



**POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A
GENERAL ELECTION**

Name of policy:	Justice Reinvestment
Person requesting costing:	Senator Milne
Date of request to cost the policy:	14 August 2013
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	Senator Wright, 30 July 2013. http://greensmps.org.au/smarterjustice
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	Establish a National Centre for Justice Reinvestment to administer grants funding for justice reinvestment pilot programs. \$10 million will be invested to establish the Centre and \$50 million will be provided in grants to be distributed to project applicants over four years. http://greensmps.org.au/sites/default/files/justice_reinvestment_policy_initiative_1.pdf
What is the purpose or intention of the policy?	The intention of the policy 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. The National Centre for Justice Reinvestment would be the central government vehicle to achieve this purpose.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	No.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped.
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government	Yes, the States and Territories will assist in the implementing the pilot projects and receive grant funding, however they are not expected to contribute any funding towards the program, although they may of course wish to do so.

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contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?				
Are there associated savings, offsets or expenses? If yes, please provide details.	No – correction facilities are owned and operated by the States and Territories.			
Does the policy relate to a previous budget measure? If yes, which measure?	No.			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No			
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices) ^(a)				
	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-15	-15	-15
Fiscal balance (\$m)	-	-15	-15	-15
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	Fixed grant program			
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	Yes, by the PBO on 15 January 2013.			
What is the expected community impact of the policy? How many people will be affected by the policy?	Promote community safety, particularly in poorer areas, reduce crime rates, recidivism and capital expenditure on corrections facilities. Indigenous Australian communities will be particularly affected			

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What is the likely take up? What is the basis for these impact assessments/assumptions?	by the policy. The areas and numbers of people affected is dependent upon the successful grant applications.
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	The Australian Government through the National Centre for Justice Reinvestment once it is established.
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).	No – absorb.
Intended date of implementation.	1 July 2014
Intended duration of policy.	Ongoing
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <ul style="list-style-type: none"> <i>The costing will be on the basis of information provided in this costing request.</i> <i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i> 	