



# Cost-Benefit Analysis of the Drug and Alcohol Sentencing List

**Final Report**

Justice and Community Safety Directorate  
(ACT Government)



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19 August 2024

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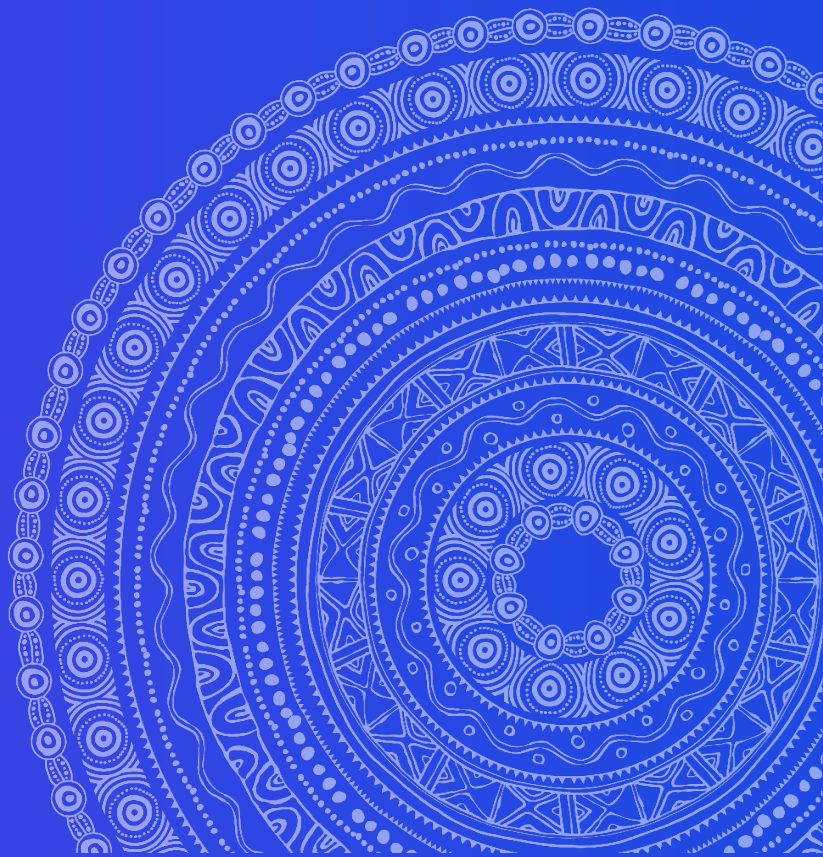
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We acknowledge the Traditional Owners of the land where we gather today and each day and pay respect to Elders past and present and to emerging community leaders. We also acknowledge the important role of Aboriginal and Torres Strait Islander people within Australian Retirement Trust and KPMG and the communities we work with.

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# Glossary

Term / Acronym	Definition
<b>ACT</b>	Australian Capital Territory
<b>AIC</b>	Australian Institute of Criminology
<b>AIHW</b>	Australian Institute of Health and Welfare
<b>ANU</b>	Australian National University
<b>AOD</b>	Alcohol and other drugs
<b>ATOD</b>	Alcohol, tobacco and other drugs
<b>ATODA</b>	Alcohol Tobacco and Other Drug Association
<b>ATOP</b>	Australian Treatment Outcomes Profile
<b>BCR</b>	Benefit cost ratio
<b>CBA</b>	Cost-benefit analysis
<b>CHS</b>	Canberra Health Services
<b>CIT</b>	Canberra Institute of Technology
<b>Community work</b>	Unpaid work in the community, usually for non-profit organisations, providing the opportunity for you to give back to the community for the offences you have committed through socially valuable work.
<b>Completion</b>	When a participant reaches the end of the treatment and supervision component of their DATO.
<b>CYPS</b>	Child and Youth Protection Services
<b>DASL</b>	Drug and Alcohol Sentencing List
<b>DATO</b>	Drug and Alcohol Treatment Order
<b>DPP</b>	Director of Public Prosecutions
<b>Exit plan</b>	A written plan to support a participant to transition off the treatment and supervision component of their DATO.
<b>GBO</b>	Good behaviour order
<b>Graduation</b>	Successful completion of all the requirements of the treatment and supervision component of a DATO.
<b>Incentives</b>	Positive reinforcement for behaviours that will assist participants to progress through the treatment and supervision component of their DATO.
<b>JACS</b>	Justice and Community Safety Directorate
<b>JHP</b>	Justice Housing Program
<b>Judge</b>	Reference to 'judge' in the context of this report refers to all judges within the ACT Supreme Court.
<b>Mainstream court</b>	Mainstream courts focus primarily on the resolution of legal problems by producing a legal outcome such as a sentence or judgment.
<b>NPV</b>	Net Present Value
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>Participant</b>	An offender on a DATO.

<b>Term / Acronym</b>	<b>Definition</b>
<b>Recidivism</b>	Recidivism refers to repeated criminal activity and is synonymous with terms such as 'repeat offending' and 'reoffending'.
<b>RoGS</b>	Report on Government Services – Productivity Commission
<b>Sanctions</b>	Consequences participants receive for behaviours that are not positively contributing to their recovery and progress during the treatment and supervision component of a DATO.
<b>SD</b>	Standard deviation
<b>TOT</b>	Treatment Order Team
<b>Urinalysis</b>	Urinalysis is the testing of urine for drugs and/or alcohol.

# Executive Summary



# 1 Executive Summary

## 1.1 Purpose

The Australian Capital Territory (ACT) Government has set a goal to reducing recidivism by 25 per cent by 2025. In 2019 the ACT Government established the Drug and Alcohol Sentencing List (DASL) to support delivery of this goal. The investment was designed to support the implementation of more justice and community safety programs oriented around therapeutic intervention, rehabilitation and social reintegration.

The DASL provides a therapeutic justice pathway for the most vulnerable citizens before the courts within the ACT, targeting individuals who have encountered extensive periods of offending behaviour and substance use. Based on evidence-based therapeutic intervention model best-practice and guidelines,<sup>1, 2</sup> the DASL delivers an integrated and individually tailored program that utilises a judicial-led multidisciplinary team of health and justice professionals known as the Treatment Order Team (TOT).

Previous evaluation activities undertaken by the Australian National University (ANU) have highlighted the success of the DASL program, with a preliminary economic assessment of DASL estimating up to \$14 million in cost savings for the ACT Government, due to avoided prison time.<sup>3</sup>

In late 2023, the Justice and Community Safety Directorate (JACS) commissioned KPMG to conduct a cost benefit analysis (CBA) of the ACT DASL to support further evaluation of the program and inform future investment. The CBA is informed by better practice methods and aligned to key economic appraisal frameworks. This draft final CBA report outlines the full results of the CBA, including a final benefit cost ratio (BCR), as well as describing broader identified benefits, in order to support the ACT Government's current and future policy and funding decision making processes.

## 1.2 CBA findings

The CBA was split into two main streams:

1. The core CBA, which utilised proven CBA methodology to examine the DASL costs against benefits achieved from avoided cost of custody, avoided cost of crime, and reduced recidivism.
2. Cost-effectiveness analysis of a broader set of qualitative benefits including, social and community engagement, health and wellbeing outcomes and education and employment benefits.

### Core CBA

The core CBA identified an overall **Net Present Value (NPV) of \$-3.5M** and a resulting **BCR of 0.87** for the period 2019 to 2023, meaning that the quantified benefits of DASL are not yet outweighing the costs. This is not surprising given the relatively short duration of the program (starting in 2019) and the higher establishment costs incurred during this period.

**Benefit results are more favourable on a year-on-year basis and could reasonably be expected to continue to be realised over time as the program matures and more individuals participate in DASL, with the program expected to reach a 1 BCR.**

When considering the year-on-year benefits achieved across the program, the program benefits are consistently increasing, with annual benefits outweighing costs from 2021. This suggests that the program is moving towards sustainability as the program moves beyond the costly inception years, as reflected in Figure 1. If the trajectory from 2021 continues, it is anticipated that future years will have a BCR of 1 or greater. This projected trend towards

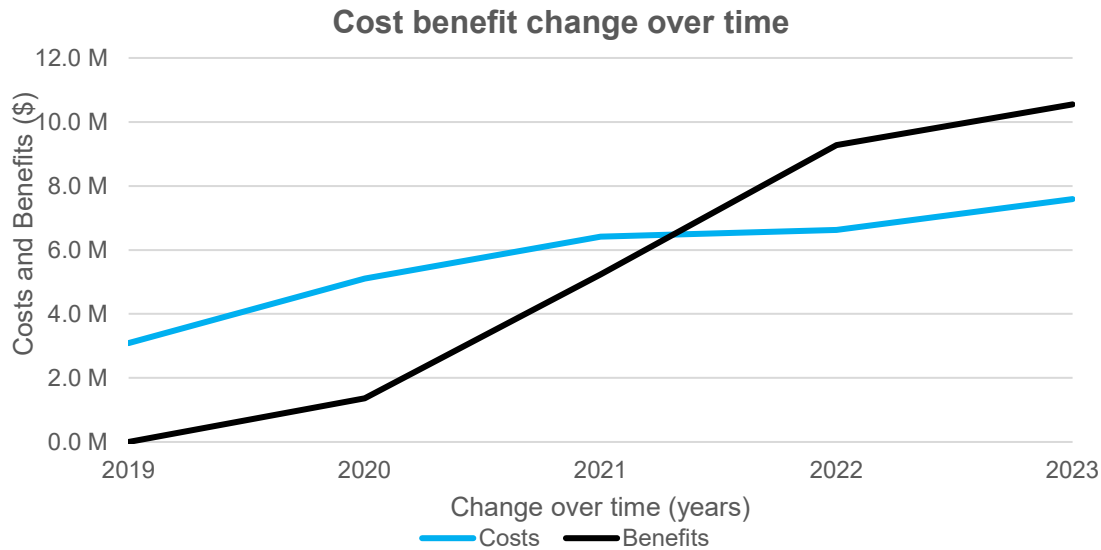
1 Bull, M. (2005). A comparative review of best practice guidelines for the diversion of drug related offenders. *International journal of drug policy*, 16(4), 223-234.

2 Richardson, E., Spencer, P., & Wexler, D. B. (2016). The international framework for court excellence and therapeutic jurisprudence: Creating excellent courts and enhancing wellbeing.

3 Rossner, M., Bartels, L., Gelb, K., Wong, G., Payne, J., & Scott-Palmer, S. (2022). ACT Drug and Alcohol Sentencing List: Process and Outcome Evaluation Final Report. Available at: [https://www.courts.act.gov.au/\\_data/assets/pdf\\_file/0003/2054640/ACT-Drug-and-Alcohol-Sentencing-List\\_Final-Report.pdf](https://www.courts.act.gov.au/_data/assets/pdf_file/0003/2054640/ACT-Drug-and-Alcohol-Sentencing-List_Final-Report.pdf)

a positive BCR is dependant on projected program performance. Particular factors which would enable this include consistent cost structures, stable levels of demand and program uptake and consistency in program outcomes.

Figure 1: Indicative DASL costs and benefits change over time.



Source: KPMG 2024.

The overall CBA was arrived at using the following quantified costs and benefits:




<b>\$26.8M</b>	<b>\$22.7M</b>	<b>\$0.01M</b>	<b>\$0.6M</b>
Program costs	Avoided cost of custody	Avoided cost of crime	Reduced recidivism

It should be noted that these quantified benefits relate to avoided costs, as distinct from justice system savings. Further detail on the quantification process is provided in section 4: CBA framework.

### Qualitative benefits

DASL also achieves a variety of additional benefits which are unable to be incorporated into the core CBA due to data limitations. However, the cost-effectiveness of the program in supporting these benefits is described and monetised where possible.

Figure 2: Qualitative benefits.

 <p><b>Social and community engagement</b></p>	 <p><b>Health and wellbeing outcomes</b></p>	 <p><b>Education and employment outcomes</b></p>
<p>The DASL program is supporting participants to enhance prosocial behaviours which is demonstrated through improved relationships, family reunification, and a reduction in violence.</p>	<p>DASL is leading to economic benefits associated with reduced substance use, and improvements in physical health, psychological health, quality of life and stable housing. These benefits are largely associated with reduced burden of disease as demonstrated through reduced service use and increased economic participation.</p>	<p>DASL has led to economic benefits associated with labour surplus, as a result of DASL participants being supported to engage in education and employment.</p>

Source: KPMG



When the BCR trajectory and qualitative benefits are considered together, it is evident that DASL is achieving significant avoided costs and economic benefits for the ACT Government and community.

## 1.3 Future considerations

The CBA process identified a small number of opportunities to enhance the ACT Government’s capacity to continue to monitor the benefits of DASL and to enhance DASLs ongoing economic benefit. It is noted that DASL relies on the collaboration of a large group of government and non-government partners who are core to the success of the program. It will be beneficial for JACS to continue facilitating this collaboration, including setting clear roles and responsibilities and governance structures to successfully drive the future of DASL in the ACT, and in implementing these opportunities for improvement.

The following table outlines the opportunities for enhancement of the DASL program related to an analysis of the program’s costs and benefits:

Table 1: Summary of opportunities for improvement

 <p><b>Enhance the DASL monitoring and measurement capability</b> by building an ongoing evidence base for the DASL in the ACT, that includes more detailed monitoring and measurement of participant outcomes through improved data collection. This may include the development of a comprehensive monitoring and evaluation framework, including a detailed data matrix. Opportunities to adopt this approach more broadly across the ACT justice system will allow for more comparative data across cohorts, enabling deeper cost benefit analysis into the future.</p>	 <p>DASL is associated with a range of benefits to the individual and to government. <b>There are opportunities to build on these benefits by exploring options to expand DASL participant numbers.</b> One way this may be achieved is by undertaking a feasibility study to identify whether the scope of DASL could be expanded to the Magistrates Court.</p>
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Source: KPMG

# Introduction



## 2 Introduction

The Drug and Alcohol Sentencing List (DASL) provides a therapeutic justice pathway for the most vulnerable citizens before the courts within the Australian Capital Territory (ACT), targeting individuals who have encountered extensive periods of offending behaviour and substance use. Previous evaluation activities undertaken by the Australian National University (ANU) have highlighted the success of the DASL program, with a preliminary economic assessment of DASL estimating up to \$14 million in cost savings for the ACT Government, due to avoided prison time.<sup>3</sup>

A Cost Benefit Analysis (CBA) of the ACT DASL is required to support further evaluation of the program. The CBA is informed by better practice methods and aligned to key economic appraisal frameworks. This Final CBA Report and future considerations is designed to support the ACT Government's current and future policy and funding decision making processes.

### 2.1 Background

The ACT DASL was established in 2019 by the ACT Government delivering on its commitments under the Parliamentary Agreement for the 9<sup>th</sup> Legislative Assembly to support Reducing Recidivism by 25 percent by 2025.

The intent of the model is to adopt a rehabilitative and problem-solving approach to serious offenders with a dependency on drug and/or alcohol through targeted supports and intervention. The implementation of the DASL formed part of a \$132 million investment by the ACT Government to attempt to address the underlying causes of recidivism within the ACT. The investment was designed to establish and implement more justice and community safety programs oriented around therapeutic intervention, rehabilitation and social reintegration.

Based on evidence-based therapeutic intervention model best-practice and guidelines,<sup>1,2</sup> the DASL delivers an integrated and individually tailored program that utilises a judicial-led multidisciplinary team of health and justice professionals. The multidisciplinary team is referred to as the Treatment Order Team (TOT) which supports participants by providing intensive case management methods as part of a Drug and Alcohol Treatment Order (DATO), aiming to support the building of personal resilience and prosocial capabilities that empower participants to make real and positive changes across life domains.

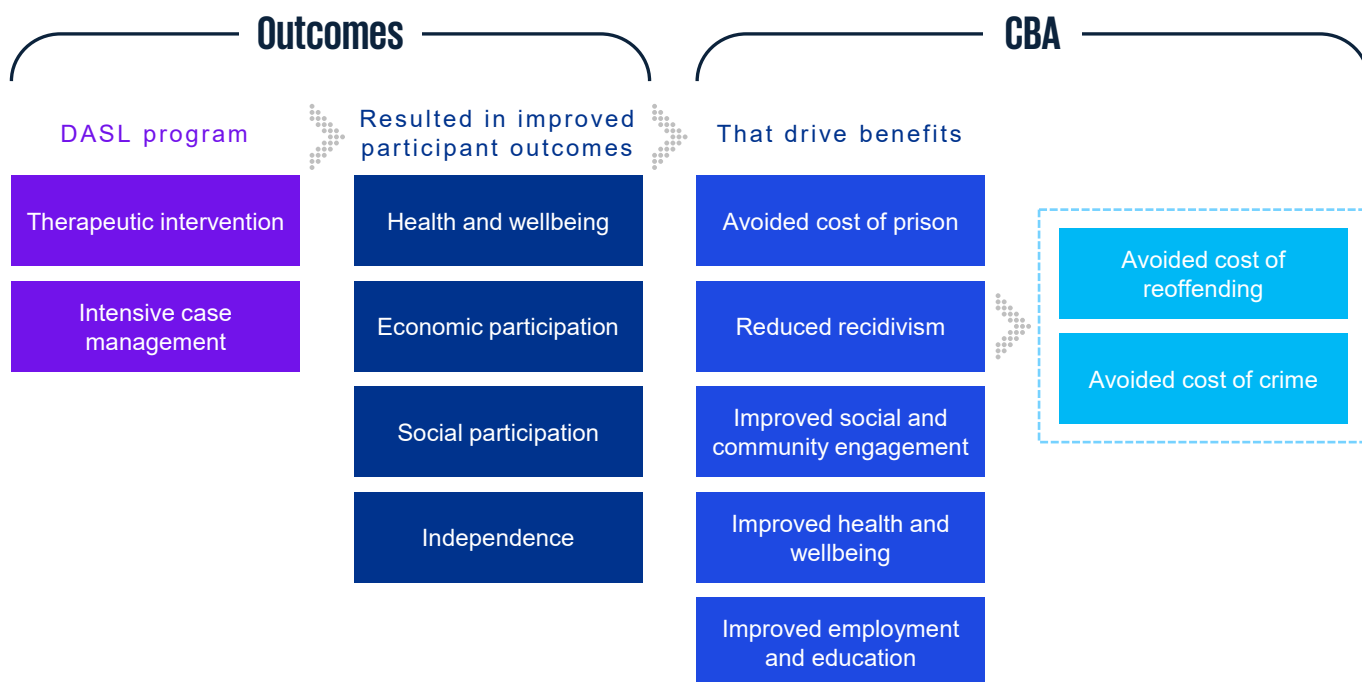
As an alternative court referral pathway, the DASL demonstrates the practical application of the therapeutic jurisprudence concept. Many participants referred to the DASL present with histories of complex substance use patterns and high criminogenic needs that are magnified by intersecting mental health issues and histories of social exclusion, requiring greater intervention and support than what can typically be accessed for therapeutic needs in mainstream court and corrections settings. While drug court programs have a growing evidence base across Australian jurisdictions and internationally, adoption of the program model is relatively new to the ACT, requiring the ACT Government to assess the value proposition of the DASL as the alcohol and other drug landscape in the ACT continues to evolve, calling for prioritisation of therapeutic justice pathways and decriminalisation.

ANU conducted a process and outcome evaluation of the ACT DASL between 2019 and 2022 to assess the fidelity of the program model and its key outcomes. Findings from the report highlighted the success of the DASL program in supporting a reduction in recidivism rates by diverting participants from imprisonment and into therapeutic treatment for their alcohol and substance use.<sup>3</sup> The report indicatively found cost savings related to time in custody of up to \$14 million. The report analysis also supported the following findings:

- improvements to participant substance use and offending behaviours,
- improved prosocial outcomes and broader life domains, including employment, family reunification and individual wellbeing,
- high-level analysis indicating cost-savings for Government due to avoided prison time.

To support further evaluation of the DASL, KPMG was engaged by the Justice and Community Safety (JACS) Directorate to undertake an independent cost-benefit analysis (CBA) of the program in line with the needs and requirements of JACS and the ACT Government. Figure 3 describes the intersection of the outcomes evaluation and this CBA.

Figure 3: Relationship between outcomes and the CBA.



Source: KPMG 2024.

## 2.2 Project scope

The primary objective of this project was to undertake a CBA of the DASL to support existing evaluation activities of the program. The CBA sought to quantify and measure the benefits to known outcomes for DASL participants and other stakeholders of the program.

The DASL CBA aims to provide additional supporting analysis for previous evaluation activities undertaken by the ANU of the DASL. The avoided costs approach taken for this project is a whole-of-ACT Government economic appraisal that attempts to estimate savings in areas such as health, justice and social or welfare services and then compares them to the cost of full-time imprisonment.

The project was completed across three key milestones outlined in Figure 4.

Figure 4: Key project milestones.



Source: KPMG 2024.

## 2.3 Purpose of this report

This Final CBA Report provides a comprehensive overview of the CBA findings including identification of program costs and benefits, summary of the methodology used to arrive at this, and an overview of additional cost-effectiveness elements which are not included in the full CBA.

The report structure includes:

- An overview of the project including background context for DASL in the ACT, key assumptions underpinning the CBA and limitations impacting the final analysis.
- An overview of the history of the DASL, previous evaluations and the DASL model.
- Stakeholder consultations insights including observed benefits and enablers of DASL and CBA.
- CBA framework and methodology applied to quantify cost and benefits.
- Findings from the cost benefit analysis, including the final Net Present Value (NPV) and BCR, along with explanation on how these figures were arrived at and a summary of sensitivity analysis results.
- Cost-effectiveness analysis of additional qualitative benefits not included in the core CBA.
- A summary of future considerations relating to program costs and benefits, which have been identified throughout the project to inform future policy and funding decisions.

