



Kristina Keneally MP

Monday, 21st March 2011

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

2/3
11am

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 *Safer Communities- Early intervention for young offenders* policy, which has been publicly announced.

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

- Create an expanded youth command in the NSW Police Force
- Create a whole of government early intervention system
- Provide more support for PCYCs including \$4 million in government funding to fix up ageing clubs which are not receiving sufficient funding from charitable and other funding sources.
- Extend the current CREDIT (Court Referral of Eligible Defendants Into Treatment) trial program in Burwood and Tamworth to their local children's court – which currently refers adult at-risk offenders to rehabilitative programs and services.

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



Safer Communities:

Early intervention for
young offenders



March 2011

NSW
Labor

Kristina
Keneally

Safer communities: early intervention for young offenders

I know that parenting is a tough job and that most families succeed in teaching their kids respect for our laws.

But a small minority of young people will get into trouble with the law. With punishment, but without intervention or rehabilitation, it is often these same people who will go on to become serious criminals.

So getting to these kids early with good, strong and decisive action can make the difference between a misspent youth, and a wasted life.

Backed by strong laws and tough powers, our police are doing a great job fighting youth crime – and juvenile crime rates are going down in several categories.

But to keep improving on these results, early intervention is the answer.

Dealing with the sort of things that can cause young people to be led astray – drugs, alcohol, poor school attendance and problems at home – is a huge task. It is one that requires us to work hand in hand with police and local communities; to develop local solutions to local problems.

But it is challenge we must pursue, because evidence shows that confronting problem behaviour early has a real impact in reducing and preventing the reoccurrence of crime.

Intervening with young offenders early will therefore not only lead to a reduction in juvenile crime, but reduce the number of adult criminals in the future.



This is about making our communities safer today, and much safer in future.

Kristina Leneally

What this policy means for our community

The NSW Government will give police officers greater powers and the discretion to refer young offenders into early intervention programs that will target their offending behaviour and move them away from a life of crime.

Experienced police officers have dealt closely with young offenders for many years, and know how to best respond to their needs and behaviour. They have first-hand experience.

Young people make up 26 per cent of all persons of interest proceeded against by NSW Police. Like most crime in NSW, crime by juveniles has been mostly stable or falling in recent years.

Between January 2008 and December 2009, the recorded number of juvenile offenders proceeded against by the NSW Police Force for violent offences remained stable. Over the same time, the number of juveniles proceeded against for property offences decreased by 11 per cent¹.

Australian Institute of Criminology statistics show the majority of young offenders (81 per cent) are male, and Indigenous juveniles are over-represented (17 per cent, compared with 2.2 per cent of the population).

The types of offences committed by juveniles vary. Property crimes (29 per cent) are the most common, followed by crimes against the person (12 per cent), assault (8 per cent) and robbery (2 per cent).

However, it's important to increase resources to keep driving the juvenile crime rate down further because still more than 68 per cent of young offenders reappear in a NSW criminal court within eight years and 13 per cent enter an adult prison.

This is much higher for Indigenous offenders and those whose first court appearance occurred when they were relatively young.

The Director of the Bureau of Crime Statistics and Research, Dr Don Weatherburn, has said that the Bureau's studies show the critical importance of intervening as early as possible to break the cycle of juvenile crime.

¹ Bureau of Crime Statistics and Research, *Is Juvenile Crime Increasing?*, available at www.bocsar.nsw.gov.au

But we have a duty to examine and implement new ways to reduce juvenile offenders and help them into rehabilitation, if it is appropriate.

There are now more police on our streets and the Government is backing them with tough laws to punish serious and repeat juvenile offenders.

Together with the NSW Government's recent \$750 million investment in family and child support services in Community Services through the *Keep Them Safe* initiative, we are well on track to keep driving down rates of juvenile offending.

But a relatively small group of repeat juvenile offenders are committing a disproportionately high amount of youth crime. It is often these individuals who are at risk of becoming adult career criminals.

NSW Labor remains committed to tackling the causes of this repeat juvenile offending through early intervention. We want to keep working with local communities, families and police to have troubled youths and their families confront issues like drug and alcohol addiction, poor schooling, mental health problems and poor parenting.

