



Summary

Payday Super started on 1 July 2026, and it has changed how super is paid to the thousands of sole trader musicians who work in Australian live music. The obligation itself goes back decades. Under section 12(8) of the Superannuation Guarantee (Administration) Act 1992, a performer paid for their work is treated as an employee for super purposes, even when they invoice through their own ABN.¹ The administration is what has changed. Super is now due within days of every payment, the free Small Business Superannuation Clearing House has closed, and there has been no minimum earnings threshold since the \$450 a month rule went in 2022.^{2,3}

This paper sets out where things stand for grassroots live music, what ALMBC is asking government and the ATO to change, and the member evidence behind each ask. It draws on two ALMBC member surveys: an open call for stories and ideas in July⁴ and a structured survey that opened on 24 September and closed on 6 October.⁵ Figures are current to 6 October 2026.

Musicians and the people who book them accept that super is payable. Their concerns are about who has to administer it, on what, and whether a \$150 support slot should carry the same compliance load as a tour promoted by a multinational company.

The key findings:

- **Treating sole trader musicians as sole traders has near unanimous support.** Of all respondents, 89% rated it 4 or 5 out of 5, and 78% said it would take a real administrative burden off them. Support is just as strong among venues, agents and festivals as among artists.⁵
- **A de minimis threshold.** Implementing a well utilised threshold de minimis has very strong support as a well-documented simple way to support sole traders. 78% support a de minimis threshold.⁵

¹ **Superannuation Guarantee (Administration) Act 1992, sections 12(3), 12(8) and 12(11)**, Federal Register of Legislation, compilation C2026C00272, 1 July 2026. <https://www.legislation.gov.au/C2004A04402/latest/text>

² **About Payday Super**, Australian Taxation Office, last updated 18 November 2025. <https://www.ato.gov.au/businesses-and-organisations/super-for-employers/payday-super/about-payday-super>

³ **Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022 (No. 10, 2022), Schedule 1**, Federal Register of Legislation, assented 22 February 2022. <https://www.legislation.gov.au/C2022A00010/asmade/text>

⁴ **ALMBC Superannuation Reform (Responses)**, ALMBC member survey, 20 July to 2 August 2026. Unpublished responses held by ALMBC.

⁵ **ALMBC member feedback: superannuation, the hobby form and the \$5,000 de minimis (Responses)**, ALMBC member survey, 24 September to 6 October 2026. Unpublished responses held by ALMBC.

- **A hobby form exemption also has very strong support.** Among those who answered, 85% rated a hobby form exemption 4 or 5.⁵
- **The 12% is mostly coming out of performers' pockets.** Since 1 July, 34% of artists say they have had fees taken out of the existing fee, whilst 5% say they have the super paid on top. 20%, including many DJs, say that super has never and is still not, being paid at all.⁵
- **Work is disappearing.** Members report cancelled festivals, venues dropping live music, bookers let go, and venues and agents refusing to book sole traders. One regional NSW venue is cancelling all 150 of its gigs a year.⁵
- **Compliance is uneven.** Many payers still don't accept they are liable, while those paying correctly carry costs their competitors don't.
- **Few musicians know about the Super co-contribution or Low Income Super Tax Offset (LISTO).** Without being asked, about a quarter of respondents (25%) said neither they nor the musicians they work with had heard of them.⁵
- **Members want a standing working group, certainty on the past and a free clearing house.** Recognition of live music as a structurally complex industry with a standing working group was chosen by 83%, a written assurance and amnesty on past engagements by 74%, and a free clearing house with workable stapled fund processes by 66%.⁵

ALMBC is inviting other music industry organisations to consider these asks, test them with their own members and work towards a single industry position.

