

JOINT SELECT COMMITTEE ON SYDNEY'S NIGHT TIME ECONOMY

LEGISLATIVE ASSEMBLY

Treasury responses to Questions on Notice

Question 1

Has a cost-benefit analysis, or other evaluation, been undertaken to examine the effect of the various measures put in place by the suite of legislation in 2014 which aimed to encourage the responsible intake of alcohol?

Answer

- In August 2016, Treasury's former Centre for Program Evaluation completed the 'Evaluation of the Sydney CBD Entertainment Precinct Plan of Management' which examined the development of the Plan and evaluated the Plan's process, outcomes and economic components. The report is available on the Treasury website at <https://www.treasury.nsw.gov.au/sites/default/files/2017-04/Sydney%20CBD%20Entertainment%20Precinct%20Plan%20of%20Management.pdf>.
- The 'Evaluation of the Sydney CBD Entertainment Precinct Plan of Management' included the use of a cost-benefit analysis to assess the magnitude and value of policy impacts to individuals, businesses, government and the community. The economic evaluation showed that the Plan had successfully delivered a net benefit to the NSW community (with 3.6 BCR and \$29.8 million NPV in the cost-benefit analysis).

Question 2

Are there plans to conduct a cost-benefit analysis, or other evaluation, of these measures?

Answer

- The Government's response to the recommendations of the Audit Office report "Implementation of the NSW Government's program evaluation initiative" has led to changes in how the government evaluates programs.
 - The responsibility for evaluation now rests with implementing agencies.
 - The Centre for Program Evaluation has been reconfigured into the Centre for Evidence and Evaluation (CEE). CEE was established by NSW Treasury to work with agencies to build agency capacity to generate quality evidence.
 - CEE developed the *NSW Guide to Cost-Benefit Analysis* and the *NSW Government Program Evaluation Guidelines* to provide support to agencies to ensure evidence used to support public-sector decision-making is of high quality and consistent.
 - Different government agencies have examined from different perspectives the various aspects of the suite of reforms introduced in 2014. For example:
 - Liquor and Gaming NSW's 'Evaluation of the Incident Register requirement' evaluated the requirement for some licensed venues to maintain an incident register (Feb 2019).
 - NSW Bureau of Crime Statistics and Research report on 'The effect of lockout and last drinks laws on non-domestic assaults in Sydney: An update to September 2016' assessed the longer-term effects of the 2014 NSW liquor law reforms on levels of violence in the inner Sydney area (Feb 2017).
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Question 3

What information would the Centre for Program Evaluation need to conduct an evaluation of these measures?

Answer

- CEE performs three key functions to support agency evaluations:
 - To set the standards for agencies to follow, for example through the *NSW Guide to Cost-Benefit Analysis* and the *NSW Government Program Evaluation Guidelines*.
 - To work with agencies to build capacity to apply those standards consistently across the public sector.
 - To assess evaluations conducted by agencies.
 - Consistent with Treasury Circular *TC18-03 Program Evaluation*, all agencies are expected to conduct periodic evaluations of their programs, both existing and new, to assess their continued relevance, relationship to government and cluster priorities, and efficiency and effectiveness in delivering outcomes.
 - For an evaluation of measures of this nature, the *NSW Guide to Cost-Benefit Analysis* and the *NSW Government Program Evaluation Guidelines* state the following types of information should be considered for each key type of evaluation:
 - Process evaluation looks at how a program is delivered, describing the program's current operating conditions and identifying processes hindering success. Process evaluation typically uses recognised business and process analysis techniques. Depending on the type of program, it may require information from document reviews, surveys, individual or group interviews and any administrative program data analysis.
 - Outcome evaluation seeks to verify a causal link between pre-defined program activities and outcomes. The methodologies for this can be divided into three main groups, experimental, quasi-experimental and nonexperimental designs. Experimental and quasi-experimental designs need careful planning and, usually, ethics approval. While potentially costlier than non-experimental designs, they give much stronger evidence of program effectiveness.
 - Economic evaluation assigns a value to a program's inputs and outcomes. Therefore, a quality economic evaluation can only be done when a program is producing reliable results data that can be valued. This requires planning for data collection for the purpose of an economic evaluation, before program implementation. Economic evaluation requires specialist evaluators who can choose suitable valuation methods and identify the inputs and benefits to which an economic, social or environmental value can be assigned.
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