it all starts to get a bit grey, I guess, but I feel like the big ticket item here with festivals is the one that's really getting to me because of the amount of admin and the feedback I'm getting from the whole community festivals and the not-for-profits.

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Kylie Thompson: Saying, we just don't have capacity for this. We don't... we need help.

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Kylie Thompson: Um, and, you know, I mean, even with my client base of 1,400 Musos, we've just spent 6 months leading up to the 30th of June saying, we can't handle payday super for you, we don't have the capacity.

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Kylie Thompson: Um, so we trained them all to do it themselves, because we can't do it every time you do a gig, pay your super.

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Kylie Thompson: So and we, you know, we're very mindful that at the lower end of the scale that people can't afford \$135 a month zero subscription. People can't afford to be paying an accountant to do this. You know, I wouldn't reach out to everyone and say, please, if you can find a good bookkeeper, do it.

01:24:21.000 --> 01:24:31.000

Kylie Thompson: Um, your accountant is not the person to be using to be doing these... these kind of bookkeeping skills, so we always take the attitude, if we can train people to do it themselves, uh, do it.

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Kylie Thompson: But I'm not just looking at the low end of the scale, because I've got a lot of feedback from the higher end as well, and the admin of it all.

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Kylie Thompson: Um, I've been getting feedback left, right and center for 3 months now, so... and this is the idea I've come up with, to just try and...

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Kylie Thompson: Um, because I know, and John said it there, you know, I'm actually getting some statistics from Music Australia about how many of my 1,400 clients make a loss. Um, at the moment, I'm, yeah, I'm getting some statistics for them, and I'm gonna come up with a figure about how many are non-commercial losses.

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Kylie Thompson: which is a carve-out of the tax law specifically for the music industry. There's also another carve-out in the tax law for artist averaging, because they realize that the incomes go up and down, average at over five years. There's carve-out for farmers. They're talking about carve-out of trust...

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Kylie Thompson: But farmers, there's lots of carve outs in the tax law. And to me, I think we've shown very clearly this particular idea of putting an electrician plumber and calling them a deemed employee for super purposes doesn't it doesn't fit.

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Kylie Thompson: It just really doesn't fit. And then you add on the complexity of a music industry, that the people in the music industry, this isn't a career for everyone. These... these guys that love doing festivals, the 322 that didn't get paid because the gig got canceled.

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Kylie Thompson: didn't need their super, likely. I don't know the demographics of that festival. I'm just assuming that of that 322 that lost their gig, they didn't need the Super Bowl. They lost their bloody gig fee as well, didn't they? And the festival must be a great festival if it's been running for 37 years.

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Kylie Thompson: So, I'm only trying to come up with an idea to save the lower end of the industry, those starting out, and those at the end that just want to keep playing music.

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Kylie Thompson: And.

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Kylie Thompson: In terms of 5K, and uh, someone said they are the rich musicians get richer, I'm not saying 5K for one person, I'm saying 5K for the band leader, really, I'm talking about, because what I do with my musicians is the minute I think they're at a level they can be in a company.

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Kylie Thompson: I put them on a base salary of \$45K and make sure their super's paid. So I'm not trying to not pay and say, I don't believe, uh, musicians should be getting super. I'm saying, if you don't let them get to that level where they can go in a company and start paying their own super, and their band members' super.

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Kylie Thompson: There won't be a music industry, because we're not, um, developing the next... the next best thing.

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Howard Adams: Carly, can I just ask you a question? If we go to the 5K de minimis rule, let's assume that was adopted, would you still allow artists to deduct their expenses? So the way you get to the 5K is...

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Howard Adams: Post expenses. So it's 5K net. Have you sort of contemplated how those.

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Kylie Thompson: No, I just believe you need that 5K is the fee. That 5K could be made up of 3K of expenses and super and all that. I'm just setting a limit, which needs to be, um...

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Kylie Thompson: um, uh, tied to a CPI increase as well, because 5K now, mind you, most musicians would say, you know, the 250 minimum fee has been the same for 30 years. Um, but I'm saying if we set that 5K now and got it passed, that we would make it so that increases.

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Kylie Thompson: to keep up with the cost of living, which a lot of things haven't. Um, but it was just a measure. I could say two, but I'm telling you that is not going to cover it, and the lower you go, that will peg.

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Howard Adams: Hmm.

01:28:04.000 --> 01:28:22.000

Kylie Thompson: if every pub... if you said \$1,000 is enough, every gig up to \$1,000, every gig in Australia would only be pegged at \$1,000, because the pubs would go, we're not paying more than \$1,000 for a gig, because we don't want to play super. So I'm trying to make it reasonable, and it's a very perfect example, is a guy I had in here the other day from a jazz.

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Kylie Thompson: set up 11 people in this band. They've been going for 7 years. They're a regular band.

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Kylie Thompson: and 11 people.

01:28:31.000 --> 01:28:46.000

Kylie Thompson: from a three and a half K gig, right? And the paperwork on that, what a joke. So this is the stuff that I'm trying to get, just sweep it out the, sweep it out the door and let these people carry on doing what they do and love music.