Evidence shows that addressing these sorts of problems early has a real impact on reducing and preventing the occurrence of repeat criminal behaviour.² Forcing more young offenders to get on, and stay on, the straight and narrow will therefore not only lead to a further reduction in juvenile crime, but reduce the number of adult criminals in the future.

NSW Labor's plan to tackle youth crime will make our community an even safer place for everyone to live.

² See, for example, Steve Aos, Jim Mayfield, Marna Miller, Wei Yen, 'Evidence-based Treatment of Alcohol, Drug, and Mental Health Disorders: Potential Benefits, Costs, and Fiscal Impacts for Washington State', (2006), Washington State Institute for Public Policy.

ACTION:

An expanded NSW Police Youth Command

- Create an expanded youth command in the NSW Police Force to focus on the unique and difficult nature of juvenile offending. It will comprise 240 officers – 40 School Liaison Officers as part of our police number commitment, 80 drawn from existing ranks of School Liaison Police and Youth Liaison Officers and the 120 officers in the existing Youth Command.
- The Youth Command will conduct hot spot controls in areas where young people are at a risk of engaging in anti-social behaviour and committing offences.

An early intervention system for young repeat offenders

- Provide \$37.3 million to create a whole of government early intervention system
- Five part intervention plan comprises - Establishing eligibility; Identifying support; Partnering with families; Support services; and Evaluation and includes:
 - increased powers for police to refer young offenders at risk of reoffending into programs after several warnings, and
 - targeting the most likely young repeat offenders, and involve all relevant government departments.

Provide more support for PCYCs including an extra \$4 million to fix up ageing clubs and run programs and \$1.16 million to provide an extra eight police officer for PCYCs

- Provide more support for PCYCs including \$4 million in government funding to fix up ageing clubs which are not receiving sufficient funding from charitable and other funding sources.
- Provide \$1.16 million to fund an extra eight police officers for PCYCs in Bateau Bay, Lithgow, Dubbo, Balmain, Bidwill, Marrickville, Bourke and Port Stephens.

Extend rehabilitative programs in Burwood and Tamworth to their Children's Court – the CREDIT (Court Referral of Eligible Defendants Into Treatment) program

- Extend the current CREDIT (Court Referral of Eligible Defendants Into Treatment) trial program in Burwood and Tamworth to their local children's court – which currently refers adult at-risk offenders to rehabilitative programs and services.

Labor and tackling youth crime

A re-elected Keneally Government will continue to reduce crime rates among young people.

It is an approach that includes both appropriate punishments for criminal juveniles and tailored and effective rehabilitative programs to break the cycle.

The goal is to create a safer community, and a more just NSW. That's what the citizens of NSW deserve and what Labor will deliver.

We now have tough laws in place to deal with the sorts of offences that are commonly committed by young people.

In Government, NSW Labor has introduced Graffiti Clean-Up orders and doubled penalties for graffiti offences, brought in new offences to deal with problems like rock-throwing, and increased penalties for other existing offences like recklessly causing grievous bodily harm.

Serious juvenile offenders are now being sentenced to detention or forced to make up for their crimes through the performance of community service work.

Victims have also been given a greater role in the process through new laws which allow Victim Impact Statements to be made in the Children's Court, and the introduction of Youth Justice Conferencing, which forces young offenders to confront their victims.

But we also need to confront the causes of the offending behaviour of young people who get into trouble with the law, and it is vital that there are laws and services in place that allow this to happen.

NSW Labor has recently brought forward several innovative initiatives. We have introduced the \$1.4 million Youth Conduct Orders program, which provides intensive case management for troubled youths and their families, and given the Children's Court the power to order juvenile offenders to participate in education or employment programs as an alternative to community service.

We also have new programs in our Juvenile Detention Centres, including Alcohol and Other Drugs Programs, Sex Offender Rehabilitation Programs, and Violent Offending Programs.