The CBA framework presented in this report provides a high-level conceptual approach to quantifying and measuring the benefits to known outcomes for DASL participants, based on data and program available. This Final Report details the method, assumptions and inputs used to quantify costs and benefits within the analysis. The benefits quantified as part of the core CBA demonstrate avoided costs (i.e., costs that were likely not incurred as a result of the program). The benefits do not represent justice system savings (i.e., reduced costs as a result of efficiencies).

The methodology and findings include a summary of technical approaches applied, as well as plain English descriptions of the findings. Relevant sensitivity analysis of the CBA results is included.

## 2.4 Assumptions

Given the short project timeframe and limited data available for this assessment, a number of assumptions have been noted relating to the development of the CBA.

These assumptions are outlined below and throughout this report, along with the limitations and considerations for further analysis.

The key assumptions underpinning the CBA have been identified below:

- Quantification of costs and benefits was subject to data availability and appropriateness.
- The CBA examined costs and benefits arising from beginning of DASL (December 2019) to December 2023.

A number of data limitations impacted the CBA analysis. These are noted in summary below and addressed in more detail in Section 4.6 of this report:

- Some data sets were not accessible, which has meant that some assumptions and proxy data sets have been used to calculate DASL benefits. Descriptive analysis has also been used where quantitative data on benefits is unavailable.
- RoGS data has been used to calculate a number of benefits. It is recognised that RoGS values are imperfect and may overestimate the benefits of a program like the DASL due to the large proportion of fixed costs. Based on available data, the RoGS data was identified as the most readily accessible measure to use in the CBA. This final report includes a discounted analysis of these benefits to attempt to account for the effect of fixed costs.
- Significant challenges exist with the collection of DASL data across all services. Due to the reliability of this data, any reported ATOP data should be read as indicative, but not conclusive.

# Overview of the DASL



## 3 Overview of the DASL

### 3.1 History of the DASL

The DASL provides an important therapeutic justice pathway for the ACT's most vulnerable citizens. In attempting to address the underlying causes of recidivism within the ACT, the ACT Government has committed an investment of more than \$132 million to establish and implement more justice and community safety programs oriented around therapeutic intervention, rehabilitation, and social reintegration.

The ACT Supreme Court DASL is one way in which the ACT Government is seeking to respond to the needs of the people who appear before the courts on a regular basis, with the ultimate goal of reducing recidivism by 25 per cent by 2025 and stabilising the lives of the hundreds of vulnerable people across the territory, in line with commitments under the Parliamentary Agreement for the 9<sup>th</sup> Legislative Assembly.<sup>4</sup>

Following a model design similar to drug courts across Australia and internationally, the DASL provides an alternative sentencing option to address complex offenders affected by alcohol and/or substance use issues. Adopting a solutions-focused lens underpinned by the concepts of therapeutic jurisprudence, the DASL aims to address the underlying factors contributing to offending behaviours.

Findings from the previous process and outcomes evaluation undertaken by the ANU between 2019 and 2022 highlighted the success of the DASL program in supporting a reduction in recidivism rates by diverting participants from imprisonment and into therapeutic treatment for their alcohol and substance use.<sup>3</sup> The evaluation produced indicative cost savings as the result of the DASL related to time in custody of up to \$14 million. Since program commencement in 2019, there have been over 150 people referred to the DASL for a DATO and 99 participants sentenced to a DATO between 2019 and 2023.<sup>5</sup>

The ANU evaluation reported that participants of the program often present with high levels of criminogenic need and complex personal histories, such as entrenched substance use, personal trauma, family violence and histories of social exclusion.<sup>3</sup> Aligned to international literature and best practice models for therapeutic justice interventions, the DASL aims to redirect participants from custody into a supportive, judicially monitored program where their DATO is served within community. Inherent to the program design is the support and supervision of the TOT, which includes a DASL Judge, staff from Canberra Health Services (CHS), ACT Community Services Directorate, Director of Public Prosecutions (DPP), Legal Aid and ACT Police. The program adopts holistic and therapeutically-oriented responses for its participants, aiming to support individual reintegration into a prosocial community following the intensive support and treatment a participant receives while on their DATO.<sup>3</sup>

### 3.2 DASL in the context of Drug Courts in Australia

In 2021, addiction was estimated to cost \$80 billion to the Australian economy and the community more broadly.<sup>6</sup> Justice and law enforcement costs of \$5.8 billion, were the main cost drivers associated with drug-related addiction. Specifically, the main components were the cost of policing services and custodial services, representing \$1.2 billion (21 per cent) and \$1.7 billion (30 per cent), respectively.<sup>6</sup>

Drug courts first emerged in the United States of America and have since expanded across a wide range of jurisdictions, including Australia, Canada, New Zealand and the United Kingdom.<sup>7</sup> Research conducted across various jurisdictions in recent decades suggests that overall, in terms of effectiveness in reducing participant substance use and reoffending, drug courts have delivered favourable outcomes in an evaluation context.

4 Justice and Community Safety Directorate. (2020). *RR25BY25 Reducing Recidivism in the ACT by 25% by 2025*. ACT Government. [https://www.justice.act.gov.au/\\_\\_data/assets/pdf\\_file/0010/2103976/RR25by25-Plan.PDF](https://www.justice.act.gov.au/__data/assets/pdf_file/0010/2103976/RR25by25-Plan.PDF)

5 ACT Courts and Tribunals, 2024.

6 Rethink Addiction and KPMG. (2022). Understanding the cost of addiction in Australia. Rethink Addiction, Richmond, Victoria.

7 Lurigio, A. J. (2008). The first 20 years of drug treatment courts: A brief description of their impact. *Federal Probation*, 72, 13.

A meta-analytic review conducted by Mitchell, Wilson, Eggers and MacKenzie (2012) comparing and analysing a range of interjurisdictional independent drug court evaluations found that of the 154 evaluations conducted internationally, it was identified that 'the average effect of participation is equivalent to a reduction in general recidivism from 50 per cent to approximately 38 per cent, and a reduction in drug-related recidivism from 50 per cent to approximately 37 per cent, with such reductions persisting for 'at least three years after program entry'.<sup>8</sup> In the context of Australia, the majority of drug courts (including New South Wales,<sup>9</sup> Queensland,<sup>10</sup> South Australia,<sup>11</sup> Western Australia,<sup>12</sup> and Victoria<sup>13</sup>), have been evaluated, with results demonstrating relatively consistent and positive results regarding program effectiveness. In 2014, KPMG undertook a similar evaluation to that undertaken by ANU, for the Dandenong Drug Court (Magistrate's Court of Victoria) in Melbourne, Australia. The evaluation was detailed and focused on assessing the cost-effectiveness of the program in addition to the related cost savings for Government linked to reducing recidivism and applying a community order as a sentencing option instead of traditional custodial sentencing.<sup>14</sup> The evaluation results revealed that the drug court reduced demand on traditional correctional facilities by the equivalent of 13,948 prison days per year, resulting in an annual saving of \$3.77 million of potential avoided prison-time costs and savings for the broader justice system.<sup>14</sup> Findings demonstrated that ultimately, the model of the drug court provides a cost-effective alternative to traditional custodial sentencing options.

Previous evaluation activities undertaken across Australia and other jurisdictions have consistently illustrated that drug courts offer a cost-effective alternative to traditional custodial sentencing, offering potential savings for government in imprisonment costs, and costs for other frontline services such as mental health services, homelessness services, emergency services and social welfare. The results of the ANU evaluation are consistent with existing studies and literature on the effectiveness of the drug court model.

The ANU process and outcomes evaluation highlighted the below key findings on the effectiveness of the DASL;

- improvements to participant substance use and offending behaviours,
- improvements to participants' housing situation and locating supports to gain access to housing,
- positive outcomes for participants across various domains of social integration, including quality of life, psychological and physical health, relationships, family reunification, employment, emotional maturity, and hope and optimism about the future, and
- high-level analysis indicating cost-savings for Government due to avoided prison time.

The ANU evaluation identified key limitations to understanding effectiveness of the DASL in reducing reoffending, including;

- the impact of the DASL's short operational duration,
- the small participant cohort, and
- the limited available data regarding long-term sustained recidivism amongst participants following their time in the DASL (or drug court programs more broadly).

Whilst the immediate positive effects of the drug courts can be realised following program completion, many outcomes cannot be assessed in the short-term, such as longer-term sustained reductions in substance use and reoffending, sustained employment and stable housing, and general enhanced quality of life due to limited capacity to gather rich longitudinal data on post-program impacts for participants.

8 Mitchell, O., Wilson, D. B., Eggers, A., & MacKenzie, D. L. (2012). Assessing the effectiveness of drug courts on recidivism: A meta-analytic review of traditional and non-traditional drug courts, *Journal of Criminal Justice*, 40(1), 60-71.

9 Weatherburn, D., Yeong, S., Poynton, S., Jones, N., & Farrell, M. (2020). The long-term effect of the NSW Drug Court on recidivism, *Crime and Justice Bulletin, NSW Bureau of Crimes Statistics and Research*, 1-15.

10 Queensland Courts. (2016). Queensland Drug and Specialist Courts Review: Final Report, 1-306.

11 Ziersch, E., & Marshall, J. (2012). The South Australian drug court: A recidivism study, Office of Crime Statistics and Research, Attorney-General's Department of South Australia.

12 Department of the Attorney General Western Australia. (2006). A review of the Perth Drug Court, 1-40.

13 KPMG. (2014). Evaluation of the Drug Court of Victoria Final Report, 1-134.

14 KPMG. (2014). Evaluation of the Drug Court of Victoria Final Report, 91-93.

### 3.3 Overview of the DASL model

The role of the DASL and drug courts across Australia is to assist participants engaging with the judicial system who present with alcohol and other drug dependency. The DASL operates within a continuum of interventions across mainstream and specialist courts that seek to rehabilitate, re-integrate with the community and reduce criminal offending behaviour. The DASL itself however, is not an explicit specialised court and rather a court sentencing list that operates within the ACT Supreme Court only.<sup>15</sup>

Within this context, the DASL operates as a direct alternative to imprisonment. The program involves a significantly more onerous level of monitoring and treatment than other court-based interventions or community correctional services. This includes the unique role of the authority of the judicial officer to motivate and compel participation in the program. The DASL features a more intensive support network across the TOT that is suitable for the particularly higher risk and higher need cohort for which they have been designed. These supports include residential treatment, facilitating access to housing support, various therapeutic models of care and regular reporting to a judicial officer, who implements an incentives and sanctions framework to support continued compliance and desired behaviours of participants.<sup>3</sup>

#### 3.3.1 Drug and Alcohol Treatment Order

A DATO is a flexible sentencing option that allows the sentencing Judge to issue orders and conditions that are reflective of the specific needs and risks of participants. A DATO can be imposed by a Judge of the ACT Supreme Court in accordance with the *Crimes (Sentencing) Act 2005* (the Act). Section 12A of the Act states that the court may impose a DATO that suspends a sentence of imprisonment for an eligible offence on the condition that the offender agrees to complete a treatment program, but only if to facilitate the rehabilitation of the offender by providing a judicially supervised, therapeutically oriented, integrated drug or alcohol treatment and supervision regime.<sup>16</sup> Further eligibility requirements are detailed in Section 3.3.2.

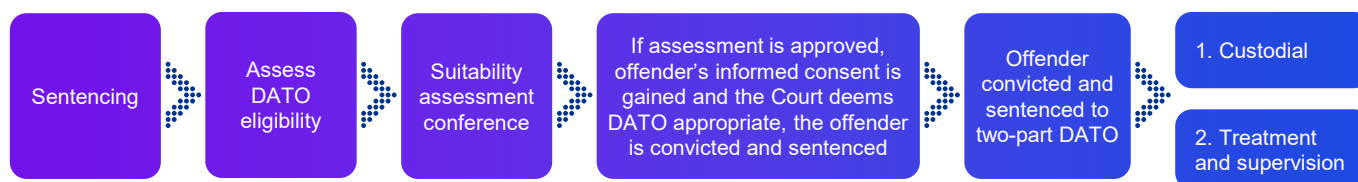
Under section 80O of the *Crimes (Sentencing) Act 2005*, the aims of the DATO are to:

- facilitate the rehabilitation of the offender by providing a judicially supervised, therapeutically oriented and integrated treatment regime, and
- reduce the offender's dependency on alcohol or a controlled drug, and
- reduce the health risks associated with the offender's dependency on alcohol or controlled drugs, and
- assist with the offender's integration into the community, and
- promote community safety by reducing the level of criminal activity caused by alcohol or controlled drug dependence in offenders.<sup>17</sup>

#### 3.3.2 Eligibility criteria and assessment of DASL participants

After a plea of guilt, a defendant, their legal representative or the DPP, can apply for the defendant to be sentenced to a DATO and remain in the community, instead of being sentenced to a custodial sentence. The eligibility and suitability of the defendant for the program is determined by the ACT Supreme Court, with input on suitability from CHS (for the treatment order component) and ACT Corrective Services (for the custodial component).<sup>17</sup>

Figure 5: Initial DATO process flow chart.



Source: Adapted from ACT Supreme Court (2024)

<sup>15</sup> ACT Supreme Court. (2024). Drug and alcohol sentencing list. Retrieved March 24, 2024, from <https://www.courts.act.gov.au/supreme/law-and-practise/criminal/drug-and-alcohol-sentencing-list>

<sup>16</sup> Supreme Court of the Australian Capital Territory. (2019). Notice to Practitioners Drug and Alcohol Sentencing List. [Notice-to-Practitioners-Drug-and-Alcohol-Sentencing-List-19-December-2019.pdf](#)

<sup>17</sup> Section 80O of the *Crimes (Sentencing) Act 2005* (ACT).

One of the key eligibility criteria for participation in the DASL is that a participant be dependent on alcohol or a controlled drug, and that the dependency has substantially contributed to the offence for which the individual has been indicted or plead guilty to. To be eligible to participate in the process, an individual must:

- be over 18 years and live in the ACT,
- likely to be imprisoned between one and four years,
- have no other sentencing orders in place,
- be dependent on alcohol or other drugs,
- give informed consent to the order being made, and
- not have committed a serious violence offence or a sexual offence.<sup>18</sup>

The purpose of an Eligibility Assessment is to determine whether the defendant has a severe substance use disorder. CHS will provide a report to the ACT Supreme Court with details of the defendant's outcome of the Eligibility Assessment. In addition to screening reports made, the DASL will consider the defendant's eligibility assessment and if deemed suitable for the DASL, the Judge will order a Brief Mental Health Report.<sup>19</sup> Following the Eligibility Assessment, the potential DASL participant's informed consent is gained to share personal details and to participate in a more comprehensive assessment. Once consent has been obtained, a Suitability Assessment is undertaken to conduct a thorough review of the participant's biological, social and psychological needs based on their history. Outcomes of the Suitability Assessment are detailed in a report including recommendations for treatment interventions and engagement strategies, which is then provided to the ACT Supreme Court to form a decision on whether to progress the DASL application.<sup>19</sup>

### 3.3.3 Role of the Treatment Order Team and Key Agencies

A participant's progression through their DATO is managed by a TOT, a multidisciplinary team comprised of the DASL Judge, representatives/case managers from CHS, ACT Corrective Services, Legal Aid, the Office of the DPP, ACT Police and other key stakeholders. On a weekly basis, the TOT participate in a case conference to discuss the status of active case and participant progress whilst on their treatment order. Regular hearings are held at the ACT Supreme Court with the DASL Judge to check in on participant progress and order compliance.<sup>3</sup> In supervising a participant while on their DATO, the DASL Judge will be supported by the TOT. The DASL Judge provides program oversight and leadership to the TOT, with the team supporting participants through a holistic service oriented around coordinating and supporting individual engagement with treatment.



Multiple perspectives provide a more holistic picture, to assist in understanding the person's risks and vulnerabilities which can enable better support. However, this approach has limitations. While there is usually agreement across the team about the appropriate approach to take, in practice the judge retains (appropriate) discretion as to the final decision."

**DASL Stakeholder**

The TOT monitors and explores participant offending behaviours and patterns of substance use, working closely with individuals to identify meaningful goals and support needs relevant to recovery. The supervision and support of the TOT is central in supporting participants to successfully engage with the program and achieve their treatment, recovery and personal goals.

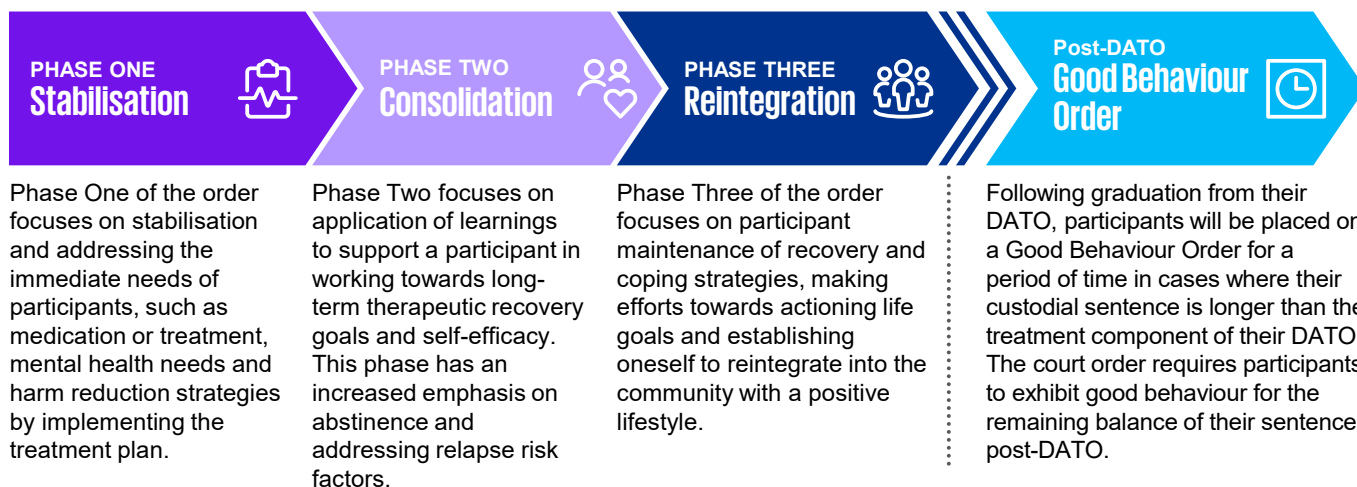
<sup>18</sup> ACT Supreme Court. (2024).

<sup>19</sup> Canberra Health Services. (2020). Canberra Health Services Procedure: Drug and Alcohol Sentencing List – Eligibility and Suitability Assessment.

### 3.3.4 Participant journey through the DASL

Offenders placed on a DATO must comply with various requirements across an intensive, three-phase program in the ACT Supreme Court, whilst actively engaging in therapeutic treatment supervised by a judicial officer.

Figure 6: Participant journey through DATO phases.



Source: KPMG, adapted from ANU Evaluation (2019-2022).

The length of a participant’s DATO is determined by the Court and is for a minimum term of 12 months. Participant progression from Phase One to Three is a fluid process and may involve progression or regression through the phases depending on participant compliance with their order conditions. When a participant has substantially complied with their Phase Three requirements for a minimum of five months, they can complete their order and graduate from the program to a Good Behaviour Order (GBO) post-DATO for the remaining balance of their sentence in cases where the participant’s custodial sentence is longer than their DATO treatment component.<sup>3</sup> Under Section 13 of the Act, a GBO requires the offender to give an undertaking to the Court to commit to fulfilling their good behaviour obligations post-DATO as set out in the *Crimes (Sentence Administration) Act 2005* for a specified period. The GBO may include core conditions and additional requirements specific to the individual as defined by the DASL Judge.<sup>20</sup>

The DATO features an Incentives and Sanctions Framework which encourages compliance through incentivising desired behaviours and sanctioning negative conduct. Sanctions and incentives are applied through the behavioural contract protocol where participants can be rewarded through incentives, such as demonstrating prosocial behaviours and regular engagement with therapeutic interventions or sanctioned for continued substance use or disengagement with program activities.<sup>20</sup> Examples of positive and negative conduct that may warrant an incentive or sanction is detailed in Table 2 below.

Table 2: Examples of positive and negative conduct warranting incentives or sanction as defined in the Behavioural Contract Protocol.

Positive Conduct	Negative Conduct
<p>Examples of positive conduct:</p> <ul style="list-style-type: none"> <li>Honesty contrary to a participant’s own perceived interest</li> <li>Active participant engagement with their treatment and the TOT</li> <li>Exemplary compliance with the DATO</li> <li>Restitution to the victim or community</li> <li>Sustained abstinence to alcohol and/or controlled drugs</li> </ul>	<p>Examples of negative conduct:</p> <ul style="list-style-type: none"> <li>Dishonesty of participant</li> <li>Disrespect, intimidating or aggressive behaviour towards others</li> <li>Lack of engagement, or active disengagement with DATO or Treatment Order Team</li> <li>Undermining the integrity of the drug testing process</li> <li>Ongoing unauthorised use of alcohol and/or controlled drugs</li> <li>Criminal offending</li> </ul>

20 Makela, M. (2024). Good Behaviour Orders (ACT). Available at: <https://www.gotocourt.com.au/good-behaviour-orders-act/>

<ul style="list-style-type: none"> <li>• Demonstrated fiscal responsibility; attendance to financial counselling</li> </ul>	<ul style="list-style-type: none"> <li>• Other breaches to core or specific DATO conditions</li> </ul>
<p>Where the participant's positive conduct warrants an incentive, <b>the following actions may be imposed by the DASL Judge:</b></p> <ul style="list-style-type: none"> <li>• Removal or reduction of curfew/restrictions of movement or association</li> <li>• Reduced required attendance at supervision or court appointments</li> <li>• Reduced frequency of urinalysis</li> <li>• Progress to next DATO Phase conditions</li> <li>• Material rewards, including formal recognition of DATO milestones</li> <li>• Reduction of accumulated breach points</li> <li>• Public acknowledgement</li> </ul>	<p><b>Where the participant's negative conduct warrants a sanction,</b> the following actions may be imposed by the DASL Judge:</p> <ul style="list-style-type: none"> <li>• Imposed or increased curfew/restriction of movement or association</li> <li>• Increased required attendance at supervision or court appointments</li> <li>• Increased frequency of urinalysis</li> <li>• Warning on reprimand in court</li> <li>• Requirement to undertake a reflective task</li> <li>• Returning to earlier DATO Phase conditions</li> <li>• Lengthening of treatment order component of sentence</li> <li>• Breach points leading to a period of imprisonment</li> <li>• Short-term imprisonment</li> <li>• Cancellation of the DATO and imposition of imprisonment</li> </ul>

Source: ACT DASL Behavioural Contract Protocol.