01:28:46.000 --> 01:28:50.000

Stephen Wade: Howard, can I just ask one thing before we finish up?

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Howard Adams: Yes.

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Howard Adams: Yep.

01:28:51.000 --> 01:28:58.000

Stephen Wade: I know when we sat in with the Treasurer, and we went through those, you know, different questions, and.

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Stephen Wade: And kind of just post some scenarios.

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Stephen Wade: Has anyone at the ATO?

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Stephen Wade: Like, is it something worth us thinking of as an industry to go back to them?

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Stephen Wade: And we won't have the exact maths, but to say to them.

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Stephen Wade: Here's the things that we're trying to do to work with you as an industry.

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Stephen Wade: We understand you may go, oh, that's too hard. So, the alternative is...

01:29:25.000 --> 01:29:34.000

Stephen Wade: Have you got the manpower to chase up 43,000 people for their super when they haven't paid \$12 or something to somebody?

01:29:34.000 --> 01:29:48.000

Stephen Wade: How are you going to actually oversee that? So it's one thing to make us do something and jump through these hoops, but if we're doing it and we don't fully understand what those hoops are.

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Howard Adams: Hmm.

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Stephen Wade: And then we're left to a scenario of not knowing, you know, like...

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Stephen Wade: That, to me, there's a whole range of things here that we can, as an industry, debate and hypothesize over and over and over.

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Stephen Wade: And trying to minimize it down, like whether it is a de minimis or something else along those lines.

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Stephen Wade: it still feels to me like what we're wanting is the most simplistic understanding of how to roll this out. But if we can prove that this.

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Stephen Wade: 400 variations.

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Stephen Wade: That, you know, like, how are we supposed... like, shouldn't we then be putting the onus back on the ATO?

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Stephen Wade: To go, here's 400 real-life legitimate examples of intricate little ways that it doesn't work for us to plug into the system.

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Stephen Wade: Trying to get that to put some weight behind what we're suggesting, you know, rather than just suggesting it.

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Howard Adams: I absolutely agree. I mean, let's assume that we have 5 ideas that we've covered tonight that might slightly change things, or that certain aspects of the industry, or maybe the majority of the industry could live with. I do think you need to contextualize that because there is an education piece with the Ato in almost every industry, and what tends to happen is there will be a big.

01:31:14.000 --> 01:31:32.000

Howard Adams: landmark case where someone is caught out for avoiding tax, and then everyone knows about it, and the tax office know about it, but until that happens, I've been in loads of scenarios where you've had to educate them on how, for example, the gambling industry works, or even the insurance industry.

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Danielle Siers: Exactly.

01:31:32.000 --> 01:31:52.000

Howard Adams: Um, it always happens when a new tax comes in, and they don't really understand how it applies, because then they can't be expected to have a deep understanding of the gambling industry, or the insurance industry, or the automotive industry, because they work at the tax office. Um, you know, what they say about tax, if you work in the tax industry, is tax is 80% about the facts.

01:31:52.000 --> 01:32:07.000

Howard Adams: People always look at it and think, oh, it's so boring and complicated. But all tax cases are about the facts and how the law applies to them. So you're dead right. We need to not only come up with our five suggestions, but actually come up with why they are good suggestions.

01:32:07.000 --> 01:32:08.000

Stephen Wade: Yep.

01:32:07.000 --> 01:32:12.000

Howard Adams: And how complex the situation is now, but you've got to temper that by saying.

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Howard Adams: that it's not necessarily anyone's fault. This is just a nuance of the industry, an industry that we all love, and we've decided that we all want to preserve, and every level of government is talking about this at the moment for a dozen reasons. But we just need to be let very, very careful that we don't suggest to them that all the examples on their website are dreadful, which, of course, is the.

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Stephen Wade: Hmm.

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Stephen Wade: Yeah, no, I definitely agree there.

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Howard Adams: But you can't do that. They've really got to be a little bit cap in hand about. Look, we're really here to explain to you, because we can't expect you to know about this, because, you know, you haven't put on a show on a Saturday night for 500 people at the Lansdowne, you know.

01:32:48.000 --> 01:33:08.000

Howard Adams: Who has? Very few people. So, but I'm all for that. I think trying to contextualize it. But what I'd really like to do is do this quickly because, you know, we will be into the end of the year and things will stop again and nothing will be done. And unless someone in the tax office decides that it's an issue that needs to be ironed out.

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Stephen Wade: Yep.

01:33:08.000 --> 01:33:27.000

Howard Adams: then it'll just be kicked down the road. But I also agree that, you know, if there are tens of thousands of people who can potentially be audited for very small amounts of money, it probably won't happen, because it doesn't mean that you can sleep easy at night, because you can't, and tax is payable.

01:33:27.000 --> 01:33:30.000

Howard Adams: for 6 open years, and it could basically.

