



**Parliament of Australia**  
**Parliamentary Budget Office**

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**Parliamentary Budget Officer**

Senator Richard Di Natale  
Leader of the Australian Greens  
Parliament House  
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *Indigenous Rangers - Working on Country* (letter of 24 June 2016).

The response to this request will be released on the PBO website ([www.pbo.gov.au](http://www.pbo.gov.au)).

If you have any queries about this costing, please contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

24 June 2016



## Policy costing—during the caretaker period for the 2016 general election

Name of proposal:	Indigenous Rangers - Working on Country
Summary of proposal:	<p>The proposal would double the annual funding provided for the Indigenous Ranger program and extend funding commitments to 15 year contracts.</p> <p>The proposal would have effect from 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	8 June 2016
Date costing request received:	24 June 2016
Date costing completed:	24 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

### Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by \$287.4 million over the 2016-17 Budget forward estimates period. This impact is entirely due to an increase in administered expenses. The proposal is not expected to have a material impact on departmental expenses as the proposal relates to an expansion of an existing program.

The proposal would have an ongoing impact that extends beyond the 2016-17 Budget forward estimates period with the annual decrease in the fiscal and underlying cash balances growing by around \$1.5 million per year from the impact in 2019-20.

This costing is considered to be of high reliability as it is based on the doubling of current program expenditure estimates provided by the Department of the Prime Minister and Cabinet (PM&C).

**Table 1: Financial implications (outturn prices)<sup>(a)(b)</sup>**

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-51.0	-77.4	-78.9	-80.2	<b>-287.4</b>
Underlying cash balance	-51.0	-77.4	-78.9	-80.2	<b>-287.4</b>

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

(b) Figures may not sum to totals due to rounding.

## Key assumptions

In costing the proposal it has been assumed that additional funding in 2016-17 would be proportionate to the remaining period of the year following the 1 September 2016 commencement of the proposal.

## Methodology

The impact of the proposal was derived as the difference between current program expenditure estimates and expenditure under the proposal, calculated by doubling current expenditure estimates.

The estimates for 2019-20 and beyond were derived by applying the appropriate indexation parameters.

## Data sources

PM&C provided program estimates over 2015-16 to 2018-19 and advice on program indexation arrangements.