

2024 Election Commitment – ACT Greens

Name of Commitment:	Adapting to climate change	
		Reference Number: GRN006
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	10-Oct-24	
Additional Information Requested (details and date)	Treasury sought clarification on the estimated resourcing required to deliver all elements of the proposed package, and whether funding from other programs is expected to be redirected (11-Oct-24).	
Additional Information Received (details and date)	The ACT Greens clarified that the Chief Heat Officer is intended to be allocated to an existing ACT Public Service position equivalent to 0.3 Full-Time Equivalent (FTE) at the Senior Officer Grade A level. Other measures are estimated to require 0.8 FTE at the Administrative Services Officer (ASO) Class 6 level. This workload will be absorbed within existing staff levels through efficiency improvements and alignment with similar programs (14-Oct-24).	

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-2,500.0	-6,552.5	-6,291.5	-6,306.8	-21,650.8
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	-2,500.0	-6,500.0	-6,000.0	-6,000.0	-21,000.0
- Cost of Financing	0.0	-52.5	-291.5	-306.8	-650.8
Depreciation	0.0	0.0	-25.0	-125.0	-150.0
Net Operating Balance	-2,500.0	-6,552.5	-6,316.5	-6,431.8	-21,800.8
Capital Requirement	0.0	-1,000.0	-4,500.0	0.0	-5,500.0
Cash Surplus/Deficit	-2,500.0	-7,552.5	-10,791.5	-6,306.8	-27,150.8
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
The costing is for a package of measures responding to climate change, including: <ul style="list-style-type: none"> • a fixed dollar amount of \$21.0 million in expense funding over four years from 2024-25 to plant more street trees and boost bushfire preparedness and response capability; and • a fixed dollar amount of \$5.5 million in capital funding over two years from 2025-26 to build more bus shelters and introduce city cooling interventions. <p>The scope of the projects would need to be managed within the fixed level of funding. The proposal also includes a number of measures as part of a package to be delivered within existing resources.</p>

- Proposal Parameters:

The costing assumes:

- successful completion of planting 5,000 trees annually from 2025 and the construction of 200 bus shelters (the construction of bus shelters is anticipated to commence in 2025-26 and take two years to complete).
- administrative expenses associated with the projects would be absorbed by the Environment, Planning and Sustainable Development Directorate (EPSDD), the Transport Canberra and City Services Directorate (TCCS), the ACT Health Directorate and the Justice and Community Safety Directorate (JACS).
- \$500,000 in expense funding in 2025-26 and \$500,000 in capital funding in 2026-27 have been allocated for city cooling measures.
- no indexation has been applied.
- depreciation has been calculated on a straight line basis over a 40-year period.
- cost of financing has been calculated at 5.25 per cent.
- the cost of ongoing measures for street tree planting and bushfire preparedness is estimated at \$6 million per annum from 2028-29.

Caveats or qualifications to the costing:

- Preparation costs for tree planting such as assessing suitable planting sites have been excluded as it has been assumed that this is within the usual business activities of TCCS and can be done with existing agency resources.
- Suitable planting sites may be spread across urban and regional areas. The cost to remove trees to accommodate additional tree plantings has not been included.
- Feasibility, design and any required community consultation costs have not been included and are assumed to be included within the fixed funding envelope.
- Construction timeframes for bus shelters would be dependent on project planning, availability of contractors, delivery locations, site conditions and weather.
- Construction costs for bus shelters could vary based on project management costs such as site costs, demolition costs, compliances, insurances and contingencies.
- Treasury considers that without an explicit saving decision being taken to achieve operational efficiencies, EPSDD may have to reduce or cease existing services to cover the associated administrative costs, estimated to be at least one FTE at the SOG B level and one FTE at the SOG C level.
- Treasury notes that the cost of a Chief Heat Officer to oversee the implementation of heat-wave related preparedness, response and recovery efforts may require additional staff or reprioritisation of existing JACS resourcing, which may impact on the Directorate's ability to deliver other activities.
- Treasury notes that the cost of developing a climate and health strategy may require additional staff or the reprioritisation of existing ACT Health resourcing, which may impact on the Directorate's ability to deliver other activities.

Other Comments:

Treasury's costing differs from that submitted due to depreciation on the bus shelters being calculated over a 40-year period (the costing request had a 20-year period which Treasury considers too short for this asset class).

Treasury's costing differs from that submitted due to the inclusion of cost of financing.

- Statistical Data Used:

Treasury, TCCS and EPSDD estimates.



Stuart Hocking PSM
Under Treasurer
17 October 2024