In addition, we also have Indigenous-focused programs such as *Dthina Yuwali* and *Our Journey to Respect*, which use culturally appropriate and effective strategies to reduce reoffending.

Our Challenges

Tackling the causes of juvenile offending is a difficult undertaking. Troubled youths who get caught in a cycle of offending often face a range of different problems, including drug and alcohol addiction, mental health issues, poor education and school attendance as well as challenges at home and accommodation needs.

Sadly, when many young people have committed a criminal offence, these problems are already entrenched. Getting a young person and their family to confront and overcome these issues can be both costly and difficult. Having them stay on the straight and narrow can be even harder.

Therefore, we need to provide our courts with laws so they can force juvenile offenders and their families to confront these problems as well as providing resources for innovative programs and initiatives in the community that have proven track records in addressing these problems, and ultimately, reducing rates of juvenile reoffending.

Our Juvenile Justice Centres function, in some respects, like facilities operated for the adult population. They are secure, modern, humane, correctional facilities, compliant with or exceeding national and international standards and treaties.

But in other respects, juvenile justice centres are different, owing to the particular needs of younger people.

Juveniles have different offending profiles when compared with adults, at least in part as a result of incomplete brain development.

Scientific research demonstrates that children's brains are still developing in ways that affect their impulse control and their ability to choose between anti-social behaviour and socially acceptable courses of action.

This does not mean that people under 18 are not culpable. It means that for all the reasons the law treats juveniles differently to adults when assessing culpability, the Government should treat them differently when it comes to punishment and rehabilitation. We do, and we will.

Aboriginal and Torres Strait Islander young people are significantly over represented in the criminal justice system. Significant long term progress in reducing reoffending will depend on the achievement of targets under Closing the Gap, especially Aboriginal employment, but also health and education outcomes.

Labor is to face these challenges with resources, fortitude, and evidence-based strategies.

Our Record

LABOR

- Over a recent two year period, incidents of property crime involving young offenders fell by 11 per cent and rates of violent juvenile crime were stabilised.
- Introduced a trial of new Youth Conduct Orders, which can include strict limitations on a juvenile's movement and behaviour and force them to confront issues like drug and alcohol dependence
- Gave the Children's Court the power to order juvenile offenders to participate in employment, education and behavioural programs as punishment.
- Introduced Victims Impact Statements in the Children's Court
- Recently provided an additional \$1.8 million in funding for Youth Justice Conferencing, which forces offenders to confront their victims
- Invested more than \$100 million since 1995 in capital infrastructure to rebuild or refurbish juvenile justice centres and to install or upgrade fencing and cameras.
- Improved training and resources for staff, including ongoing behaviour management to enhance skills in dealing with violent detainees.
- The implementation of case management in centres has improved communication between staff and detainees, which provides appropriate channels for detainees to discuss issues and concerns and has a substantial influence on detainee behaviour.
- Tightening leave eligibility and the introduction of the Objective Classification System for detainees has also significantly reduced the number of escapes.

OPPOSITION

- Barry O'Farrell has announced that he would remove graffiti offences from the ambit of the Young Offenders Act – studies show that juveniles dealt with under this Act are less likely to reoffend.³
- The Shadow Attorney General has said that he would amend the Bail Act to allow juvenile offenders to make unlimited repeat application for bail in the same court⁴ – this would encourage the insidious practice of 'judge shopping'
- The Shadow Police Minister is opposed to giving victims a say through Youth Justice Conferencing – he thinks that 'having to face your victim and apologise no longer holds much weight for either the apprentice criminal or the victim.'⁵

³ NSW Coalition, *Make NSW Number 1 Again*, p64.

⁴ 'Coalition would change Bail Act', *Sydney Morning Herald*, 18 October 2010.

⁵ The Hon Mike Gallacher MLC, Letter to the Editor, *Newcastle Herald*, 15 May 2008.

An expanded NSW Police Youth Command

An expanded Youth Command within NSW Police will ensure our commitments to reduce juvenile crime are implemented by specialist police working on the ground in Local Area Commands.

The Youth Command would also conduct Hot Spot Controls in areas where young people are at a risk of engaging in anti-social behaviour and committing offences.

