



Parliament of Australia
Parliamentary Budget Office

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Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request on *justice reinvestment* (letter of 14 August 2013).

The response to this request will be released on the PBO website (www.aph.gov.au/pbo).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

15 August 2013



COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Justice reinvestment
Summary of proposal:	<p>The proposal would establish a National Centre for Justice Reinvestment to administer grants funding for justice reinvestment pilot programs.</p> <p>The intention of the proposal is to reduce imprisonment rates and capital expenditure on prisons by promoting the development and evaluation of community-based initiatives to address the underlying causes of criminal conduct.</p> <p>The proposal will have effect from 1 July 2014.</p>
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	14 August 2013
Date costing completed:	15 August 2013
Date of public release of policy:	30 July 2013
Agencies from which information was obtained:	Not applicable

Costing overview

This proposal is expected to decrease both the underlying cash and fiscal balances by \$45 million over the 2013-14 Budget forward estimates period. This total impact is entirely due to an increase in expenses.

Consistent with the costing request, the proposal provides funding of \$10 million over four years from 2014-15 to establish the National Centre for Justice Reinvestment, and \$50 million to be provided in grant funding over four years from 2014-15. The administrative costs associated with establishing and running the pilot program and supporting the evaluation of the pilots will be met from within the \$2.5 million per annum dedicated to the proposed National Centre for Justice Reinvestment.

This costing is considered to be of high reliability as it is based on a capped funding amount specified in the costing request.

POLICY COSTING – ELECTION CARETAKER PERIOD

Table 1: Financial implications (outturn prices)^(a)

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-15.0	-15.0	-15.0
Fiscal balance (\$m)	-	-15.0	-15.0	-15.0

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates an increase in expenses in cash terms.

Key assumptions

The expense profile is as specified in the costing request.

Methodology

The estimates are based on the capped funding amount specified in the costing request.