



Policy costing request—during the caretaker period for a general election

Name of policy:	Ensuring the Independence and flourishing of the Arts
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	1 July 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	30/05/2016 – Adam Bandt http://www.adambandt.com/160530

Description of policy	
<p>Summary of policy (as applicable, please attach copies of relevant policy documents):</p>	<p>Reinvigorate the arts in Australia by restoring Commonwealth arts funding and implement new programs to support artists and the arts industry:</p> <ul style="list-style-type: none"> • Restore the funding cut from the Australia Council to 2013/14 levels, including; <ul style="list-style-type: none"> ○ Re-establish the ArtStart program (\$2million) and invest an extra \$3 million of the forward estimates ○ Reintroduce artists in residence program in schools (\$1.3 million) • Double the funding available for Australia Council Grants and Initiatives (from 2013-14 levels) • Create a \$5 million a year for a fund to pay artists for displaying their works publicly • Increase funding for regional touring through <i>Playing Australia</i> by \$2 million a year until it reaches \$10 million indexed annually • Remove touring arts companies from the ‘in Australia’ rule from July 1 2017 - remove the barrier to organisations becoming a tax exempt entity • Create an Arts Research and Development fund with an initial allocation of \$5million over the forward estimates • Introduce an artist in residence program at Parliament House - allocation of \$1 million over forward estimates • Support for national voices in the arts - allocation of \$1 million over forward estimates • Establish a national arts week - allocation of \$1 million over forward estimates • \$8 million over 4 years for Regional Arts Fund • \$5.4 million over 4 years for Live Music Office • \$2 million to expand school program Music: Count Us In • \$5 million to establish a body that can genuinely advocate for Australian authors and the broader industry in this complex environment
<p>What is the purpose or intention of the policy?</p>	<p>To reverse the previous cuts made to funding for the arts and ensure adequate levels of funding into the future.</p>
What are the key assumptions that have been made in the policy, including:	
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	<p>No</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>Capped amount and demand driven</p>

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Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	No			
Are there associated savings, offsets or expenses? If yes, please provide details.	Yes Catalyst - Australian Arts and Culture Fund funding will be discontinued with existing grants continued			
Does the policy relate to a previous budget measure? If yes, which measure?	2014-15 Budget Measure, <i>Arts programmes – reduced funding</i> Budget measure: <i>National Programme for Excellence in the Arts – establishment</i> Budget measure: <i>Arts and Cultural Programmes – efficiencies</i> MYEFO measure: <i>Establishment of the Book Council of Australia</i> MYEFO Measure: <i>Communications and the arts portfolio efficiencies</i>			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No			
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices)^(a)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-73.4	-80	-79.7	-79.7
Fiscal balance (\$m)	-73.4	-80	-79.7	-79.7
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	Increased participation in the arts by artists and arts consumers			

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Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No
What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?	
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	
Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).	
Intended date of implementation:	1 September 2016
Intended duration of policy:	Ongoing
Are there transitional arrangements associated with policy implementation?	
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	