



## Policy costing

### Create a Nature Fund, land manager training positions, and related measures

Party: Australian Greens

#### Summary of proposal:

This proposal consists of 11 components. Departmental expenses for the components are included in capped amounts, unless otherwise specified.

- Component 1 – Department of the Environment and Energy
  - Element 1: Provide \$1,235.7 million, with the following profile, from 2019-20 to 2029-30 to the Department of the Environment and Energy (the Department) to hire additional staff.

	2019– 20	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30
\$m	39.0	71.0	96.0	111.0	116.0	120.0	126.0	131.0	136.0	142.0	147.7

- Element 2: Provide \$40 million per year from 2019-20 to 2023-24 to the Department to produce and update Threatened Species Recovery Plans.
- Element 3: Provide \$20 million per year from 2019-20 to 2029-30 to the Department to administer a grants funding program to deliver conservation covenant monitoring.
- Element 4: Provide \$1.5 million per year from 2019-20 to 2029-30 to the Long-term Ecological Research Network.
- Element 5: Provide \$3 million per year from 2019-20 to 2029-30 to the National Climate Change Adaption Research Facility.
- Component 2 – National Reserve System program

- Element 1: Provide \$15 million to the Department of the Prime Minister and Cabinet in 2019-20 to tender an expansion of the Indigenous Protected Areas network.
- Element 2: Provide additional funding of \$20 million per year from 2019-20 to 2029-30 to the Indigenous Protected Areas program through the Department of the Prime Minister and Cabinet.
- Element 3: Provide \$78.3 million, with the following profile, from 2019-20 to 2029-30 to establish land parcels that are free of invasive species:

	2019– 20	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30
\$m	3.83	5.06	6.29	7.52	8.75	9.98	7.38	7.38	7.38	7.38	7.38

- Element 4: Provide \$0.8 million per year from 2019-20 to 2022-23 to the Australian Seed Bank Partnership.
- Element 5: Provide funding to the National Reserve System program, which would take the total funding for this component to \$200 million per year from 2019-20 to 2029-30.

- Component 3 – Land managers
  - Provide funding to train and employ land managers from 2019-20.
    - ◆ Element 1: 2,000 places in land manager training would be offered each year from 2019-20 to 2023-24. This element would comprise free Technical and Further Education (TAFE) training but would not involve any additional stipends. Recipients of a training place must be Australian residents for tax purposes.
    - ◆ Element 2: Upon successful completion of their training, graduates would be employed by the Commonwealth Government as land managers. All land managers would be Australian residents for tax purposes.
- Component 4 – Landscape restoration
  - Element 1: Provide \$83.5 million per year from 2019-20 to 2029-30 to Landcare.
  - Element 2: Provide \$5.3 million per year from 2019-20 to 2029-30 to fund the ‘Whole of Paddock Rehabilitation’ program.
  - Element 3: Provide \$72.5 million per year from 2019-20 to 2023-24 to establish the ‘Local Greening Program’ grants program for local councils.
  - Element 4: Provide funding to establish a grants program that would provide \$25,000 packages to landowners to fund conservation works. The total funding would be \$25 million in 2019-20 and would be indexed by the wage price index each year until 2029-30.
  - Element 5: Provide funding which would take total funding for this component to \$500 million per year from 2019-20 to 2029-30.
- Component 5 – Invasive species
  - Provide \$140 million per year from 2019-20 to 2029-30 to develop invasive species threat abatement plans and a National Invasive Species Action Plan.
- Component 6 – Threatened Species Recovery Plans
  - Provide \$455 million per year for the implementation of Threatened Species Recovery Plans over the period from 2019-20 to 2029-30.
- Component 7 – Farming subsidies
  - Provide \$80 million per year in ongoing grants funding for agricultural purchases of non-synthetic farming inputs and runoff-reducing infrastructure.
- Component 8 – National Bushfire Mitigation Program
  - Re-instate the National Bushfire Mitigation Program and provide funding of \$9.5 million per year from 2019-20 to 2021-22.
- Component 9 – Director of National Parks
  - Provide additional funding of \$578.9 million, with the following profile, to the Director of National Parks from 2019-20 to 2029-30.

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30
\$m	44.0	48.0	50.0	51.0	52.0	53.0	54.0	55.0	56.0	57.0	58.9

- Component 10 – Commercial fisheries compensation
  - Provide \$247 million from 2019-20 to 2022-23 to make compensation payments to commercial fisheries.