The rules as they stand

Section 12(8) has treated performers as employees for super purposes since 1992.¹ For most of that time the \$450 a month threshold kept small, irregular gigs out of the system, and few payers or accountants raised the obligation with musicians.⁶ The threshold was removed from 1 July 2022, so super is now payable from the first dollar.³

Since 1 July 2026, contributions have to be paid within seven business days of each payment to the performer rather than quarterly, and the free Small Business Superannuation Clearing House closed the same day.^{2,7} For a venue, festival or band leader engaging sole trader musicians, every gig now means collecting each performer's tax file number, fund and personal details, then making and reporting a separate contribution, sometimes as small as \$12.⁵

⁶ **ALMBC Superannuation Update**, ALMBC news, 5 August 2026. <https://almbc.org.au/almbc-super-update/>

⁷ **Small Business Superannuation Clearing House**, Australian Taxation Office, last updated 16 July 2026. <https://www.ato.gov.au/businesses-and-organisations/super-for-employers/quarterly-super-to-30-june-2026/paying-super-contributions/how-to-pay-super/small-business-superannuation-clearing-house>

What the ATO's guidance confirms

The ATO rewrote its guidance for performers in late August, following submissions from across the sector, and revised it again on 16 September.^{8,9} It confirms that:

- super applies only to the performance component of a payment, so rehearsal studio hire, equipment hire, freight, travel and accommodation, intellectual property, the artist's own equipment and people the artist engages all sit outside it
- a real revenue share, where a venue and an artist run a show together and the venue passes on the artist's share of the door, is outside the super guarantee
- an agent acting for a named artist doesn't carry the obligation, while an agency that contracts in its own name does
- agent commission comes out before super is calculated.^{8,10}

Under the ATO's Example 9, for instance, where a \$5,000 festival fee includes \$3,000 of travel and accommodation, super is only payable on the \$2,000 labour component.¹¹ The guidance also confirms that a Statement by a Supplier (the hobby form) doesn't remove the obligation, that obligations don't depend on the size or nature of the organisation, that there is no threshold of any kind, and that a sole trader band leader who engages other musicians creates a second layer of obligation.⁸

Where the guidance falls short

The ATO's fact sheet, employer checklist and communication toolkit, issued in late September, try to explain the rules plainly.¹² ALMBC has raised several problems with them in writing:¹³

- the fact sheet gives two examples of how a festival might pay super and the toolkit gives a third
- the documents make different statements about which costs sit outside super, and door deals and cost splits are left out
- the wedding advice goes further than the ATO's own examples support
- in the band leader scenario, total super can exceed 12% of the fee
- it isn't clear whether the costs in Example 9 include wages paid to contractors, or what happens when costs are higher than the whole invoice.

⁸ **Super for sportspeople, performers, film makers and related activities (QC107606)**, Australian Taxation Office, last updated 16 September 2026. <https://www.ato.gov.au/SuperForPerformers>

⁹ **ALMBC ATO Super Update**, ALMBC news, 28 August 2026. <https://almbc.org.au/almbc-ato-super-update/>

¹⁰ **ALMBC Responds to ATO Super Update**, ALMBC news, 2 September 2026. <https://almbc.org.au/almbc-responds-to-ato-super-update/>

¹¹ **ALMBC Super Forum 29 Sept**, ALMBC news, 30 September 2026, with video recording and transcript of the session. <https://almbc.org.au/almbc-super-forum-29-sept/>

¹² **Super checklist for sportspeople, performers, film makers and related activities (QC108069)**, Australian Taxation Office, published 24 September 2026. <https://www.ato.gov.au/businesses-and-organisations/super-for-employers/work-out-if-you-have-to-pay-super/super-for-sportspeople-performers-film-makers-and-related-activities/super-checklist-for-sportspeople-performers-film-makers-and-related-activities>

¹³ **ATO Provides New Resources**, ALMBC news, 28 September 2026. <https://almbc.org.au/ato-provides-new-resources/>

Itemised invoices, which the guidance relies on, also add work for everyone involved.

Band leaders and excess super

Most grassroots bands are booked through one person. The band leader invoices under their own ABN, receives one fee and pays the rest of the band. If the leader takes the booking in their own right, the venue pays super to the leader on the full fee and the leader pays super again on each player's share. On a \$900 gig split three ways, the venue pays \$108 in super to the leader and the leader pays \$72 on the \$600 passed to the other two, so \$180, or 20% of the \$900 fee, goes to super. On a \$1,000 gig split four ways it comes to \$210, or 21%. In the ATO's own Example 12, Sophie gets \$900 and pays two players \$200 each. That works out to \$108 plus \$48, or \$156 (17.3%), rather than 12%.⁸

Where the leader acts purely as agent for the band, the payer pays each member instead. That helps some bands but moves the load to venues and festivals. A festival with 70 four-piece acts makes 280 super payments rather than 70.¹⁰

The compliance risk

The ATO has said employers who make a real effort to pay on time and fix mistakes quickly won't be the focus of compliance action in the first year, which runs to 30 June 2027.¹⁴ Past and future non-payment still carries risk. Tax practitioners report the ATO is already writing to tax agents about Payday Super breaches generally¹¹, and as more accountants recognise that some performers count as employees for super, more unpaid super is likely to come to light. A single complaint can open a review of several years of engagements.

