

## Election Costing Request Form

Details of request	
Party:	NSW Liberals & Nationals
Name of Policy:	NSW Border Wild Dog Exclusion Fence
Date of request:	Updated 7 March 2019 (Original 19 February 2019)

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	- Extend the NSW Border Wild Dog Exclusion Fence by 742km in total, by 420km along the NSW/QLD border east to Mungindi and by 322 km along the NSW/SA border south to the Murray River.
Has the policy been publicly released yet?	Yes

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	Total \$'000
Impact on GGS expenses					
Impact on GGS revenue					
Impact on General Government Sector (GGS) net operating result <sup>1</sup>					
Impact on GGS capital expenditure <sup>2</sup>					
Impact on GGS net lending/borrowing					

**Note:** Has the policy been costed by a third party? Yes, NSW Local Land Services and NSW Treasury  
If yes, can you provide a copy of this costing and its assumptions?

<sup>1</sup> Negative for a saving that reduces expenditure

<sup>2</sup> Negative for a reduction in capital expenditure.

Yes, costing has been prepared by NSW Local Land Services (see attached feasibility report).  
Treasury costing also to be provided.

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	No
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>Consistent with NSW Local Land Services' feasibility report:</p> <ul style="list-style-type: none"> <li>- Total capital cost assumed to be \$37.5m</li> <li>- Ongoing maintenance of the fence estimated at up to \$1.2m per year</li> </ul> <p>Capital costs assumed to be split over 3 years from 2019/20 to 2021/22</p> <p>Ongoing maintenance costs and depreciation are assumed to be incurred from 2022/23 onwards following the completion of the fence. The funding source for these costs will be considered once the fence extension is finalised, with government contributions and funding from the Special Purpose Pest Management Levy to be considered.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	No.
Are there significant costs or savings <b>outside</b> the forward estimates period which should be considered in costing this policy? <sup>3</sup>	Yes, ongoing maintenance costs and depreciation are assumed to be incurred from 2022/23 onwards following the completion of the fence. The funding source for these costs will be considered once the fence extension is finalised, with government contributions and funding from the Special Purpose Pest Management Levy to be considered.

<b>Administration of policy</b>	
Intended date of implementation:	2019/20 onwards

<sup>3</sup> Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

Intended duration of policy <sup>4</sup> :	Construction of fence to occur from 2019/20 to 2021/22 Ongoing maintenance and depreciation costs from 2022/23 onwards
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Local Land Services and Wild Dog Management Committee (based out of Broken Hill)
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	No
Are there transitional arrangements associated with policy implementation?	No

<b>If the policy is mainly an expenditure<sup>5</sup> commitment</b>	
Demand driven or a capped amount:	Capital costs capped at \$37.5 million
Eligibility criteria or thresholds:	No

<b>If the policy is mainly a revenue commitment</b>	
Transaction based or capped:	No
Thresholds and/or exemptions:	No
Collection method:	No
Additional expenditure associated with collection:	No

<b>If the policy is mainly a capital costs<sup>6</sup> commitment</b>	
<b>Nature of Capital Spending</b>	
Type of work, size and capacity:	Extension of fence 420km East to Mungindi along the NSW/QLD border and 322 km South to the Murray River along the NSW/SA border
Proposed start and completion date of work:	2019/20 to 2021/22
Intended construction schedule/cash flow:	
Associated asset sell off (if any):	
<b>Recurrent Impacts</b>	
Offsetting expenditure savings:	

<sup>4</sup> Where a policy is intended to be ongoing, please indicate "ongoing" in the space to the right

<sup>5</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<sup>6</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance.

On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	
Delivery model <sup>7</sup>	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
- Will additional staff be needed in the agency responsible for the policy?
  - How many and at what approximate levels?
- Are there other resources required?
- Are you assuming administrative costs will be absorbed within the agency?

**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 requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.