- Component 11 – Environmental Defenders' Offices and Conservation Councils
  - Provide ongoing funding to Environmental Defenders' Offices and Conservation Councils.
    - ♦ Administered funding for Environment Defenders' Offices would start at \$3.8 million in 2019-20 and would be indexed by the consumer price index (CPI).
    - ♦ Administered funding for Conservation Councils would start at \$5.8 million per year and would be indexed by CPI.
    - ♦ Departmental expenses for this component only would be additional to the capped amounts.

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 \$6,711.4 million over the 2019-20 Budget forward estimates period. This impact reflects an increase in administered expenses of \$5,732.8 million, and an increase in departmental expenses of \$1,119.6 million. These departmental expenses reflect additional staffing levels and expenses related to delivering programs. The increases in expenditure are partially offset by an increase in revenue of \$141.0 million.

This proposal would be expected to have an ongoing impact that extends beyond the 2019-20 Budget forward estimates period. A breakdown of the financial implications from 2019-20 to 2029-30 is provided at [Attachment A](#).

This costing involves 11 components, nine of which consist only of specified capped amounts. As a result, there is a high degree of certainty around the aggregate expenditure estimates of the proposal. There is, however, some uncertainty around the ratio of departmental to administered expenses for this expenditure. Component 3 is highly sensitive to the assumptions made around training completion rates and employment turnover. The taxation revenue estimates in Components 1 and 3 are sensitive to assumptions around wage increases and the taxable incomes of individuals. While Element 1 of Component 1 and Element 2 of Component 3 would explicitly increase Commonwealth Government staffing levels, and therefore income taxation revenue, any employment and revenue impacts of other components are more uncertain and have not been taken into account.

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

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-1,596.7	-1,629.8	-1,699.0	-1,785.8	<b>-6,711.4</b>
Underlying cash balance	-1,596.7	-1,629.8	-1,699.0	-1,785.8	<b>-6,711.4</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

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

- All grants would be fully taken up.

### Component 1: Element 1 – Department of Environment and Energy staffing levels

- The classifications of additional staffing hired under the proposal would be the same as the distribution of the Department as a whole in 2017-18 and would remain constant over the costing horizon.
- The salary of additional staff at each Australian Public Service (APS) classification would be the median base salary per level.
- Trend growth in wages under the baseline would be in line with wage cost index 3.
- All new staff would receive superannuation contributions equivalent to 15.4 per cent of their salary.

### Component 3: Land managers

- Departmental expenses would be incurred through promoting and administering the land manager program.
- Individuals who would receive training scholarships would have otherwise undertaken similar training. The land manager training would therefore not result in additional costs to the Commonwealth Government over and above those estimated in the Australian Greens' policy to provide grants to states and territories to cover the costs of tuition at TAFE institutions for courses at the Certificate Level 1 and above, up to a per-hour tuition cost cap (refer to PBO costing PER649).
- Land managers would start their training at the start of the calendar year, and complete their training in two years.
- Sixty per cent of trainees would successfully complete their training.
  - This is based on analysis of subject pass rates for Vocational Education and Training (VET) Student Loan recipients studying a Diploma in Conservation and Land Management in 2018.
- Upon successful completion of their training, the starting salary for a land manager would be the median APS Graduate base salary.
- Yearly turnover of land managers would be equivalent to the turnover of APS employees during 2017-18 (23.1 per cent) and would remain constant across the costing horizon.

## Methodology

With the exception of the following, the financial implications of the components of this costing were based on the specified amount and period over which funding would be provided. Departmental expenses to administer the proposal have been included in the costing, either within or in addition to the specified capped amounts as per the specification for each component. These estimates were based on similar-sized programs administered by the Department. The provision of additional funding to existing programs or functions was assumed not to require additional departmental expenses.

## Component 1: Element 1 – Department of Environment and Energy staffing levels

The number of new staffing positions funded under this component was estimated by applying the distribution of APS classifications to the specified funding. Salary expenditure was grown by estimated wage cost factors with an allowance for staffing costs, including superannuation contributions, long service leave, and human resources support.

The revenue impact was calculated by applying the 2019-20 Pre-election Economic and Fiscal Outlook personal income tax schedule (including the Low and Middle Income Tax Offset and the Medicare levy) and superannuation contributions tax.

## Component 3: Land managers

The projected number of land managers employed under this component was estimated by applying the assumed training completion rates and employment turnover rates to the specified number of training positions in each year. The expenditure and revenue implications were estimated using the same methodology as Component 1.