The evidence

About the surveys

The July survey was open-ended. People shared their stories, ideas and documents, and the text was coded against common themes using keyword searches, so July shares in this paper are minimums rather than precise measures.⁴

The September survey tested specific asks with 1 to 5 support scales, multiple choice questions and space for comments. Figures here are current to 6 October 2026, with one partial duplicate submission set aside.⁵ Every September respondent agreed their answers could be published in full and anonymised, and stories in this paper are described by role and state only.

Both surveys are self-selected, so they show the views of people engaged enough to respond rather than a representative sample of the industry. Respondents could tick several roles, since most music workers work across more than one part of the industry, so role groups overlap.

¹⁴ **How we check Payday Super compliance (QC105849)**, Australian Taxation Office, last updated 21 June 2026. <https://www.ato.gov.au/businesses-and-organisations/super-for-employers/missed-or-late-payday-super-payments/how-we-check-payday-super-compliance>

Who responded

Artists and performers are the largest group, with strong representation from the business side of live music. Close to two in five (38%) are a venue, festival, booking agent or promoter, and 20% are a not-for-profit or community music organisation.⁵

Role (tick all that apply)	Share of respondents
Artist or performer	65%
Booking agent	21%
Not-for-profit or community music organisation	20%
Artist manager	20%
Promoter	14%
Venue	13%
Festival	11%
Production, crew or technical	7%
Accountant, bookkeeper or adviser	4%

Respondents are spread across suburban (38%), regional (35%) and inner-city (26%) areas, with the largest groups in NSW (34%), Victoria (28%) and Queensland (21%). Most work at the grassroots end. The most common fee bands are \$1,001 to \$2,500 (41%), \$500 to \$1,000 (38%) and under \$500 (35%), and 38% pay for or receive between 10 and 50 engagements a year.⁵

What's happening on the ground

Who is paying the 12%

Respondents were asked whether the 12% has been funded on top of the fee or taken out of it since 1 July.⁵

Since 1 July, the 12% has been...	All respondents	Artists
Taken out of the existing fee, so the act is paid less	32%	34%
A mix, it depends on the payer	31%	37%
Added on top of the normal gig fee	11%	5%
Nothing has changed yet in our part of the market	20%	20%
No answer	7%	4%

In practice, agents and large pub groups are treating long standing fees as inclusive of super, so a \$600 duo is now paid \$534 and a \$200 player gets \$178.57. One respondent now takes home \$264 from what used to be a \$300 gig, and a national operator expects its fee offers to drop by about 20% to cover both the super and the cost of administering it.⁵

Not everyone sees it the same way. A large Sydney promoter and agent points out that when super comes out of an agreed fee, the act still receives the same total and part of it simply goes to their

fund. It's a fair point about the arithmetic. For a musician living week to week, though, the cash in hand has dropped. A NSW inner-city venue makes the case from the other side: the fee it agreed was what it could afford, and adding 12% to a \$3,000 night of bands makes it \$3,360, which means taking more at the bar or bringing in a hire fee. In its words, the industry is losing more venues than musicians at the moment.⁵

Lost work

At least 24% of July submissions describe cancelled gigs, lost work or venues pulling out of live music. Specific losses reported include:^{4,5}

