



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Richard Di Natale
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *National Urban Forests Plan* (letter of 30 June 2016).

The response to this request will be released on the PBO website (www.pbo.gov.au).

If you have any queries about this costing, please contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

30 June 2016



Policy costing—during the caretaker period for the 2016 general election

Name of proposal:	National Urban Forests Plan
Summary of proposal:	<p>The proposal would establish a green streets package with the long term goal of creating a healthy and protected Urban National Park in every Australian major city, comprised of a series of significant protected bushland areas, connected together by metropolitan scale greenways (or urban forests), green streets and household backyards across the metropolitan area.</p> <p>This package is comprised of a number of components; components 1 to 8 being 10 year grant programs not subject to indexation with departmental expenditure funded from within the specified capped amounts.</p> <p><u>Component 1: Urban Forest Acquisition Fund</u></p> <ul style="list-style-type: none">• \$15.0 million per year to enable the states to purchase areas of high conservation value natural habitat in urban areas, particularly areas under direct threat from development or neglect. <p><u>Component 2: Community Grants</u></p> <ul style="list-style-type: none">• \$5.0 million per year to enable local communities to contribute to the greenways through precinct scale or neighbourhood scale plantings or infrastructure such as amphitheatres, interpretive centres and walking trails. <p><u>Component 3: Household Grants</u></p> <ul style="list-style-type: none">• \$1.0 million per year to subsidise local area biodiversity plantings in front verges and backyards, to enable households to directly link in to the local greenway; made available via local Landcare groups, local councils and native nurseries. <p><u>Component 4: Urban Forest Plans</u></p> <ul style="list-style-type: none">• \$1.0 million per year to assist states and local councils develop their local Urban Forest Plans including mapping and planning linkage.

	<p><u>Component 5: Aboriginal Stewardship committees</u></p> <ul style="list-style-type: none"> • \$2.0 million per year to establish an Aboriginal Stewardship committee in each state to steer planning and mapping of the greenways networks, and to engage Aboriginal businesses to develop cultural trails and deliver cultural, education and eco-tourism programs. <p><u>Component 6: Ongoing maintenance</u></p> <ul style="list-style-type: none"> • \$1.0 million per year for ongoing maintenance – including tree audits every three years to measure canopy cover and health, and an interactive website with mapping tools and education resources. <p><u>Component 7: Federal moratorium on clearing</u></p> <ul style="list-style-type: none"> • \$2.0 million per year to introduce a federal moratorium on clearing of urban bushland until each city has completed a strategic environmental assessment and an assessment by the Threatened Species Commissioner. <p><u>Component 8: Urban Biodiversity Taskforce</u></p> <ul style="list-style-type: none"> • \$2.0 million per year to establish an Urban Biodiversity Taskforce within the Major Cities Unit, responsible for coordinating the greenways initiative from a planning and infrastructure perspective. <p><u>Component 9: Urban National Park category</u></p> <ul style="list-style-type: none"> • add an Urban National Park category (consisting of a series of interlinked urban forests and greenways) to our National Reserve System, affording it maximum protection and status possible in Australian law. <p>This proposal would commence on 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	30 June 2016
Date costing request received:	30 June 2016
Date costing completed:	30 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

The proposal would decrease both the fiscal and underlying cash balances by \$116.2 million over the 2016-17 Budget forward estimate period. This impact reflects an increase in administered expenses of \$110.5 million and in departmental expenses of \$5.7 million.

The proposal would be expected to have an impact beyond the 2016-17 Budget forward estimates period. The estimated financial implications over 2016-17 to 2026-27 for the total (Table A1) and by component (Tables A2-10) are included at [Attachment A](#).

The costing is considered to be of high reliability as it is based on specified capped amounts and the application of administrative costs based on similar programs.

Table 1: Financial implications (outturn prices)^(a)

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-29.2	-29.0	-29.0	-29.0	-116.2
Underlying cash balance	-29.2	-29.0	-29.0	-29.0	-116.2

(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

It has been assumed that:

- the full allocation of funding would be provided over the 10 months of 2016-17 from the commencement date of 1 September 2016
- the package would be administered by the Department of the Environment.

Methodology

Components 1-8

Departmental expenditure estimates are based on other like initiatives and estimates account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices. The impact of the proposal on administered expenditure was derived by subtracting the departmental expenditure from the specified capped amount.

Component 9

The proposal for an Urban National Park category within the National Reserve System involves departmental expenditure only and has been costed as additional to the capped grant package.

Data source

The Department of Finance provided indexation and efficiency dividend parameters.

Attachment A: National Urban Forests Plan—financial implications

Table A1: Combined impact of all components—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-27.6	-27.6	-27.6	-27.6	-110.5	-110.5	-27.6	-27.6	-27.6	-27.6	-27.6	-27.6	-386.5
Departmental	-1.6	-1.4	-1.4	-1.4	-5.7	-5.7	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-19.8
Total	-29.2	-29.0	-29.0	-29.0	-116.2	-116.2	-29.0	-29.0	-29.0	-29.0	-29.0	-29.0	-406.3

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A2: Component 1: Urban Forest Acquisition Fund—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-14.4	-14.4	-14.4	-14.4	-57.6	-14.4	-14.4	-14.4	-14.4	-14.4	-14.4	-14.4	-158.3
Departmental	-0.6	-0.6	-0.6	-0.6	-2.4	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-6.7
Total	-15.0	-15.0	-15.0	-15.0	-60.0	-15.0	-15.0	-15.0	-15.0	-15.0	-15.0	-15.0	-165.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A3: Component 2: Community Grants—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-4.6	-4.6	-4.6	-4.6	-18.5	-4.6	-4.6	-4.6	-4.6	-4.6	-4.6	-4.6	-50.7
Departmental	-0.4	-0.4	-0.4	-0.4	-1.5	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-4.3
Total	-5.0	-5.0	-5.0	-5.0	-20.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-55.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A4: Component 3: Household Grants—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-0.9	-0.9	-0.9	-0.9	-3.8	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-10.4
Departmental	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
Total	-1.0	-1.0	-1.0	-1.0	-4.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-11.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A5: Component 4: Urban Forest Plans—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-0.9	-0.9	-0.9	-0.9	-3.8	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-10.4
Departmental	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
Total	-1.0	-1.0	-1.0	-1.0	-4.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-11.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A6: Component 5: Aboriginal Stewardship committees—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-1.9	-1.9	-1.9	-1.9	-7.7	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-21.1
Departmental	-0.1	-0.1	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.9
Total	-2.0	-2.0	-2.0	-2.0	-8.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-22.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A7: Component 6: Ongoing maintenance—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-0.9	-0.9	-0.9	-0.9	-3.8	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-10.4
Departmental	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
Total	-1.0	-1.0	-1.0	-1.0	-4.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-11.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A8: Component 7: Federal moratorium on clearing—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-1.9	-1.9	-1.9	-1.9	-7.7	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-21.1
Departmental	-0.1	-0.1	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.9
Total	-2.0	-2.0	-2.0	-2.0	-8.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-22.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A9: Component 8: Urban Biodiversity Taskforce—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-1.9	-1.9	-1.9	-1.9	-7.7	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-21.1
Departmental	-0.1	-0.1	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.9
Total	-2.0	-2.0	-2.0	-2.0	-8.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-22.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A10: Component 9: Urban National Park category—Financial implications(a)(b)

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental	-0.2	-	-	-	-0.2	-	-	-	-	-	-	-	-0.2
Total	-0.2	-	-	-	-0.2	-	-	-	-	-	-	-	-0.2

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.