

Independent Cost Benefit Analysis of Galambany Circle Sentencing Court

Acknowledgement of Country

We acknowledge the Traditional Custodians of the ACT, the Ngunnawal people. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

Summary

Every dollar used for the Galambany Circle Sentencing Court delivers over 3 dollars in benefits to the ACT. This is an excellent result.ⁱ

What is Galambany Circle Sentencing Court?

Galambany Circle Sentencing Court provides a culturally relevant and appropriate sentencing option for eligible Aboriginal and Torres Strait Islander people. It operates within the ACT Magistrates Court.

Galambany Court is only an option for those who have pleaded guilty, as this is taken to indicate that the person is willing to accept responsibility for their offences.

What happens at Galambany Circle Sentencing Court?

At Galambany a panel of Aboriginal and Torres Strait Islanders Elders and other respected persons sit alongside the Galambany Magistrate, who is also an ACT Magistrate. There are two phases for those appearing at Galambany Court – assessment and sentencing. The panel members are present for both assessment and sentencing. The Magistrate only sits for the sentencing phase.

During the Assessment Phase, panel members let those appearing know that they do not accept or tolerate criminal behaviour in the Aboriginal and Torres Strait Islander community. The panel talk to the person about the offence that has brought them to Galambany. This provides the opportunity for the person to acknowledge the consequences of their offending behaviour. The panel will also explore with the person ways criminal behaviour can be avoided in the future.

During the Sentencing Phase, which is usually three months after the assessment, the panel considers what the person has done to address their offending behaviour. The panel members and the Magistrate can see

if people have taken steps to stay out of trouble. The Panel members also explain any culturally relevant details to the Galambany Magistrate who then decides on the most appropriate sentence.

Why is there a need for Galambany Circle Sentencing Court?

Specialist courts, like Galambany recognise that social and psychological problems, which may have contributed to a defendant's behaviour, may require social and/or therapeutic responses, rather than a simple, narrow legal punishment. By providing more inclusive and culturally appropriate approaches to sentencing, Galambany works to increase the confidence, self-esteem, dignity, respect, independence, choice and control of the Aboriginal and Torres Strait Islander community. It also helps to reduce re-offending and the over-representation of Aboriginal and Torres Strait Islander people in the criminal justice system.

What is a Cost Benefit Analysis?

Cost Benefit Analysis (CBA) is a useful tool to aid decisions about the allocation of resources. The cost benefit analysis tries to take account of costs and benefits that have monetary value as well as those that have non-monetary value. It does this by placing monetary values on both these types of costs and benefits so they are easier to compare. Sometimes benefits or savings come about straight away and sometimes they are in the future.

Where benefits are greater than costs then it makes good economic sense to invest in a project.

What did the Galambany Circle Sentencing Court CBA find?

Economists Emeritus Professor Anne Daly and Greg Barrett and researcher Rhiân Williams took a rigorous approach to identifying and assigning values to the costs and benefits arising from the work of Galambany Circle Sentencing Court. Their research found that by investing in the Galambany Circle Sentencing Court, the ACT Government reduces its overall expenditure on courts, policing and prison.

Galambany also helps those appearing in a number of ways. They are better able to maintain employment, the health of offenders and their family members' health and educational opportunities are improved and their risks of homelessness are lessened. Galambany also helps to reduce violence against women and reduce the number of children in care and protection.

All of these benefits are very valuable to the individuals and they deliver significant economic value to the ACT community as a whole.

What do the results show and why are the figures estimated 10 years into the future from 2017 and discounted by 2%?

The following results show the costs and benefits associated with the Galambany Circle Sentencing Court. These costs and benefits are shown as an estimate from 2017 to 2027, valued in 2017 dollars and discounted by 2%. Although the research was conducted in 2017 the researchers are very confident the benefit cost ratio will have remained at this level.

Ten years is a good timeframe when considering costs and benefits because it gives sufficient time to analyse the future impacts of Galambany Circle Sentencing Court.



In order to make comparisons with other projects future values need to be expressed in present day values. A dollar in the future usually buys less than a dollar today. So, the value of future costs and benefits are reduced by 2% per year.

Cost Summary: Galambany Circle Sentencing Court

2017-2026 Total Present Value (2017 dollars discounted by 2% over ten years).

Galambany Court – \$2,536,000

Longer in remand – \$360,000

Extra community services – \$405,000

Total Costs - \$3,300,000

Benefit Summary: Galambaby Circle Sentencing Court ■

2017-2016 Total Present Value (2017 dollars discounted by 2% over ten years)

Output gains

Employment – \$ 3,372,000

Offender life span – \$ 1,079,000

Education – \$252,000

Resources freed for alternative use (cost savings)

Justice System – \$5,332,000

Health – \$180,000

Education – \$135,000

Child protection – \$135,000

Accommodation \$117,000

Violence against women \$111,000

Total Benefits – \$10,713,000

How robust are the Galambany Circle Sentencing Court CBA results?

Galambany Circle Sentencing Court CBA draws on a range of economic research using very conservative estimates of benefits. The economists also applied a sensitivity analysis to address the risk that the benefits might have been overstated. This found that even assuming an unrealistically large 50% reduction in benefits there was still a significant positive return on investment.

Does Galambany Circle Sentencing Court represent good value for the ACT?

The CBA found that Galambany Circle Sentencing Court provides a substantial net benefit to the ACT economy.

The benefit cost ratio of over three to one is high compared with other investments and shows that the Galambany Circle Sentencing Court represents a highly effective use of ACT Government resources. *



ⁱ In a recent OECD publication “A ratio below 1 is considered poor, a ratio between 1 and 1 1/2 low, a ratio between 1 1/2 and 2 medium and a ratio above 2 high” (Persson & Song 2010:33). For comparison the World Bank (2011:4) estimates benefit cost ratios for Indonesian urban sanitation projects at 1.1 to 2.4, the Productivity Commission (2013:27) estimates the benefit cost ratio of smart electrical meters at 2.7 and the South Australian Centre for Economic Studies (2010:95) estimates a benefit cost ratio of Opal fuel at 3.7.

■ Due to concerns that placing economic values on human life may cause distress or suffering to members of the Aboriginal and Torres Strait Islander community this report does not contain a value on preventing deaths in custody.

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