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Howard Adams: sink your business if they come back and say you've got to pay super and all that. So we need to move as quickly as we can because this has been talked about now for about three months. So it's time to do something. Carly, you've got your hand up again.

01:33:41.000 --> 01:33:58.000

Kylie Thompson: Uh, yeah, just want to tell you that, uh, you heard straight from the mouth, uh, the Payday Super Deputy Commissioner. We won't be chasing anyone. They came out to the, um, our industry, started this season. Letters are already going out to tax agents now about Payday Super.

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Kylie Thompson: violations. So, I wouldn't be thinking this ain't gonna happen. They said they didn't have the resources. I'm not talking about the music industry here, I'm talking general payday super. They said, we'll let you have a year off to get used to it. They're already pinging people.

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Howard Adams: Thank you.

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Howard Adams: Hmm.

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Howard Adams: Mm-hmm.

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Howard Adams: Hmm. But really, I mean, Carly, over over over your over your career. I mean, it is true that to say that sometimes their bark is worse than their bite, and in the end they don't really have enough money to individually audit citizens these days. So if it is.

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Kylie Thompson: So this is a serious, this is a serious issue.

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Kylie Thompson: They're not... yeah, but it only takes... it only takes one phone call to one person on one day at the tax office, and they'll go through your whole business. And I did have that happen to a band that just... I just got in the last few years. One person rang the ATO.

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Howard Adams: Thank you.

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Howard Adams: Hmm.

01:34:47.000 --> 01:35:03.000

Kylie Thompson: He was with them on and off for 6 years, they went back over 6 years, so we had to go through the whole 6 years, every session musician, all got super. So, it is real, it can happen, and I wouldn't be burying my head in the sand, which is why I've just spent the last.

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Howard Adams: Yep.

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Kylie Thompson: 4 years trying to educate as many people as possible. But also I'm finding out with frustration that people also need to take some time to read about this and not just pretend it's going away because it's not at the moment.

01:35:15.000 --> 01:35:35.000

Howard Adams: No, Charlie, look, I would never, as an advisor, tell people, don't worry, they won't do anything about it, but I do think that Steve has a point, that if the real problem is 40,000 people for, you know, a few hundred dollars each, that can be put to them as, practically speaking, that is not a great use of your resources.

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Howard Adams: And the problem that the tax office have at the moment is that the tax take is quite high in Australia, and once it gets to a certain level, the government doesn't put any more money into the tax office. It's not worth it, because PAYG tax is more than corporate tax in this country, and there's plenty of it at the moment because we're at 4% unemployment. So they're not going to be chucking money at the tax office.

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Howard Adams: But I do think it is a point to make to the tax office, because they will be happy to be able to say to the Commissioner, well, we can take this off the risk list now, because we've resolved it. And you know it isn't a high risk, so we don't need to worry about it.

01:36:12.000 --> 01:36:27.000

Howard Adams: So, anyway, it was just a point of putting some context around the asks, rather than just coming up with, you know, bold assertions that we should have this, because, as Steve has often said, you know, whenever we think about the music industry, there are large parts of government that just don't think it's that important.

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Kylie Thompson: No, I know, I'm just saying it's actually real. They are already auditing Payday Super, so...

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Stephen Wade: Oh, yeah. Like, Kylie, I'm not saying that people wouldn't be audited, or they're not going to be coming after people. My point is purely based around.

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Stephen Wade: You can go after someone, but you have to have some level of proving that person fully understood what they were doing, or what they weren't doing.

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Kylie Thompson: I know, but you don't understand me.

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Stephen Wade: Right? You know?

01:36:53.000 --> 01:36:55.000

Howard Adams: No, the, the...

01:36:53.000 --> 01:37:00.000

Kylie Thompson: Superannuation, there's no bending the rules. There's nothing. It's the worst one to get wrong.

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Danielle Siers: That's...

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Danielle Siers: Yeah.

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Howard Adams: And, and also...

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Howard Adams: Hmm. Yeah, Jimmy. Jim.

01:37:00.000 --> 01:37:05.000

Kylie Thompson: Income tax, you can fight, you can get payment plans, super, bang.

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Howard Adams: And...

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Howard Adams: Did you just get it?

01:37:05.000 --> 01:37:16.000

Stephen Wade: Well, if I was in a band that had 4 band members getting \$250, and they said that you were supposed to pay super on that, and that the costs involved.

01:37:16.000 --> 01:37:23.000

Stephen Wade: weren't more than what the costs you paid, I think I would have a fairly strong argument.

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Stephen Wade: Like, how could they, how could they, what could they possibly say?

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Stephen Wade: if you're a band getting \$250, and you said, we didn't get them to charge any GS, um, any superannuation.

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Howard Adams: that...

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Stephen Wade: I can't see what...

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Howard Adams: The problem is, and I don't mean to sort of contradict you, and I'm not really, because I do have sympathy with that argument, and I would put that argument, and you might get some leniency, but the problem is that because we live in a self-assessment regime, the burden is placed on you to do the right thing, to get advice and understand.