The following structural changes will occur in the NSW Police Chain of Command:

- Merge School Liaison Police (SLPs) and Youth Liaison Officers (YLOs) within the Youth Command.
- Keep the existing process whereby SLPs and YLOs are allocated to Local Area Commands (LACs), but streamlining the coordination of these officers.
- SLPs, YLOs and Youth Command Managers (YCMs) would collectively continue to case manage at-risk youth or repeat offenders and continue to work with teachers in providing educational and developmental programs in school.
- The Youth Command would have a dedicated Policy Team to track the success of the programs and operations conducted.

The Youth Command would comprise 240 officers – 40 School Liaison Officers as part of our police number commitment, 80 drawn from existing ranks of School Liaison Police and Youth Liaison Officers and the 120 officers of the existing Youth Command.

An expanded Youth Command within NSW Police will ensure our commitments to reduce juvenile crime are implemented by specialist police working on the ground in Local Area Commands.

ACTION:

- Create an expanded youth command in the NSW Police Force to focus on the unique and difficult nature of juvenile offending. It will comprise 240 officers – 40 School Liaison Officers as part of our police number commitment, 80 drawn from existing ranks of School Liaison Police and Youth Liaison Officers and the 120 officers from the existing Youth Command.
- The Youth Command will conduct hot spot controls in areas where young people are at a risk of engaging in anti-social behaviour and committing offences.

An early intervention system for young repeat offenders

When it comes to young people, evidence shows that intervening early will often prevent re-offending, and result in reductions in illicit drug use, teen pregnancy, domestic violence, dependency on government assistance, and improved mental health outcomes across the board.

Backed up by tough penalties to deter and punish repeat and serious offenders, a re-elected Keneally Government will introduce a dynamic whole of government early intervention system.

The system will maximise the benefits of early intervention for NSW, operating across the state, targeting the most likely repeat offenders and involving all relevant government departments.

The system will consist of five parts.

1. Establishing eligibility

Police officers from the Youth Command will identify young people based on their third contact with police (three cautions or the equivalent including any combination of cautioning, conferencing or court appearances) and young people under 10 that have had three "person of interest" contacts recorded by Police.

Police will also have the discretion to nominate young people aged 10-17 on their second contact. It is estimated (based on BOCSAR research) that each year around 2,707 young people, most aged between 8-15 years old, will be identified.

2. Identifying support

Based on information provided by police, officers from the Department of Human Services in the Child Wellbeing Unit will undertake an initial risk assessment to identify those young people that are likely to reoffend.

It is estimated that 73 per cent (approximately 1,975) of the young people that are assessed will progress to a detailed needs assessment per year.

3. Partnering with families

The detailed needs assessment will be conducted by a Human Services case co-ordinator. Based on the outcome of the needs analysis the case co-ordinator will engage with the young person and their family to offer the support services.

It is estimated an engagement rate of 75 per cent will be achieved. This translates to approximately 1,500 young people per year.

4. Support services

The co-ordinator will continue to work with service providers to case manage the support young people and families receive. Local early intervention services will be contracted in each area. The services will include those that address drug and alcohol addiction, mental health problems, poor schooling, bad parenting and accommodation needs.

5. Evaluation

To ensure continued improvement and accountability, BOCSAR will be engaged to evaluate the effectiveness of the system. Internal performance management will also be included in case co-ordination procedures.

It is estimated the system will prevent at least 38 per cent of participants or 570 youths from re-offending per year. The savings for the taxpayer are estimated to be considerable. Savings of \$17.5 million are expected over the first five years, generated through avoided crime and detention, and \$10 million a year going forward. In addition, there will be sizeable indirect financial benefits to other government agencies such as Health, Community Services and Housing, with less youths requiring support from these services.

ACTION:

- Provide \$37.3 million to create a whole of government early intervention system
- Five part intervention plan comprises - Establishing eligibility; Identifying support; Partnering with families; Support services; and Evaluation and includes:
 - increased powers for police to refer young offenders at risk of reoffending into programs after several warnings, and
 - targeting the most likely young repeat offenders, and involve all relevant government departments.