Departmental expense estimates for Component 3 (Land managers) have been rounded to the nearest \$1 million. All other administered and departmental expense estimates have been rounded to the nearest \$100,000. Revenue estimates have been rounded to the nearest \$1 million.

## Data sources

Australian Greens, 2018. *Free TAFE and University*. [Online] Available at [https://greens.org.au/sites/default/files/2018-12/Greens%202019%20Policy%20Platform%20-%20Free%20TAFE%20and%20Uni\\_0.pdf](https://greens.org.au/sites/default/files/2018-12/Greens%202019%20Policy%20Platform%20-%20Free%20TAFE%20and%20Uni_0.pdf) [Accessed 16 April 2019].

Australian Public Service Commission (APSC), 2018. *APS Remuneration Report 2018*, Canberra: Commonwealth of Australia.

APSC, 2018. *APS Employment Data 30 June 2018 release*. [Online] Available at <https://www.apsc.gov.au/aps-employment-data-30-june-2018-release> [Accessed 11 April 2019].

Commonwealth of Australia, 2019. *2019 Pre-election Economic and Fiscal Outlook*, Canberra: Commonwealth of Australia.

Department of Education and Training, 2018. *VET Student Loans Six-monthly report – 1 January 2018 to 30 June 2018 – Table 6 addendum*. [Online] Available at: <https://docs.education.gov.au/node/51131> [Accessed 04.04.2019].

Department of Education and Training, 2019. *VET Student Loans Six-monthly report – 1 July 2018 to 31 December 2018 – Table 6 addendum*. [Online] Available at: <https://docs.education.gov.au/node/52436> [Accessed 04.04.2019].

Department of Environment and Energy, 2019. *Portfolio Budget Statements 2019-20*. [Online] Available at <https://www.environment.gov.au/system/files/resources/c47f29fd-f85e-4789-af69-6b26630b8f4d/files/2019-20-pbs.pdf> [Accessed 11 April 2019].

The Department of Finance provided efficiency dividend parameters as at the 2019 Pre-election Economic and Fiscal Outlook.

The Treasury provided 2019 Pre-election Economic and Fiscal Outlook economic parameters.