- The Newcastle Hunter Jazz Festival cancelled its 37th year. Many of its players are retired, some have super accounts in pension phase, and setting up payments for more than 300 musicians within seven days was beyond a volunteer committee. The Inverloch Jazz Festival tells a similar story¹⁵
- A family entertainment centre in Tasmania cancelled around 50 gigs a year and shelved plans for a live music stage at a second venue.
- A WA booker was let go after 11 years at the same hotel after asking for an increase to cover the super and the admin.
- A regional NSW venue is cancelling all 150 of its gigs a year.
- A NSW production and crew operator has seen one venue drop from two band nights to one, two venues and an agent stop booking bands altogether, and every venue and agency they deal with move to booking only partnerships and companies.
- A band leader of 46 years has retired from running professional bands, and says he lost more in cancelled work in one month than 12% super would have paid him in a year.
- Two Victorian community music organisations say they may not survive. One expects to stop operating, and the other says the change has cut its revenue to the point where it may not cover costs.
- A regional NSW community organisation reports volunteers leaving boards over future and past obligations, and some payers turning to undisclosed cash to avoid the rules altogether.
- A regional Queensland artist who books their own tours and drives thousands of kilometres alone has stopped booking bands for now because the stress is too high, so the players lose income too.
- A regional Queensland band leader with more than 30 years as a full-time musician has stepped back from performing with the band until this is resolved. Venues they played regularly now want an invoice for the usual fee less super, with a breakdown of what each player is paid. With a diary booked six to twelve months ahead there's no room to renegotiate, so the super would come from the leader's own pocket.

¹⁵ **Jazz festivals canned in Newcastle and Victoria over payday superannuation**, ABC News, Blake Doyle, 19 July 2026. <https://www.abc.net.au/news/2026-07-19/jazz-artists-fear-super-changes-impacts-music-scene/106912640>

- A Victorian venue and agency reports band leaders choosing not to take on the super responsibility, which is leading to cancelled gigs.

Sole traders pushed out

The most consistent structural change is that payers are steering away from sole traders. Venues and agents are asking acts to form partnerships or companies, and many, including major companies managing large numbers of venues, will no longer book sole traders. At least 27% of July submissions mention being pushed towards a partnership or company.⁴ Agencies are becoming gatekeepers to venues, sticking to their existing rosters, taking fewer risks on emerging acts and sending written notifications that sole traders will not be booked.⁵

A NSW musician was told he would not be booked unless he formed a partnership, and set one up with his wife on a 99% to 1% split so that band leaders wouldn't have to pay him super. He asks what single musicians are meant to do. A Queensland artist manager reports sole traders being told they're not welcome at most venues, with festivals also raising the extra work sole traders cause.⁵

The admin load

For small operators the admin is a bigger problem than the 12%. A Queensland booker who books around 60 artists a year estimates their admin has gone up 800%. A Sydney agency needs an extra two hours a week, none of it billable. A volunteer-run folk festival that has run for 46 years faces more than 200 super payments, some as small as \$12, and volunteers are walking away. An ACT jazz club run by a committee whose youngest member is 74 took three months to set up a default fund and a clearing house, and a full week to collect and enter the details for one six-piece band.^{4,5}

Some community groups can't pay at all. A regional Victorian jazz club and a volunteer-run fortnightly gig in Melbourne don't have an ABN, and every clearing house the club approached requires one.⁵

Guidance hasn't reached the market

Respondents (and similarly many individuals on social media) are still asking whether door deals attract super, how to split labour from equipment and travel on an invoice, and who is liable when an agent is involved, even though the ATO has addressed each of these. A Victorian agency reports that most small pub venues it deals with still don't accept they are liable, and some say their lawyers have told them not to admit liability in case it opens up past years. A Victorian soloist says that across about 50 gigs this year only a handful have paid super, and no pubs have. A NSW agency that books mainly for hotels and clubs describes a stalemate: venues in both sectors are not paying super to musicians, relying on advice from their own industry associations that the agency says is wrong.⁵

Some venues ignore itemised invoices and pay as they always did, while others take super out of the total, some correctly off the labour line and some at 12% of the whole fee. A regional NSW artist reports agencies pushing them to shrink the labour component on the invoice, typically by half, so less super is paid. Social media groups are still circulating wrong information, and musicians who can't afford their own advice are being pushed into business structures that don't suit them.⁵

Members also list guidance that is still missing: what to write on invoices and onboarding forms, how deposits and cancellation fees are treated, how to handle agreed fees that keep changing, and how to keep a band's financial split private when the payer now sees it. The result is uneven compliance, with performers and payers doing the right thing carrying costs their competitors aren't.⁵

ALMBC's position

ALMBC supports super for musicians. It is asking government and the ATO to make super workable for small, irregular performance work, so that the cost and effort of administering it doesn't outweigh the benefit to the performer. Some of the asks need legislation, and others can be progressed with the ATO and Treasury now.