Provide more support for PCYCs including an extra \$4 million to fix up ageing clubs and run programs and \$1.16 million to provide an extra eight police officers for PCYCs

Throughout NSW, PCYCs do a tremendous job of getting young people into sport, programs and other activities.

A re-elected Keneally Labor Government is dedicated to working with our PCYCs to engage troubled youths in programs and activities that will help them stay on the straight and narrow.

We will also increase funding to staff at PCYCs from \$14.6 million each year in salaries to PCYC youth case managers by an extra \$1.16 million to provide an extra eight police officers.

Fix up ageing clubs

In NSW, there are 59 PCYCs which present a major cost in terms of capital upkeep. Ageing clubs in particular are a significant issue and to get these clubs back into good working order.

A re-elected Keneally Labor Government will provide \$4 million to PCYC to help fund their repairs. This will ensure they can continue their vital youth engagement and crime prevention role in those areas.

Currently, PCYCs seek other sources of funding for this work but have not been able to provide sufficient resources to match their need.

Target troubled youths

New funding will be provided to develop and provide programs which target the causes of juvenile offending behaviour. This would include the following early intervention programs designed to engage at risk youth:

Indigenous projects

Programs for a number of regional and country clubs with significant indigenous populations will be funded in the areas of vacation care for children in communities with high abuse risks and school attendance based reward programs, including a focus on activities that combine health and fitness goals.

The clubs include Bourke, Wellington, Kempsey, Nowra, Cowra, Moree, Gunnedah, and Parkes.

Graffiti Offender Program

Funding a coordinator for a set of youth targeted graffiti education materials modelled on traffic offender programs for use in offender case conferencing and education programs.

Alternate Classroom/Suspension Programs

Department of Education auspiced alternate classroom and school suspension programs: PCYC will provide a strong partnership focused on school return or completion for students with behaviour issues.

Boost PCYC police numbers

Already, the NSW Government provides 127 police officers to PCYCs who case manage about 500 young people and work towards reducing offending behaviour.

Youth engagement with police officers is key to the success of the PCYC program. Bateau Bay, Lithgow, Dubbo, Balmain, Bidwill, Marrickville, Bourke and Port Stephens have been identified as areas in need of a further police officer to ensure sufficient police engagement and a greater impact on juvenile crime.

A re-elected Keneally Labor Government will make this possible through the provision \$1.16 million for eight additional police officers - one for each of PCYC.

These eight police officers will be able to manage a minimum case load of around 48 offenders per year with an offence level of approximately 144 offences, and will be able to reduce that offence level by around 101 offences or 70 per cent a year - a significant further reduction in juvenile crime in those areas.

ACTION:

- Provide more support for PCYCs including an extra \$4 million to fix up ageing clubs
- Provide \$1.16 million to fund an extra eight police officers for PCYCs in Bateau Bay, Lithgow, Dubbo, Balmain, Bidwill, Marrickville, Bourke and Port Stephens

New rehabilitative programs in the Children's Court

The Court Referral of Eligible Defendants Into Treatment (CREDIT) program aims to reduce re-offending among lower level adult offenders.

Currently, it is being trialled at Burwood and Tamworth Local Courts.

We plan to extend the current CREDIT program in Burwood and Tamworth to their local children's court – which currently refers adult at-risk offenders to rehabilitative programs and services.

Feedback and reports from caseworkers, participants and Local Court magistrates suggests that CREDIT is already working well to turn around the lives of many chronic adult re-offenders.

Modelled on New York's Community Court program, it aims to identify criminal defendants who are at high risk of reoffending and steer them into treatment programs and social services to address problems like drug, alcohol and gambling addictions to help reduce the likelihood of re-offending.

There is strong evidence to suggest that addressing these factors can achieve significant results in reducing rates of reoffending.

CREDIT uses a computer-based screening process, developed by the NSW Bureau of Crime Statistics and Research, to identify defendants who might be eligible to participate.

Using information such as age, gender, the offence and prior criminal record, the program is able to predict individuals at high risk of re-offending with a high degree of accuracy. Anyone identified as high risk will be invited to voluntarily take part.