01:37:56.000 --> 01:38:17.000

Howard Adams: what you did, and when you get a reassessment. So you said the assessment was nil. They reassess you for some money, the burden of proofs which is to you to prove your case. And normally, you know, for example, in a criminal case, if the government's coming after you, they have to prove the case, and you can just say nothing. You can exercise your right of silence. But.

01:38:17.000 --> 01:38:30.000

Howard Adams: it's a different situation with tax, and it comes from the fact that we have this self-assessment regime, and that forces a burden on people, which in many cases is unfair. I mean, it's fine if you're...

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Howard Adams: News Limited, you want to have a fight with them, because you've got deep pockets, but it's not fine if you're a small business. So, I think all these things need to be dealt with very...

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Howard Adams: delicately when we or if we get to a position so that we can present to government. And obviously we don't just present to the Tax Office. We have to go to Treasury. We probably have to go to the crossbenchers. We have to find out who else in Parliament is interested in this stuff. And.

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Howard Adams: and deploy the argument as well as it can be.

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Howard Adams: But I do keep saying that I think we know where the bodies are buried now. We can do this in relatively short order.

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Danielle Siers: I think I just wanted to add to that.

01:39:13.000 --> 01:39:17.000

Danielle Siers: With this kind of, like, less so on the onus, but...

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Danielle Siers: Part of this payday super requirement is that the payer, whether it be the venue, the festival, the band leader, has to also send.

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Danielle Siers: via the STP system, the amount that they have paid that individual, right? So, this whole process is another, like... and I'm not saying I'm... I'm not going down any rabbit holes, but the purpose of it is to record how much everyone.

01:39:43.000 --> 01:39:55.000

Danielle Siers: is earning, and therefore, it's there... there's this surety that you... they can kind of forward estimate how much income tax is going to come through. And most...

01:39:55.000 --> 01:40:11.000

Danielle Siers: Most people believe if you've got an ABN, someone on the payer side is telling the ATO how much you paid to that ABN, much like you would in a TFN situation. So by implementing this payday super, that is...

01:40:11.000 --> 01:40:18.000

Danielle Siers: essentially what has happened. You know, so there is now tracking per ABN.

01:40:18.000 --> 01:40:32.000

Danielle Siers: income amounts, and... which is why I feel that they won't want to move away from that. Like, this is kind of, like, next stage of revenue, um, or income recognition within the ATO.

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Kylie Thompson: Yeah, but no one's getting... if we go back to our \$1500, the person I spoke to this morning.

01:40:40.000 --> 01:40:55.000

Kylie Thompson: The \$1,500 gig and the \$300 each, no one's ending out with \$300 each because it's a net profit thing. Most of them, by the time they take out their car, their instruments, their this, that, and the other, I do this for a living day to day.

01:40:55.000 --> 01:41:04.000

Kylie Thompson: 90% of them are in a loss. So you're getting super. Who wants to lose 12% of a loss?

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Danielle Siers: I agree, I agree with you.

01:41:04.000 --> 01:41:07.000

Danielle Siers: No, no, I... yeah. I... yeah.

01:41:04.000 --> 01:41:19.000

Kylie Thompson: It's... they're not selling... I'm just saying, they're not selling the wage earners. That's what's not getting... that... that's the thing here. This 5K fee, that \$5,000 coming from the festival, I mean, Steve's even proven it. You take... you send a band of, um...

01:41:19.000 --> 01:41:38.000

Kylie Thompson: five people to WA for the Nan Art Festival from friggin' Queensland, or up to Cairns, or whatever, no one's getting 5K at all. It's all going. And that probably costs... a tour around Australia, a touring band, anyone at... it's got to be a certain level to make any money out of touring by the time you take a 5K.

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Kylie Thompson: a five-person band around Australia. So some of these bands aren't even worth putting in a company because they don't make any money.

01:41:45.000 --> 01:41:51.000

Danielle Siers: No, no, I... look, I totally agree with you, I totally agree with you, but I'm just saying, I think...

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Kylie Thompson: Ah, okay.

01:41:51.000 --> 01:42:02.000

Danielle Siers: like, this... this structure that they've developed of single tax, uh, payroll... single tax... and then going through to payday super. It's all to...

01:42:02.000 --> 01:42:06.000

Danielle Siers: You know, it's like a data exercise, you know, is what I'm saying.

01:42:04.000 --> 01:42:06.000

Howard Adams: Um, well...

01:42:05.000 --> 01:42:20.000

Kylie Thompson: Absolutely, but this is the wrong set of people to be going after. They're already getting the pay, they're already... you know, how many musos have got even a part-time salary and are getting super? Even these... these kids between...

01:42:19.000 --> 01:42:33.000

Stephen Wade: I don't think that, Kylie, they're not going after us or our industry. We're just, unfortunately, a very, you know, convoluted industry that is hard to kind of fit into their system.

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Kylie Thompson: I'm just saying we shouldn't be in there. Yes.

