Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australians Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request on *regional arts* (letter of 14 August 2013).

The response to this request will be released on the PBO website (www.aph.gov.au/pbo).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen
15 August 2013

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COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	**Regional Arts**
Summary of proposal:	The proposal would increase funding for the Regional Arts Fund to assist regional and rural communities to express themselves through the arts, encourage local artists and to attract artists to perform or exhibit in regional and remote areas. The proposal will have effect from 1 July 2014.
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	14 August 2013
Date costing completed:	16 August 2013
Date of public release of policy:	12 June 2013
Agencies from which information was obtained:	Not Applicable

Costing overview

This proposal is expected to decrease both the underlying cash balance and fiscal balance by $10 million over the 2013-14 Budget forward estimates period. This impact reflects an increase in expenses over this period.

Departmental costs are expected to be minimal and, consistent with the costing request, are to be accommodated from within the capped funding amounts.

This costing is considered to be of high reliability as it is based on a capped funding amount specified in the costing request.

Table 1: Financial implications (outturn prices)[(a)]

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance ($m)	-	-3.3	-3.3	-3.3
Fiscal balance ($m)	-	-3.3	-3.3	-3.3

(a) A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

Key assumptions

The expense profile is as specified in the costing request.

Methodology

The estimates are based on the capped funding amount specified in the costing request.