Treat sole trader musicians as sole traders

Sole trader musicians who operate through their own ABN would manage their own super, as sole trader tradies do. This had the strongest support of anything ALMBC asked. Of all respondents, 80% gave it 5 out of 5 and another 9% gave it 4, and only 3% rated it 1 or 2. Artists averaged 4.7, the business side 4.6 and community organisations 4.4.⁵

At least 10% of July submissions compared musicians directly with plumbers, electricians or other tradespeople, asking why a sole trader who clears a drain manages their own super but a sole trader who plays a gig doesn't.⁴ Respondents also point out that sole trader musicians are treated as employees for super but get no sick leave, holiday pay or other employee protections, and bring thousands of dollars of their own gear to work. A Tasmanian community musician put it simply: a musician shouldn't be a sole trader for tax and an employee for super on the same gig.⁵

A \$5,000 minimum gig fee threshold

ALMBC proposes a \$5,000 *de minimis* threshold specifically for performers caught under section 12(8) who are genuinely operating as sole traders under their own ABN, rather than performers engaged as ordinary casual employees under their TFN.

De minimis is a Latin phrase meaning "too small to be meaningful or taken into consideration," derived from the longer legal maxim *de minimis non curat lex*, which translates to "the law does not concern itself with trifles".¹⁶ The vast majority of respondents agree that the hours of administration and confusion for trifling amounts of money, is the main issue.⁵

The issue is not whether genuine employees should receive superannuation. The difficulty arises where section 12(8) extends the superannuation definition of employee to a performer who otherwise operates commercially as a sole trader.

This is particularly problematic in grassroots live music. A band may consist of several independent musicians, each operating under their own ABN, with one bandleader accepting the booking and distributing the musicians' shares. At this level, the band may not have the income, commercial scale or need to justify establishing and maintaining a partnership, company or trust.

¹⁶ **De Minimis (Glossary)**, Practical Law, Thomson Reuters, 2026. <https://uk.practicallaw.thomsonreuters.com/1-382-3382>

The current rules can therefore create multiple superannuation and administrative obligations around what is commercially one small-paying gig. They can also encourage venues and festivals to avoid sole traders altogether, or encourage musicians into more complex structures that do not suit their needs, simply to make the superannuation rules easier to administer.

This is a focused productivity reform. It removes repetitive onboarding, fund-choice, payment and reporting work from thousands of small, irregular engagements. It helps venues keep booking artists, allows agencies and band leaders to develop emerging performers, and directs compliance effort to engagements with the commercial scale to support it.

A de minimis threshold is a practical response and is not novel. The Australian tax system already uses thresholds, exemptions and administrative concessions where the compliance burden would otherwise be disproportionate to the amount involved or the policy outcome being achieved.

Key examples include:

- Work-related expenses: In the latest budget announcements, if an individual's total claim is \$1,000 in the 2026.27 financial year, no receipts are required. As the Federal Treasurer says, "This is about making the tax system simpler and delivering more lasting cost-of-living relief to taxpayers. The reforms will allow workers to knock a thousand dollars off their taxable income without providing receipts when they lodge their 2026–27 tax return. This will help workers cut back on the paperwork and save them time and money at tax time."¹⁷
- Foreign performers: if a foreign resident company is paid \$10,000 or less per touring party member (including support staff) to perform at an Australian festival, the ATO will usually reduce withholding to nil.¹⁸
- Previous \$450 per calendar month threshold in former section 27(2), repealed July 2022.³ That repeal was directed at protecting low paid and part time employees in continuing employment, which was a sound objective. Its effect for live music, however, was to remove the only proportionality mechanism available to a payer making a single small payment to a performer deemed to be an employee by section 12(8). The de minimis proposal restores proportionality for that narrow category without reopening the issue more widely.

