

Circular No. 09–14

14 May 2014

LPA Summary of the Federal Budget 2014-15

As members would be aware, the Federal Budget was handed down last night. The main impact for our Industry will be felt in the Arts portfolio.

1. Budget Cuts to Federal Funding of the Arts

The Federal Budget 2014-15 includes significant cuts to the funding of Arts programmes and agencies.

- Reduced funding of **Arts programmes** totalling **\$87.1m** over the next four years, including a **\$28.2m** reduction in the **Australia Council** budget.
- Cessation of the **Adelaide Festival Centre — support for Asian cultural activities** programme, for which the Government expects to achieve savings of **\$1.8m**.

Table 1. Arts Programmes Reduced Funding

Expense (\$m)						
	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Attorney-General's Department	-	-4.4	-5.0	-9.8	-14.6	-33.8
Screen Australia	-	-5.2	-5.3	-7.3	-7.3	-25.1
Australia Council	-	-9.6	-6.1	-6.2	-6.3	-28.2
Total	-	-19.2	-16.4	-23.3	-28.2	-87.1

Source: Budget Paper No.2 - Budget Measures, Budget 2014-15: http://www.budget.gov.au/2014-15/content/bp2/html/bp2_expense.htm, accessed 14 May 2014.

The **efficiency dividend** for all Government agencies will be increased from **2% to 2.25%**, which will place further pressure on the Australia Council budget.

2. New Funding for the Arts

The Minister for the Arts Senator Brandis has announced a total of **\$6.3m** in funding initiatives intended to encourage **private sector support** of the Arts.

- Provide **\$5.3m** over four years to continue the operation of **Creative Partnerships Australia** (CPA), a program to generate private sector support for the arts through encouraging philanthropy, sponsorship and corporate volunteering.
- Provide **\$1m** in 2014-15 to support the purchase of a **residence for the Australian Ballet School** in Melbourne, which will provide boarding accommodation for students.

Table 2. New Funding Initiatives for the Arts

Expense (\$m)						
	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Australian Ballet School student residence	-	1.0	-	-	-	1.0
Creative Partnerships Australia	-	-0.3	1.8	1.9	1.9	5.3
Total		0.7	1.8	1.9	1.9	6.3

Source: Budget Paper No.2 - Budget Measures, Budget 2014-15: http://www.budget.gov.au/2014-15/content/bp2/html/bp2_expense.htm, accessed 14 May 2014.

- This is a tough budget and everyone is sharing the pain.
- The \$87.1m cut to the Arts budget will obviously have an impact across the sector. AMPAG companies have not been spared while SMEs, in particular, will be hit and some projects simply will now not get up.
- The impact of these changes will be felt most keenly in the areas of the arts sector that can least afford them.

3. Other Budget Matters of Note

- The Energy Efficiency Information Grant program remains funded until the end of 2014-15, which means **LPA will be funded to complete the Greener Live Performances through Energy Efficiency project.**
- Compulsory employer **superannuation contributions** will increase from **9.25% to 9.5%** from 1 July 2014. There will be **no further increases until 2018.**
- Proposed changes to the **paid parental scheme will not commence until 1 July 2015.**

4. Further Information

- Detailed information on the proposed Federal Budget 2014-15 can be found at: <http://www.budget.gov.au/2014-15/index.htm>
- The Media Release from the Minister for the Arts on the Budget 2014-15 can be found at: <http://www.ag.gov.au/Publications/Budgets/Budget2014-15/Pages/13May2014-Encouragingprivatesectorsupportforthearts.aspx>
- Portfolio Budget Statements 2014-15 for Arts Agencies can be found at: <http://www.ag.gov.au/Publications/Budgets/Budget2014-15/Pages/PortfolioBudgetStatements2014-15.aspx>

Should you have any questions with regard to the Federal Budget 2014-15, please contact me or Holly Crain at hcrain@liveperformance.com.au or on (03) 9614 1111.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E. Richardson', with a stylized flourish at the end.

Evelyn Richardson
Chief Executive
Live Performance Australia