A face-to-face interview follows to pinpoint the underlying issues related to the defendant's behaviour and determine if they are suitable for ongoing participation. This process ensures the program's resources are dedicated to those most likely to otherwise reoffend.

While the program is voluntary, defendants have a strong incentive to take part in the program and to take it seriously. Involvement in CREDIT might signify a defendant's commitment to getting their lives in order. This can then be considered favourably by the court at sentencing.

ACTION

- Extend the current CREDIT (Court Referral of Eligible Defendants Into Treatment) trial program in Burwood and Tamworth to their local children's court – which currently refers adult at-risk offenders to rehabilitative programs and services.



www.kristinakeneally.com.au



Costing of Proposal

Title/Subject:	Treasurer's Office Costing Request - Young Offenders Policy (Early Intervention System)
Pink/Physical ID:	EA1640362
Proposal by:	Government
Agency:	Department of Human Services
Cluster:	Human Services
Detailed description:	A new early intervention system to prevent young people from entering crime and custody. The young people will be referred from the Police to the Department of Human Services (DHS) Child Wellbeing Unit after 2 contacts with the justice system. A risk assessment will determine which of those young people are referred to DHS case coordinators for the offer of services on a voluntary basis, based on a needs assessment. Services are to be provided by NGOs.
FIS No: 406	
Classification: 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)	1,985	7,582	15,270	14,857	14,881	14,881
Less Agency Offsets (1)	208	9,700	9,115	11,357	13,440	15,524
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	-1,777	2,118	-6,155	-3,500	-1,441	643
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	-1,777	2,118	-6,155	-3,500	-1,441	

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						
Operating Result	0	0	0	0	0	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	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	1,777	-341	5,814	9,314	10,755
Total State Sector	1,777	-341	5,814	9,314	10,755

(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

1500 young people are assumed to access services through the system. The costings for salaries and infrastructure have been provided by DHS (attachment 1). The unit costs for the services are based on average unit costs for similar services in other jurisdictions (attachment 2). Savings to DHS-Juvenile Justice (JJ) are included in the agency offset amounts and are based on a projected reduction in young people entering custody (38%). NOTE: Ongoing agency offsets are based on the 2015-16 savings to DHS-JJ modelled by the agency as well as the mid year report forecasts for DHS-JJ in 2014-15.

Key data

2006 BOCSAR and NSW Police figures are used to estimate the total number of young people to be referred (2707). Of these 73% are expected to be assessed at the first stage as requiring services and be referred to a DHS case coordinator. 75% of those referred to a case coordinator are expected to voluntarily accept services based on take up rates of other voluntary services provided by DHS. Literature reviews of effective services in other jurisdictions have been used to project the success of the services to be offered (38% - attachment 2).

Caveats or qualifications

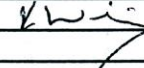


The services and places required by the cohort (attachment 2) are based on the results of a Service Inventory conducted on young people in custody who had 2 prior contacts with the justice system as taken from the June 2010 NSW Reoffending Database and may not reflect the needs of the cohort which are expected to be younger and at an earlier stage of offending behaviour. The unit costs have been estimated based on information from other jurisdictions and may differ from the costs of providing such services in NSW. Similarly, the success of the services is projected based on reviews of similar services in other jurisdictions.

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

The first stage of the implementation in 4 sites only should be monitored and evaluated before the system is expanded State-wide, including the impact of the system on police practices and the numbers of referrals. If appropriate, the criteria for referral should be adjusted to 3 contacts with the justice system to ensure higher costs are not incurred. Similarly, the effectiveness of the services must be monitored to ensure savings are realised.

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

NOTE: Agency Offsets include both the savings to DHS-JJ to be realised from the system as well as the mid year forecasts for DHS-JJ. Savings to other agencies such as NSW Police and the Department of Justice and Attorney General are expected to be significant (attachment 1). These agencies should develop benefits realisation plans to ensure Government realises those savings.

