



# Kristina Keneally MP

Friday, 11<sup>th</sup> March 2011

Mr Tony Harris  
Acting Parliamentary Budget Officer  
NSW Parliament  
Macquarie Street  
SYDNEY NSW 2000

11/3  
3-20pm

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the following announced policies:

- *Iconic Central Coast Walking Track*
- *Iconic Walking Path for Illawarra Families*
- *Climate Change: A Liveable Western Sydney – One Million Trees*
- *Sydney East Drug Court*
- *Boost for Children and Adults with Hearing Loss*
- *New Youth Centre in Arncliffe Park*
- *Historic Parramatta School to Become Western Sydney Arts Precinct*

This policy document includes commitments under Section 18(2) of the Act, specifically:

- *Iconic Central Coast Walking Track*
- *Iconic Walking Path for Illawarra Families*
- *Climate Change: A Liveable Western Sydney – One Million Trees*
- *Sydney East Drug Court*
- *Boost for Children and Adults with Hearing Loss*
- *New Youth Centre in Arncliffe Park*
- *Historic Parramatta School to Become Western Sydney Arts Precinct*

Please find attached a copy of this policy outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

A copy of the NSW Treasury costing and budget impact statement for the policy has also been included for your reference.

Should you require any further information on this request, please contact my office on (02) 9228-5239.

Yours sincerely

**Kristina Keneally**  
Premier of NSW  
Leader of NSW Labor Party



### CLIMATE CHANGE: A LIVEABLE WESTERN SYDNEY – ONE MILLION TREES

Sunday 27 February 2011

**A re-elected Keneally Government will plant one million trees across Western Sydney by 2015 – as part of a \$10 million fund.**

**It will be in partnership with community and environmental organisations such as Greening Australia – which has put forward a similar unsolicited proposal to the NSW Government.**

Labor's plan is based on similar global initiatives including New York City, Toronto, Tokyo and Los Angeles.

Set up in May 2006, *milliontreesLA* increased tree cover from 20 per cent to 27 per cent and generated \$100 million in electricity savings. New York City has set a one million tree target by 2017.

NSW Premier Kristina Keneally said: "Greening Australia has done outstanding work in this area and we would like to develop and expand on their expertise – possibly in partnership with them."

The NSW Government will work with key researchers to identify priority areas – with a focus on re-forestation of the Western Sydney Regional Parklands and urban conservation corridors such as Ropes and South Creeks between Blacktown and Penrith.

The remainder would involve greening up urban streetscapes in conjunction with local councils.

Western Sydney now has so much exposed paved surface, temperatures have risen markedly in the region – the annual summer maximum in Western Sydney is now six to eight degrees higher than it was in the 1960s.

The number of days with temperatures or more than 35 degrees a year has increased 250 per cent in Western Sydney since the 1960s, but only 22 per cent in the city.<sup>1</sup>

"The lack of tree cover in Western Sydney means residents are experiencing a hotter climate already and this will only get worse with climate change," Ms Keneally said.

"More families in Western Sydney will have to rely on air-conditioners than the rest of the City, increasing their bills.

"Dramatically expanding tree cover will improve the health and quality of life of residents in Western Sydney, as well as ease electricity demand and cost-of-living.

"While we have a plan to create a clean, green Western Sydney, the Opposition leader Barry O'Farrell's vision is urban sprawl – with thousands of more cars on the road.

"Mr O'Farrell is a climate change denier. Just like Tony Abbott, Mr O'Farrell says he does not believe climate change is real.

"Well, putting your head in the sand isn't going to make the problem of a carbon constrained future go away."

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<sup>1</sup> 'The Urban Heat Effect and Western Sydney' Greening Australia Research Paper

**Background Notes:**

- Trees clean the air by filtering a wide range of pollutants with a significant knock-on effect for sufferers of asthma and other respiratory disease.
- Trees deliver a pronounced cooling effect.
- Tree cover can cool ground temperatures by as much as eight degrees – this is because paved surfaces such as roads and roofs absorb and then radiate heat from sunshine.
- Tree cover shades these surfaces, and trees respond to sunshine by allowing moisture from the ground to evaporate through their leaves, cooling the air. There is a big difference whether sunshine hits concrete or hits greenery.

