# Indigenous Ranger Initiative
# Cost Efficiency Review

*October 2017*

Review conducted by Curijo Pty Ltd

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# 1 Executive summary

## 1.1 REVIEW OBJECTIVES

This review was commissioned to understand how the current and future investments in Indigenous rangers can best support project activities and outcomes, and achieve value for money for Government. This review will examine the expenditure of programme funds by grant recipients and the factors that influence these.

## 1.2 METHODOLOGY

This review was a desktop review of a statistically valid sample of projects. Using the Australian Bureau of Statistics sample calculator for a statistically valid sample, 26 projects were randomly chosen. Data was examined for the three years 2013-14, 2014-15, and 2015-16. We concluded that only the 2015-16 year had enough complete data to be able to provide meaningful analysis. From the data cost drivers and measures were derived. These measures were then compared and grouped to determine if patterns could be identified for costs and their associated activities (drivers).

## 1.3 KEY FINDINGS

**Cost profile: wages vs operational**

The review identified that costs fall into two primary categories which when looked at together are material in nature. The following table summarises the types of costs included in each category.

| Wages Costs | Operational Costs |
|---|---|
| <ul><li>Wages paid to staff</li><li>Superannuation</li><li>Workers Compensation insurance</li><li>Allowances (remote, camping, return to home allowance)</li></ul> | <ul><li>Administration and Audit</li><li>Operating costs</li><li>Consultation and Planning</li><li>Training</li><li>Vehicle, Transportation and Maintenance</li></ul> |

**Assets Purchased**

Analysis of the sample data revealed that assets purchased by Ranger projects were only a minor expenditure, less than 4 percent of the overall total expenditure costs for 2015-16.

**Split Between Wages and Operational Costs**

The review found that on average wages costs represented 68 percent of total costs. Approximately two-thirds of the sample fell within +/- 10 percentage points.

**Staffing profile**

For the sample reviewed the following table shows the average staffing costs profile.

| Staffing Profile costs | Ranger | Co-ordinator | Support |
|---|---|---|---|
| Average staffing profile | 80% | 12% | 8% |

Approximately 70% of projects were within 10 percentage points of the average range.

**Staffing Costs**

The costs of staff per Full Time Equivalent in remote areas were found to be on average 15% more than regional areas, primarily due the addition of remote allowances.

**Key drivers for total project cost**

At the highest level, total costs are impacted by:

- **Location** – remote wages and salaries are generally 15% greater

- **Size of area under management** – no material variances were noted in relation to operating costs or wages costs

- **Staffing Profile** – The mix of rangers, co-ordinators and support staff

We provide the above analysis based on a sample of projects. A full analysis should be completed to increase the confidence levels of the findings contained in this report.

> **Recommendation:** An analysis of all the projects should be compiled to verify the conclusions of the sample.