



# 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



### THREE DRUG COURTS IN NSW – WESTERN SYDNEY, HUNTER AND NOW SYDNEY'S EAST

Monday 7 March 2011

**A re-elected Keneally Government will invest \$6.3 million in a new Drug Court for Sydney's East – building upon the highly successful Western Sydney model. It will be the State's third.**

Premier Kristina Keneally and Attorney General John Hatzistergos made the announcement today with Minister for the Hunter and Member for Newcastle, Jodi McKay, while opening the new Hunter Drug Court in Toronto.

At that announcement, they revealed that there would be a third drug court – in Sydney's east at the Downing Centre.

**Since 1999, the Western Sydney Drug Court has diverted thousands of drug-dependent offenders into supervised and intensive treatment to eliminate their drug dependence.**

**More than 50 per cent of participants have not returned to jail.**

"If we can break an offender's dependence on drugs, we can help them break the drug-crime cycle and reduce the overall rates of reoffending," Ms Keneally said.

"Under the Drug Court program, offenders undergo intensive drug treatment and rehabilitation whilst being subject to strict supervision, including regular urinalysis. Those who fail to comply risk being sent to prison.

"The evidence shows that Drug Courts assist drug addicts through treatment and help drive down crime in the community.

"The NSW Government last year signed off on \$3.7 million in annual funding to make the Drug Court a reality for the Hunter.

"We are backing that up with a commitment, if re-elected, to provide \$6.3 million for a Drug Court to be established in Sydney East."

**A landmark study by the NSW Bureau of Crime Statistics found offenders who complete the Drug Court program are 37 per cent less likely to be convicted of any further offence.**

**It also found that offenders were 58 per cent less likely to be convicted of another drug offence.**

Attorney General John Hatzistergos said studies have shown that the Drug Court has been highly successful at reducing reoffending for drug-related crime in Western Sydney.

"The Drug Court has proven more cost-effective than prison in reducing re-offending rates among people who have committed drug-related crime," Mr Hatzistergos said.

"The Western Sydney Drug Court has been highly successful but has not been able to cover the whole Sydney basin.

"Labor's commitment to a Sydney East Drug Court will ensure coverage of the program extends work to break that cycle of crime and drug dependency."

Ms McKay said the expansion of the Drug Court to the Hunter was a major step forward for crime prevention in the region.

"We know criminals addicted to drugs often commit crimes to fund their addiction," Ms McKay said.

"By helping them break their addiction to drugs, we can help them break their addiction to crime.

"The Hunter Drug Court builds on the Keneally Government's \$94 million investment in Newcastle's court complex.

"The Hunter Drug Court is currently based at the Toronto Courthouse and it is anticipated that it will relocate to the planned Newcastle Justice Precinct upon its completion."

## Costing of Proposal

<b>Title/Subject:</b>	Sydney East Drug Court
<b>Pink/Physical ID:</b>	EA1644013
<b>Proposal by:</b>	Government
<b>Agency:</b>	Department of Justice and Attorney General
<b>Cluster:</b>	Justice and Attorney General
<b>Detailed description:</b>	Establishment of a Drug Court to cover the Sydney East area. This will fund 120 places, creating an avenue for drug-dependent offenders to access treatment and reduce their likelihood of reoffending.
<b>FIS No:</b> 186	
<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)	0	0	0	0	3,154	6,465
Less Agency Offsets (1)	0	0	0	0	0	0
Less Agency Revenue	0	0	0	0	0	0
Less Crown Provisions	0	0	0	0	0	0
<b>Budget Result Impact</b>	0	0	0	0	-3,154	-6,465
						<b>Residual</b>
Capital Expenditure	0	0	0	0	0	0
Less Capital Offsets (1)	0	0	0	0	0	0
<b>Net Capital Cost</b>	0	0	0	0	0	0
Depreciation	0	0	0	0	0	
<b>Net Lending (2)</b>	0	0	0	0	-3,154	

### 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	0	0	0	3,154
Total State Sector	0	0	0	0	3,154

(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.

<b>Key costing assumptions</b>
This costing is based on the funding provided for the establishment of the Hunter Drug Court (80 positions per annum), scaled up to accommodate 120 positions per annum. It is assumed that the new Court will be accommodated within existing facilities.
<b>Key data</b>
Nil.
<b>Caveats or qualifications</b>
Escalation of 2.5% per annum has been included. Note that the Court is expected to continue to operate at half capacity for 2015-16, costing \$3.233 million. The ongoing costs figure represents the ongoing cost of the Court operating at full capacity. Costing includes services provided across a number of agencies. It is assumed the existing operating model for the Drug Court will continue to be used.
<b>Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)</b>
Nil.
<b>Other comments (including explanation where Treasury costing differs from agency or PBO estimates)</b>
Nil.

Position	Name and extension	Signature	Date
Analyst(s)	Warwick Gainsford		4.3.2011
in consultation with	Dimitrios Deligiannis		4/3/11
Director	Brian Cheney		4.3.11
Deputy Secretary	Caralee McLiesh		4/3/11