*Estimates 2023 - QTON No. 8

LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2023-2024
Mr Mark Parton MLA (Chair), Ms Jo Clay MLA (Deputy Chair),
Mr Michael Pettersson MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS

Asked by Ms CLAY on 17 July 2023: Ms Anke van der Sterren of ATODA took on notice the following question(s):

Ref: Uncorrected Proof Hansard Transcript 17/7/23 PAGE 15

In relation to: Return on investment - can you tell me, that return on investment, is that mostly in reduced emergency health services or is that in higher productivity?

THE CHAIR: Ms van der Sterren, there will be those—I guess probably not heaps watching, but there will be those watching, I am sure, who would say these seem like big numbers, but you do point to the institute of criminology finding on return on investment, which I think people are surprised at when they hear it. Again, can you just expand on that a little?

Ms van der Sterren: Absolutely. The Australian Institute of Criminology found that for every dollar spent, there was a return on investment of $5.40 for demand reduction programs, including specialist alcohol, tobacco and other drug services. Other studies prior to that have found return on investment as high as $7 for every dollar spent.

MS CLAY: Chair has stolen my question, to be frank. Can you tell me: that return on investment, is that mostly in reduced emergency health services or is that in higher productivity or?

Ms van der Sterren: I would have to take that on notice, so I can get back to you about what that is exactly.

Ms Anke van der Sterren (ATODA): The answer to the Member's question is as follows: –

The analysis ATODA referred to in relation to return on investment was conducted by the Australian Institute of Criminology. The Australian Institute of Criminology publication 'What are the monetary returns of investing in programs that reduce demand for illicit drugs?' is available at this link: https://www.aic.gov.au/publications/tandi/tandi657

This study reviewed benefit–cost analyses of programs designed to reduce demand for illicit drugs. Data were synthesised from 67 benefit–cost analyses of prevention, law enforcement and treatment programs. Eighty percent of the 70 separate benefit–cost ratios exceeded 1.0, indicating that savings outweighed costs among most programs reviewed.

Most studies examined benefits across three domains:

• savings to the criminal justice system through reduced recidivism;
• savings to the economy through higher earnings among participants; and
• savings to the healthcare system from reduced morbidity and mortality

Benefit–cost ratios ranged from −18.20 to 63.32, varying substantially for different program types and populations. On average, demand reduction programs produced a return on investment of $5.40 for every dollar spent.

Approved for circulation to the Select Committee on Estimates 2023-2024

Signature: Date: 31 August 2023

By the Acting Chief Executive Officer, Ms Anke van der Sterren