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

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| **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 |
| *Note: This policy costing request and the response to this request will be made publicly available.* |
| 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** |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | Reinvigorate the arts in Australia by restoring Commonwealth arts funding and implement new programs to support artists and the arts industry:* Restore the funding cut from the Australia Council to 2013/14 levels, including;
	+ 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 *Playing Australia* 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
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| What is the purpose or intention of the policy? | To reverse the previous cuts made to funding for the arts and ensure adequate levels of funding into the future. |
| **What are the key assumptions that have been made in the policy, including:** |
| Is the policy part of a package?If yes, list the components and interactions with proposed or existing policies. | No |
| 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? | Capped amount and demand driven |
| 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. | YesCatalyst - 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, *Arts programmes – reduced funding* Budget measure: *National Programme for Excellence in the Arts – establishment*Budget measure: *Arts and Cultural Programmes – efficiencies*MYEFO measure: *Establishment of the Book Council of Australia*MYEFO Measure: Communications and the arts portfolio efficiencies  |
| 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 |
| 1. 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.
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| 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 |
| 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 |
| **NOTE:***Please note that:**The costing will be on the basis of information provided in this costing request.**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.* |