### 3.4 Stakeholder consultation insights

A number of key insights were captured through the early stakeholder consultations which highlighted enablers and observed benefits of DASL along with a number of considerations which informed the final CBA.

Table 3: Stakeholder consultation key insights.

Key Insight	Description
<b>DASL Program Enablers</b>	
<b>The DASL is a unique model separate to mainstream court responses, aiming to support participants beyond management of their substance use and offending behaviours.</b>	Stakeholders discussed the ways in which the program offers a unique, participant-centric therapeutic response for complex offenders to address their behaviour patterns, substance use and criminal offending in a manner that is inaccessible within existing justice system settings. Stakeholders highlighted that the key drivers of the DASL program benefits is the wraparound supports participants on the program receive from health and corrections, providing a much more holistic view of a participants' treatment journey that is distinct from what would be experienced on an alternate intensive corrections order.
<b>High levels of co-operation and support from DASL leadership and TOT are key to the success of the program.</b>	Discussions with stakeholders revealed that the DASL program leadership teams meet regularly to discuss emerging issues that may be affecting participants, including risks to safety, program completion and the broader community. The DASL Judge provides program oversight and leadership to the TOT, with the team supporting participants through a holistic service oriented around coordinating and supporting individual engagement with treatment. The supervision and support of the TOT is central in supporting participants to successfully engage with the program and achieve their treatment, recovery and personal goals.
<b>The sanctions and incentives framework encourages positive participant behaviour change.</b>	Through sanctions and incentives, stakeholders discussed how the program framework is designed in a way that affords some motivational element to enable positive individual behaviour change. The sanctions and incentives framework establishes a healthy balance between criminogenic need and the therapeutic needs of participants. Application of the framework requires an

Key Insight	Description
	exercising of professional judgment and expertise from all members of the TOT to enable positive behavioural change and reduce harm to a participant’s therapeutic recovery journey whilst also maintaining appropriate judicial responses.
<p><b>The DASL Judge plays a unique role in managing the custodial and treatment order outcomes of each participant.</b></p>	<p>Stakeholders discussed how engagement between the DASL Judge and participant is distinct from typical court hearing settings and affords each participant the opportunity to discuss their individual progress, behaviours and substance use in an honest setting with the Judge and TOT. Interactions are tailored to each participant in court, helping to engage individuals in their own treatment pathway and establish a level of trust between the Judge, TOT and participant.</p>
<p><b>Challenges to Program Delivery and Effectiveness</b></p>	
<p><b>COVID-19 presented significant challenges for DASL operations and its capacity to gather consistent data.</b></p>	<p>Stakeholders expressed the many challenges that the COVID-19 pandemic had on operations and delivery of the DASL program. Due to various lockdown measures and health requirements in the ACT, stakeholders discussed how the participant cohort during COVID was much smaller than initially anticipated following program establishment, impacting the quality of participant data during the early stage of the pandemic. Stakeholders noted however, that following the impacts of the pandemic, the DASL encountered more demand than it could service at the time. The program was paused at this time, with increased funding for more participants sought to address demand increases.</p>
<p><b>Stable housing is vital to a participant’s capacity to complete their DATO, however lack of supply and availability is generating significant challenges for service providers and participants.</b></p>	<p>Stakeholders emphasised the critical impact that access to stable and secure housing has on a participant’s recovery journey, particularly in being a critical component to accessing rehabilitative services. Due to supply issues and limited funding availability for housing supports, stakeholders discussed the challenges this presents for participants and their ability to complete the conditions on their DATO.</p>
<p><b>Participant Benefits of the DASL</b></p>	
<p><b>Positive relationships are enabled between participants and their TOT.</b></p>	<p>Stakeholders highlighted the value of prompt access to service providers and supports on the DATO, such as alcohol and other drugs (AOD) counsellors, clinical advisors and treatment referrals. This immediacy of services addresses a gap that is not currently filled within mainstream justice settings to better provide immediate therapeutic responses for participants in a safe and supportive manner. In addition, the regular and personal supervision of participants by the judicial officers, whilst demanding, provides a level of intensity, support and trust for program participants that is not available to the same level in mainstream court settings.</p>
<p><b>There are direct individual benefits for participants who engage with their DATO, both in relation to offending and substance use reduction, as well as improvements across multiple life domains.</b></p>	<p>Stakeholders discussed the observed individual benefits the DASL program has in effectively reducing offending behaviours and breaking entrenched substance use patterns of participants during their time spent on an intensive treatment order. Stakeholders reflected on participant anecdotes around the positive engagement with judicial officers and the multidisciplinary TOT as central in supporting individuals to effectively engage with their treatment and rehabilitation, as well as feeling empowered to achieve their personal goals. Stakeholders also discussed the helpfulness of the DASL in supporting participant progress across various life domains, including rebuilding healthier relationships with family and friends, gaining access to employment, improving mental health and wellbeing outcomes, and providing participants with a sense of agency over the decisions that affect their lives.</p>
<p><b>Participants receive autonomy and empowerment,</b></p>	<p>Stakeholders highlighted how the structure of the DASL program provides participants with more control and autonomy over their actions. For example,</p>

Key Insight	Description
<p><b>supporting individual self-efficacy once they exit the program.</b></p>	<p>the ability for participants to discuss their own sanctions with the Judge immediately after they have been applied and become their own advocate. In addition, participants are encouraged by the court to engage in services and supports to improve their physical and mental health and wellbeing outcomes, relationships with friends and family, and to gain employment upon exiting the DASL.</p>
<p><b>The DASL supports participants to positively contribute to their communities by helping them to manage their substance use and offending behaviours, forge healthier connections and feel empowered to secure employment opportunities, contributing to broader system benefits.</b></p>	<p>Stakeholders emphasised the broader system-wide benefits the DASL provides. By reintegrating participants into the community, equipped with the necessary skillsets and connections to social supports to manage their substance use and offending, stakeholders cited the resulting outcome benefits on the broader health and justice systems, improved community safety outcomes and cost-savings for Government due to reduced recidivism.</p>

Source: KPMG 2024.

# Cost Benefit Analysis Framework and Methodology



# 4 Cost-Benefit Analysis Framework and Methodology

## 4.1 Introduction and methodology

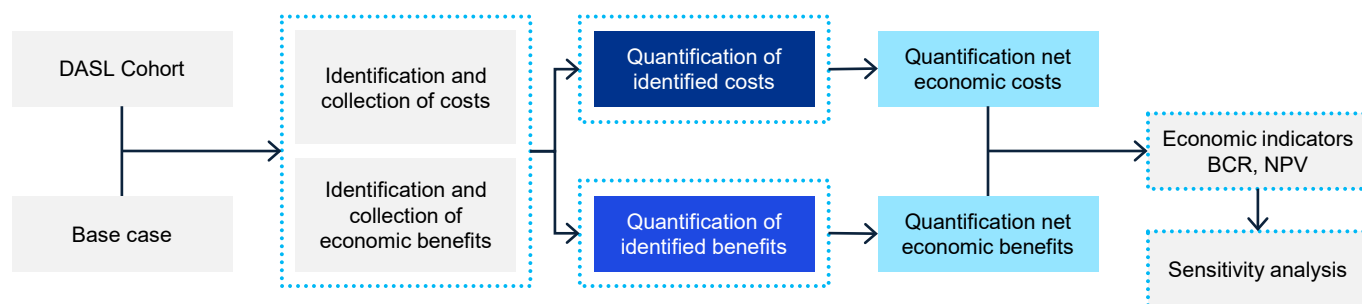
Quantifying economic benefits provides a key piece of decision-making information on how government investment into high-intensity and multi-disciplined criminal justice programs, such as the DASL, can be valued in monetary terms. Specifically, this information can be used to demonstrate the costs that are avoided to the criminal justice system. A CBA is being used to quantify the economic benefits of the DASL. This analysis assesses the cost of delivering the program against the realisable economic benefits of the program.

CBAs are the most widely used and accepted economic evaluation technique applied in the assessment of policies and programs in Australia. A CBA provides an accessible framework for identifying, measuring, and monetising a range of economic, social and environmental benefits stemming from investment decisions. The use of a CBA as an economic evaluation tool is supported by state-based and nationally-endorsed guidelines that advise quantitative analysis resulting in BCR and NPV.

This analysis isolates the DASLs costs and benefits over a stipulated evaluation period, relative to the base case scenario, and then uses discounted cash flow analysis to determine the net benefits, which are avoided costs. This CBA follows the steps listed below and demonstrated in Figure 7:

- 1 Identification of relevant economic, social, and environmental costs and benefits applicable to the DASL,
- 2 Quantification of the identified costs and benefits, where possible, with qualitative assessment of other costs and benefits,
- 3 Comparing and contrasting the quantified costs against the benefits over the evaluation period, and
- 4 Generating economic appraisal output measures, including a NPV and BCR.

Figure 7: Conceptual CBA approach.



Source: KPMG 2024.

The development of this CBA framework has considered relevant guidance including:

- Commonwealth of Australia, Department of Finance and Administration, 2006, Handbook of Cost-Benefit Analysis, Financial Management Reference Material no.6.
- TPG23-08 NSW Government Guide to Cost-Benefit Analysis.
- Elements of the ACT Government Capital Framework (Benefits Realisation Plan and Economic Appraisal).

The key assumptions and parameters for the CBA are set out in Table 4 on the following page.

Table 4: Proposed parameters for economic analysis.

Area	Value	Description
Base period	2019	Start of analysis period
Price year	2024	Current period
Model period	2019-2023	Time period of model
Discount rate	4 percent	Discount rate applied to cost and benefits
Community of interest	ACT	Base assumption

Source: KPMG 2024.

## 4.2 Analytical perspective

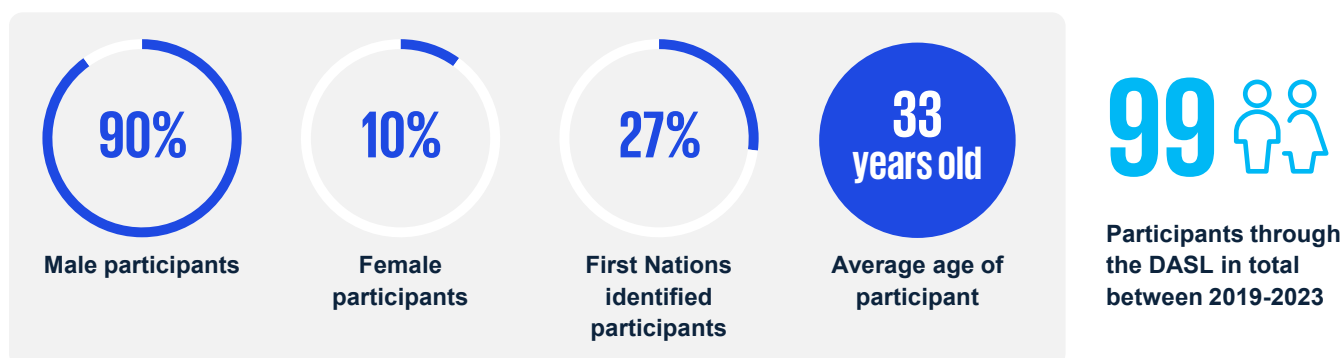
The CBA adopts a societal perspective in determining costs and benefits associated with DASL between 2019 and 2023. The societal perspective accounts for costs and benefits that accrue to the broader society.

DASL participants include individuals who have encountered extensive periods of offending behaviour and substance use, resulting in a likely sentence of between one and four years. More detail on the DASL target cohort and eligibility criteria can be found in section 3.3 of this report.

The following diagram provides a summary of DASL participant demographics over the life of the Program.

Figure 8: Summary of DASL participant demographics.

### DASL Participant Cohort Demographics 2019-2023



Source: KPMG 2024, based on data provided by JACS.

- At the time of this CBA, data demonstrates that there has been a total of 99 participants through the ACT DASL from 2019 to 2023.
- This included a mix of male, female, and Aboriginal and Torres Strait Islander participants between 2019 and 2023. Approximately 90 per cent of participants identified as male, with approximately 10 per cent identifying as female.
- 27 per cent of participants during the CBA period identified as Aboriginal and/or Torres Strait Islander.
- Data collected for the CBA further demonstrated that the average age of a participant currently in the DASL is 33 years old.

## 4.3 Option definition

Costs and benefits in a CBA are measured incremental to a base case or ‘counterfactual’. The counterfactual represents what would have occurred in the event that the intervention had not been undertaken. Benefits can only be measured and monetised in a CBA if they are able to be represented incremental to a counterfactual.

In the context of the ACT DASL, the project option is participation in a DATO and the counterfactual is spending the length of the custodial sentence incarcerated.

## 4.4 Identification of costs

Direct costs have been calculated based on historical financial reports provided by the relevant stakeholders. These DASL costs comprise all salaries, operating expenditure, establishment costs and brokerage funding incurred by the program. For the CBA, this is the funding allocated over the analysis period.

The CBA includes costs from the DASL during the evaluation period of FY19 to FY23. As data was provided on a financial year basis, while all other service data was provided per calendar year, some extrapolation was required to calculate the calendar year costs. This was done by assuming normal distribution of costs and combining across financial years to generate calendar year costs. Further detail on this approach to calculating the DASL costs is provided in the Appendix 8.3.

## 4.5 Identification of benefits

Table 5 sets out the identified benefits and prospective measurement approaches. Measurement approaches are subject to data availability and quality. Benefits were identified through a literature review of comparable program evaluations and CBAs and stakeholder consultation.

Where benefits could not be monetised in the core CBA, benefits are described qualitatively in section 6 and where possible, contain cost-effectiveness analysis.

It should also be noted that the benefits quantified as part of the CBA demonstrate avoided costs (i.e., costs that were likely not incurred as a result of the program). The benefits do not represent justice system savings (i.e., reduced costs as a result of efficiencies).

Table 5: Identified benefits and measurement approach.

Identified benefit	Description	Measurement approach	Data source	Benefit recipient
<b>Core CBA Benefits</b>				
<b>Avoided costs of custody</b>	The avoided cost of custody benefit is the difference in cost between a person being on a DATO per day as opposed to the person being in custody. This benefit is derived by calculating the cost per person per day for the court.	Calculation for this benefit relies on actual de-identified participant data. Court data includes program start and finish lengths of time on a per person basis. Participant days on a DATO are scheduled across the years in the evaluation period so the benefit can be considered on a per year basis. The days were then aggregated and the sanction days removed from the days on a DATO (on the basis that there is no incremental benefit between days spent in custody because of DASL sanctions and traditional custody). The resulting figure of days was then multiplied by the	Justice	Justice system saving

Identified benefit	Description	Measurement approach	Data source	Benefit recipient
<b>Avoided costs of custody (cont.)</b>		relevant Productivity Commissions Report on Government Services (RoGS) figure for cost of traditional custody per person per day. It is acknowledged that the provision of housing services to participants acts as an offset to the avoided costs of custody. However, this cost is small and not material in the context of the avoided costs.		
<b>Avoided costs of re-offending</b>	This benefit measures the differences in costs to the criminal justice system from former participants who reoffend, compared to those who do not. This benefit is distinct from the avoided cost of crime because criminal justice costs are distinct to the socio-economic costs represented in the avoided costs of crime. Specifically, this benefit measures the avoided costs associated with custodial sentences.	This benefit was measured by taking the post-program recidivism outcomes (in terms of days in custody) relative to a comparable group of offenders. As no comparator cohort for the DASL has been produced, this was achieved by extrapolating recidivism outcomes from the evaluations of a comparable jurisdiction. The extrapolation approach ensured the offender cohorts have similar characteristics.	Justice	Justice system saving
<b>Avoided cost of crime</b>	The avoided cost of crime benefit is realised when DASL participants commit less crime or less serious crime when compared to non-DASL offenders. The cost component of this benefit does not include justice system costs such as court or custodial costs but instead includes the socio-economic costs of crime such as medical treatment expenses, lowered productivity and/or property losses from victims, as well as intangible losses including fear, suffering and pain.	Generally, this benefit is measured by taking the post-program recidivism outcomes (in terms of re-offence types) relative to a comparable group of offenders. As no comparator cohort for the DASL has been produced, this was achieved by extrapolating recidivism outcomes from the evaluations of a comparable jurisdiction. The extrapolation approach ensured the offender cohorts have similar characteristics.	Justice	Community
<b>Qualitative Benefits</b>				
<b>Improved social and community engagement</b>	The benefit of community integration, family reunification and social participation has benefits for DASL participants, their families and the broader community.	This benefit was not monetisable but graduation speeches and CHS Australian Treatment Outcomes Profile (ATOP) data highlight specific examples of prosocial behaviours and engagement, including family reunification. A qualitative description of the benefit has been included.	All providers	Participant Community

Identified benefit	Description	Measurement approach	Data source	Benefit recipient
<b>Improved quality of life</b>	Therapeutic treatment for substance use disorders has been shown to reduce likelihood to develop chronic disease and mental health conditions including anxiety and depression.	The DASL provides improved stable housing and health and wellbeing outcomes for participants, which are important drivers of improved quality of life. There are several different established measures for capturing improved quality of life in a quantitative sense. Due to data limitations this benefit has not been monetised at a program level. Cost-effectiveness analysis has been used to support a qualitative description.	Justice Health	Participant
<b>Improved employment outcomes</b>	Participation in the DASL has indicatively shown to result in engagement in employment. Based on graduation speeches at least 8 participants have found some kind of employment either during and or post program.	Improved employment outcomes result in greater economic contribution as participants may not have gone on to become employed in the counterfactual. This is especially true for people that began work while on program. As there is no suitable comparator cohort, this benefit has been discussed qualitatively with reference to appropriate literature and a cost-effectiveness analysis provided.	Justice	Participant Community
<b>Improved education and life skill outcomes (human capital uplift)</b>	Participation in education and training has shown to improve economic outcomes for participants. This effect is referred to as human capital uplift. Graduation speeches indicated at least 4 graduates had enrolled or completed courses at the Canberra Institute of Technology (CIT).	Improved education and life skill outcomes also result in greater economic contribution as the participants may not have gone on to participate in these trainings or qualifications post-program. Similar to employment outcomes, in the absence of a suitable comparator cohort, this benefit has been discussed qualitatively with reference to appropriate literature and cost-effectiveness considerations provided.	Justice	Participant

Source: KPMG 2024.

## 4.6 Limitations for this report

While the project team applied a mixed methods approach to ensure that preliminary results are informed by multiple data sources, this report should be interpreted with the following limitations in mind.

- Due to DASL data limitations, the chosen method for the analysis of avoided cost of crime and recidivism relied on access to drug court data from a comparable jurisdiction to be used as a proxy. Fidelity (of the drug court models) and consistency (with the demographics of the cohorts) were compared with analysis undertaken for a similar jurisdiction drug court evaluation. Comparison of these cohorts indicated that they shared similar characteristics, and they were adopted for this analysis.
- RoGS data has been used to calculate avoided cost of custody and reduced recidivism benefits. There are limitations associated with using the RoGS data as it represents the average cost of prison (per prisoner per day), as opposed to the marginal cost.<sup>21</sup> The use of marginal costs is preferred in economic analyses because it accounts for the fact that the cost of prison comprises variable costs (directly related to workload), fixed costs (which remain unchanged when workload increases or decreases) and step-fixed costs (costs incurred when

<sup>21</sup> Morgan A (2018). AIC Research Report 5: How much does prison really cost? Comparing the cost of imprisonment with community corrections. *Australian Institute of Criminology*. [How much does prison really cost? \(aic.gov.au\)](http://aic.gov.au)

workload reaches a certain threshold), not all of which will be incurred for each additional prisoner<sup>22</sup>. This is particularly the case for the ACT which is unique in relation to its relatively small size, operating just one prison. This limits the ACT's ability to enhance economies of scale, resulting in proportionally higher fixed costs. The use of average costs to estimate the cost associated with each prisoner is likely to overestimate the actual costs incurred by government for each additional person sentenced to prison. While it is recognised that RoGS values are imperfect in the ACT context, in the absence of any more granular or detailed data that attributes the costs of imprisonment, RoGS is the best data available. Sensitivity analysis was conducted to examine the impact of applying a discount to the RoGS data. The result of this analysis is provided alongside the CBA results.

- Lack of sufficient program running data has limited capacity to conduct longitudinal analysis of the additional qualitative benefits. Particularly, absence of a comparator group to assess these factors against, significantly impacts the ability to incorporate these benefits into the core DASL CBA. Instead, the project team have described the qualitative benefits listed above and where possible, have monetised the benefits to provide a level of cost-effectiveness analysis (distinct from the CBA). Descriptive analysis of some qualitative benefits is included at section 5 of this report.
- Significant challenges exist with the collection of DASL data across all services. This includes inconsistent collection practices and low sample sizes. As a result, there is a significant amount of missing data for ATOP (sourced from CHS) scores among DASL participants. As such, presented ATOP data for participants excludes data periods beyond 15 months due to low sample size. Due to the reliability of this data, any reported ATOP data should be read as indicative, but not conclusive.
- Some data on qualitative benefits were captured through stakeholder consultation and free text within graduation speeches or program reporting. This free text limits the reliability and consistency of data. This impacted the ability to perform analysis on certain data points.
- KPMG has not independently validated the data provided to KPMG as part of the evaluation.

