



## Policy costing

Doubling Indigenous rangers	
Party:	Australian Labor Party
Summary of proposal: The proposal would gradually increase the number of full-time-equivalent Indigenous rangers through the Indigenous Rangers Program (formerly the Working on Country Program) to double the current number by 2023-24, and maintain this number going forward. The expenditure profile for doubling Indigenous rangers would limit additional expenditure over the period to 2021-22 to \$95 million. The proposal would have effect from 1 July 2019.	

## Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$170.3 million over the 2019-20 Budget forward estimates period. This impact is entirely due to an increase in administered expenses.

The costing does not include additional departmental expenses as the proposal is an expansion of an existing program where the bulk of the administrative costs fall on grant recipients.

A breakdown of the financial implications of this proposal over the 2019-20 Budget forward estimates period is provided at [Attachment A](#). This proposal is expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period. Once the number of full-time-equivalent Indigenous rangers doubles by 2023-24, growth in expenses would reflect increases in the wage cost index.

The financial implications are sensitive to the assumed take-up of the additional positions.

**Table 1: Financial implications (\$m)<sup>(a)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-9.0	-27.4	-58.5	-75.4	<b>-170.3</b>
Underlying cash balance	-9.0	-27.4	-58.5	-75.4	<b>-170.3</b>

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

## Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- The baseline full-time-equivalent number of Indigenous rangers would remain constant at their current level of 852 rangers until 2029-30.
- There would be full take-up of the additional positions.

## Methodology

The financial implications of the proposal were calculated by subtracting the costs of maintaining the current level of Indigenous rangers from the costs of doubling the number of Indigenous rangers.

The financial implications of doubling the number of Indigenous rangers were calculated by determining an up-take profile for the additional full-time-equivalent Indigenous ranger positions which met the specified financial constraints over the first three years of the 2019-20 Budget forward estimates period.

- The annual cost of the proposal was determined by multiplying the number of new full-time-equivalent Indigenous rangers by the average base funding cost per full-time-equivalent Indigenous ranger, adjusted for the appropriate wage cost indexation parameter.
- The average cost per full-time-equivalent Indigenous ranger was derived by dividing the Indigenous Rangers Program baseline annual expenditure by the current number of full-time-equivalent Indigenous rangers contracted in each year.

All estimates are rounded to the nearest \$100,000.

## Data sources

The Department of the Prime Minister and Cabinet provided data on the Indigenous Rangers Program over the 2019-20 Budget forward estimates on 12 April 2019.

The Department of Finance provided the wage cost index as at the 2019 Pre-election Economic and Fiscal Outlook.

## Attachment A – Doubling Indigenous Rangers – financial implications

**Table A1: Doubling Indigenous Rangers – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
<b>Total – expenses</b>	-9.0	-27.4	-58.5	-75.4	<b>-170.3</b>

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.