## Costing of Proposal

<b>Title/Subject:</b>	Living Western Sydney
<b>Pink/Physical ID:</b>	EA1642080
<b>Proposal by:</b>	Government
<b>Agency:</b>	Department of Environment, Climate Change and Water
<b>Cluster:</b>	Environment, Climate Change and Water
<b>Detailed description:</b>	A re-elected Keneally Government will spend \$10 million over the next four years to dramatically expand tree cover in Western Sydney.
<b>FIS No:</b> 486	
<b>Classification:</b> GGB	

### General Government Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Expenses (incl. depreciation)		2,500	2,500	2,500	2,500	
Less Agency Offsets (1)						
Less Agency Revenue						
Less Crown Provisions						
<b>Budget Result Impact</b>	0	-2,500	-2,500	-2,500	-2,500	0
						<b>Residual</b>
Capital Expenditure						
Less Capital Offsets (1)						
<b>Net Capital Cost</b>	0	0	0	0	0	0
Depreciation						
<b>Net Lending (2)</b>	0	-2,500	-2,500	-2,500	-2,500	

### Public Trading Enterprises Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Revenues						
Expenses						
<b>Operating Result</b>	0	0	0	0	0	0
						<b>Residual</b>
Capital Expenditure						
Less Capital Offsets (1)						
<b>Net Capital Cost</b>	0	0	0	0	0	0
Depreciation						
<b>Net Lending (2)</b>	0	0	0	0	0	

### Accumulated Net Financial Liabilities as at 30 June (3)

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	2,500	5,000	7,500	10,000
Total State Sector	0	2,500	5,000	7,500	10,000

(1) Includes items such as available funding within existing estimates, expenditure offsets, recurrent savings associated with capital projects, linked assets sales.

(2) Equal to Budget Result or Operating Result Impact plus Net Capital Cost.

(3) Equals cumulative Net Lending Impact. Total State Sector equals sum of General Government and PTE (and PFE) sectors.

**Key costing assumptions**

The proposal is to spend \$10 million over 4 years to green Western Sydney using the services of Greening Australia (GA). Advice from the Minister for Climate Change and the Environment's Office (Minister's Office) indicates that expenditure will begin in 2011-12 and be spread evenly over the 4 years. The Minister's expectation is that the proposal would be funded with additional resources rather than from existing programs. It is assumed that the partnership with GA can be managed within the existing resources of the responsible agencies namely the Department of Environment, Climate Change and Water and the Office of Western Sydney.

**Key data**

N/A

**Caveats or qualifications**


The Minister's Office advised that GA would have the capacity to deliver this commitment through its volunteer network and infrastructure. GA delivers over 5,000 volunteer-work hours annually allowing greening projects to be delivered cost-effectively to government. However, the Minister's Office has not confirmed this proposal with GA. According to the GA 2009-10 financial statements, operational expenditure countrywide was around \$22m. This proposal represents an 11.4% increase in operations targeted at a limited geographical area (Western Sydney). If GA cannot ramp up activities, this could alter the proposed expenditure profile and program delivery.

**Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)**

According to the Minister's Office, GA currently has similar smaller contracts with other state agencies such as the Western Sydney Parklands Trust and the Land and Property Management Authority. This could provide a model for the larger project being proposed.

**Other comments (including explanation where Treasury costing differs from agency or PBO estimates)**

The Minister's Office advised that it will be meeting with GA to confirm this proposal on 23 February 2011. This meeting should provide a better indication of GA's capacity to deliver this project.

Position	Name and extension	Signature	Date
Analyst(s)	Erik Aranda (5208)		
in consultation with	Minh Nguyen (4432)		
Director	Lindsey Williams		
Deputy Secretary	Matt Roberts		22/2/11