

2020 Election Commitment – Canberra Liberals

Name of Commitment:	Planting One Million Trees	Reference Number: LIB043
Request Submitted by:	Alistair Coe MLA, Canberra Liberals	
Date Request Received:	13-Oct-20	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-213.0	-1,701.0	-3,410.4	-3,418.8	-8,743.2
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	-213.0	-1,701.0	-3,410.4	-3,418.8	-8,743.2
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	-213.0	-1,701.0	-3,410.4	-3,418.8	-8,743.2
Capital Requirement	0.0	0.0	0.0	0.0	0.0
Cash Surplus/Deficit	-213.0	-1,701.0	-3,410.4	-3,418.8	-8,743.2

(a) A negative number indicates a decrease in revenue or an increase in expenses.
(b) Excludes depreciation

Other Information
<p>Costing Methodology Used:</p> <p>- Costing Technique:</p> <p>This costing has been completed using a price by quantity methodology, based on estimates of costs from similar projects in another jurisdiction combined with Treasury benchmarking.</p> <p>- Proposal Parameters:</p> <p>This costing is for the planting of 358,875 trees at a cost per tree of approximately \$24 indexed. The remaining 41,125 trees required to make up the 400,000 in the costing request comprise the following and are not included in this costing:</p> <ul style="list-style-type: none"> • 13,000 trees estimated as yet to be planted from 2019-20 Budget funding for 17,000 trees; • 15,000 trees to be funded through kindergarten vouchers, which are the subject of LIB006 - separately costed at \$20 per tree; and • 13,125 trees estimated as deliverable under existing partnerships with the community and private sector, and assumed to have a nil impact in this costing. • The costing assumes that administrative expenses would be absorbed by the Transport Canberra and City Services Directorate and/or other relevant agencies managing planting and care of the trees. • The proposal would begin in 2020-21, with procurement and planting to commence as soon as practicable. • The proposal would terminate in 2030, although only the costs in the forward estimates period are shown. • Indexation of 1.25 per cent in 2021-22, 1.5 per cent in 2022-23 and 1.75 per cent in 2023-24 has been applied. <p>Caveats or qualifications to the costing:</p> <ul style="list-style-type: none"> • Treasury has benchmarked the proposed funding levels and considers that they would be achievable only if a different approach was taken to current planting methods used by the ACT Government, including; for example: <ul style="list-style-type: none"> - using young plants/tube stock only - using external delivery organisations (including volunteers), and - more streamlined communication with affected communities as the trees are planted. • The costing does not cover consolidation and long-term maintenance of the trees. • Treasury's costing differs from that submitted due to the calculation of indexation. • Treasury's assessment is based on the contract recently entered into between the NSW Government and Landcare NSW. <p>Other Comments:</p> <ul style="list-style-type: none"> • Treasury notes that the stated commitment is for one million trees over ten years, and a further \$15.7 million outside of the forward estimates would be needed based on an additional 600,000 trees being planted (including indexation assumed at 2.5% per annum). • Treasury also notes that while a 2020 NSW Government contract includes purchasing and planting of trees for \$24; the contract is with Landcare NSW Incorporated, and this costing assumes that planting and some maintenance would therefore be undertaken on a volunteer basis. Treasury understands this contract includes the purchase and planting of tube stock, but may not include longer term management. <p>- Statistical Data Used:</p> <p>Recent contract and Treasury estimates</p>



David Nicol
Under Treasurer
15 October 2020