



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 31/01/2019

Proposal No: A307
Date Published: 18/03/2019

Proposal Title: Protect Kosciuszko National Park

Cluster: Planning and Environment

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	13,366	12,686	12,841	38,893
Depreciation	-	-	120	240	360
Less: Offsets	-	5,561	5,133	5,179	15,873
Revenue	-	-	-	-	-
Net Operating Balance:	-	(7,805)	(7,673)	(7,902)	(23,380)

Capital Expenditure	-	600	600	-	1,200
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	600	600	-	1,200

Net Lending/(Borrowing):	-	(8,405)	(8,153)	(7,662)	(24,220)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(8,405)	(8,153)	(7,662)	(24,220)
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Notes and costing assumptions

This policy proposes the following programs to manage Kosciuszko National Park:

- 1) Ensure that the Kosciuszko National Park Plan of Management is the primary management document to guide the operation of the Park.
- 2) Minimise the impacts of pest species (both plant and animal) through adequately funded and effective control programs.
- 3) Conduct a scientific assessment and count of the horse population in consultation with key stakeholders.
- 4) Retain a smaller population of wild horses in the Park where degradation is less critical, and manage the horse population guided by the 2016 Draft Wild Horse Management Plan.
- 5) Establish six Kosciuszko works crews to repair the mountain catchments.

The policy will run from 1 July 2019 to 30 June 2022. With the exception of the Kosciuszko works crews, all policy costs are to be absorbed within the Department of Planning and Environment's existing resources. The PBO estimates the cost of the policy to be \$24.2 million over the forward estimates.

Each policy component is outlined separately in the sections below (see also Table A1).

1) Kosciuszko National Park Plan of Management

This component involves designating the Kosciuszko National Park Plan of Management as the primary management document to guide the operation of the Park. The PBO expects this policy component will not have a financial impact.

Notes and costing assumptions continued:

2) Pest control programs

This policy component proposes the establishment of effective pest control programs (both plant and animal) in Kosciuszko National Park. Programs will include wild pigs, dogs, deer and horses.

The Department of Planning and Environment (DPE) has advised that a pest control program currently exists. However, there are several opportunities to expand this program with an additional focus on aerial support, trapping for pests and a more extensive program of weed management.

DPE has advised that the estimated cost of this expansion could be up to \$8.2 million over the forward estimates, and the PBO has included the amount in the financial table (with an offsetting saving). However, the extent of this expansion will be determined based on DPE's ability to absorb the increased cost within its existing budget. The estimated budget impact of this component is nil.

3) & 4) Scientific assessment of wild horse population and population management

These two policy components involve:

- Conducting a scientific assessment and count of the horse population in consultation with key stakeholders.
- Retain a smaller population of wild horses in the Park where degradation is less critical, and manage the horse population guided by the work underpinning the 2016 Draft Wild Horse Management Plan.

Based on advice from DPE, the PBO estimates the cost of these policy components to be \$7.7 million over the forward estimates. This amount comprises \$5.9 million in costs for managing the wild horse population (split approximately 60:40 between employee expenses and other operating expenses), and research on fertility control (\$600,000 per annum). This cost is to be absorbed within DPE's existing resources, and accordingly the budget impact will be nil.

DPE has noted that, as the Wild Horse Management Plan is a ten year proposed program, total costs over the life of the program are estimated to total \$23.5 million.

5) Kosciuszko work crews

The policy component proposes the establishment of six work crews to halt erosion in Kosciuszko National Park's mountain catchments, and to restore and repair eroding slopes, wetlands and mountain streams.

Based on advice from DPE, the PBO estimates this policy component to cost \$24.2 million over the forward estimates, comprising \$17.6 million in staff salaries, \$5.4 million in operating costs and \$1.2m in capital expenditure.

Staffing

A total of 61 staff would be employed in these teams or to support these teams at a total of \$17.6 million between 2019-20 and 2021-22. The new staff are as follows (figures per annum including on-costs):

- 1 x Grade 11/12 Principal Project Officer/Area Manager (\$183,390)
- 2 x Grade 9/10 Project Managers (\$151,083)
- 2 x Grade 3/4 Administration Officers (\$98,170)
- 2 x Grade 7/8 Environmental Officers (\$133,136)
- 2 x Grade 7/8 Project Planners (\$133,136)
- 6 x Foremen Senior Field Supervisors (\$114,844)
- 6 x Leading Hand Senior Field Officers (\$89,184)
- 6 x Plant Operator Field Officers (\$82,363)
- 34 x Field Officers (\$82,363)

Staffing costs include 23.8% in on-costs, and have been escalated at 2.5% per annum over the forward

Notes and costing assumptions continued:

Operating and capital expenses

The DPE has advised that operating expenses will be \$5.4 million over the forward estimates. Expenses will comprise \$2.9 million in corporate support service costs (e.g. recruitment, IT support, facilities and fleet support), which the PBO has reviewed and notes is consistent with the approach taken by other agencies.

The costing also includes \$2.5 million in team-specific costs such as accommodation, travel and vehicle costs, training and maintenance.

Additionally, \$1.2 million will be needed for capital expenses relating to team offices and base establishment. These assets will be depreciated on a straight-line basis over five years as advised by DPE.

Table A1 - Cost of Kosciuszko National Park policy components

Policy component	Cost per annum (\$'000)				
	2018-19	2019-20	2020-21	2021-22	4 year total
Pest control programs	-	2,823	2,690	2,690	8,203
Scientific assessment of wild horses; horse population management	-	2,738	2,443	2,489	7,670
Kosciuszko works crews (staff & operating)	-	7,805	7,553	7,662	23,020
Kosciuszko works crews (capital)	-	600	600	-	1,200
Kosciuszko works crews (depreciation)	-	-	120	240	360
TOTAL	-	13,966	13,406	13,081	40,453