



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 8/03/2019

Proposal No: B400
Date Published: 18/03/2019

Proposal Title: Putting the trust back into Crown Lands – Labor’s 2019 Crown Lands’ policy

Cluster: Industry

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	2,200	2,243	2,005	6,448
Depreciation	-	-	200	400	600
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(2,200)	(2,443)	(2,405)	(7,048)

Capital Expenditure	-	1,000	1,000	-	2,000
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	1,000	1,000	-	2,000

Net Lending/(Borrowing):	-	(3,200)	(3,243)	(2,005)	(8,448)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(3,200)	(3,243)	(2,005)	(8,448)
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Notes and costing assumptions

The proposal has six policy components on Crown Land that produce a total cost over the forward estimates of \$8.4 million.

- 1) Restoring the Trust system to manage the Crown Reserves
- 2) Appointing a permanent Crown Lands Commissioner to investigate and address Crown Land disputes
- 3) Amend Crown Lands legislation
- 4) Employ 20 cadets/junior officers in regional offices in land and bushfire management, compliance and community support
- 5) A moratorium on the sale and disposal of travelling stock reserves
- 6) Renew focus on the preparation of local and regional statutory Plans of Management for significant Crown Reserves.

Policy 1 proposes restoring the reserve Trust system to manage Crown Reserves. The PBO has estimated there would be approximately \$3 million of costs from this change based on advice from the Department of Industry (DOI), comprising \$1 million of legal and consultation expenses, and \$2 million capital expenditure for system upgrades. DOI advise the main costs would be on Crown Land Managers through the administration of employment arrangements, contractual arrangements and other operational expenses. Depreciation of the capital expenditure has been assumed over 5 years on a straight line basis.

(notes continued over the page)

Notes and costing assumptions continued:

Policy 2 proposes appointing a permanent Crown Land Commissioner to investigate and address Crown Land disputes, replacing the current temporary role, with remuneration and other employment consistent with existing arrangements. DOI has advised the current Commissioner is employed until November 2021 on a 0.6 Full Time Equivalent (FTE) basis, and the total costs of a full time equivalent (FTE) Commissioner and a supporting Grade 5/6 clerk, travel and other costs, is approximately \$420,000 per year. The PBO assumes a 0.6 FTE Commissioner and a FTE assistant would be required from November 2021 onwards. The total cost of this component is \$219,000 in 2021-22.

Policy 3 proposes amending the Crown Lands legislation to improve transparency in dealings and transfers to other government agencies and ensure Crown Land vested in councils remains community land. This is regulatory in nature and part of the normal business of government and therefore has no net budget impact. The proposal assumes this cost can be met within existing agency resources, which the PBO considers feasible.

Policy 4 proposes employing 20 cadets/junior officers in regional offices in land and bushfire management, compliance and community support, at a total cost of \$75,000 per year per employee, or \$1.5 million per year. DOI advised additional costs of \$200,000 would be incurred per year from managing this program including accommodation, travel, inductions and other training. Therefore, the policy has a total cost of \$1.7 million per year in 2019-20, which has been escalated at 2.5% per year in line with NSW Public Sector wages policy. Most of the costs of Policy 4 are employee related.

Policy 5 proposes putting a moratorium on the sale and disposal of travelling stock reserves. DOI has advised this policy can be implemented within its existing resourcing and hence has no budget impact.

Policy 6 proposes a renewed focus on preparing local and regional statutory Plans of Management for significant Crown Reserves. The policy specifies for this cost to be absorbed within existing agency resources. The PBO considers this is feasible as it is part of the normal business of government.