Other examples include no super for workers under 18 who work 30 hours or less a week, or for private and domestic workers such as nannies, housekeepers and carers who work 30 hours or less a week.¹⁹ Businesses with turnover under \$75,000, and not-for-profits under \$150,000, don't have to

¹⁷ **\$1,000 instant tax deduction to deliver lower, simpler taxes for 6.2 million workers**, The Hon Dr Jim Chalmers MP, Treasurer, media release, 20 April 2026. <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/1000-instant-tax-deduction-deliver-lower-simpler-taxes>

¹⁸ **Foreign resident entertainment, sports, construction and gaming junket activities**, Australian Taxation Office, last updated 25 September 2025. <https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/payg-withholding/payments-you-need-to-withhold-from/payments-with-special-rules/foreign-resident-entertainment-sports-construction-and-gaming-junket-activities>

¹⁹ **Work out if you have to pay super**, Australian Taxation Office, last updated 15 July 2026. <https://www.ato.gov.au/businesses-and-organisations/super-for-employers/work-out-if-you-have-to-pay-super>

register for GST.²⁰ Payers don't need an ABN, a tax invoice or to withhold tax for supplies of \$75 or less,²¹ and car claims of up to 5,000 work kilometres a year need no written evidence.²²

The proposed \$5,000 threshold would apply to the gross booking fee for the act, not \$5,000 per musician. A \$5,000 fee for a four-piece band represents only \$1,250 per musician before expenses; for an eight-piece band it is only \$625 per musician before expenses.

The proposal would preserve normal superannuation obligations for employees engaged under their TFN and for larger commercial engagements, while providing a practical carve-out for genuine sole trader performers brought into the superannuation system solely because of section 12(8). It is not an argument against superannuation; it is a targeted solution to an extended definition of employee that is proving disproportionately difficult to administer in grassroots live music.

Among those who answered, 74% rated the principle of a de minimis threshold 5 out of 5 and 78% rated it 4 or 5.⁵

Below the threshold, the performer would keep the whole fee and choose whether to contribute, with the government co-contribution adding 50 cents in the dollar.²³ Most respondents (63%) agree the choice should sit with the performer, and another 19% agree provided the co-contribution is properly promoted.⁵

ALMBC supports indexation and anti-splitting as standard features. Of those surveyed, 48% also want to make sure this is indexed and 42% want to ensure there is no splitting.⁵

A Statement by a Supplier Exemption for SGC

ALMBC is asking for a targeted exemption from the superannuation guarantee provisions for a performer who legitimately provides a Statement by a Supplier because they are not carrying on a business and are therefore not required to hold or quote an ABN.

The existing ATO Statement by a Supplier process already provides a recognised mechanism for an individual to declare that their activity is a private recreational pursuit or hobby, that there is no reasonable expectation of profit or gain, or that they are not entitled to an ABN because they are not carrying on an enterprise in Australia.²¹

Importantly, penalties can apply where a person deliberately makes a false or misleading statement.²¹

²⁰ **Registering for GST**, Australian Taxation Office, last updated 14 September 2026.

<https://www.ato.gov.au/businesses-and-organisations/gst-excite-and-indirect-taxes/gst/registering-for-gst>

²¹ **Statement by a supplier not quoting an ABN (NAT 3346)**, Australian Taxation Office, form and instructions.

<https://www.ato.gov.au/forms-and-instructions/statement-by-supplier-not-quoting-an-abn>

²² **Cents per kilometre method**, Australian Taxation Office, last updated 27 May 2026.

<https://www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/income-and-deductions-for-business/deductions/deductions-for-motor-vehicle-expenses/cents-per-kilometre-method>

²³ **Government contributions: key superannuation rates and thresholds**, Australian Taxation Office, last updated 27 April 2026. <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/government-contributions>

What ALMBC is asking for

Where a performer genuinely satisfies the existing requirements and provides a valid Statement by a Supplier, ALMBC proposes that:

- the payer should not have an SGC obligation for that performer under section 12(8);
- the Statement by a Supplier should provide the payer with evidence supporting the exemption; and
- the payer should not be required to independently determine whether the performer is operating a business where a valid declaration has been provided.

This would provide a simple and practical mechanism using an existing ATO process, rather than creating another administrative system for the live music industry.