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Stephen Wade: Okay.

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Howard Adams: But I think Danielle's point is a good one, and I agree, Danielle, that the ATO for years has been moving to an all-time.

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Kylie Thompson: Oh, that's what it's coming to. Yeah.

01:42:44.000 --> 01:43:02.000

Howard Adams: an automated data based collection process like Gst. They love Gst just collects itself. All they need to do is just look at the numbers, and if there's a spike or an outlier, will we send a letter out to them? You know it. You can even choose who to audit by doing that. So.

01:42:52.000 --> 01:42:53.000

Danielle Siers: Yeah.

01:43:02.000 --> 01:43:17.000

Howard Adams: you know, many years ago, when blockchain was apparently going to take over the world, that was going to do everything. It was going to audit companies, it was going to collect the tax, it was going to work out how much the producer got on the record, it was going to do the whole thing from soup to nuts, but it didn't happen.

01:43:17.000 --> 01:43:28.000

Howard Adams: But I do think that the ATO and agencies, and particularly now, AI is going to be such a big part of it, they will move to automation. So we do... it's a really good point. We do need to think of.

01:43:28.000 --> 01:43:57.000

Howard Adams: What is the justification for saying that the music industry should stand outside this very simple way of working out who's paid what to who and effectively stamping out the black economy? Because if you listen to the big tax experts that talk on Twitter and stuff like that, and there are a few of them in London, like X, there's an XPWC guy and a couple of other guys, and they say that the black economy is actually bigger than tax avoidance by big corporations. So all the tax that's being avoided by the GAFA.

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Danielle Siers: Yes.

01:43:57.000 --> 01:44:03.000

Howard Adams: FM companies like Google, Facebook, Meta, and all that, it's nothing in comparison to...

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Howard Adams: The cash in handwork that's actually being done every single day all around the place. And they're, you know, it's very.

01:44:07.000 --> 01:44:10.000

Danielle Siers: Howard, your mother.

01:44:11.000 --> 01:44:13.000

Howard Adams: I'm sorry?

01:44:13.000 --> 01:44:14.000

Howard Adams: Sorry?

01:44:14.000 --> 01:44:18.000

Danielle Siers: Are your microphone? Yeah.

01:44:15.000 --> 01:44:22.000

Howard Adams: Oh, I'm sorry. My internet connection is a little bit unstable, it's just told me. I'm sorry about that. Anyway, that was my TED talk on tax avoidance.

01:44:15.000 --> 01:44:17.000

Stephen Wade: We lost you.

01:44:17.000 --> 01:44:19.000

Ant McKenna ALMBC: Lost you for a minute.

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Danielle Siers: Okay.

01:44:25.000 --> 01:44:41.000

Danielle Siers: No, no, look, I guess what I'm saying is, like, I agree with you, and I think, because everything is moving there, there has to be a really valid reason why the music industry also wouldn't adhere to that. But I see the problems every day, and not just in the music industry. Like, I work for Music Victoria.

01:44:41.000 --> 01:44:46.000

Danielle Siers: So, last month or the month before, I had to write 3 separate, um...

01:44:47.000 --> 01:45:04.000

Danielle Siers: three separate kind of like handbooks for staff, one when they're engaging suppliers that are a company or whatever, one when they're engaging a supplier that's a sole trader with an ABN, and one when they're engaging a supplier that doesn't have an ABN, which often happens when you're doing assessments or things like that.

01:45:04.000 --> 01:45:13.000

Danielle Siers: Then I had to do the same one again, but for the... for external facing, so that they could send it to the person that were engaging, right?

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Howard Adams: No.

01:45:13.000 --> 01:45:18.000

Danielle Siers: And then I had to, you know, there's all this education...

01:45:18.000 --> 01:45:29.000

Danielle Siers: provided, well, you know, education I'm providing to staff about the correct things to say, or just send this document, and that is in, basically, what I would say in administrative business, right?

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Howard Adams: Mm.

01:45:29.000 --> 01:45:38.000

Danielle Siers: Where, you know, we're all supposed to be, kind of, like, subject matter experts in our departments. But, you know, then you go to a venue.

01:45:38.000 --> 01:45:49.000

Danielle Siers: And you're like, they're just paying, you know, whoever's in the office is dealing with all this administration. It's completely... I find it burdensome, like, let alone a person who doesn't have my experience.

01:45:43.000 --> 01:45:45.000

Howard Adams: Here.

01:45:46.000 --> 01:46:04.000

Howard Adams: Coming back to your point about what the end game is for the government and the ATO, one of the ways in which you can get around that is by pointing out that there is no mischief. There's no mischief here that needs fixing. And the way in which we possibly get to that.

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Danielle Siers: Sorry.

01:46:04.000 --> 01:46:21.000

Howard Adams: if the de minimis thing doesn't fly is by leaning into this deduction thing, and actually say that there is no super because there is a loss, and there's no mischief here that needs to be fixed with this act that you've passed, which is fine, but it's just not really applicable, because there's no mischief to be addressed.