Position	Name and extension	Signature	Date
Analyst(s)	K Winning		17/2/11
in consultation with			
Director	Judy O'Connell		
Deputy Secretary	Caralee McLiesh		17/2

Costing of Proposal

Title/Subject:	PCYC Capital Funding
Pink/Physical ID:	EA1640329
Proposal by:	Government
Agency:	NSW Police Force
Cluster:	Police and Emergency Services
Detailed description:	An allocation of \$1million per annum for the maintenance of existing PCYC centres and the construction of one new facility each year. Two additional police officers will be deployed to work in the new centres as they are built.
FIS No: 250	
Classification: 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)		1,230	1,472	1,726	1,992	
Less Agency Offsets (1)		230	472	726	992	992
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	0	-1,000	-1,000	-1,000	-1,000	992
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	-1,000	-1,000	-1,000	-1,000	

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						
Operating Result	0	0	0	0	0	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	0	0	0	0	

Accumulated Net Financial Liabilities as at 30 June (3)

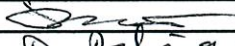

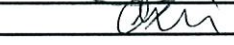

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	1,000	2,000	3,000	4,000
Total State Sector	0	1,000	2,000	3,000	4,000

(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
Additional support of \$1 million per annum as a capital grant to PCYC for 4 years only (confirmed with Minister's Office).
Two additional police officers will be deployed to work in new PCYC centres each year from 2011-12 to 2014-15. The costs of the additional officers have been shown as an agency offset as they are included in the separately costed proposal to increase police numbers (refer EA1640338 - Recurrent Allocation Police Numbers).
Key data
Additional General Duties Officers have been costed at an average annual rate of \$115,000 (2011-12\$) based on longstanding Treasury/Police officer funding benchmarks. Escalation has been applied at 2.5 per cent per annum.
Caveats or qualifications
Nil.
Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)
Nil
Other comments (including explanation where Treasury costing differs from agency or PBO estimates)
Nil

Position	Name and extension	Signature	Date
Analyst(s)	Kenny Lau x5379		18/2/2011
in consultation with	Dimitri Deligiannis		18/2/11
Director	Brian Cheney		18/2/11
Deputy Secretary	Caralee McLiesh		18/2

Costing of Proposal

Title/Subject:	Young Offenders Policy (CREDIT)
Pink/Physical ID:	EA1640367
Proposal by:	Government
Agency:	Department of Justice and Attorney General
Cluster:	Justice and Attorney General
Detailed description:	To expand DJAG's CREDIT (Court Referral of Eligible Defendants Into Treatment) trial program to the Children's Court.
FIS No: 186	
Classification: GGB	CREDIT currently refers adult at-risk offenders to rehabilitative programs and services..

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)	278	284	291	297	304	
Less Agency Offsets (1)	0	0	0	0	0	
Less Agency Revenue	0	0	0	0	0	
Less Crown Provisions	0	0	0	0	0	
Budget Result Impact	-278	-284	-291	-297	-304	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	-278	-284	-291	-297	-304	

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						
Operating Result	0	0	0	0	0	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	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	278	562	853	1,150	1,454
Total State Sector	278	562	853	1,150	1,454

(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 Attorney's Office has advised that this service can be provided by three officers at Grade 5/6 within the Department of Justice and Attorney General. This has been costed at \$70,480 per annum, plus 20% on-costs. These costings also include \$30,000 per annum in brokerage costs.

Key data

Escalation has been applied at 2.5 per cent per annum.

Caveats or qualifications

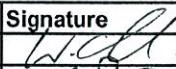
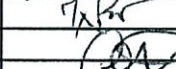
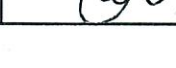

Nil.

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

Nil

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

Note that on the advice of the Attorney's Office this costing differs from the proposal to spend \$500,000 per annum. The costing is limited to the funds necessary to provide the service.

Position	Name and extension	Signature	Date
Analyst(s)	Warwick Gainsford		24.02.11
in consultation with	Wohoro Ndohho / DIM1		
Director	Brian Cheney		24.2.2011
Deputy Secretary	Caralee McLiesh		24/2