Who would this apply to?

This exemption is intended for genuine non-business activity. It may include:

- Retired musicians who have left the workforce and only perform occasionally for enjoyment.
- Age Pension recipients or self-funded retirees who do not operate a music business but may occasionally be paid to perform.
- Musicians who no longer have an ABN because they have ceased operating a business but still occasionally play music.
- Early-stage musicians who perform occasionally or irregularly while exploring music, but whose activities have not yet developed into a business.
- Other genuine hobby musicians whose activities are recreational rather than commercial.

For many retired musicians, requiring them to establish or maintain a superannuation account simply because they occasionally receive a small performance fee provides little practical retirement benefit while creating administration for the musician, venue or event organiser.

Similarly, somebody at the beginning of their music career should not automatically be treated as carrying on a business merely because they have been paid for an occasional performance.

When does a hobby become a business?

The ATO already has established indicators for considering whether an activity is being carried on as a business. No single indicator determines the answer - the circumstances are considered together.²⁴

ATO business indicator	Questions to consider
Commercial purpose	Does the activity have a significant commercial purpose or character?
Intention and prospect of profit	Is there an intention to make a profit? Is there a genuine prospect of making a profit?
Repetition and regularity	Are performances occurring regularly? Is the activity repeated in a way normally associated with a business?

²⁴ **Are you in business?**, Australian Taxation Office, last updated 15 April 2026. <https://www.ato.gov.au/businesses-and-organisations/starting-registering-or-closing-a-business/starting-your-own-business/are-you-in-business>

ATO business indicator	Questions to consider
Business-like operation	Is the activity being conducted in a manner similar to other businesses in the music industry? Are proper records maintained? Is the activity planned and organised commercially?
Size and scale	What is the size and scale of the activity? Is there sufficient activity to indicate an ongoing commercial operation?
Permanency	Is the activity ongoing and organised rather than occasional or intermittent?
Hobby or recreation	Is the activity better characterised as a hobby, recreation or sporting activity rather than a business?

The purpose of these indicators is to distinguish genuine hobby or recreational activity from somebody who is actually carrying on a music business. The ALMBC believes that many irregular gigs, first time gig, gigs by retirees, community activities, etc, would not answer the above adequately to indicate they are running a commercial business.

The exemption would not be permanent

A musician's circumstances can and do change. Someone may legitimately provide a Statement by a Supplier when they perform only occasionally, but later begin performing regularly, seeking profit, promoting themselves commercially and operating in a business-like manner. This is a well-known pathway in live music.

Once their activities develop to the point that they are carrying on a business and are entitled to an ABN, the proposed Statement by a Supplier SGC exemption would no longer apply. The normal superannuation rules, including section 12(8) where applicable, would then apply.

Why this is a practical solution

This proposal does not require the creation of a new definition of a "hobby musician". Instead, it uses:

- an existing ATO form;
- existing ATO principles for determining whether somebody is carrying on a business;
- an existing declaration process with consequences for providing false or misleading information; and
- a document the payer can retain as evidence supporting the exemption.

This provides greater certainty for both performers and payers and avoids requiring venues, festivals and other music industry businesses to make subjective decisions about whether an occasional performer is genuinely operating a business.

The principle is straightforward:

If an individual genuinely qualifies to provide a Statement by a Supplier because their music activity is not a business, that declaration should also provide an exemption from SGC arising solely because of section 12(8).

Recognise costs and losses

Many grassroots gigs cost more to play than they pay. A support act paid \$500 a show over four shows earns \$2,000 and can spend \$3,000 getting there,¹¹ and interstate festival travel often exceeds the performance fee. Australia is a huge continent and transport costs alone are significant. Every music industry participant knows that the cost of running a new act with equipment purchases, rehearsal, recording, promotions, design and more, mean that almost 100% of gig income is immediately allocated to costs and actual performance income for each individual is minimal. How can super be paid on a run of gigs that makes a loss?

The ATO already varies withholding, sometimes to nil, for international artists whose costs outweigh their fees, but offers nothing equivalent to Australian performers.¹⁸ ALMBC is seeking clarification on how Example 9 applies when costs exceed the invoice,⁸ and is pursuing the case that super shouldn't apply where a performance runs at a loss once costs are met.