01:46:21.000 --> 01:46:36.000

Howard Adams: So I wonder whether giving more serious consideration to that sort of deduction argument, which, as we said earlier on, already has some place in the music industry. And why would we treat, you know, foreign musicians.

01:46:36.000 --> 01:46:51.000

Howard Adams: arguably better than our own. I mean, that might, you know, they like to wave the green and gold flag at the tax office. You know that that might be a better avenue for us to drive at. If you look at the bigger picture that you've just very astutely alluded to Daniel.

01:46:52.000 --> 01:47:02.000

Danielle Siers: Because I think for me, um, and I've just actually emailed Kylie separately to ask her to send me her, uh, her de minimis, uh.

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Howard Adams: Hmm.

01:47:02.000 --> 01:47:04.000

Danielle Siers: paper.

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Stephen Wade: Wow.

01:47:04.000 --> 01:47:13.000

Danielle Siers: But for me, I think, as you alluded to, like with AI technology and so forth, and I'm just also reading the chat here that.

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Danielle Siers: I think, potentially, money would be better spent.

01:47:17.000 --> 01:47:22.000

Danielle Siers: developing a technology which meant, you know...

01:47:22.000 --> 01:47:35.000

Danielle Siers: this art, okay, you know, there's just an Australian-wide register of musicians, and, you know, and then they connect with the venues or festivals, and I know there are smaller, uh, apps that do this.

01:47:35.000 --> 01:47:40.000

Danielle Siers: But they're just, I think for me.

01:47:40.000 --> 01:47:46.000

Danielle Siers: The time would be better spent developing a technology based solution.

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Danielle Siers: Um, or pushing the ATO towards that anyway, because that's currently... that's, like, where it's going anyway.

01:47:51.000 --> 01:48:04.000

Howard Adams: So, by that, Danielle, do you mean the sort of apps that you can now get now if, for example, you create something for social media, and it takes off, and then you want to work out, sort of, who's going to, sort of, share them? Is that the sort of thing you're talking about?

01:48:02.000 --> 01:48:06.000

Danielle Siers: Well, I mean, wouldn't it...

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Danielle Siers: Wouldn't it just be good if, like, each individual person just provided their tax file number?

01:48:12.000 --> 01:48:23.000

Danielle Siers: whether that be I'm... I'm under a company, I'm under a partnership, whatever, they've all got taxable numbers, and, you know, you send to the tax office, I paid this person's...

01:48:23.000 --> 01:48:25.000

Danielle Siers: Tiffin?

01:48:25.000 --> 01:48:33.000

Danielle Siers: and then that money via the service gets automatically distributed to the Superannuation Funds. Because I think a lot of the issue is that.

01:48:33.000 --> 01:48:48.000

Danielle Siers: Like, for smaller orgs, or small of these community-run festivals, you know, having to collate this enormous amount of information, and then having no data policies, like data retention, data disposal policies, because they're these tiny...

01:48:48.000 --> 01:49:03.000

Danielle Siers: um, volunteer-run organisations and so forth. Um, you know, if everyone just kind of put their information in the right spot that was administered by government, so you'd hope that there was, uh, less fraud or less...

01:49:03.000 --> 01:49:04.000

Danielle Siers: Kind of.

01:49:04.000 --> 01:49:08.000

Danielle Siers: There's a potential for it to be.

01:49:08.000 --> 01:49:16.000

Danielle Siers: hacked or whatnot, that, you know, the superannuation could pass... Superannuation payment could pass that way.

01:49:14.000 --> 01:49:26.000

Howard Adams: I don't, I mean, look, I mean, that'd be a great utopian sort of solution, but I just... Could you persuade the government to invest in that? Furthermore, um, probably not, because the government normally...

01:49:20.000 --> 01:49:21.000

Danielle Siers: Yes.

01:49:25.000 --> 01:49:28.000

Kylie Thompson: I just got rid of the hearing aid, but I'm going to do it.

01:49:26.000 --> 01:49:42.000

Howard Adams: I doubt if you could, because they can just sit on what they've got and say, sorry, the burden's on you guys. The only other issue is that would you get a private player to develop that tech? Well, not unless there's some really big bucks involved.

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Kylie Thompson: Got it.

01:49:42.000 --> 01:49:53.000

Howard Adams: it is... it would be a great solution, but I just wonder whether it's just, like, carbon capture and storage. It's just one of those things that we say is going to fix global warming, but, you know, it may or may not.

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Danielle Siers: Look, no, no, I agree. Like, I just... one thing that I'm throwing out, I just think...

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Danielle Siers: Um, that...

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Danielle Siers: We should look at technology solutions as well as amendments to any type of law.

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Howard Adams: We can do that, but I don't think we should do that exclusively, to not ask the government to modify the laws that are not working for citizens who are trying to do the right thing, and generally are all working and paying tax and contributing to the overall revenue. So, I don't know. I mean, I hope that's not going to be a reason why.