Each figure within the report will note the data source that it is informed by.

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<sup>22</sup> Henrichson C & Galgano S (2013). A guide to calculating justice-system marginal costs. New York: *Vera Institute of Justice*.

# Cost Benefit Analysis Results



# 5 Cost-Benefit Analysis Results

## 5.1 Cost benefit analysis results

Quantifying economic benefits provides a key piece of decision-making information on how government investment into high-intensity and multi-disciplined criminal justice programs, such as the DASL, can be valued in monetary terms. Specifically, this information can be used to demonstrate the costs that are avoided to the criminal justice system.

A preliminary analysis of the DASL’s costs and benefits has been conducted and is shown in Table 6. This BCR is based on justice system savings and system savings relating to the avoided cost of crime.

The resulting overall program BCR of 0.87 means that the quantified benefits of DASL are not yet outweighing the costs, however, benefit results are more favourable on a year-on-year basis and will continue to be realised over time as the program matures.

Other benefits such as health, mental health and social engagement benefits for participants have not been quantified for the CBA due to data limitations and means the BCR is likely understating the overall impact. The potential additional economic benefits are outlined in further detail at section 6.

Table 6: BCR and NPV of the DASL.

Evaluation Values (\$m, 2022-23)	Base case	Project Case	Difference
<b>Costs</b>			
Program Costs	0.0 M	26.8 M	26.8 M
<b>TOTAL COSTS</b>	<b>0.0 M</b>	<b>26.8 M</b>	<b>26.8 M</b>
<b>Benefits</b>			
Diversion from custody	0.0 M	22.8 M	22.7 M
Avoided cost of crime	0.0 M	0.01M	0.01M
Reduced recidivism	0.0 M	0.6M	0.6M
<b>TOTAL BENEFITS</b>	<b>0.0 M</b>	<b>23.4 M</b>	<b>23.3 M</b>
<b>Results - Economic Performance Measures</b>			
NPV			<b>-3.5 M</b>
BCR			<b>0.87</b>

Source: KPMG 2024.

One important consideration when interpreting these preliminary findings is the short length of time that DASL has been operational and the significant establishment costs incurred over this period. **It would be reasonable to expect that benefits will be realised over time as the program matures and more individuals pass through the system, meaning it is likely that the BCR would increase over time.**

To better understand this trend, the indicative costs and benefits are set out in Figure 9 and Table 7 below, demonstrating the changing costs and benefits as the program goes from inception in 2019 to maturity in 2021. This is reflective of the movement towards sustainability as the program moves out of its more costly inception years without corresponding intensity of benefits. As program benefits are driven by program participation and

participants completing the program, it is anticipated that subsequent years post model period will be more similar to the cost and benefit relationship reflected in 2021 and onwards. As identified in Table 7 below, the BCR increases each year, to a maximum BCR of 1.4 in 2022.

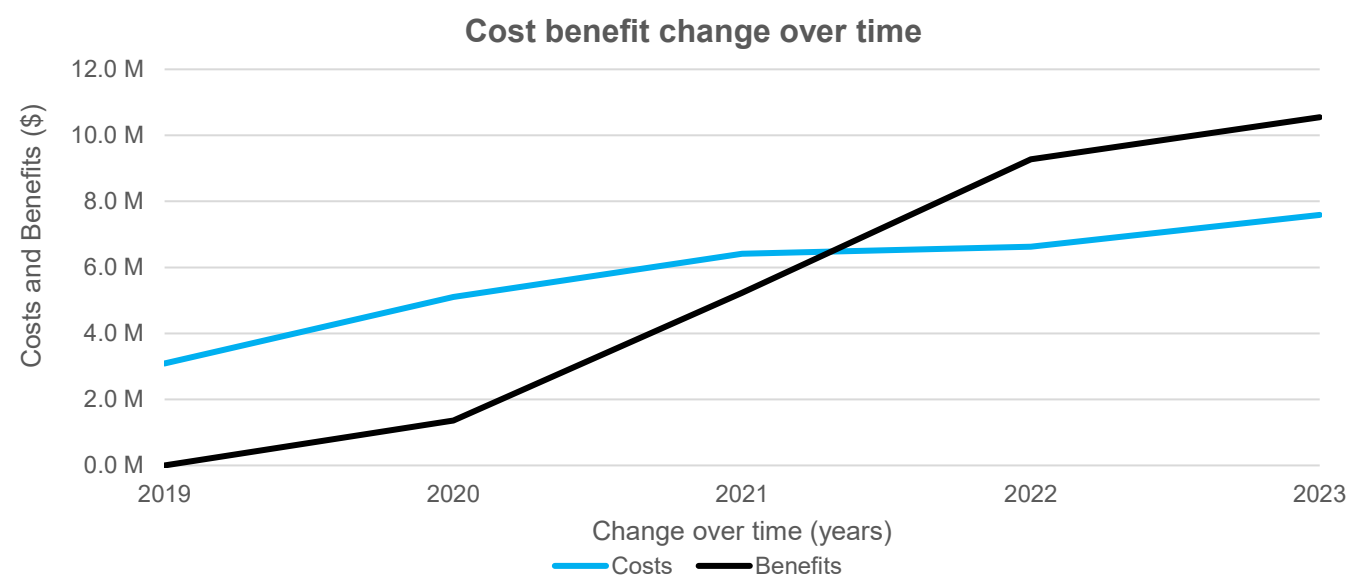
Table 7: Indicative DASL CBA results.

	2019	2020	2021	2022	2023
Costs (\$)	3.6 M	5.1 M	6.4 M	6.6 M	7.6 M
Benefits (\$)	0.0 M	1.3 M	5.2 M	9.3 M	10.5 M
Yearly BCR	0	0.26	0.81	1.40	1.39
Stock (adjusted* participant days)	0	2,932	10,553	16,643	18,848

\*adjusted for sanction and unavailable housing days in custody

Source: KPMG 2024.

Figure 9: Indicative DASL costs and benefits change over time.



Source: KPMG 2024.

It is important to caveat that this projected trend towards a positive BCR is dependent on projected program performance. Particular factors which would enable this include consistent cost structures, stable levels of demand and program uptake and consistency in program outcomes. The limitations outlined in Section 4.6 should also be considered when interpreting this analysis.

The following sections detail the method and results of each of the components of the CBA.

## 5.2 Quantification of DASL costs

Direct costs were calculated based on budget papers submitted to the CBA team by JACS which set out expenses across all involved agencies. These DASL costs comprised total capital and recurrent/operating expenses for all involved agencies, employee expenses incurred by JACS, and associated employee expenditure across the relevant agencies (CHS, ACT Health Directorate, ACT Police, ACT Housing and Legal Aid).

It should be noted that due to the short running duration of the DASL, its costs will be more substantial relative to benefits, but it is anticipated that the DASL will become more cost-efficient over time and contribute to a higher BCR after longer running durations.

The value of costs was calculated as having a present value of \$-3.5M.

## 5.3 Quantification of DASL benefits

The core CBA examines three types of benefits:

1. Avoided costs of custody.
2. Reduced recidivism.
3. Avoided cost of crime.

The methodology and analysis of each of these benefits' quantification is outlined here.

### 5.3.1 Avoided costs of custody (on program)

The avoided cost of custody benefit is the difference in cost between a person being on a DATO per day as opposed to the person being in custody. The method of calculating this benefit is demonstrated in Figure 10.

Figure 10: Method of calculating the avoided cost of custody benefit.



Source: KPMG 2024.

This benefit is derived by calculating the cost per person per day for the DASL. This includes taking the amount of days for participants during the evaluation period on a DATO/GBO (minus days spent in custody during their DATO) and calculating the equivalent cost of having spent those days in custody based on the RoGS figure in each year of the program for custody days.

Calculation for this benefit relies on actual de-identified participant data. Court data includes program start and finish lengths of time on a per person basis. Participant days on a DATO are scheduled across the years in the analysis period so the benefit can be considered on a per year basis. The days were then aggregated and the sanction days removed from the days on a DATO (on the basis that there is no incremental benefit between days spent in custody because of DASL sanctions and traditional custody). The calculated days are demonstrated in Table 8.

Table 8: Participant days on a DATO in the DASL.

	FY19	FY20	FY21	FY22	FY23
DASL days	0	3146	10862	17107	19142
Sanction days	0	214	309	464	294
Adjusted DASL days	0	2,932	10,553	16,643	18,848

Source: KPMG analysis of ACT Courts and Tribunals data.

The resulting figure of days was then multiplied by the relevant RoGS figure for the ACT (as per Table 9 and Table 10) for cost of traditional custody per person per day. RoGS data is produced by the Productivity Commission annually and includes a nationally agreed approach to providing a range of comparable outcomes across states, including the costs of services.<sup>23</sup> It is acknowledged that RoGS data may not be representative of the cost of service delivery in the ACT, however more accurate data is not currently available. For this reason, prison day costs have been considered as part of the sensitivity analysis in Section 5.5.

**Table 9: Data sources used to derive avoided costs of custody.**

Data sources	Data
RoGS for ACT	Unit cost for days in custody
JACS (Start and end dates) Corrections (Sanction days)	Participant data (DATO start and end dates, sanction days for participants)

Source: RoGS data.

**Table 10: RoGS values for unit cost of custody per prisoner per day.**

Financial year	FY20	FY21	FY22
Value (\$)	\$434.92	\$459.12	\$522.72

Source: RoGS data

Using the above method, the avoided cost of custody benefits were calculated at a PV of \$22.7 M over five years.

The provision of housing services to participants via government works as an offset to the avoided cost of custody. Based on the available data the costs associated with the provision of housing is small and not material when compared to the avoided costs of custody. It is estimated that this offset is less than \$100,000.

Other key items of note when calculating this benefit for the CBA Final Report include:

- Potential DASL participants are held in custody prior to being accepted onto a DATO. The initial period of custody is not considered in this analysis because the DATO has not yet commenced and there is no incremental difference between this benefit and the base case.
- Sanction days data was also included as a service cost on the basis that if a participant receives sanction days, they are returned to remand at a different cost to the DASL cost. The sanction days data was provided by ACT Courts and was obtained by manually reviewing remand outcomes and conducting text searches within the Courts case management system for text relating to remand outcome order statements. Whilst the Court and ACT Corrective Services agree that this data is most reliable at this stage, the collection method does mean that some order formulations may not have been captured in the search.

### 5.3.2 Reduced recidivism (post program)

This benefit refers to avoided cost for improved outcomes in recidivism post program (custody savings). The method to be used for analysing this benefit is demonstrated in Figure 11 (see next page).

<sup>23</sup> Methods for calculating costs can be found at the Productivity Commission’s website: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/justice>

Figure 11: Method for avoided cost for improved outcomes in recidivism post program.

For the entire applicable cohort:

$$\text{Saved days} = (\text{Marginal likelihood to re-offend}) \times (\text{severity of re-offence [in sentencing days]}) \times (\text{unit cost of custody days})$$

Source: KPMG 2024.

This benefit applies assumptions and/or averages based on the outcomes analysis for likelihood to return to custody and the likely length of the sentence for re-offenders for the drug court cohort incremental to a comparator group. This benefit effectively measures the reduction in occurrence, timing and severity of custody time for re-offending. Table 11 outlines the data used to calculate this benefit.

Table 11: Data sources used to derive avoided cost for improved outcomes in recidivism post-program.

Data sources	Data
JACS	Participant data (DATO end dates)
Comparable jurisdiction drug court evaluation	Drug court recidivism analysis
CHS/Corrections	Demographics of offender cohort
RoGS	Unit cost for days in custody

Source: KPMG 2024.

In the context of this CBA, the improved outcomes in recidivism post-program benefit are realised when DASL participants commit less crime or less serious crime when compared to non-DASL offenders. The cost component of this benefit does not include justice system costs such as court or custodial costs but instead include the socio-economic costs of crime such as medical treatment expenses, lowered productivity and/or property losses from victims, as well as intangible losses including fear, suffering and pain. Table 12 outlines the RoGS data used to quantify this cost of reoffending.

Table 12: RoGS values for unit cost of custody per prisoner per day.

Financial year	2019-20	2020-21	2021-22
Value (\$)	\$434.92	\$459.12	\$522.72

Source: Report on Government Services (RoGS) data.

As there is no appropriate comparator cohort, fidelity (of the drug court model) and consistency (with the demographics of the cohorts) was tested with a recidivism analysis undertaken for a comparable jurisdiction’s drug court evaluation and the results were extrapolated.

Using the above method, the reduced recidivism benefits were calculated at a PV of \$0.58 M over five years.

The benefits associated with reduced recidivism are closely aligned to the number of DASL participants completing orders. It is expected that, over time, the value of this benefit will increase in line with the number of DASL participants. Across the years of analysis, the annual savings associated with reduced recidivism increase from approximately \$155,000 in 2020 to approximately \$292,000 in 2023.

### 5.3.3 Avoided cost of crime (post program)

This benefit was calculated by taking the average likelihood to commit each offence as a margin from the outcomes analysis and applying this at a participant level. The analysis calculated this marginal outcome 24 months from the conclusion of each participant DATO and applied the unit cost of this crime to the incremental likelihood of committing this offence relative to the control cohort from the Australian Institute of Criminology (AIC) Cost of Crime values for each participant as demonstrated in Figure 12.

Figure 12: Method of avoided cost of crime (post program) benefit.

**For each offence type:**

$$\text{Saved days} = \text{Marginal likelihood to commit the offence} \times \text{unit cost of offence} \times \text{number of people in cohort}$$

Source: KPMG 2024.

Unit costs of crime are based on the most recent AIC publication reflecting unit costs of crime - ‘Counting the costs of crime in Australia: A 2011 estimate’. Other data which was used to quantify this benefit are outlined in Table 13.

Table 13: Data sources used to derive avoided cost for improved outcomes in recidivism based on type of offending and unit costs of crime.

Data sources	Data
JACS	Participant data (DATO end dates)
Comparable jurisdiction drug court evaluation	Drug court recidivism analysis
CHS/Corrections	Demographics of offender cohort
RoGS	Unit cost of crime

Source: KPMG 2024.

As there is no appropriate comparator cohort, fidelity (of the drug court model) and consistency (with the demographics of the cohorts) was tested with a recidivism analysis undertaken for an interstate drug court evaluation. Comparison of these cohorts indicated that they shared similar characteristics, and they were adopted for this analysis. It is important to note that the comparison made with the interstate court was at the Magistrates’ Court level, meaning that the convictions of those included in the interstate comparison were for less serious offences than those that are sentenced to a DATO in the ACT Supreme Court.

The relevant unit costs were indexed into the price year.

Using the above method, the avoided costs of crime benefits were calculated at a PV of \$0.01 M.

Similarly to reduced recidivism, avoided costs of crime are linked to the number DASL participants completing orders. In the early stages of the program, these benefits will be relatively small due to the small number of participants. As participant numbers increase, the value of this benefit will also increase.

## 5.4 Core CBA Summary

While DASL has not yet reached a point where its overall benefits outweigh the costs, it is clear from year-on-year analysis that DASL benefits will reach a point which is optimal for future investment.

There are substantial caveats in the analysis at the current point in time including:

- An abridged model period of 5 years encompassing more costly start-up years and only 3 years of substantial running time. Typically, evaluation models of social interventions, particularly those involving substantial avoided costs, would model benefits over 10 years. The overall performance of the program would likely be improved by encompassing additional years of running at a level of sustainability indicated in the substantial running period from the start of 2021 to the end of 2023. The overall trajectory of the program is moving towards a higher benefit to cost ratio as indicated in the graph above.
- Further to the point above, very few participants during these years have completed their sentences (either through graduating their DATO and subsequent GBO or via any other end to the DATO and a subsequent return to custody). While during the running duration many of the DATOs have been cancelled, this has resulted in a return to custody which does not allow for recidivism related benefits to be quantified until these participants have concluded their overall sentence duration.
- There are a range of benefits, outside those described above, that provide benefits to both individuals and society. These include benefits associated with improved social and community engagement, improved physical and psychological health, overall improved quality of life, and improvements in educational and employment outcomes. Due to data limitations, these benefits have not been quantified and are discussed in turn in Section 6.

## 5.5 Sensitivity analysis

Sensitivity analysis was used to test how changes in key model parameters affected the results of the CBA. This included changes to the discount rate and reductions in the cost of prison days.

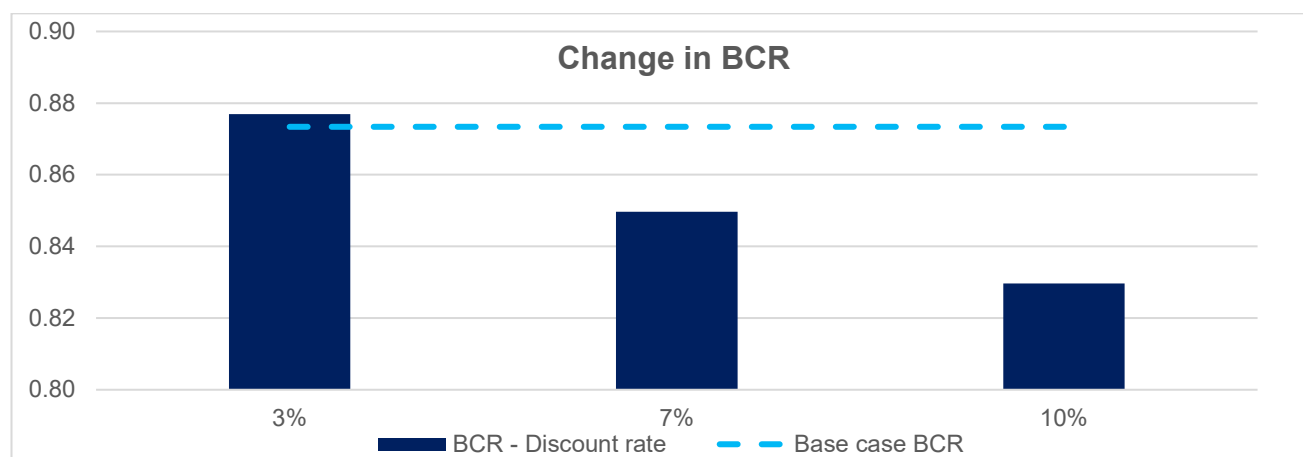
### 5.5.1 Discount rate

The base case adopted a 4% discount rate, which is **applied to both costs and benefits**. To test the sensitivity of results to changes in the discount rate, the model was run with discount rates of 3%, 7% and 10%.

- Changes in the discount rate led to a \$0.6 million increase in costs at 3%, and decreases in cost by \$1.6 million and \$3.1 million at the 7% and 10% levels.
- Changes in the discount rate led to an increase in the value of benefits by \$0.7 million at the 3% level and decreases in the value of benefits by \$1.9 million (7%) and \$3.7 million (10%) respectively.

Figure 13 below shows the change in BCR at each of the discount rates used in the sensitivity analysis, compared to the base case BCR of 0.87.

Figure 13: Sensitivity analysis results - discount rate



Source: KPMG 2024

Noting the changes in costs and benefits, changes in the discount rate led to changes in NPV, with an improvement of \$0.1 million at the 3% level and up to a \$0.6 million decrease in NPV at 10%. Change in NPV are reported in Table 14.

Table 14: Sensitivity analysis results - discount rate

	Costs	Benefits	NPV	BCR
<b>Base case</b>	<b>\$26.8 M</b>	<b>\$23.3 M</b>	<b>-\$3.5 M</b>	<b>0.87</b>
3%	\$27.4 M	\$24.1 M	-\$3.3 M	0.88
7%	\$25.2 M	\$21.5 M	-\$3.7 M	0.85
10%	\$23.7 M	\$19.7 M	-\$4.0 M	0.83

Source: KPMG 2024

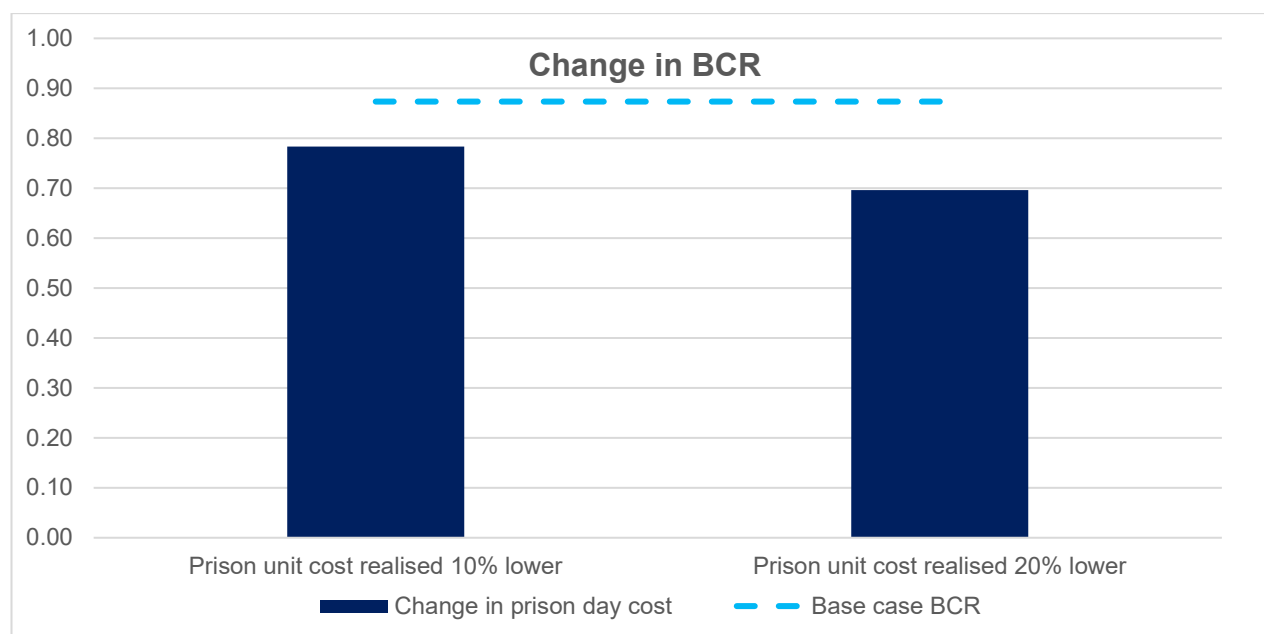
Identified changes to the discount rate are applied to both costs and benefits, and as such the results are relatively less sensitive to changes in the discount rate.

