



Rebuilding the Arts, Entertainment and Creative Sector

Party:

Australian Greens

Summary of proposal:

The proposal has 9 components that would support the Australian arts and creative sector.

- Component 1 would double the funding given to the Australia Council for their grants programs.
- Component 2 would place artists in residence at every registered school and public library in Australia. Artists in residence would be paid at the JobKeeper level for up to two days a school term for up to one year.
- Component 3 would allocate \$10 million a year to establish a 'Creativity Commission' that would provide oversight, advice and structural support to the creative sector and beyond.
- Component 4 would allocate \$1 billion over the forward estimates to an Australian content fund named the 'Australian Stories Fund' to kick start Australia's screen industry (film, TV and documentaries).
- Component 5 would allocate \$1 billion over the forward estimates to a new fund named the 'Live Performance Fund' to inject money into Australia's festival, music and live performance sector.
- Component 6 would allocate \$100 million to a new 'Games Investment and Enterprise Fund'.
- Component 7 would provide a \$400 million grant to establish a multi-disciplinary arts school in South Australia.
- Component 8 would establish a fund to underwrite insurance for the live performance industry. Under this fund, live events that are cancelled due to Covid-19 will be eligible to have their costs covered.
- Component 9 would create a pilot program for a payment, called The Artists Wage, which would provide a \$772.60 per week payment to established and emerging artists and arts workers. The program would be made available up to 10,000 individuals for a full calendar year. Payments received from this program would be treated as taxable income.
 - The term artist would be used broadly to include visual artists, musicians, comedians, dancers, writers/authors, filmmakers/photographers/directors, composers, actors, and workers involved in the associated industries such as events managers or venue bookers.
 - To be eligible for the payment, a recipient of The Artist's Wage payment would be required to satisfy all of the following criteria. They would be required to:
 - be an Australian citizen, permanent resident or have a valid working visa
 - be over the age of 18 years
 - be a practising artists or artist engaged in new work
 - prove that they have been working professionally the Australian arts or music industry for the previous three years

- have an average income below \$80,000 per year
- have an ABN
- provide names and details of two professional referees.

For components that specify capped funding amounts, related departmental expenses would be drawn from the capped amount.

Components 1 to 8 of this proposal would have effect from 1 July 2022. Component 9 would have effect from 1 January 2023.

Costing overview

This proposal would be expected to decrease the fiscal balance and underlying cash balance by around \$3,710 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered and departmental expenses, partially offset by an increase in revenue over the period.

Component 8, which would establish a fund to underwrite insurance for the live performance industry, is unquantifiable. This is because there is a lack of data and a high level of uncertainty associated with estimating the cost of underwriting insurance, including the likelihood of events being cancelled due to COVID-19 and the total insurable value.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-1,357.4	-894.1	-695.1	-763.4	-3,710.0
Underlying cash balance	-1,357.4	-894.1	-695.1	-763.4	-3,710.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Component 2

- The daily rate of payment would reflect the original JobKeeper payment's daily rate equivalent. This payment would not be subject to indexation and would be taxable income.
- The number of registered schools and public libraries would remain at their February 2021 levels over the medium-term.
- There would be a total of eight placement days taken up by artists for each registered school and public library over each financial year.

Component 6

- The funding allocated to the video games fund would be equally distributed between 2022-23 and 2032-33.

Component 7

- Consistent with other tertiary institutions in South Australia, the new arts school would be established through an act of the South Australian Government and therefore would not require additional departmental expenses.

Component 9

- The Artist's Wage program would be fully subscribed.
- The average marginal tax rate of recipients in The Artist's Wage pilot program would be 32.5%.
- Departmental expenses under this proposal would be greater in the first income year of the proposal due to expenses incurred setting up new systems and processes.
- Departmental expenses per recipient of The Artist's Wage payment would be similar to the expenses per recipient of student Youth Allowance.

Methodology

Component 1

The financial implications for Component 1 were estimated using publicly available funding information for Australia Council from the Department of Infrastructure, Transport, Regional Development and Communications' Portfolio Budget Statements 2022-23. The funding was then extended using relevant indexation parameters. The amount reflects appropriations only.

Component 2

The administered expense for Component 2 was calculated by multiplying the original JobKeeper daily rate equivalent by eight placement days every financial year per registered school and public library.

The revenue impact of Component 2 was derived by multiplying the payment amount by the estimated marginal tax rate of the recipients, which was based on the taxation statistics for selected creative and performing arts industries.

Components 3 to 7

The financial implications for Component 3 to 7 are based on specified capped amounts.

Departmental expenses were estimated based on the costs associated with administering similar programs.

Component 9

The administered expense for Component 9 was calculated as the annual amount of the wage payment multiplied by the maximum number of recipients in the pilot program.