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Danielle Siers: No, no, not exclusively, I'm just saying.

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Howard Adams: Music Victoria is not going to support us because you're going down the technology path.

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Kylie Thompson: I think I've like. Yeah, I feel like.

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Danielle Siers: Not yet.

01:50:35.000 --> 01:50:53.000

Kylie Thompson: what... what the idea about having this de minimis amount for a certain industry, that's where I'm coming back to. There's already special tax treatment in the Australian tax law, because this is a special industry. Who else can claim their loss against a 40K income.

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Danielle Siers: Hmm.

01:50:53.000 --> 01:51:08.000

Kylie Thompson: Because they realize, and I use this week in, week out, the amount of my clients that offset their music loss against their other job they need just to get by to pay the rent, which is where I'm coming from, I have a loss on the right hand here.

01:51:08.000 --> 01:51:23.000

Kylie Thompson: and you want to take 12% off the top of it before they pay their other people, and tell them to pay their other people, and then they're in a massive loss. Well, I'm saying these guys on the left hand, whatever it is they have to do to survive in this industry.

01:51:23.000 --> 01:51:38.000

Kylie Thompson: They are getting their tax paid, and they're getting their super paid there. The old boys have already in a... and then there's all these people like Mikey, who have a whole full-time job, a whole full-time career, but they just bloody love music.

01:51:38.000 --> 01:51:53.000

Kylie Thompson: And they are allowing it because he's an organized person to be able to function and have these 20 bands go because he's the organizer. But he's taken on the thing of saying, I'll operate as a company because I want to protect what I've created my whole life.

01:51:53.000 --> 01:52:04.000

Kylie Thompson: But I still love the music industry. And, you know, there's a lot here in WA. The FIFO guys, they just come back on their rosters and play music, because that's what they want to do when they retire.

01:52:04.000 --> 01:52:20.000

Kylie Thompson: But this is not set up for the lower end of the scale, for them to be able to get to a point to put them on a salary and pay their band super. You know, I've got many successful musos, and I know they get to that level, and I say, you're at that level, I can put you in a private chamber company now.

01:52:20.000 --> 01:52:35.000

Kylie Thompson: Totally recommend it. Protect your assets. You're building up assets. You've bought your first home. You're getting a car. So I see the whole life cycle of this for the last 36 years. And I'm saying this has been in for 34 of it, and it doesn't fit the mold of this industry.

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Howard Adams: I'm sorry, Daniel, over to you.

01:52:36.000 --> 01:52:37.000

Danielle Siers: Yeah.

01:52:39.000 --> 01:52:47.000

Danielle Siers: No, no, no, I'm saying I, you know, on a personal note, like, I'm open to all things, um...

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Danielle Siers: I'm not against the demeanours personally, but I think...

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Danielle Siers: Ah, yeah.

01:52:52.000 --> 01:53:01.000

Howard Adams: Great. And have you seen any other questions that need addressing or anything like that? I don't want to.

01:52:53.000 --> 01:52:55.000

Danielle Siers: That was all.

01:53:01.000 --> 01:53:06.000

Ant McKenna ALMBC: It has been. I just want to let you know Wadey has to take off, but.

01:53:04.000 --> 01:53:17.000

Howard Adams: Yeah, okay, well, look, I don't really want to keep everyone. It's half seven. We've been on for the length of an entire football match. I've really enjoyed it. Thanks very much indeed for coming and talking, but my closing, um...

01:53:06.000 --> 01:53:08.000

Ant McKenna ALMBC: Yep.

01:53:17.000 --> 01:53:25.000

Howard Adams: sort of submission would be, we need to start taking steps to.

01:53:25.000 --> 01:53:39.000

Howard Adams: pull ourselves together and get the story straight, socialize it, and if people need to have some vigorous side debates, let's have them. We don't necessarily need to have them in these enormous forums, though good as they are.

01:53:39.000 --> 01:53:47.000

Howard Adams: But I do think we need to get on with it because we've got to strike whilst the iron's hot. And if this goes too far into next year, something else will happen.

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Howard Adams: Wait, do you have any final thoughts before we go? Thank you for joining, by the way.

01:53:50.000 --> 01:53:51.000

Stephen Wade: Right.

01:53:50.000 --> 01:53:51.000

Kylie Thompson: Bye.

01:53:53.000 --> 01:53:58.000

Stephen Wade: From my perspective, I just wanted to thank everybody for taking the time.

01:53:58.000 --> 01:54:14.000

Stephen Wade: to sit through this, reading through the questions, I think everybody can realize that it is incredibly intricate, and there's so many different ways that different people are affected, whether you're a venue, or a promoter, or a festival putting events on.

01:54:14.000 --> 01:54:25.000

Stephen Wade: whether you're a band leader, whether you're in bands, so, um, yeah, I appreciate that everyone's taken a good chunk out of their day, and Danielle and Kylie and.

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Stephen Wade: Howard and Ant for for helping set this up. And as I said, from my personal perspective, it's really about trying to get the simplest kind of level of clarity that we can get.