Certainty on past engagements

For decades accountants didn't raise section 12(8) with music clients, and government bodies themselves booked performers without super.⁶ One ACT and regional NSW agency, which books more than 100 performers across 40 venues, cites major publicly funded events booked and paid by government agencies on the same terms, and argues that if government couldn't identify the obligation, small operators had no realistic chance.⁴

ALMBC is asking for a written assurance and legislated amnesty so engagements administered in good faith as contracting arrangements aren't reopened, and a fairness mechanism for performers whose past entitlements are affected. These were chosen by 74% and 42% of respondents.⁵ Venues are refusing to engage for fear of retrospective penalties, and volunteers are leaving community boards over historical obligations.

Expand and promote the co-contribution and LISTO

Most performing musicians already qualify for government help to build super. The super co-contribution adds \$500 when someone with total income under \$49,293 in 2026-27 puts in \$1,000 of their own money, phasing out at \$64,293, and the Low Income Super Tax Offset refunds up to \$500 of contributions tax for people with adjusted taxable income up to \$37,000.²³ Music Australia's The Bass Line puts median music artist income at \$14,800.²⁵ From 1 July 2027 the LISTO income threshold is legislated to lift to \$45,000 and the maximum payment to \$810.²⁶

Of all respondents, 66% rated a larger co-contribution 4 or 5, and 59% of those who answered rated a bigger LISTO 4 or 5.⁵ Awareness is the bigger problem. Without being asked, about a quarter of respondents (25%) said neither they nor the musicians they work with had heard of these schemes,⁵ and some doubt low earners can find \$1,000 to unlock the full co-contribution. ALMBC is asking

²⁵ **The Bass Line: Charting the economic contribution of Australia's music industry (Second Edition)**, Music Australia, Creative Australia, May 2026, pages 59 to 61. <https://creative.gov.au/research/bass-line-charting-economic-contribution-australias-music-industry>

²⁶ **Low Income Superannuation Tax Offset (LISTO)**, Australian Taxation Office, new legislation, last updated 17 March 2026. Treasury Laws Amendment (Building a Stronger and Fairer Super System) Act 2026. <https://www.ato.gov.au/about-ato/new-legislation/in-detail/superannuation/low-income-superannuation-tax-offset-listo>

government to fund targeted promotion to musicians alongside any threshold, and suggests prompting eligible people through their own tax return.

A standing industry working group

Recognition of live music as a structurally complex industry, with a standing working group, was the most chosen supporting ask (83%).⁵ A live music booking can involve a venue, promoter, agent, band leader, session players, crew and a door deal, all on one night. ALMBC is asking for a standing group with the ATO and Treasury to test guidance against real engagements before it is issued. It should also consider everyone engaged around a performance, including dancers, sound engineers, crew and community and school band conductors contracted through bodies such as P&C associations, and the radio and television broadcast provisions, which raise similar problems.

The asks at a glance

Ask	Member support	Why it matters
\$5,000 minimum gig fee threshold	78% support a threshold in principle	Takes the administration out of small gigs. Indexation and anti-splitting rules keep it fair.
Statement by a Supplier SGC exemption	85% rate 4 or 5	Covers retired players and genuine occasional or hobby performers. Uses an existing ATO declaration. Needs legislation.
Treat musos like tradies	89% rate 4 or 5	The strongest result across every role. Works best alongside a co-contribution and LISTO push.
Larger co-contribution and LISTO	66% and 59% rate 4 or 5	Awareness is very low, so promotion is part of the ask.
Amnesty for past engagements	74% support it	Gives certainty to payers and performers who acted in good faith.
Free clearing house and collection model	66% choose a free clearing house	Makes compliance affordable for small operators and volunteers.
Standing working group	83% support it	Lets guidance be tested against real engagements before it is issued.

Working together

Government is far more likely to act on one consistent industry position than on separate complaints. ALMBC is asking music industry organisations, peak bodies, venues, festivals and agencies to:

- consider these asks and test them with your own members
- tell us where you agree, where you don't and what's missing
- share case studies from your members, with their consent, showing how the current rules affect real engagements
- join a combined approach to Treasury, the ATO and interested members of parliament.