### 5.5.2 Prison day costs

It is acknowledged that the RoGS cost per prison day data may over or underestimate the avoided custody costs and may not be representative of the ACT experience. The sensitivity analysis reduced the cost per prison day by 10% and 20% to test the sensitivity of the results, with reductions only being **applied to the avoided cost of custody benefit only**.

As demonstrated in Figure 14 below, changes to prison day costs had a moderate effect on the CBA results. Changes to prison day costs reduced the avoided cost of custody benefit by \$1.7 million to \$4.7 million. This reduction in benefit led to a reduction in the BCR. These changes led to BCRs of 0.79 for a 10% reduction and 0.70 for a 20% reduction, compared to the base case result of 0.87.

Figure 14: Sensitivity analysis results - prison day costs



Source: KPMG 2024.

Alterations to the cost of a prison day also led to reduction in the NPV. The adjusted NPV varied between \$2.3 million and \$4.7 million over the four years of analysis compared to the base case. Findings are outlined in Table 15.

**Table 15: Sensitivity analysis results - prison day costs**

	<b>Costs</b>	<b>Benefits</b>	<b>NPV</b>	<b>BCR</b>
<b>Base case</b>	<b>\$26.8 M</b>	<b>\$23.4 M</b>	<b>-\$3.4 M</b>	<b>0.87</b>
<b>Prison unit cost realised 10% lower</b>	<b>\$26.8 M</b>	<b>\$21.7 M</b>	<b>-\$5.7 M</b>	<b>0.79</b>
<b>Prison unit cost realised 20% lower</b>	<b>\$26.8 M</b>	<b>\$18.7 M</b>	<b>-\$8.1 M</b>	<b>0.70</b>

Source: KPMG 2024

Compared to variations in the discount rate, changes in prison day costs had a relatively large impact on the CBA results. Understanding the true prison day cost in the ACT, noting the small population and high fixed costs will be a key component of any future analysis.

# Qualitative Outcome Benefits



# 6 Qualitative outcome benefits

## 6.1 Qualitative benefits overview

In addition to direct benefits discussed in Section 5, the DASL aims to provide a range of qualitative benefits for participants, the justice system, and the Canberra community more broadly. These benefits stem from key supports provided to DASL participants by the TOT.

One study from the US which explored the experiences of young adult offenders who completed a drug court treatment program found that drug courts provide a supportive and structured environment that facilitate positive changes in participants' lives and their families. Participants reported improvements in their relationships, employment prospects, and overall well-being as a result of their participation in the drug court program.<sup>24</sup>

This section explores these broader DASL benefits and their potential impact on a participants wellbeing and quality of life. Improvements in quality of life are a key consideration in understanding the effectiveness of social programs. Improvements in quality of life can be derived from improved health and wellbeing, better employment and education prospects, increased social and community connection and access to secure housing.

These quality of life and additional benefits of the DASL can be assessed to further understand and quantify the cost-effectiveness of the program. Whilst these may not be monetisable benefits for the purposes of the core CBA, these benefits provide a clear illustration of the broader reaching benefits of the DASL at a holistic level.

Key qualitative and outcome benefits which we have sought to quantify include:

- Improved social and community engagement.
- Improved health and wellbeing.
- Improved employment outcomes.
- Improved education and life skills outcomes.

Figure 15 provides preliminary insights into some of the benefits observed through the DASL program to date. This analysis is taken from a mix of CHS data and graduation speeches.

Figure 15: Preliminary summary of DASL qualitative benefits.



Source: KPMG from various program data sets.

<sup>24</sup> Moore, K., Barongi, M., & Rigg, K. (2016). The experiences of young adult offenders who completed a drug court treatment program. *Qualitative Health Research*, 27(5), 750-758. <https://doi.org/10.1177/1049732316645782>

## 6.2 Improved social and community engagement

The DASL plays an important role in supporting prosocial behaviour change and social engagement outcomes for participants, with the combination of intense supports, case management and intensive therapeutic interventions affording participants the opportunity to maintain a reduction in their AOD usage and criminal offending.

The provision of residential rehabilitation services, regular urine screenings, individualised treatment planning and facilitation of access to additional supports such as AOD recovery counselling, Alcoholics Anonymous and Family Violence support programs and peer mentoring are essential requisites for participants maintaining sustained progress while on their DATO and in reducing their substance use and reoffending. This tailored approach to treatment and the accountability inherent to the DASL model differentiates itself from mainstream justice interventions (i.e. imprisonment within a correctional centre) by orienting judicial responses around therapeutic intervention to support positive individual behaviour change in line with the concept of therapeutic jurisprudence.<sup>25</sup>



When I worked at DASL I witnessed people who had been in and out of prison finally get the support they required to remain in the community and begin to build a different life.”

**DASL Stakeholder**



Jail reinforces compliance and institutionalisation, and an ‘us against them’ mentality. Whereas, non-custodial treatment can assist people to begin to feel like they have a place in the community and a team who want them to make it. When support services and the justice system partner, participants start to feel like the system is not totally against them.”

**DASL Stakeholder**

Stakeholders highlighted that this tailored approach enables progression towards longer-term participant goals focused around improved health and wellbeing, as well as improved social and community engagement, family relationships and employment outcomes. Improvements across various social and life domains were a central theme to stakeholder narratives who were interviewed and graduation speeches that were analysed as part of the CBA process. A number of stakeholders and graduation speeches described the substantial role of the DASL in supporting participant progress towards rebuilding relationships, particularly with family, friends and partners, as well as supporting a participant’s capacity to engage with the broader community in a meaningful way.

<sup>25</sup> King, M. Applying Therapeutic Jurisprudence from the Bench: Challenges and Opportunities’(2003). *Alternative Law Journal*, 28, 172.



[The DASL] help[s] offenders change their lives and be drug and crime free. [They] able to focus on the potential that most offenders have for developing their talents, pursuing work, being part of the lives of family and friends and generally participating fully in the community in a meaningful way."

**DASL Graduation Speech**

Research further emphasises the importance of this, in that the ability of participants to forge healthier connections and secure more stability in their lives (i.e. through employment, education and housing) not only enhances individual self-esteem but a participant’s capacity to contribute positively to the community.<sup>26</sup>

DASL stakeholders also acknowledged the important role of the DASL in supporting participant reunification with family through therapeutic interventions, facilitating access to regular counselling and programs to support reductions in AOD dependency, family violence and other antisocial behaviours. Analysis of DASL graduation speeches for individuals who successfully graduated from the program between 2020 to 2023 highlighted the following key benefits as a direct result of DASL interventions:

**Figure 16: Individual and community benefits of the DASL.**

<b>Reduced criminal activity</b>	<b>Improved relationships with family and partners</b>	<b>Reduced substance use and AOD dependency</b>
<b>Employment</b>	<b>Engagement with education and training opportunities</b>	<b>Increased contributions to and engagement with community</b>
<b>Improved communication skills and coping strategies</b>	<b>Improved outlook on life and the future</b>	<b>Reunification and connection with family members and children</b>
<b>Reconnection with cultural heritage and values</b>	<b>Personal growth and increased sense of individual agency</b>	<b>Securing stable accommodation and access to housing supports</b>

Source: DASL Graduation Speeches.

The intensive therapeutic intervention and stabilisation of relationships facilitated by the DASL model has the potential to break intergenerational cycles of entrenched substance dependency, family violence and criminal activity of individuals, supporting longer-term change and benefits for families and community safety.<sup>27</sup> This is further evidenced through published DASL graduation speeches, which illustrate real-life examples of how the DASL has supported family reunification and participant outcomes in the ACT.

Through the provision of learning and development programs, facilitating access to AOD counselling and rehabilitation, supervision and guidance from the TOT, the DASL aims to equip participants with the necessary skills and learnings to adapt to adversity, manage their reduction in substance use and offending behaviours, and engage in prosocial behaviours. Graduation speech data and insights from DASL stakeholders have also demonstrated that a number of participants have engaged in peer support, mentoring and volunteering opportunities whilst undertaking their DATO, further enhancing their engagement with community and improving social outcomes.

In addition to supporting improved social relationships and community engagement, there are further positive impacts the DASL can have in supporting participants to reduce antisocial behaviours and criminal activity associated with substance dependency, for example, perpetration of family violence. National evidence

<sup>26</sup> United Nations Office on Drugs and Crime. (2018). Introductory Handbook on the Prevention of Recidivism and the Social Reintegration of Offenders. Available at: [https://www.unodc.org/documents/justice-and-prison-reform/18-02303\\_ebook.pdf](https://www.unodc.org/documents/justice-and-prison-reform/18-02303_ebook.pdf)

<sup>27</sup> Best, D., Beckwith, M., Haslam, C., Alexander Haslam, S., Jetten, J., Mawson, E., & Lubman, D. I. (2016). Overcoming alcohol and other drug addiction as a process of social identity transition: The social identity model of recovery (SIMOR). *Addiction Research & Theory*, 24(2), 111-123.

demonstrates that incidents of family, domestic or sexual violence can often occur in the context of AOD.<sup>28</sup> A recent study undertaken in Australia further investigated this, revealing that the involvement of drugs as a factor was significantly higher (1.65 times more likely) amongst family and domestic violence incidents than other violent incidents.<sup>29</sup>

In 2016, KPMG studied the cost of violence against women and their children in Australia. Based on the 2012 Personal Safety Survey, it was estimated that total costs associated with violence against women and children in Australia amounted to \$22 billion in 2015-16. With Aboriginal and Torres Strait Islander women, women with disability, pregnant women and women experiencing homelessness underrepresented in the survey, it was revealed that an additional \$4 billion could be added to the estimate to account for these groups. Of these costs, KPMG estimated that victims and survivors bear an estimated 52 percent of total costs (\$11.3 billion), with the commonwealth, state and territory governments bearing approximately 19 per cent of the total costs.<sup>30</sup>

A reduction in the prevalence of family violence in the ACT has the potential to generate significant cost savings for Government by reducing burden on the health and justice systems.<sup>30</sup> Most importantly, cost savings and improved social, mental health and wellbeing, and safety outcomes may be realised in the long-term through a reduction in the cost impacts of pain, suffering and premature mortality encountered by victims and survivors.<sup>30</sup>

By addressing the AOD dependency and criminal offending behaviours of participants, the DASL has the potential to support efforts to reduce family violence perpetration and improve the safety and wellbeing outcomes of individuals and community.

Whilst the social and community engagement benefits of the DASL may not be monetisable benefits for the purposes of the core CBA, the above findings provide a clear illustration of the broader reaching benefits of the DASL at a holistic level for participants and the community more broadly. JACS and the ACT Government may consider and explore opportunities to enhance data capture within this area to support future quantification and understanding of the qualitative and outcome benefits of the DASL.

28 Australian Institute of Health and Welfare. (2023). Social impacts. Alcohol, tobacco & other drugs in Australia. Retrieved March 24, 2024, from <https://www.aihw.gov.au/reports/alcohol/alcohol-tobacco-other-drugs-australia/contents/impacts/social-impacts>

29 Coomber, K., Mayshak, R., Liknaitzky, P., Curtis, A., Walker, A., Hyder, S., & Miller, P. (2021). The role of illicit drug use in family and domestic violence in Australia. *Journal of Interpersonal Violence*, 36(15-16), NP8247-NP8267.

30 KPMG. (2016). *The cost of violence against women and their children in Australia – Final Report*. Available at: [https://www.dss.gov.au/sites/default/files/documents/08\\_2016/the\\_cost\\_of\\_violence\\_against\\_women\\_and\\_their\\_children\\_in\\_australia\\_-\\_summary\\_report\\_may\\_2016.pdf](https://www.dss.gov.au/sites/default/files/documents/08_2016/the_cost_of_violence_against_women_and_their_children_in_australia_-_summary_report_may_2016.pdf)

## 6.3 Improved health and wellbeing

Data from the Australian Institute of Health and Welfare's (AIHW) National Drug Strategy Household Survey 2019 highlights that illicit drug use continues to be a significant, ongoing social issue.<sup>31</sup> In 2018, there were 1,740 deaths directly attributable to drug use Australia-wide, with opioids present in almost 65 percent of these deaths.<sup>31</sup>

Individuals with substance use disorders often suffer from poor overall health. Data from the United States and Australia indicates that individuals with substance use disorders are 4.8 times more likely to attend an emergency department and 7.1 times more likely to be admitted to hospital.<sup>32</sup> Further, this cohort have mortality rates 15 times higher than the general population.<sup>33</sup> There is also evidence to suggest that individuals with substance use disorders have an excess risk of developing cancer, cardiovascular, respiratory and liver diseases.<sup>34</sup> Within this cohort there is also high prevalence of co-occurring mental health conditions. Data from the AIHW demonstrates that the presence of multiple chronic conditions has a negative impact on quality of life, workforce participation and increased psychological stress.<sup>35</sup>

Therapeutic treatment for substance use disorders has been shown to reduce likelihood to develop chronic disease and mental health conditions including anxiety and depression. The DASL's person-centred delivery approach is aimed at reducing substance use and breaking participant cycles of reoffending through intensive judicial intervention and structured supports, including AOD counselling and case management.

As agreed by JACS additional benefits of the DASL such as health, mental health and housing benefits for participants have not been quantified within the core CBA due to data limitations. This omission was agreed by JACS and key DASL stakeholders.

However, there is evidence that demonstrates the additional economic benefits associated with reduced harmful substance use<sup>6</sup> and accessing stable housing.<sup>36</sup> DASL participants who are able to reduce their substance use and minimise their utilisation of acute health and human services would likely have a resultant economic benefit to themselves (reduced cost healthcare) as well as the avoided cost and burden on the healthcare system more broadly.<sup>37</sup> Some of these benefits as they relate to DASL are outlined below.

### 6.3.1 Physical Health

High levels of AOD consumption can lead to severe impacts on individuals' physical health, including an increased risk of injury, mental illness, preventable diseases, road accidents, and mortality.<sup>38</sup> DASL stakeholders reported that prior to entering the DASL program many participants have persistent underlying health conditions that have not been adequately addressed.

#### Reduced substance use

It has been estimated approximately 43 percent to 73 percent of the potential treatment population across Australia cannot access adequate and timely substance use support services,<sup>39</sup> because of limited resources and prolonged wait times for addiction treatment in the public health system. Accessing specialist support within the AOD sector often requires consumers to move between services, increasing the risk of dropping out of treatment altogether.

31 Australian Institute of Health and Welfare. (2020). National Drug Strategy Household Survey 2019. Available at: <https://www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-household-survey/2019-ndshs>

32 Lewer, D., Freer, J., King, E., Lamey, S., Degenhardt, L., Tweed, E. J., Hope, V. D., Harris, M., Millar, T., Hayward, A., Ciccarone, D., and Morley, K. I. (2020). Frequency of health-care utilization by adults who use illicit drugs: a systematic review and meta-analysis. *Addiction*, 115: 1011–1023. <https://doi.org/10.1111/add.14892>.

33 Mathers, B. M., Degenhardt, L., Bucello, C., Lemon, J., Wiessing, L., & Hickman, M. (2013). Mortality among people who inject drugs: a systematic review and meta-analysis. *Bulletin of the World Health Organization*, 91, 102-123.

34 Lewer, D., Tweed, E. J., Aldridge, R. W., & Morley, K. I. (2019). Causes of hospital admission and mortality among 6683 people who use heroin: A cohort study comparing relative and absolute risks. *Drug and alcohol dependence*, 204, 107525.

35 Australian Institute of Health and Welfare. (2022). *Australia's health 2022: in brief* (No. AUS 241). <https://www.aihw.gov.au/getmedia/c6c5dda9-4020-43b0-8ed6-a567cd660eaa/aihw-aus-241.pdf>

36 Jacobs, L. A., & Gottlieb, A. (2020). The effect of housing circumstances on recidivism: Evidence from a sample of people on probation in San Francisco. *Criminal justice and behavior*, 47(9), 1097-1115.

37 McLellan, A. T. (2017). Substance Misuse and Substance use Disorders: Why do they Matter in Healthcare?. *American Clinical and Climatological Association*, 128, 11-30.

38 Australian Institute of Health and Welfare. (2023). *Alcohol and Other Drug Treatment Services*.

39 Ritter, A., Chalmers, J., & Gomez, M. (2019). Measuring unmet demand for alcohol and other drug treatment: the application of an Australian population-based planning model. *Journal of Studies on Alcohol and Drugs* (Supplement 18), 42-50. In estimating treatment demand across Australia, the main estimate produced predicted that the treatment demand would be for 593,951 people in Australia over one year.

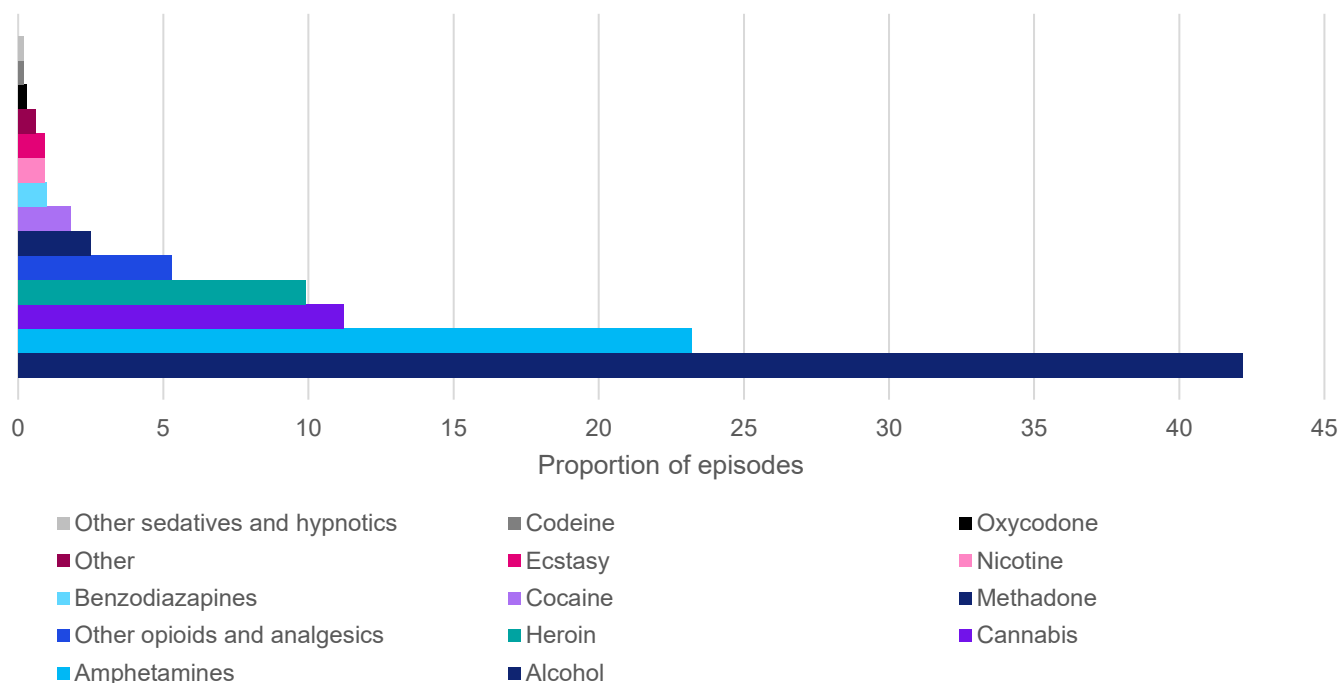
## AOD dependence in the ACT

Research underscores the substantial health burden linked to AOD consumption in the ACT. Alcohol, tobacco and other drugs (ATOD) consumption's health burden in the ACT is substantial with mental health conditions and substance use disorders being the main contributors to non-fatal burden in 2018.<sup>40</sup> Illicit drugs collectively contributed to 2.2 per cent of the overall disease burden in the ACT in 2016.<sup>41</sup> The Alcohol Tobacco and Other Drugs Association (ATODA) ACT Needs Assessment estimated that there is a gap between the volume of individuals receiving ATOD treatment and projected demand in the ACT.<sup>42</sup>

Alcohol and cannabis remain high prevalence drug types across the ACT with alcohol noted as a leading drug of concern among service users seeking treatment.<sup>42</sup> Alcohol was found to disproportionately impact young adults, and is the leading risk factor for preventable disease, injury and death in males aged 15-24 years and 25-44 years.

Not all those who consume AOD do so at a harmful level. However, people experiencing AOD dependence require treatment, support, and care to reduce the harms and burden of disease associated with their substance use. When it comes to accessing AOD treatment, alcohol is the most common principal drug of concern (43 percent), followed by amphetamines (20 per cent – primarily methamphetamine), heroin (15 percent) and cannabis (11 percent)<sup>43</sup> Figure 17 below demonstrates the episodes of care delivered in the ACT by primary drug of concern, with alcohol accounting for the highest proportion.

Figure 17: Proportion of episodes of care delivered in the ACT by primary drug of concern.



Source: Adapted from ATODA *Maintaining and strengthening specialist alcohol and other drug services for the ACT community needs assessment analysis, 2022-2025*.

