

PROGRAM EVALUATION

# Evaluation of the Crown Land Management Program

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**Evaluation of the Crown Land Management Program**

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**More information**

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# Executive Summary

This publication is part of a series summarising program evaluations to enhance the accountability and transparency of NSW Department of Industry activities. The completed program evaluation template is attached.

## The Crown Land Management Program

The Crown Land Management Program (hereafter the Program) is responsible for the management of 278,000 parcels of Crown land whose total area covers approximately four per cent of the State of NSW. The Program is responsible for ensuring that Crown land is managed in accordance with legislation and within broader community standards and social obligations. The Program is comprised of ten key functions including, for example: bushfire risk mitigation; management of weeds & pests; and planning and assessment functions.

## Objective

In the absence of government intervention, the risk and/or severity of fire, weed and pest threats, contamination and inappropriate development on Crown land would be greater, as would the negative externalities on surrounding landholders and communities. In addition, the NSW Government's reputation could be harmed if it failed to comply with its own legislation relating to land management. Mitigating these adverse risks saves litigation costs, arising from failure to comply with legislation, reduces private losses to Government from damage to public assets, and lessens negative externality spillovers imposed on neighbours and the community. This represents a benefit to the community from the investment in carrying out appropriate land management activities on land for which the NSW Government is the owner.

The objective of the Program is, therefore, to control and manage human-induced and natural risks on Crown land for the economic, social and environmental benefit of the State and the people of NSW.

## Options

The alternative options for pursuing the objective that were considered in the evaluation of the Program included:

- the existing program with an annual budget of approximately \$16.5 million;
- transfer of responsibility of certain management functions, including bushfire mitigation, pest and weed management; and management of derelict mines to other departments or agencies; and
- legislative reform to eliminate the current requirement for land assessments, which duplicate planning control and functions under the *Environmental Planning and Assessment Act 1979* and the establishment of a business centre to investigate and assess remaining landowner (high-risk) consent applications, development applications and proposed planning instruments affecting Crown land.

## Assessment

NSW Department of Industry program evaluations compare the efficiency and effectiveness of alternative options with that of the existing or proposed program. This involves an assessment of the costs and benefits of each option relative to the base case of 'no program' and, where these benefits and costs have been quantified, a comparison of the net benefit and benefit-cost ratio (BCR) of each option.

A qualitative assessment of options to achieve the stated objective was undertaken. The preferred option was Option 3, legislative reform and the establishment of a business centre. Option 3 reduces market distortions from government intervention and would achieve efficiency savings from the creation of a dedicated planning and assessment business centre.

While the existing Program was assessed as providing a net benefit, the option of legislative reform and the establishment of a business centre was assessed as providing at least the same outcomes at possibly a lower cost.

The option of transferring responsibility of certain management functions (Option 2) was assessed as providing a net cost. This option would likely incur increased costs through the complexity of disparate delegated functions.

## Cost Recovery

The evaluation assessed the existing program pricing arrangements relative to the cost recovery principles outlined by the Productivity Commission in its 2001 Inquiry Report on Cost Recovery by Government Agencies.

The evaluation found that the program produces mostly public benefits. Application of the Productivity Commission's cost recovery principles to the existing Program indicates that the cost of program services provided should continue to not be recovered.

However the evaluation found that it is efficient and cost effective to recover costs via a fee on individuals or firms set at 'fully distributed cost' for planning and assessment activities, which produce mostly private benefits. Currently the program recovers some of these costs through fees on planning and assessment activities.

## Performance Measures

Key performance measures and indicators measure program performance and progress towards meeting government policy objectives. They demonstrate how effective a program is in producing the required outputs and achieving the desired outcomes.

The Program's output measures include annual hectares of hazard reduction burning and homes protected, timeliness in respect of planning and assessment decisions and the remediation of three contaminated sites identified as 'high risk' per annum. Examples of the Programs outcome measures include the:

- number of complaints from neighbours of Crown land;
- customer satisfaction survey's relating to neighbours and surrounding communities' satisfaction with the Program's management of issues like bushfires, weeds and pests and contamination; and
- auditing of individual parcels of land to assess legislative compliance.

## Future Evaluations

This is the first evaluation of the Crown Land Management Program as part of the regular Departmental cycle of evaluations informed by the recently superseded NSW Government Evaluation Framework. The evaluation concentrated on the qualitative aspects of 'formative' evaluation to build capacity of program management to monitor program performance in the future - problem identification, program logic and KPI design. Under recent changes to the NSW Government Evaluation Framework, programs will be expected to carry out 'outcome' evaluation, measuring the causal impacts of a program's activities. Data collection will be essential to enable an 'outcome' evaluation when the Program is next scheduled for evaluation under the updated Framework.