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Stephen Wade: That will help the majority of us just go back to our normal working lives, and not have to be overcome with what this is all about, so...

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Howard Adams: Cheers. Charlie?

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Stephen Wade: Thank you.

01:54:51.000 --> 01:55:06.000

Ant McKenna ALMBC: Um, Howard, there is a few... sorry, I'll interrupt. There's a few questions that are more kind of, uh, asking about information that's already out there, like, what's a clearinghouse? Uh, if you have a sole trader employing another sole trader employing another sole trader.

01:55:06.000 --> 01:55:18.000

Ant McKenna ALMBC: who pays what. We'll... what we'll do, all of those kinds of, uh, detailed questions, we'll go through the chat and... and get back to answering those questions, uh, individually if we don't get to them now.

01:55:17.000 --> 01:55:32.000

Howard Adams: Sure. Okay. Well, look, I don't think we should be handing out legal advice, but if there are FAQs that we can answer in an uncontroversial way, we can just do that on our website or in a special newsletter or something like that. I'm totally supportive of that. Kylie, did you want to say a little.

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Howard Adams: Von Moe at the end of the evening.

01:55:36.000 --> 01:55:52.000

Kylie Thompson: I just want to say it's probably keep your eye on that super for sports persons, and then it goes on performing artists on the ATO website, because that is their latest view. And as fast as we've been doing workshops, they've been updating it with different bits and pieces.

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Howard Adams: No?

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Howard Adams: Hmm.

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Kylie Thompson: So, at the moment, that's the latest. Someone did ask earlier, where's the information we got last Friday, the checklist? We haven't distributed it because I found errors in it, and I'm waiting on the tax office to answer me. So, um, they are putting out more information.

01:56:08.000 --> 01:56:25.000

Kylie Thompson: Um, which we will distribute as soon as we can, but, um, want some clear answers on some things. Um, my point, I just said to Ant and everyone, we need to get the whole music industry behind this, so I would just plead to everyone, if you.

01:56:25.000 --> 01:56:36.000

Kylie Thompson: um... feel like everything we're doing at the ALMBC, whether people disagree or don't agree, it does... it's... it's not the point. It's like, if you agree with us, please give us some strength.

01:56:36.000 --> 01:56:53.000

Kylie Thompson: and talk to your mates about it. Um, everyone start talking about what are we going to do to make... make this go away, or make it easier to deal with, because the last thing I want to see, and I'm hearing it for 3 months, is people losing gigs. And as a whole country, Australia doesn't want to see.

01:56:53.000 --> 01:56:57.000

Kylie Thompson: Um, a loss of live music. Yeah.

01:56:56.000 --> 01:57:02.000

Howard Adams: Great. Danielle, would you like to say something before we close down?

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Danielle Siers: Um, I'd just like to say thanks to everyone for staying around, if you, um, are still here. And, um, uh...

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Howard Adams: Okay.

01:57:13.000 --> 01:57:24.000

Danielle Siers: Yeah, just speak to your... speak to a professional and don't take advice from Facebook, please. Like, I spent, like, many weekends just responding to people with just... even just a link to the ATO website.

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Danielle Siers: Um, even some people now are kind of questioning things, um, that I've said, and that's fine, but, you know...

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Danielle Siers: uh, have a look at the ATO website, and, um, there is a lot of, uh...

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Danielle Siers: You mightn't, you know...

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Danielle Siers: You might have to search for a topic that doesn't involve musicians, but the law or whatever I'm saying will be there. It's all based in tax law anyway, or Superannuation Guarantee Law.

01:57:58.000 --> 01:58:05.000

Danielle Siers: But, um, yeah, I wish everyone the best with all of these issues, and I'm facing them myself in my workplace, and...

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Danielle Siers: So yeah.

01:58:05.000 --> 01:58:23.000

Howard Adams: Okay, thank you very much, Danielle. So assuming we do get a new set of ideas out to the market, I'd be really, really obliged if everyone could have a look at it and let us have their feedback, even if you don't agree. That's probably even more important. So.

01:58:07.000 --> 01:58:08.000

Danielle Siers: Good luck.

01:58:23.000 --> 01:58:38.000

Howard Adams: Please do that and please stay in touch. We're always interested to hear from people. We're always interested to have one-on-one discussions. So, you know, let's do it. Thank you, Ant, for putting all this together, putting the slides together this afternoon. That was an amazing job.

01:58:38.000 --> 01:58:45.000

Howard Adams: Unless there's anything else, I think we should probably call the session closed. So thanks and good night.

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Howard Adams: Thank you.

01:58:48.000 --> 01:58:49.000

Kylie Thompson: Thanks, everyone.

01:58:49.000 --> 01:58:50.000

Ant McKenna ALMBC: Not at all.

01:58:50.000 --> 01:58:51.000

Kylie Thompson: Bye.

01:58:50.000 --> 01:58:51.000

Ant McKenna ALMBC: Thank you.