## DASL drugs use trends

In 2020, 1 in 6 of adult detainees reported that alcohol contributed to their most recent arrested in the ACT.<sup>44</sup> Furthermore, 89 percent of detainees reported using illicit drugs in the past year. The ANU DASL Evaluation found that DASL participants demonstrated significant substance use issues, commonly identified as having substance use disorder and with alcohol and drug use beginning at an early age.<sup>3</sup> Common drugs of concern identified

40 ACT Health. (2023). *ACT Chief Health Officer's Report: Burden of Disease*. Available at: <https://www.health.act.gov.au/chief-health-officer-report/burden-of-disease/main-causes-of-the-disease-burden>

41 ACT Health. (2018). *Healthy Canberra*. Australian Capital Territory Chief Health Officer's Report 2018, ACT Government, Canberra ACT.

42 Alcohol Tobacco and Other Drug Association ACT. (2022). 'Maintaining and strengthening specialist alcohol and other drug services for the ACT community needs assessment analysis, 2022-2025'. Canberra: ATODA.

43 Australian Institute of Health and Welfare. (2023). *Alcohol and other drug treatment services in Australia annual report*. Available at: <https://www.aihw.gov.au/reports/alcohol-other-drug-treatment-services/alcohol-other-drug-treatment-services-australia/contents/about>

44 ACT Government. (2023). *Alcohol Tobacco and Other Drug Services Commissioning in the ACT: Health Needs Assessment*. Available at: [https://www.communityservices.act.gov.au/\\_data/assets/pdf\\_file/0014/2201072/ATOD-Needs-Assessment-2023.pdf](https://www.communityservices.act.gov.au/_data/assets/pdf_file/0014/2201072/ATOD-Needs-Assessment-2023.pdf)

through the evaluation were methamphetamines, opioid-class drugs (heroin and some pain medications), cannabis, benzodiazepines, and alcohol, with poly-drug use common.

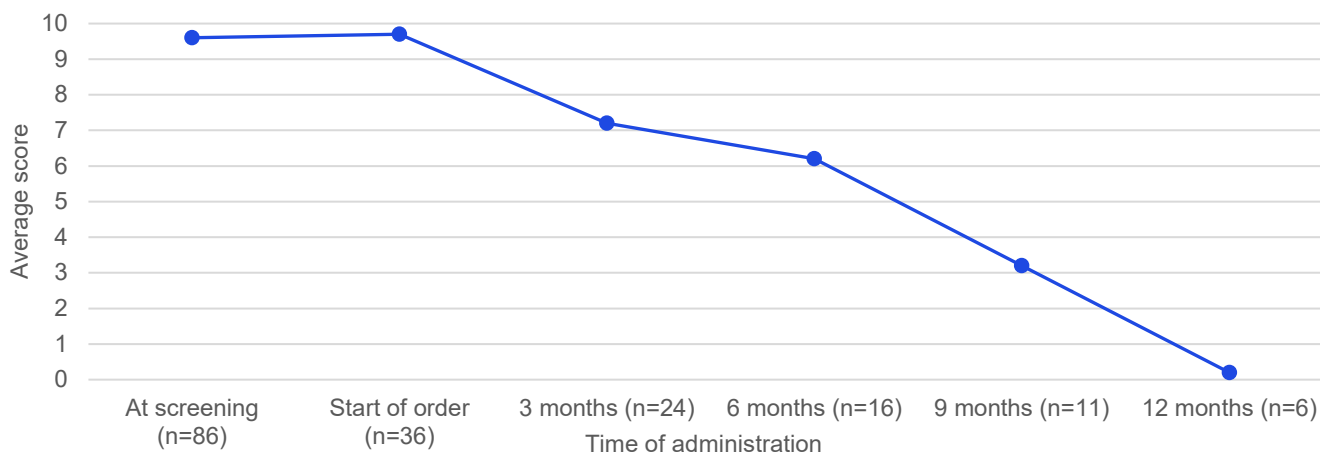


There is increasing use of Ketamine and GHB (gamma hydroxybutyrate) in addition to other substances...It would be useful to expand urinalysis testing if possible, as insufficient testing can undermine the accountability which is intrinsic to drug courts, especially where health staff and other participants know someone is still using substances and it remains undetected.”

**DASL Stakeholder**

CHS administers the TCU-5 drug screening tool DASL participants at three-month intervals, to measure severity of alcohol and other drug use over time, with a score out of ten (zero indicating a mild disorder and 10 indicating a severe disorder). As reported in the ANU evaluation, DASL TCU-5 scores showed a marked improvement in DASL participant drug use scores.<sup>3</sup> Figure 18 below demonstrates this improvement, with scores decreasing from an average of 9.7 (severe disorder) at beginning of orders, to 0.2 (mild disorder) after 12 months on the DATO.

**Figure 18: Average TCU-5 drug dependency score for DASL participants during the first 12 months of their DATO.**

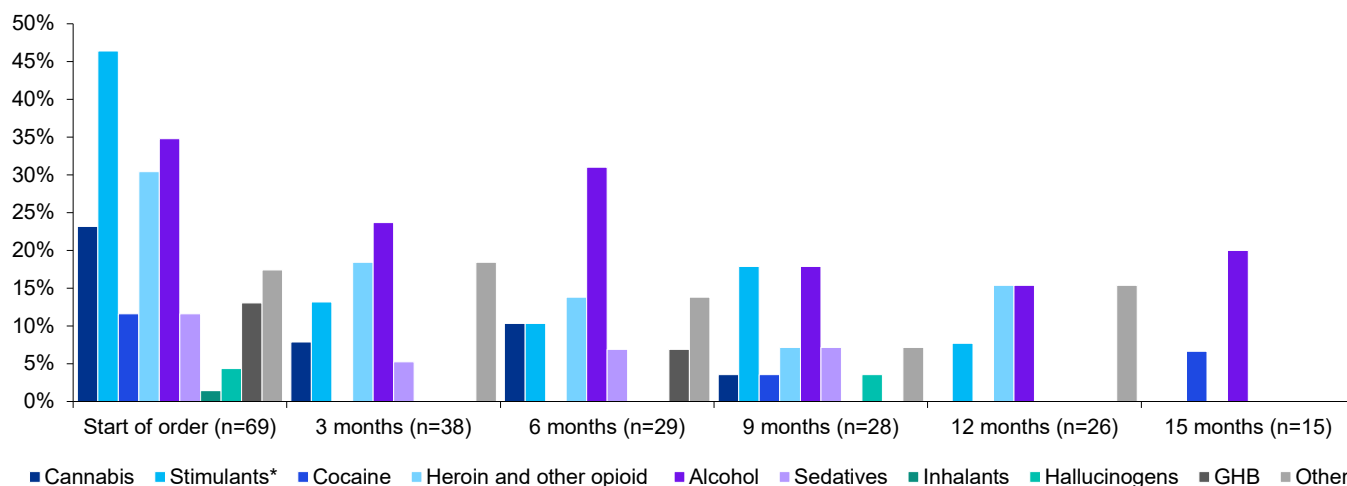


Source: KPMG adapted from ANU DASL Evaluation.

In addition to understanding dependency, CHS also administer the ATOP to participants at three-month intervals. This includes a self-reported substance use measure. Notwithstanding the data issues noted in our limitations section of this report, the ATOP data set demonstrates an overall decrease in DASL participants use of substances as they progress through their DATO, as demonstrated in Figure 19 on the following page. The most significant reduction between start of order and 15 months on DATO is seen in stimulant use (46 percent, noting this includes both methamphetamine and amphetamine type stimulants), and opioid (30 percent) use. Alcohol use reduces by 15 percent and whilst alcohol is not an illegal substance, reduction will result in significant participant and economic benefits. Other noted trends from the ATOP data is the reduction in administration of drugs intravenously.

It should be noted that data sourced from CHS ATOP data beyond 15 months has been excluded from analysis throughout this section due to the small number of responses (n < 10), as this impacts both the robustness of results and individuals potentially being identifiable.

Figure 19: Proportion of DASL participants using alcohol and drugs during the first 15 months on DATO.



\*Stimulants include methamphetamine and other amphetamine type stimulants

Source: KPMG analysis of CHS ATOP data.

### Economic benefit of reduced substance use

In 2021, it was estimated that addiction cost an estimated \$80 billion to the Australian economy and the community more broadly.<sup>6</sup> Justice and law enforcement costs of \$5.8 billion, were the main cost drivers associated with drug-related addiction. Specifically, the main components were the cost of policing services and custodial services, representing \$1.2 billion (21 percent) and \$1.7 billion (30 percent), respectively.<sup>6</sup>

There is evidence that demonstrates the additional economic benefits associated with reduced harmful substance use.<sup>6</sup> Table 16 below illustrates the value, on a per year per person basis, that is attributable to a variety of AOD dependencies. Based on data from AIHW and the Office of Impact Assessment values per year range from \$55,225 for mild alcohol use disorder to \$163,795 per year for heroin and other opioid dependence.<sup>45, 46</sup>

Table 16: Values attributable to alcohol and other drug dependencies.

Value of a statistical life year		\$235,000
Health State	Disability Weight	Value (per year)
Cannabis dependence	0.266	62,510
Amphetamine dependence	0.486	\$114,210
Cocaine dependence	0.479	\$112,565
Heroin and other opioid dependence	0.697	\$163,795
Alcohol use disorder: mild	0.235	\$55,225
Alcohol use disorder: moderate	0.373	\$87,655
Alcohol use disorder: severe	0.570	\$133,950

Source: AIHW and The Office of Impact Assessment data.

This demonstrates that DASL participants who are able to minimise their substance use levels and dependence, would likely have a resultant economic benefit to themselves (reduced cost healthcare and substance use) as well as the avoided cost and burden on the justice, healthcare and welfare system more broadly. Noting the trend towards reduced substance use identified in the ANU evaluation and in Table 16 above, this suggests additional economic benefits are being achieved through DASL, outside of the core CBA results.

45 Australian Institute of Health and Welfare. (2021). *Australian Burden of Disease Study: Methods and supplementary material 2018*. AIHW, Australian Government, accessed 22 March 2024.

46 The Office of Impact Assessment. (2023). *Value of statistical life guidance note*. Department the Prime Minister and Cabinet, Australian Government, accessed 22 March 2024.

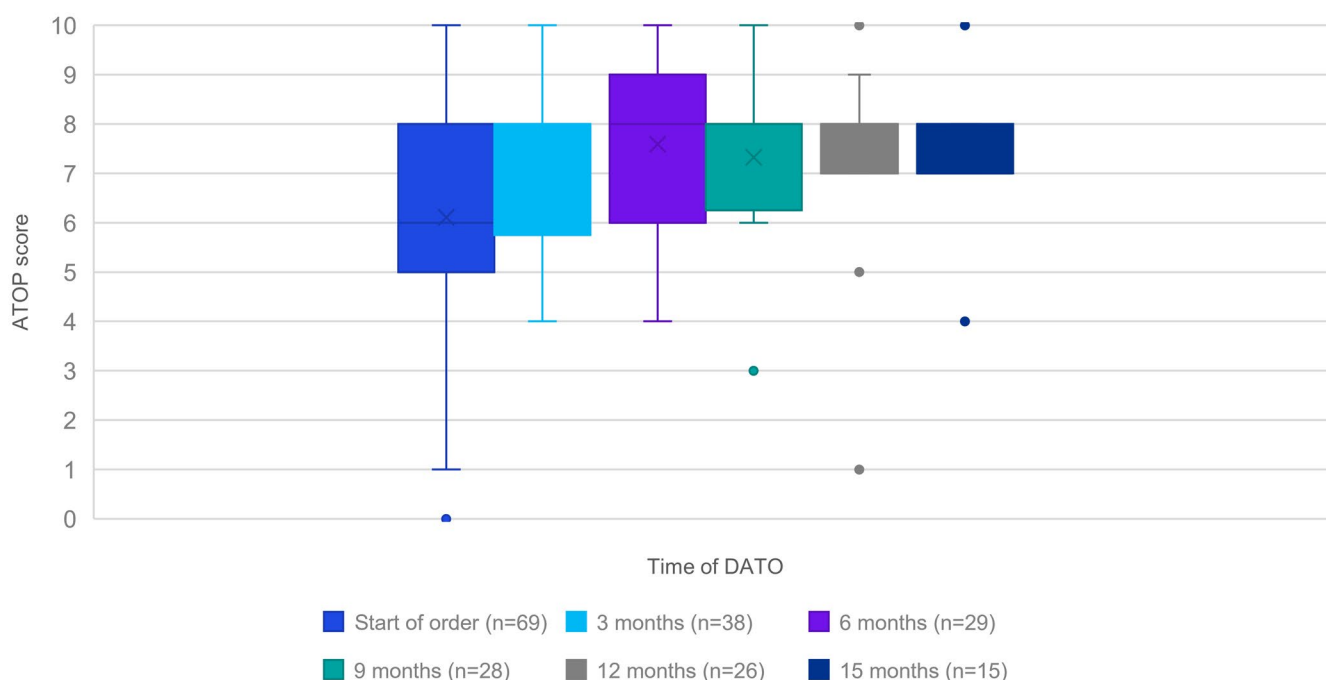
## Improved health outcomes

As noted earlier, high levels of AOD use can increase an individual’s risk of injury, preventable diseases, road accidents, and mortality and is associated with lifestyle factors that affect health, such as smoking, lack of exercise and poor diet.<sup>38</sup> It could be suggested that conversely, reduction in substance use levels is associated with improved health outcomes.<sup>47</sup>

To understand the impact of DASL intervention, CHS administer the ATOP measure at three-month intervals, capturing a self-reported score from DASL participants regarding their perceived physical health, psychological health and quality of life, with a score of 0 meaning ‘poor’ and 10 meaning ‘good’.

Figure 20 below demonstrates the DASL participant self-reports of physical wellbeing using this ATOP measure. The boxes within the graph represent the 25<sup>th</sup> to 75<sup>th</sup> percentile for each period, with the median and mean represented by the line and cross within each box respectively. Straight lines extend from each box to the minimum and maximum values, with outliers represented by dots. Notably, the mean physical health score increases from 6.1 at screening to a peak of 7.6 at 6 months into the DATO, with mean scores remaining above 7 in later periods.

**Figure 20: DASL participants average ATOP physical health scores during first 15 months on DATO.**



Source: KPMG analysis of CHS ATOP data.

It is expected that these improved physical health outcomes would lead to economic benefits, including reduced health service utilisation and increased capacity to engage in the ACT economy through employment and education, both of which are explored in later sections of this report.

### 6.3.2 Psychological health

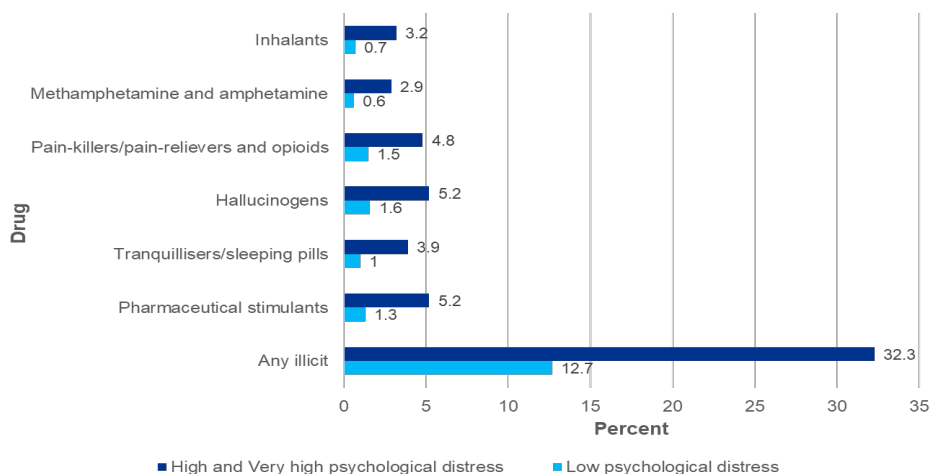
The AIHW National Drug Strategy Household Survey 2022-2023 indicated there may be a higher propensity for individuals with mental illness or high levels of psychological distress to engage in illicit drug use, where it may be used for immediate relief from symptoms, or illicit drug use may trigger a first episode in what may become an enduring mental illness.<sup>48</sup> Figure 21 is taken from this AIHW report and demonstrates recent use of select illicit drugs by psychological distress for individuals aged 18 and over between 2022 and 2023. Similar to previous years, during this period, survey data demonstrated that individuals who were experiencing higher levels of psychological distress were more likely to engage in use of illicit drugs than those with lower levels of psychological distress. Survey results demonstrated that approximately 1 in 3 (32 percent) individuals aged 18 and over

47 Manning, V., Garfield, J. B., Lam, T., Allsop, S., Berends, L., Best, D., Buykx, P., Room, R., & Lubman, D. I. (2019). Improved Quality of Life Following Addiction Treatment Is Associated with Reductions in Substance Use. *Journal of Clinical Medicine*, 8(9), 1407.

48 Australian Institute of Health and Welfare. (2024). National Drug Strategy Household Survey 2022-2023. Available at: [National Drug Strategy Household Survey 2022-2023: Mental health and use of alcohol, tobacco, e-cigarettes and other drugs - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/national-drug-strategy-household-survey-2022-2023)

experiencing high or very high levels of psychological distress had engaged in use of illicit drugs, similar to the proportion in 2019 (31 percent).

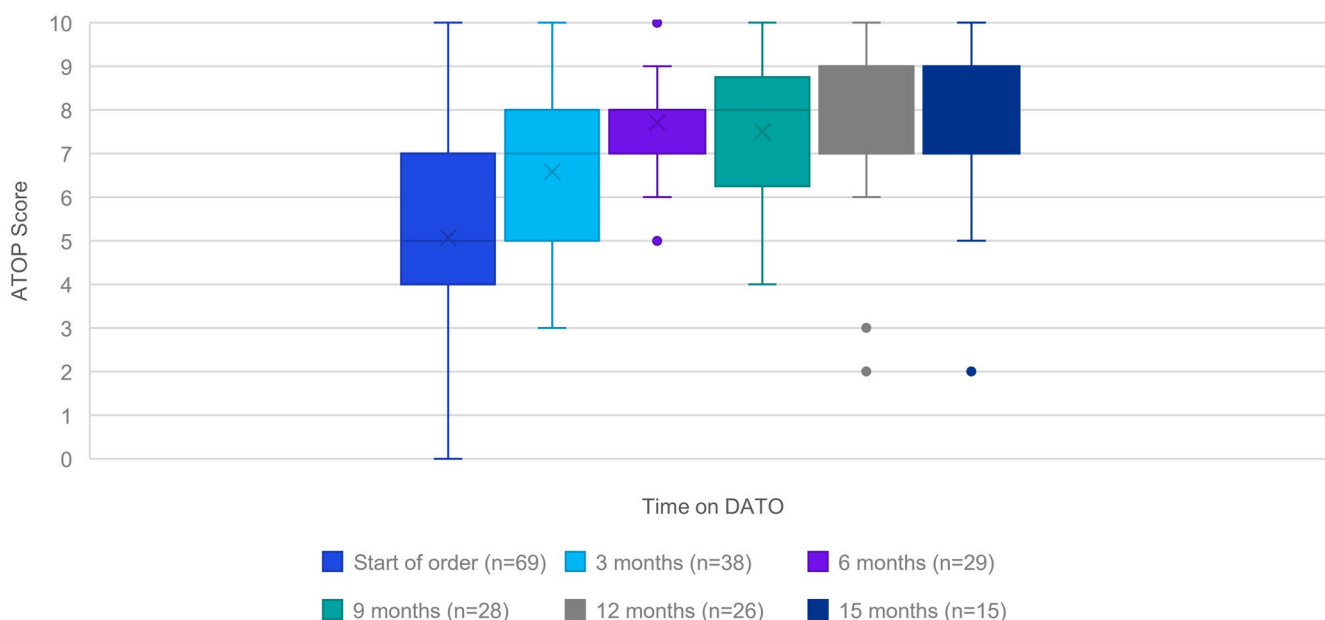
Figure 21: Recent use of select illicit drugs by psychological distress, people aged 18 and over, 2022-2023<sup>49</sup>



Source: AIHW.

The ACT ATODA report a high proportion of ATOD service users in the ACT identify as having a mental health condition.<sup>50</sup> Stakeholders interviewed as part of the DASL CBA also noted the high prevalence of co-occurring mental health conditions amongst the DASL cohort. Whilst the prevalence of mental health conditions amongst the DASL cohort isn't collected, the ATOP screening measure does record participants perceived psychological health scores (with 0 being 'poor' and 10 being 'good'). Figure 22 below demonstrates that the average score for participants psychological health at start of order is 5.1, the lowest of the three wellbeing measures. 17 percent of participants indicated a score of three or lower at start of treatment with scores as low as zero.

Figure 22: DASL participants average ATOP psychological health scores during first 15 months on DATO.



Source: KPMG analysis of CHS ATOP data.

<sup>49</sup> Australian Institute of Health and Welfare. (2024). National Drug Strategy Household Survey 2022-2023. Available at: [National Drug Strategy Household Survey 2022-2023: Mental health and use of alcohol, tobacco, e-cigarettes and other drugs - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/national-drug-strategy-household-survey-2022-2023)

<sup>50</sup> Alcohol Tobacco and Other Drug Association ACT. (2020). 'Service Users' Satisfaction and Outcomes Survey 2018: a census of people accessing specialist alcohol and other drug services in the ACT'. rep. ATODA Monograph Series, No.9. Canberra: ATODA.