The income tax revenue of Component 9 was calculated by multiplying the payment amount by the assumed average marginal tax rate. The timing of tax collections was then applied to this estimate.

The departmental expense of Component 9 was based on the costs of administering similar programs.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.¹

Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

Services Australia provided the funding model unit price list from the Agency's Funding Model over the 2022-23 Budget forward estimates period.

Australian Curriculum, Assessment and Reporting Authority (2022), [School search](#), Australian Schools List, accessed 1 March 2022.

Australian Taxation Office (2021) [Individual income tax rates](#), ATO, accessed 21 February 2022.

Australian Taxation Office (2021), [Taxation Statistics 2018-19](#), Australian Government, accessed 1 March 2022.

Department of Infrastructure, Transport, Regional Development and Communications (2022), [2021-22 Portfolio Budget Statements](#), Australian Government, accessed 5 April 2022.

National Library of Australia (2022), ['Find a Library' a – Standard search](#), National Library of Australia, accessed 1 March 2022.

¹ https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Rebuilding the Arts Entertainment and Creative Sector – financial implications

Table A1: Rebuilding the Arts, Entertainment and Creative Sector – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Component 2: Artists in residence</i>	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	9.0	30.0
<i>Component 9: Artists Wage pilot program</i>	-	65.3	65.3	-	-	-	-	-	-	-	-	130.6	130.6
Total – revenue	2.0	67.3	67.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	139.6	160.6
Expenses													
Administered													
<i>Component 2: Artists in residence</i>	-14.7	-14.7	-14.7	-14.7	-14.7	-14.7	-14.7	-14.7	-14.7	-14.7	-14.7	-58.8	-161.7
<i>Component 4: Australian Stories Fund</i>	-240.0	-246.0	-249.0	-249.0	-	-	-	-	-	-	-	-984.0	-984.0
<i>Component 5: Live Performance Fund</i>	-240.0	-246.0	-249.0	-249.0	-	-	-	-	-	-	-	-984.0	-984.0
<i>Component 6: Games Investment and Enterprise Fund</i>	-8.7	-8.9	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0	-35.6	-98.6
<i>Component 7: New arts school for South Australia</i>	-400.0	-	-	-	-	-	-	-	-	-	-	-400.0	-400.0
<i>Component 8: Pandemic and disaster insurance for live events</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Component 9: Artists Wage pilot program</i>	-201.0	-201.0	-	-	-	-	-	-	-	-	-	-402.0	-402.0
Total – administered	-1,104.4	-716.6	-521.7	-521.7	-23.7	-2,864.4	-3,030.3						

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
<i>Component 1: Australia Council funding</i>	-221.0	-224.0	-228.0	-232.0	-234.0	-237.0	-239.0	-242.0	-245.0	-247.0	-250.0	-905.0	-2,599.0
<i>Component 2: Artists in residence</i>	-0.6	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-1.0	-1.7
<i>Component 3: Establish a Creativity Commission</i>	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-40.0	-110.0
<i>Component 4: Australian Stories Fund</i>	-9.6	-4.0	-1.3	-1.3	-	-	-	-	-	-	-	-16.2	-16.2
<i>Component 5: Live Performance Fund</i>	-9.6	-4.0	-1.3	-1.3	-	-	-	-	-	-	-	-16.2	-16.2
<i>Component 6: Games Investment and Enterprise Fund</i>	-0.4	-0.1	..	..	..	..	..	..	..	..	..	-0.5	-0.5
<i>Component 9: Artists Wage pilot program</i>	-3.8	-2.5	-	-	-	-	-	-	-	-	-	-6.3	-6.3
Total – departmental	-255.0	-244.8	-240.7	-244.7	-244.1	-247.1	-249.1	-252.1	-255.1	-257.1	-260.1	-985.2	-2,749.9
Total – expenses	-1,359.4	-961.4	-762.4	-766.4	-267.8	-270.8	-272.8	-275.8	-278.8	-280.8	-283.8	-3,849.6	-5,780.2
Total (excluding PDI)	-1,357.4	-894.1	-695.1	-763.4	-264.8	-267.8	-269.8	-272.8	-275.8	-277.8	-280.8	-3,710.0	-5,619.6

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

.. Not zero but rounded to zero.

* Unquantifiable – not included in totals.

- Indicates nil.

Table A2: Rebuilding the Arts, Entertainment and Creative Sector – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-15.0	-41.0	-60.0	-78.0	-92.0	-101.0	-112.0	-123.0	-136.0	-149.0	-174.0	-194.0	-1,081.0
Underlying cash balance	-14.0	-38.0	-58.0	-76.0	-90.0	-100.0	-110.0	-122.0	-134.0	-148.0	-171.0	-186.0	-1,061.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) 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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)