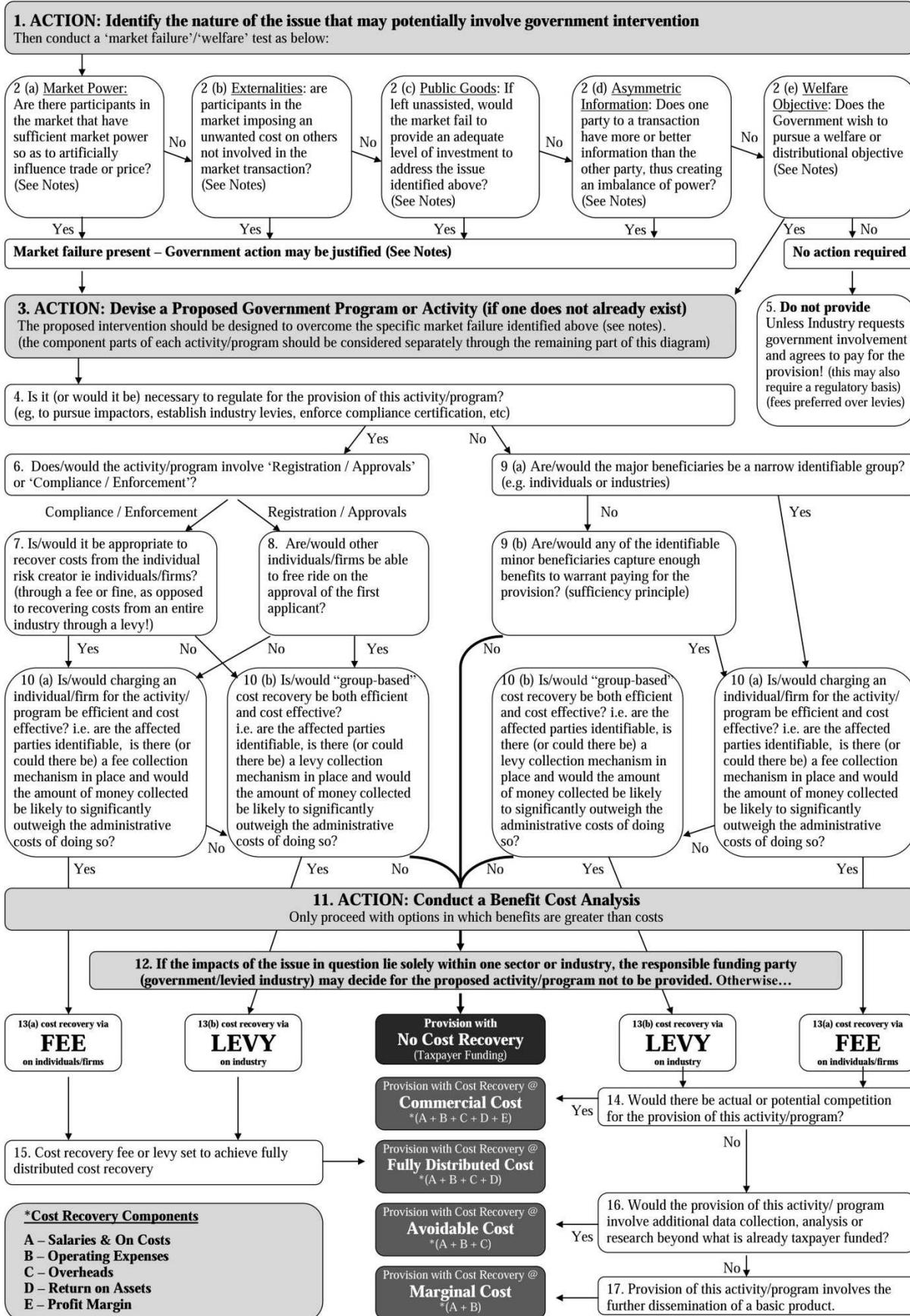








# Appendix A: Cost Recovery Decision Framework







asbestos and waste from Crown land at Pelaw Main, Cessnock. About 1.8km of fire trail was remediated and 338 tons of asbestos, 71 tons of recyclable materials like metals, bricks and concrete, 40 tons of building rubble, 35 tons of general waste, 3 tons of green waste, 7 mattresses and 22 car tyres were removed. Without this program activity there would be ongoing risks to the community from asbestos dust, sharp glass and metal.

## **10. Compliance**

In 2015, there were 222 alleged breaches of Crown lands legislation investigated mainly to relating to unauthorised use and offences like illegal stock grazing, clearing, cultivation, enclosure, dumping and offences connected with Crown roads. It is estimated that each breach represents on average a \$10,000 cost to the community in terms of the price of remediation. If the program did not investigate and prosecute breaches the community cost would total about \$2.22 million. For example in 2009, this program activity prosecuted a landowner for illegal clearing along a Crown road which extended for approximately 1km averaging 30m in width. The offenders were ordered by the Court to rehabilitate approximately  $\frac{1}{2}$  of the cleared road which assuming rehabilitation costs of \$5 per square metre saved the community 15,000 square metres x \$5 = \$75,000.