# Attachment A – Create a Nature Fund, land manager training positions, and related measures – financial implications

**Table A1: Create a Nature Fund, land manager training positions, and related measures – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
<b>Revenue</b>													
<i>Component 1: Department of the Environment and Energy</i>	8.0	14.0	19.0	21.0	23.0	22.0	23.0	24.0	25.0	26.0	27.0	62.0	231.0
<i>Component 3: Land managers</i>	-	-	21.0	58.0	88.0	112.0	132.0	125.0	97.0	76.0	59.0	79.0	769.0
<b>Total – revenue</b>	<b>8.0</b>	<b>14.0</b>	<b>40.0</b>	<b>79.0</b>	<b>111.0</b>	<b>134.0</b>	<b>155.0</b>	<b>149.0</b>	<b>122.0</b>	<b>102.0</b>	<b>86.0</b>	<b>141.0</b>	<b>1,000.0</b>
<b>Expenses</b>													
<i>Administered</i>													
<i>Component 1: Department of the Environment and Energy</i>	-21.9	-23.5	-23.5	-23.5	-23.5	-23.5	-23.5	-23.5	-23.5	-23.5	-23.5	-92.5	-257.4
<i>Component 2: National Reserve</i>	-152.6	-173.1	-173.1	-173.0	-173.0	-173.0	-173.0	-173.0	-173.0	-173.0	-173.0	-671.7	-1,882.8
<i>Component 3: Land managers</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Component 4: Landscape restoration</i>	-464.0	-483.3	-483.3	-483.3	-483.3	-483.9	-483.9	-483.9	-483.9	-483.9	-483.9	-1,913.9	-5,300.5
<i>Component 5: Invasive species</i>	-129.6	-134.6	-134.6	-134.6	-134.6	-134.6	-134.6	-134.6	-134.6	-134.6	-134.6	-533.5	-1,475.8
<i>Component 6: Threatened species</i>	-421.3	-437.5	-437.5	-437.5	-437.5	-437.5	-437.5	-437.5	-437.5	-437.5	-437.5	-1,733.8	-4,796.3
<i>Component 7: Farming subsidies</i>	-69.6	-76.2	-76.2	-76.2	-76.2	-76.2	-76.2	-76.2	-76.2	-76.2	-76.2	-298.1	-831.5
<i>Component 8: Bushfire mitigation</i>	-8.3	-9.0	-9.0	-	-	-	-	-	-	-	-	-26.4	-26.4
<i>Component 9: National parks</i>	-44.0	-48.0	-50.0	-51.0	-52.0	-53.0	-54.0	-55.0	-56.0	-57.0	-58.9	-193.0	-578.9
<i>Component 10: Commercial fisheries</i>	-53.7	-58.8	-58.8	-58.8	-	-	-	-	-	-	-	-230.1	-230.1
<i>Component 11: Environmental Defenders and Conservation Councils</i>	-9.6	-9.8	-10.0	-10.3	-10.6	-10.8	-11.1	-11.4	-11.7	-11.9	-12.2	-39.8	-119.5
<b>Total – administered</b>	<b>-1,374.6</b>	<b>-1,453.8</b>	<b>-1,456.0</b>	<b>-1,448.2</b>	<b>-1,390.7</b>	<b>-1,392.5</b>	<b>-1,393.8</b>	<b>-1,395.1</b>	<b>-1,396.4</b>	<b>-1,397.6</b>	<b>-1,399.8</b>	<b>-5,732.8</b>	<b>-15,499.2</b>
<i>Departmental</i>													
<i>Component 1: Department of the Environment and Energy</i>	-81.6	-112.0	-137.0	-152.0	-157.0	-121.0	-127.0	-132.0	-137.0	-143.0	-148.7	-482.5	-1,447.8
<i>Component 2: National Reserve</i>	-47.4	-26.9	-26.9	-27.0	-27.0	-27.0	-27.0	-27.0	-27.0	-27.0	-27.0	-128.3	-317.2
<i>Component 3: Land managers</i>	-1.0	-4.0	-72.0	-191.0	-284.0	-356.0	-410.0	-385.0	-298.0	-230.0	-178.0	-268.0	-2,410.0
<i>Component 4: Landscape restoration</i>	-36.0	-16.7	-16.7	-16.7	-16.7	-16.1	-16.1	-16.1	-16.1	-16.1	-16.1	-86.1	-199.5
<i>Component 5: Invasive species</i>	-10.4	-5.4	-5.4	-5.4	-5.4	-5.4	-5.4	-5.4	-5.4	-5.4	-5.4	-26.5	-64.2
<i>Component 6: Threatened species</i>	-33.7	-17.5	-17.5	-17.5	-17.5	-17.5	-17.5	-17.5	-17.5	-17.5	-17.5	-86.2	-208.7
<i>Component 7: Farming subsidies</i>	-10.4	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-21.9	-48.5
<i>Component 8: Bushfire mitigation</i>	-1.2	-0.5	-0.5	-	-	-	-	-	-	-	-	-2.1	-2.1
<i>Component 9: National parks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Component 10: Commercial fisheries</i>	-8.1	-2.9	-2.9	-2.9	-	-	-	-	-	-	-	-16.9	-16.9
<i>Component 11: Environmental Defenders and Conservation Councils</i>	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-1.1	-3.2
<b>Total – departmental</b>	<b>-230.1</b>	<b>-190.0</b>	<b>-283.0</b>	<b>-416.6</b>	<b>-511.7</b>	<b>-547.1</b>	<b>-607.1</b>	<b>-587.1</b>	<b>-505.1</b>	<b>-443.1</b>	<b>-396.8</b>	<b>-1,119.6</b>	<b>-4,718.1</b>
<b>Total – expenses</b>	<b>-1,604.7</b>	<b>-1,643.8</b>	<b>-1,739.0</b>	<b>-1,864.8</b>	<b>-1,902.4</b>	<b>-1,939.6</b>	<b>-2,000.9</b>	<b>-1,982.2</b>	<b>-1,901.5</b>	<b>-1,840.7</b>	<b>-1,796.6</b>	<b>-6,852.4</b>	<b>-20,217.3</b>
<b>Total</b>	<b>-1,596.7</b>	<b>-1,629.8</b>	<b>-1,699.0</b>	<b>-1,785.8</b>	<b>-1,791.4</b>	<b>-1,805.6</b>	<b>-1,845.9</b>	<b>-1,833.2</b>	<b>-1,779.5</b>	<b>-1,738.7</b>	<b>-1,710.6</b>	<b>-6,711.4</b>	<b>-19,217.3</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.

- Indicates nil.