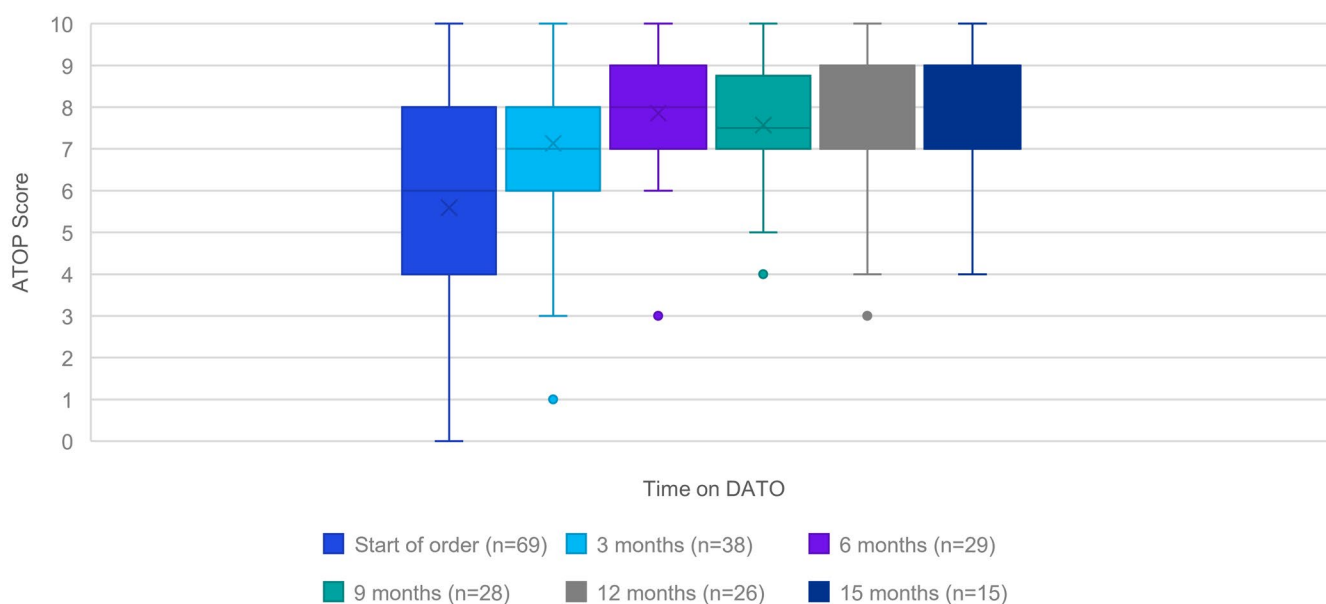
The boxes within the graph represent the 25<sup>th</sup> to 75<sup>th</sup> percentile for each period with the mean represented by the line within each box. While the lines coming from each box represent the minimum and maximum values. Notably, both the mean and minimum scores for DASL participant self-reported psychological health increases from start of order throughout the 12-month period, with the greatest range of improvement when compared to physical health and quality of life measures. This represents an improvement in DASL participants psychological health during their first 12 months on the DATO, suggesting that the gain in psychological benefits is sustainable and may continue long-term. Like the physical health improvements, it is anticipated that these improvements lead to similar economic benefits arising from reduced service utilisation and enhanced economic participation such as training and employment.

### 6.3.3 Quality of Life

Throughout consultation for the DASL CBA, stakeholders consistently emphasised the quality of life benefits they had observed as a result of DASL engagement. Defining quality of life is difficult, with definitions including an emphasis on the social, emotional and physical wellbeing of individuals or their ability to lead a fulfilling life.<sup>51</sup> An individual’s quality of life can vary over time, and despite similarities in experience, can differ greatly between individuals. An individual’s quality of life is a combination of expectations and experiences of life events.<sup>51</sup> Quality of life can be impacted through a range of life changes including changes to employment or education status, access to housing or experiencing homelessness, changes to health and mental health and social and community engagement or isolation. It is noted throughout that substance use disorders have a negative impact on these quality of life domains.

DASL participants rated their perceived quality of life, on a 10-point scale (0 being ‘poor’ and 10 being ‘good’), over the preceding four weeks using the ATOP tool. The data shows that the median quality of life score increased from 6.5 out of 10 at the start of an order to 8.5 out of 10 after 15 months. Gains in quality of life are strongest in the first six months following the initiation of an order and remain at an elevated level up to 15 months. This indicates that the gain in quality of life is sustainable and may continue long-term. However, it should be noted that the distribution of scores across most time points was relatively wide.

Figure 23: DASL participants average ATOP quality of life scores during first 15 months on DATO.

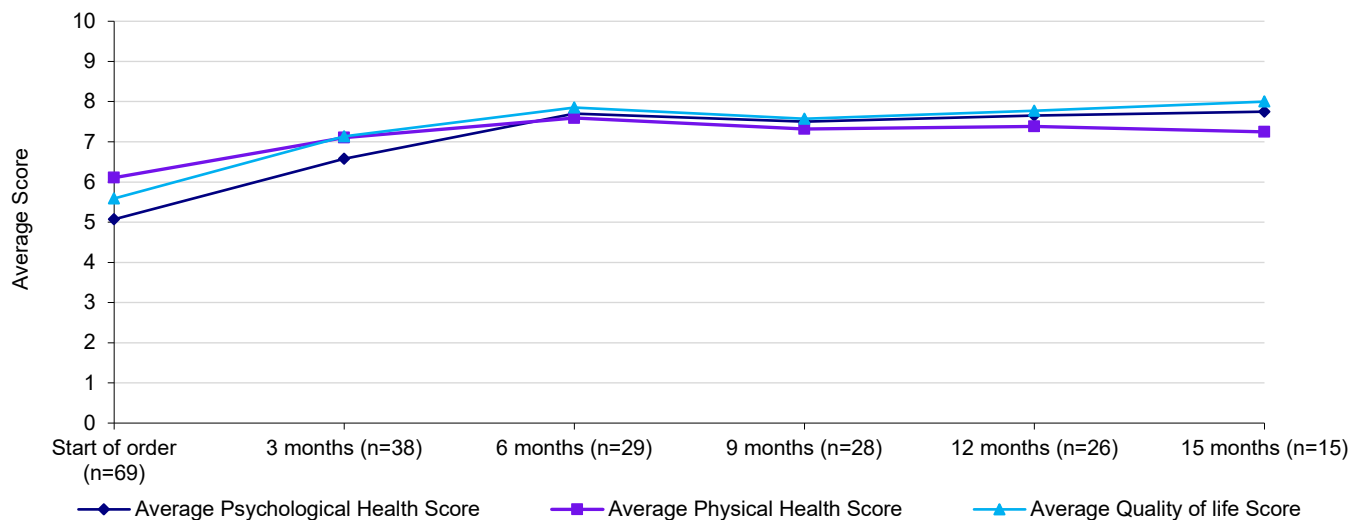


Source: KPMG analysis of CHS ATOP data.

<sup>51</sup> Carr, A. J., Gibson, B., & Robinson, P. G. (2001). Is quality of life determined by expectations or experience? *BMJ*, 322(7296):1240-3. doi: 10.1136/bmj.322.7296.1240. PMID: 11358783; PMCID: PMC1120338.

The increase in quality of life scores of DASL participants is in line with the improvements identified in physical and psychological health reported above. The contribution of psychological and physical health described above in an individuals experiences and expectations of quality of life is difficult to separate from more general changes in quality of life as illustrated in Figure 24 below. This may include improvements in quality of life through improved relationships and social connection, improved prospects of employment, education, housing and financial outcomes, and improved mental health. It is also difficult to determine if changes to these measures is due to changes in actual quality of life or due to reducing participant numbers.

**Figure 24: DASL participants average ATOP psychological health, physical health, and quality of life scores during first 15 months on DATO.**



Source: KPMG analysis of CHS ATOP data.

The summary table (Table 17) below illustrates the changes in psychological and physical health and quality of life scores for DASL participants from the start of their order to 15-months post initiation of treatment. There is a significant uplift across all domains over the 15-month period, with mean scores increasing by 51 percent (psychological health), 20 percent (physical health) and 42 percent (quality of life) respectively.

**Table 17: ATOP score for health and quality of life.**

ATOP score for health and quality of life	Start of order (n=69)	3 months (n=38)	6 months (n=29)	9 months (n=28)	12 months (n=26)	15 months (n=15)
<b>Psychological health</b>						
Mean score	5.1	6.6	7.7	7.5	7.7	7.8
Median score	5.0	7.0	8.0	8.0	8.0	8.5
Standard deviation (SD)	2.3	2.0	1.3	1.5	2.2	2.3
<b>Physical health</b>						
Mean score	6.1	7.1	7.6	7.3	7.4	7.3
Median score	6.0	7.0	8.0	8.0	8.0	7.0
SD	2.4	1.8	1.6	1.7	1.6	1.9
<b>Quality of life</b>						
Mean score	5.6	7.1	7.9	7.6	7.8	8.0
Median score	6.0	7.0	8.0	7.5	8.0	8.5
SD	2.7	2.0	1.5	1.4	1.8	1.8

Source: KPMG analysis of CHS ATOP data.

The extent of these health and wellbeing benefits can be further understood through the individual stories of DASL participants. The below case study is drawn from published DASL graduation speeches that highlight DASL outcomes across health and wellbeing, but also outcomes related to housing and employment.

#### Case study 1: DASL participant health and wellbeing outcomes.

### Participant case study – Improved health, wellbeing and quality of life



#### Participant:

Male participant between 30 to 40 years old.

#### Background

The participant had a long history with drugs and alcohol, dating back to their pre-teen years. They were exposed to substances and violence throughout childhood and experienced anxiety and depression in their adult years. They also have an extensive criminal history and demonstrated a pattern of re-offending when in the community.

#### DATO journey

The participant's offences included drug trafficking, violence and dishonesty. They engaged in residential rehabilitation which opened doors into other therapeutic recovery support. During their DATO, the participant engaged in study. They were considering stepping into a peer role to mentor others experiencing the same challenges.

The participant's engagement with the therapeutic programs assisted the participant to manage their anxiety and address broader health needs by gaining insight into their drug dependence and challenges.

After completing their DATO, the participant remained on the GBO portion of their DATO sentence, with compliance tracking as positive.

#### Key outcomes

- Reduced recidivism
- Reduced substance use
- Improved physical and mental health

Source: Adapted by KPMG from DASL graduation speeches published by ACT Courts, 2024.

### 6.3.4 Access to stable accommodation and housing

DASL stakeholders who were interviewed acknowledged the importance of housing and stable accommodation not only for a participant's recovery goals, but also as a key DATO requirement to enable their transition from residential rehabilitation facilities to suitable individual housing.<sup>52</sup> Access to secure accommodation was acknowledged by stakeholders as essential in supporting participants to reintegrate into society and support their rehabilitation, with many noting the challenges many participants face in accessing housing options. It should be noted that the provision of housing is not currently a core feature of the DASL model, and as such, quantification of housing benefits has only been included in this report to demonstrate the additional benefits of DASL participants accessing stable accommodation and housing.

Stable housing plays an essential role in reducing recidivism and burden on the criminal justice system, and is essential for long-term success of participant rehabilitation, AOD recovery and reducing reoffending.<sup>36</sup>

Interviews with housing stakeholders highlighted that supply of affordable housing is complex and challenging for DASL participants to navigate. There is evidence that the rental market across Australia has the lowest sustained vacancy rates for 20 years and the highest rents ever experienced.<sup>53</sup> These impacts, exacerbated by a range of factors during COVID-19 lockdowns and limited available infrastructure in the ACT, are placing pressure on the housing market and community housing providers generally.

<sup>52</sup> DASL stakeholder interviews, 2024.

<sup>53</sup> Australian Housing and Urban Research Institute. (2022). *Why does Australia have a rental crisis, and what can be done about it?*. Available at: <https://www.ahuri.edu.au/research/brief/why-does-australia-have-rental-crisis-and-what-can-be-done-about-it>



Safe, affordable housing with secure tenure is a massive impacting factor to achievement of benefits over the life of DASL...There were referrals to rehab when participants did not have their own housing to transition to afterwards. Participants then had nowhere to go if rehab was not suitable for them.”

DASL Stakeholder

When participants progress through their DATO, the TOT may support participants to locate housing support services to gain access to social or community housing, however, waitlists and eligibility criteria often apply. Accordingly, there is no certainty that participants can access housing whilst in the DASL.

Interviews with Housing ACT stakeholders revealed that the wait lists for public housing are a significant factor in why all applicants (including DASL applicants) are not allocated a tenancy soon after applying. Applicants on or seeking a DATO would most often wait initially at *Standard* potentially moving to either the *High Needs* or *Priority* register waiting to be matched to a suitable vacant property. This challenge can also be further impacted by seeking a low-density public housing location suitable to recovery goals.

Housing ACT commenced a pilot program to support DASL clients and incarcerated Tenants & Applicants in 2021. The pilot was later funded for an extended period due to further funds as part of the DASL budget which currently includes the employment of two Housing ACT employees.<sup>54</sup> ACT Housing data indicated that there were a total of 11 existing Housing Tenants who commenced a DATO between 2021 to 2023. In addition to this, two housing applications were made for participants wishing to commence a new tenancy while completing their DATO between 2021 to 2023.<sup>54</sup> Stakeholder interviews further revealed that DASL participants have also accessed housing support through the Justice Housing Program (JHP) in the ACT, however, due to data limitations the number of participants who have accessed housing via the JHP during the evaluation period was unable to be accurately quantified.

Changes to more stable accommodation and the provision of housing supports for individuals who have previously been engaged in extensive substance use and criminal offending can contribute to the following benefits.<sup>54</sup>

Figure 25: Benefits of stable accommodation and housing for DASL participants.



Source: KPMG, adapted from ACT Housing data, 2024.

By supporting participants to gain the necessary skills to improve their overall quality of life, reduce substance use and offending behaviours, and facilitating access to information and providers of housing support (such as the JHP), the DASL plays an important role in progressing participants towards sustained stability in their lives. Evidence demonstrates that this in turn has the potential to result in significant cost savings to the ACT Government. Research estimates from 2021 indicated that costs of service use for individuals who are stably housed in the ACT (such as health, justice, and welfare for tenants in community housing) were around \$15,300 per person per year lower than those who were deemed as homeless.<sup>55</sup>

The provision of housing services to participants via Government works as an offset to the avoided cost of custody. Based on the available data for this CBA, as discussed in Section 5, the costs associated with the provision of housing for DASL participants is small and not material when compared to the avoided costs of custody. It is estimated that this offset is less than \$100,000 for the ACT Government.

<sup>54</sup> Housing ACT, 2024.

<sup>55</sup> Australian Housing and Urban Research Institute. (2021). *Return on investment for social housing in the ACT*. Available at: <https://www.ahuri.edu.au/sites/default/files/documents/2021-09/AHURI-Prof-Services-Executive-summary-Return-on-investment-for-social-housing-in-the-ACT.pdf>

## 6.4 Improved employment and education outcomes

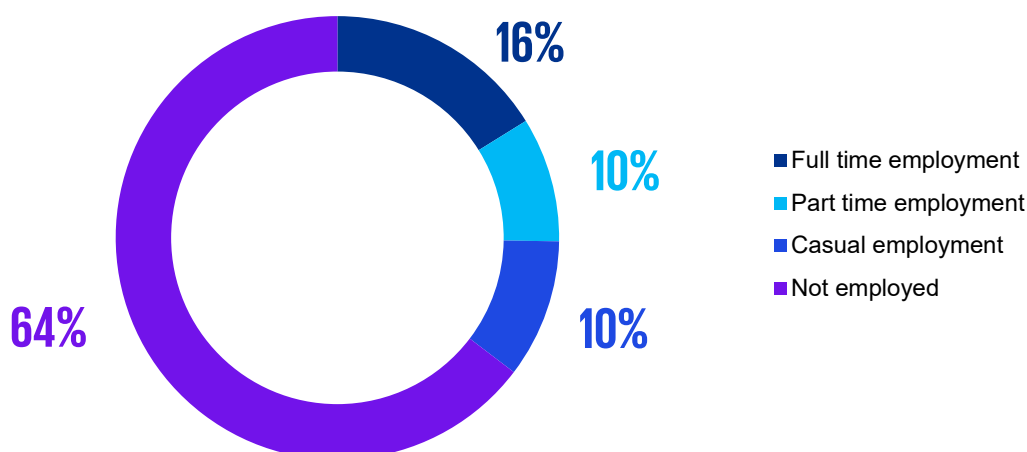
Stakeholder consultations highlighted the role that DASL plays in enabling stability for participants and encouraging meaningful participation in community. The early phases of a participants DATO is often focused on establishing stability and prioritising participation in treatment. However, when appropriate for a participants recovery, the TOT will support engagement with training, education and employment. This brings with it many economic benefits for participants and the community.

### 6.4.1 Employment outcomes

Participants within the DASL are encouraged and supported to develop employment, volunteering or education pathways that are conducive to moving beyond criminal activity and substance use. During stakeholder interviews and through data analysis, there is evidence of where participants have received clear benefits from engagement in employment. According to findings within the ANU evaluation, participants who were included in the study were shown to have demonstrated a strong desire to gain employment, particularly within Phase 3 of the program or post-graduation. For many participants, gaining employment was perceived as a key positive indicator of their progress within the program.<sup>3</sup>

Improved employment outcomes result in greater economic contribution as participants may not have gone on to become employed in the counterfactual. This is especially true for participants that gained employment opportunities while on program. Participation in the DASL has shown to result in engagement in employment, as demonstrated in Figure 26 which shows that 36 percent of DASL participants are engaged in some form of employment whilst on their DATO. This trend was also evidenced in a review of graduation speeches in which eight of the 16 speeches reviewed (50 per cent) specifically noted positive employment outcomes.

Figure 26: DASL participant employment status.

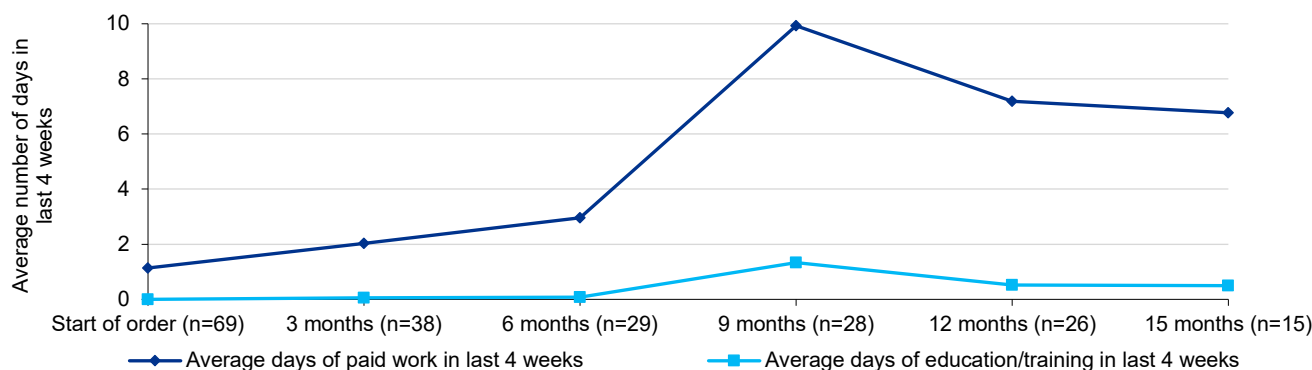


\*Note: Percentage figures have been rounded to the nearest whole number.

Source: KPMG analysis of CHS ATOP data.

It is important to note that some participants who engaged in part-time employment, also undertake casual employment, meaning actual days worked may vary. The CHS ATOP measure not only records employment status, but also captures participant reported information on the total days employed over the preceding four weeks. These results are demonstrated in Figure 27 on the following page.

Figure 27: DASL participants combined days of paid work, education and training in last four weeks.



Source: KPMG analysis of CHS ATOP data.

As expected, participant days employed is lower during the first six months on a DATO. From six months participant employment days increase, peaking around nine months and appears to remain well above the start of order rate at 12 and 15 months. It is important to reiterate the sampling and collection challenges with the ATOP data and as such, these results should be interpreted as indicative, and not conclusive.

According to CHS data, examples of types of employment participants have undertaken on a casual, part-time or full-time basis include:

- Event set-up
- Removalist
- Butcher
- Cleaning
- Mechanics/towing
- Landscaping
- Truck/courier driving
- Traffic control

### Monetising labour surplus benefits

Labour surplus represents the value of improved employment outcomes and associated higher earnings for the individual relative to the counterfactual. It is a measure of individual earnings relative to a reservation wage, or income.<sup>56</sup>

In the case of DASL, for the purpose of the analysis it is assumed that if not employed, participants would be receiving a Centrelink payment. As DASL participant wage data was not available, for the purpose of the analysis we have assumed Newstart payments (\$278 weekly rate) as a base wage. While there are some indicative employment types available, for the purpose of this analysis we have assumed the National Minimum Wage rate as the income for those employed (\$719 weekly rate).

Table 18 provides the average days in employment over past four weeks recorded at three-month ATOP intervals (represented by the mean score). To calculate the labour surplus rate, this 4-week rate has been applied across the full three-month interval to calculate the average days working over the three-month period.

Table 18: Average number of days worked for DASL participants from start of DATO to 15 months.

Number of days	DATO Period					
	Start of order (n=69)	3 months (n=38)	6 months (n=29)	9 months (n=28)	12 months (n=26)	15 months (n=15)
Mean days worked last 4 weeks (A)	1.1	2.0	3.0	9.9	7.2	6.8
Assumed days worked per 3 months (Ax3)	3.3	6	9	29.7	21.6	20.4

\*assumed days calculated by multiplying the average days worked in past 4 weeks, by three to get an average across the three-month period.

56 NSW Treasury. (2023). TPG23-08 NSW Government Guide to Cost-Benefit Analysis. Available at: [https://www.treasury.nsw.gov.au/sites/default/files/2023-04/tpg23-08\\_nsw-government-guide-to-cost-benefit-analysis\\_202304.pdf](https://www.treasury.nsw.gov.au/sites/default/files/2023-04/tpg23-08_nsw-government-guide-to-cost-benefit-analysis_202304.pdf)

Source: KPMG analysis of CHS ATOP data.

It is important to note this data may be incomplete and as such, may be missing some employed participants that may have graduated and haven't done an ATOP. This is more likely in the later months of the DATO periods. As such, it is anticipated that this is a relatively conservative figure. Table 19 outlines the key components of determining the labour surplus.

Table 19: Components used to determine labour surplus.

Input	Value
Total participants (A) - from ATOP data	27
Newstart allowance (B)	\$278
Minimum wage (C)	\$719
Wage difference (D) = (B-C)	\$441
Days worked in year 1 (E) From Table X above	66.3 days
Weeks worked in year 1 (F) = (E / 5 work days per week)	13.3 weeks
Annual benefit per person (G) = (D x F)	\$5,848
Total benefit (H) = (G x A)	\$157,887

Source: KPMG

Based on the ATOP data, 27 individuals have gained employment. Using the assumptions in the table above, and applying a five-day work week, a benefit per participant for their first year on their DATO was calculated at **\$5,848**. Accounting for the 27 participants that have been engaged in part-time or full-time employment between 2019 and 2023 (excluding casually employed participants), we arrive at a total labour surplus benefit for DASL of **\$157,887** between 2019 and December 2023.

**Total estimated labour surplus for DASL between 2019 and Dec 2023 is \$157,887**

This calculation only accounts for employment in the first 12 months on a DATO. It is fair to assume that employment levels may continue in the second year of a DATO and possibly beyond completion. As such, it is reasonable to presume that actual labour surplus benefits may be higher.

### 6.4.2 Education and life skill outcomes

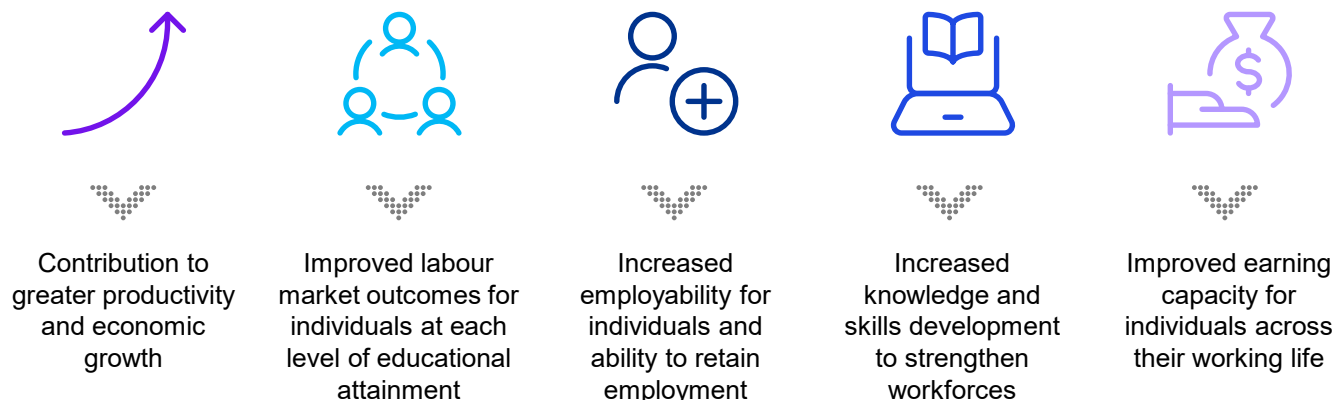
There is a large existing body of evidence that highlights the qualitative benefits of models similar to the DASL, which includes the provision of a supportive and structured environment, access to treatment and support services, and opportunities for personal growth. In a review of the literature, exit interviews conducted with drug court graduates from a United States iteration of the program, found that approximately 60 percent of drug court participants stated that 'completing education' was an important factor in their decision to enter the drug court.<sup>57</sup> Furthermore, 84 percent of respondents in that study indicated the positive improvements in their educational situations were very important.<sup>57</sup>

Improved education and life skill outcomes have the potential to result in greater economic contribution, as the participants may not have gone on to access these trainings or qualifications post-program without the support and encouragement of the DASL and TOT. Similar to employment outcomes, in the absence of a suitable comparator cohort, this benefit has been discussed qualitatively with reference to literature and relevant data sourced from key DASL stakeholders.

<sup>57</sup>Contrino, K. M., Nochajski, T., Farrell, M. G., &Logsdon, E. (2016). Factors of Success: Drug Court Graduate Exit Interviews. *American Journal of Criminal Justice*, 41, 136–150. <https://doi.org/10.1007/s12103-015-9333-3>

A review of research and evidence from the Organisation for Economic Co-operation and Development (OECD) revealed the important role that education and training plays for the broad economic benefits of communities. Key economic benefits of individuals engaging in education and training opportunities identified by the OECD have been summarised at a high level below in Figure 28.

Figure 28: Key economic benefits of engagement in education and training.



Source: KPMG, adapted from a literature review of OECD reporting<sup>58, 59</sup>

In addition to the broader economic benefits of education and training for individuals and communities, OECD reporting also identifies several economic benefits that exist for government. The research highlights that government investment into education and training provides positive public returns on investment at every level of education attained by individuals.<sup>58</sup> Further to this, individuals who are educated are more likely to earn a higher income and pay higher levels of tax across the course of their lifetimes in addition to relying less on welfare and social entitlements, resulting in further cost savings for government.<sup>60</sup>

An education study undertaken by the Commonwealth government Department of Education combining analysis of Census, tax, welfare, health and education data revealed a positive association between increasing levels of educational attainment and positive social benefits, such as:

- Community engagement
- Advocacy and volunteering participation
- Trust and tolerance
- Healthy behaviours
- Employment
- Business engagement

The study revealed that the above benefits contributed to evident improvements in wealth accumulation and income, reduced financial stress for individuals and reduced reliance on government support, supporting potential cost savings nationally.<sup>61, 62</sup> While engagement in education is not an expressed objective of the DASL, the program does provide opportunities and pathways for participants who may want to engage in prosocial activities and lead a prosocial life after undertaking their DATO. In later phases of the program, some participants may be supported to enter the workforce or education and training opportunities.<sup>63</sup>

A selection of key findings from the Department of Education research revealing the impact of higher educational attainment across social, economic and life benefits, have been illustrated in Figure 29 on the following page.

58 OECD. (2023). *Education at a Glance 2023: OECD Indicators*. OECD Publishing, Paris. <https://doi.org/10.1787/e13bef63-en>.

59 OECD. (2010). *Learning for Jobs*. OECD Reviews of Vocational Education and Training. OECD Publishing, Paris. <https://doi.org/10.1787/9789264087460-en>.

60 OECD. (2019). *Skills Matter: Additional results from the Survey of Adult Skills*. OECD Publishing, Paris. <https://doi.org/10.1787/1f029d8f-en>.

61 Department of Education. (2020). *Benefits of Educational Attainment – Introduction*. Available at: <https://www.education.gov.au/integrated-data-research/benefits-educational-attainment/introduction>

62 Department of Education. (2020). *BEAP Infographic*. Available at: <https://www.education.gov.au/integrated-data-research/resources/beap-infographic>

63 Stakeholder consultation interviews.

Figure 29: Summary of key educational attainment benefits.

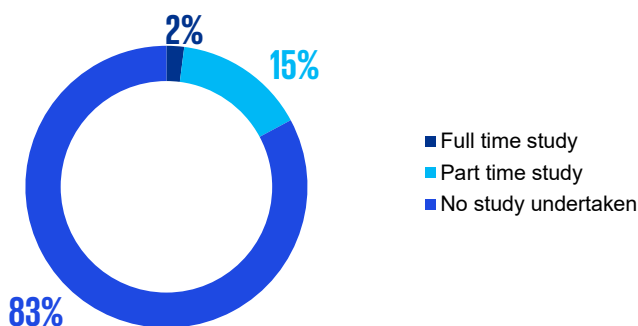
<b>Employment and income support</b>	Higher educational attainment is associated with higher labour force participation, higher likelihood of employment and reduced use of income support.	<ul style="list-style-type: none"> <li>• 27 percentage point decrease in unemployment rates</li> </ul>
<b>Income</b>	Higher educational attainment leads to higher total income, more diverse sources of income and reduced reliance on the aged pension	<ul style="list-style-type: none"> <li>• 9 percentage point decrease in use of income support</li> </ul>
<b>Wealth</b>	Higher educational attainment is associated with greater wealth.	<ul style="list-style-type: none"> <li>• \$80,000 median asset wealth increase</li> <li>• 32 percentage point decrease in receipt of aged pension</li> </ul>
<b>Financial stress</b>	Higher educational attainment is associated with lower financial stress.	<ul style="list-style-type: none"> <li>• 18 percentage point decrease in cash flow problems</li> </ul>
<b>Healthy behaviour</b>	Higher educational attainment leads to more healthy behaviour including never smoking, meeting exercise guidelines and responsible alcohol consumption.	<ul style="list-style-type: none"> <li>• 9 percentage point decrease in alcohol consumption</li> <li>• 32 percentage point increase in exercise</li> </ul>
<b>Civic engagement, tolerance and trust</b>	Higher educational attainment is associated with greater civic engagement, tolerance and trust.	<ul style="list-style-type: none"> <li>• 24 percentage point increase in trust of justice system</li> <li>• 31 percentage point increase in community support group involvement</li> </ul>
<b>Voluntary work and donations</b>	Higher educational attainment is associated with a higher prevalence of charitable behaviour including voluntary work and making charitable gifts or donations.	<ul style="list-style-type: none"> <li>• 23 percentage point increase in voluntary work participation</li> </ul>

Source: Department of Education, 2020.

Whilst not an explicit feature of the DASL model, evidence suggests that education is considered a strong, protective factor for overall individual success in terms of long-term reductions in substance use and reduced reoffending.<sup>64</sup> Importantly, whilst not core to the DASL model, the TOT can facilitate awareness and refer participants to third party education providers to support the education goals of participants.

Participation in education and training has shown to improve economic outcomes for participants. This effect is referred to as human capital uplift. DASL participant data provided by CHS indicated that to date, a total of 32 participants have engaged in training, 15 participants have engaged in part-time study, with an additional 2 participants engaged in full-time study. This data is represented in percentage format in Figure 30 and Figure 31.

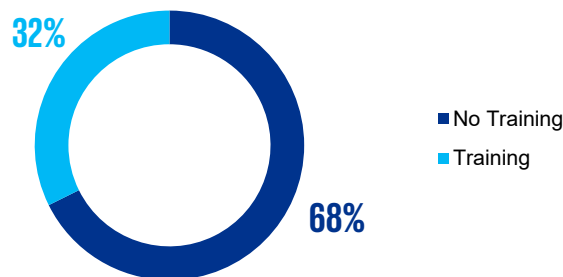
Figure 30: DASL participants engaged in full-time or part-time study during their DATO



\*Note: Percentage figures have been rounded to the nearest whole number.

Source: KPMG analysis of CHS ATOP data.

Figure 31: DASL participants engaged in training during their DATO.



Source: KPMG analysis of CHS ATOP data.

64 Garritsen, K., Janković, M., Masthoff, E., Caluwé, E. D., & Bogaerts, S. (2024). The role of dynamic risk and protective factors in predicting violent recidivism: intellectual ability as a possible moderator?. *International journal of offender therapy and comparative criminology*, 68(2-3), 207-234.

According to CHS data, examples of study and training participants have undertaken whilst on a DATO include:

- CIT Cert III in Commercial Cookery
- English/ study skills
- CIT Cert IV in AOD
- CIT Cert IV in hairdressing
- CIT Cert IV in AOD/ Mental Health
- Cert IV in refrigeration
- Legal Services Studies (CIT)
- Traffic control training
- Cyber Security Studies (CIT)
- Construction Pathways Cert II Spark Program

DASL participants engagement in these education opportunities whilst undertaking their DATO, in combination with the other supports offered within the program, has potential to contribute to the prosocial outcomes of participants.

# Future considerations



# 7 Future considerations

## 7.1 Conclusion

Analysis of the DASL program benefits against the cost to deliver DASL result in a current NPV of \$-3.4M and a BCR of 0.87. This could be expected for a program such as DASL, which is still relatively young and with significant establishment costs covered over the analysis period.

Whilst the program has not yet achieved a positive BCR overall, it is useful to consider the changing costs and benefits as the program has moved from inception to maturity in 2021. This trajectory showed positive benefit increases year-on-year and it is anticipated that subsequent years will be more similar to the cost benefits relationship reflected in 2021, likely achieving a positive BCR in the near future.

Whilst not forming part of the core CBA, additional qualitative benefits were also identified and cost-effectiveness demonstrated where possible. The additional benefits shown to be linked to DASL include:

- Improved social and community engagement evidenced by reported increases in prosocial behaviours, improvement in relationships, family re-unification and reduction in violence.
- Economic benefits associated with reduced substance use, and improvements in physical health, psychological health, quality of life and stable housing. These benefits are largely associated with reduced burden of disease as demonstrated through reduced service use and increased economic participation.
- Economic benefits associated with labour surplus, as a result of DASL participants being able to engage in education and employment.

When the BCR trajectory and qualitative benefits are considered together, it is evident that DASL is achieving significant avoided costs and economic benefits to the ACT Government.

## 7.2 Opportunities

Future considerations have been developed in alignment with the Key Findings of the ANU evaluation of the DASL and in accordance with key findings from the CBA undertaken. These opportunities are designed to enhance the Government’s capacity to continue to monitor the benefits of DASL and to enhance DASLs ongoing economic benefit.

The following table outlines a series of considerations around future program delivery for the DASL to support JACS and the ACT Government more broadly.

Table 20: Future Considerations around future program delivery.

<div style="display: flex; align-items: center;"> <p><b>Enhance the DASL monitoring and measurement capability.</b></p> </div> <p>This opportunity is aimed at addressing the significant data gaps which were identified in both the ANU evaluation and this CBA. In order to address these, JACS and the partner agencies should consider opportunities to build an ongoing evidence base for the DASL in the ACT, that includes more detailed monitoring and measurement of participant outcomes, through improved data collection.</p> <p>This may be supported by developing a monitoring and evaluation framework for DASL, which includes a detailed data matrix. The detailed data matrix will identify key data points which demonstrate the outcomes and impact of DASL. It should be supported by thorough measurement processes, including consistent guidance, tools and sources. This should also clearly define roles and responsibilities of each partner with regard to monitoring, data collection and reporting.</p> <p>Some additional considerations were identified to further enhance this data and evidence collection:</p> <ul style="list-style-type: none"> <li>• Consider opportunities to capture longitudinal data from DASL participants which measures impact for up to 2 years post their DATO.</li> </ul>
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- In order to robustly measure cost benefits using this data, it is ideal to identify a comparator cohort in order to understand the true difference which DASL is making.
- Improve understanding of cost inputs & outputs for housing support
- Reliable and detailed capture of qualitative benefits should also be incorporated into the monitoring framework and regular reporting.

Ideally, a future CBA of DASL would have access to a comparator cohort. The ACT Government should consider opportunities to capture robust data and information for all individuals who engage with the justice system in the ACT. By doing this, the Government will optimise opportunities for comparison of impact and benefits of varying intervention types across the justice system, to better understand where impact occurs and to inform future planning and investment. This may also be enhanced by opportunities to link data across justice, health, homelessness and welfare systems.

While the CBA indicates that DASL is having a positive economic impact, this CBA did not include analysis of the program's efficiency and opportunities to best utilise the allocated funds. With the completed evaluation and CBA, it is timely to consolidate findings across both and explore opportunities to enhance the programs efficiency. This may include a quality improvement exercise which analyses DASL expenditure in depth, examination of where it is being utilised effectively and consideration of opportunities to improve the use of funding to achieve efficiencies.

All of these suggested opportunities will support future robust CBA and evaluation activities. Given the breadth of work to be done here, there may be benefit in appointing a dedicated role within government to drive this work.



### Explore opportunities to increase the DASL benefits by increasing participant numbers.

It is clear from this CBA that DASL is associated with a range of benefits to the individual, the government and the ACT community more broadly. Expansion of DASL would increase these benefits, and by doing so, build economies of scale.

The relatively small population of the ACT impacts the model and economies afforded the DASL in the ACT. An opportunity exists to enhance the participant numbers for DASL, in order to increase impact and offset the program operating costs. The ACT Government should explore feasible opportunities to enhance the volume of eligible participants.

One way this may be achieved is by undertaking a feasibility study to identify whether the scope of DASL could be expanded to the Magistrates Court along with considering a range of other options.

Source: KPMG.

DASL brings together such a large group of government and non-government partners who have a core role in making the program work. It was clear through stakeholder consultation that these partners collaborate at the service delivery level, to ensure participants receive the support they need.

It will be beneficial for JACS to continue to lead collaboration at the senior policy level across partner agencies to support each of these considerations. This may include bringing partners together regularly in forums to collaborate on key DASL policy. Setting clear roles and responsibilities, governance structures and enhancing transparency across agencies is critical to successful implementation of the evaluation recommendations and driving forward the CBA results.

# Appendix



# 8 Appendix

## 8.1 Preliminary data request

Table 21: Preliminary data request.

Type of data collection	Details/data (time period is since implementation of DASL to most current available data)	Data use	Data source
Justice	DASL program cost data	CBA - cost measurement	JACS
	DASL Participant data – dates <ul style="list-style-type: none"> <li>Head sentence start date</li> <li>DATO (treatment and supervision) start date</li> <li>GBO end date</li> <li>DATO (treatment and supervision) end date</li> </ul>	CBA - benefit measurement	ACT Courts and Tribunal or Corrections
	DASL completion rates <ul style="list-style-type: none"> <li>DATO graduate completion</li> <li>Non-graduate completion</li> <li>Non-completion</li> <li>Phase at completion or cancellation</li> </ul>	Reporting	
	Participant cohort numbers and demographics including: <ul style="list-style-type: none"> <li>Gender</li> <li>Aboriginal status</li> <li>Principal offence</li> </ul>	CBA - benefit measurement	
	Return to custody data for participants aligned to time on DASL (if possible, differentiate reason for return to custody - sanction versus a new offense)	CBA - benefit measurement	
	Next recorded offence for DASL cohort after completion of DASL treatment and supervision. <ul style="list-style-type: none"> <li>Date of registration of charge</li> <li>Length of sentence if re-sentenced (severity)</li> </ul>	CBA - benefit measurement	
	Total program staff numbers and roles	Reporting	All service providers
	Police data for participants aligned to time on DASL <ul style="list-style-type: none"> <li>Police interactions</li> </ul>	Reporting	ACT Policing
Health	Data on utilisation of health services including episode length, ED presentations, acute treatment/admissions data	CBA - benefit measurement / reporting	ACT Health and CHS
	Urinalysis data over time	CBA - benefit measurement	
	DASL outcome measure data (including any drug usage trends related to the program)	Reporting	
Other	Allocation of public housing to DASL participants	Reporting	Housing ACT
	JHP usage data for DASL participants including tenancy length, tenancy breaches and exits		

Source: KPMG 2024.

## 8.2 Stakeholder consultation information

Table 22: Stakeholder consultation schedule.

Stakeholder Group	Consultation Completion Date
ACT Health Directorate	Wednesday 24 January, 9-10am
CHS	Monday 22 January, 10-11am
ACT Housing, Community Services Directorate	Tuesday 23 January, 3:30-4:30pm
ACT Corrective Services	Wednesday 24 January, 1-2pm
ACT Courts and Tribunal	Tuesday 16 January, 3:30-4:30pm
ACT DPP	Thursday 25 January, 1-2pm
Legal Aid ACT	Wednesday 17 January, 1-2pm
ACT Police	Wednesday 24 January, 11:45am-12:30pm
Strategic Policy and Programs, JACS	Wednesday 24 January, 3-3:50pm
Criminal Law Branch, JACS	Friday 19 January, 9-10am
ANU	Tuesday 6 February, 11-12pm
ACT Treasury	Friday 2 February, 2-3pm

Source: KPMG 2024.

**The following key discussion questions were utilised during stakeholder consultations to guide discussions.**

Figure 32: Example stakeholder consultation discussion questions.

1. What involvement do you and your organisation have with the DASL?
2. What benefits (individual and systemic) have you observed from the DASL? How might these benefits be measured?
3. What factors may have impacted the achievement of benefits over the life of the DASL?
4. What data do you collect for DASL? What barriers or challenges do you foresee in measuring the benefits of DASL?
5. Can you provide some examples of good news stories or case studies which demonstrate the benefits and value proposition of DASL?
6. How could the DASL be improved and extended going forward to continue to support participant substance use reduction and improved community health outcomes?
7. In your view, does the DASL contribute to reducing recidivism rates among participants compared to traditional pathways?
8. What role does the DASL play in diverting people from the custodial system (if any)? What interventions would a DASL participant receive in custody?

Source: KPMG 2024.

## 8.3 Alignment of costs

Table 23 below sets out the core funded cost components for inclusion. Costs were measured in the period in which they were incurred; for this purpose financial years have been split out and aligned to calendar years.

Table 23: Alignment of DASL CBA costs.

Start date	1/07/2018	1/07/2019	1/07/2020	1/07/2021	1/07/2022	1/07/2023	
End date	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	
FY costs	FY19 (2018/19)	FY20 (2019/20)	FY21 (2020/21)	FY22 (2021-22)	FY23 (2022-23)	FY24 (2023-24)	
<b>Workings</b>							<b>Total (non-NPV) (\$)</b>
Financial year costs	1.1 M	4.0 M	6.2 M	6.6 M	6.6 M	8.6 M	<b>33.1 M</b>
Half of financial year costs (for combination)	0.5 M	2.0 M	3.1 M	3.3 M	3.3 M	4.3 M	<b>16.6 M</b>
<b>Method note: calendar year cost extrapolation assumes uniform distribution of costs across financial years Costs therefore aligned to calendar year by taking 50 per cent of each corresponding FY</b>							
Adjustment (calendar years) (\$)	<b>2019*</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>		
	3.1 M	5.1 M	6.4 M	6.6 M	7.6 M		
*Assume whole costs incurred in FY19 applicable given court did not begin operating until 2019 CY							

Source: KPMG 2024.

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