

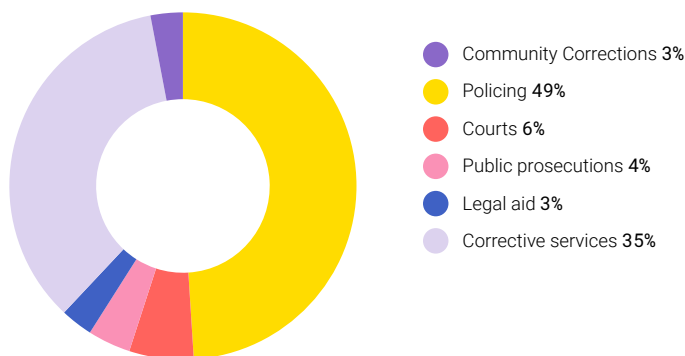
How much does the NSW government spend on Law enforcement responses to illicit drugs?

Our recent report 'The Australian 'drug budget': Government drug policy expenditure 2021/22' (Ritter et al., 2024) estimated national proactive spending in FY2021/22 on illicit drugs. We found that Australian governments spent approximately \$5.45 billion on proactive responses to illicit drugs. 64.3% (\$3.5 billion) was spent on law enforcement responses, which includes customs and border control; routine policing; court prosecutions; legal expenditure; corrective services; and community corrections. Except for customs and border control and a proportion of funding for public prosecutions and legal aid, the majority of law enforcement costs (\$2.87 billion) are borne by state governments.

This short research note provides an estimate of NSW spending on law enforcement responses to illicit drugs.

We followed a top-down method as used for the national estimates, where a total budget is multiplied by a proportion of drug-related activity to derive an estimated cost of drug-related activity. This firstly required total NSW expenditures for: policing, courts, public prosecutions, legal aid, corrective services and community corrections (see Table 1, Column 2). Total expenditures for NSW were sourced from the Productivity Commission and Annual Reports. In some cases, these total expenditures needed to be adjusted (for example 10% removed from policing expenditure to reflect traffic and safety management costs; Legal Aid reduced by non-state sources). Then a multiplier reflecting drug-related activity was applied (see Table 1, Column 3). We relied primarily on Australian Bureau of Statistics data for NSW, and where possible weighted the activity. For example, court costs were weighted by the average length of cases, rather than solely the proportion of all cases that were drug-related. All sources are noted below the table.¹

NSW law enforcement spending on drugs



Notably, half of the expenditure is policing and a third is corrective services. Any reduction in arrests for drug-related offending would not only reduce the police expenditure, but also reduce the subsequent court and corrective services costs. The court and corrective services costs could also be reduced without reductions in the police expenditure if alternative non-criminal sanctions were applied to drug use offences.

As shown in the table overleaf, the total NSW Government expenditure on proactive law enforcement responses to illicit drug use was \$679,183,754 for the year 2021/2022. We would not expect that other years would vary significantly from this figure.

¹ For detailed discussion of methodology and limitations for each of these figures, see Ritter et al. (2024), <https://doi.org/10.26190/unsworks/30075>



Table 1: NSW expenditure on proactive law enforcement responses to illicit drugs, by activity, 2021/22

Activity	Total NSW expenditure to which drug-related activity applied	Drug related multiplier (%)	Method notes	NSW Government drug-related expenditure
Policing	\$3,890,340,000 ^a	8.6% ^b	Total expenditure reduced by 10% to reflect traffic and safety management costs; drug multiplier from ABS drug offences for NSW	\$334,570,000 ²
Courts	\$322,542,000 ^c	By court level: 19.6%, 7.4%, 3.5% ^d	Weighted by (national) relative mean duration of illicit drug cases ^d	\$41,780,598
Public prosecutions	\$171,777,000 ^e	14.87% ^f	Higher and Magistrates courts illicit drug-related activity (national figures), ^d weighted by mean duration	\$25,548,134
Legal Aid	\$ 113,763,090 ^g	14.87% ^f	Criminal costs only; Higher and Magistrates courts illicit drug-related activity (national figures), ^d weighted by mean duration	\$16,919,812
Corrective Services	\$1,308,905,000 ^h	15.22% ⁱ	Average sentence length, illicit drug offences +19.72% ^j	\$238,494,443
Community Corrections	\$239,609,000 ^k	9% ^l	Weighted by order length ^l	\$21,871,526
Total				\$679,183,754

* columns may not sum due to rounding

^a We applied a 10% reduction to total budget (\$4,322,600,000) to reflect costs for traffic safety and management. Productivity Commission. (2023). Report on Government Services 2023: Police services. Productivity Commission www.pc.gov.au/ongoing/report-on-government-services/2023/justice/police-services

^b Derived using illicit drug offences (principal offence) by total principal offences for NSW. Australian Bureau of Statistics. (2023). Recorded Crime - Offenders. Canberra: Australian Bureau of Statistics www.abs.gov.au/statistics/people/crime-and-justice/recorded-crime-offenders/latest-release

^c Productivity Commission. (2023). Report on Government Services 2023: Courts. Productivity Commission www.pc.gov.au/ongoing/report-on-government-services/2023/justice/courts

^d Australian Bureau of Statistics. (2023). Criminal Courts, Australia. Canberra: Australian Bureau of Statistics www.abs.gov.au/statistics/people/crime-and-justice/criminal-courts-australia/2021-22

^e Office of the Director of Public Prosecutions NSW. (2022). Annual Report 2021/2022. NSW Government www.odpp.nsw.gov.au/sites/default/files/2022-11/ODPP_Annual_Report_2021-2022.pdf

^f Average of Higher and Magistrates courts illicit-drug related activity (national figures), weighted by mean duration. Australian Bureau of Statistics. (2023). Criminal Courts, Australia. Canberra: Australian Bureau of Statistics www.abs.gov.au/statistics/people/crime-and-justice/criminal-courts-australia/2021-22

^g Expenditure related to criminal cases only, 46.9% of NSW Legal Aid activity. Legal Aid New South Wales. (2022). Annual Report 2021-2022. Sydney: Legal Aid New South Wales www.legalaid.nsw.gov.au/about-us/annual-reports/annual-report-2021-2022

Legal Aid commissions receive primary funding from state and federal sources, as well as a portion from other sources. Average state funding is 56.91%, applied to the criminal cases budget to derive NSW government specific expenditure.

^h Productivity Commission. (2023). Report on Government Services 2023: Corrective Services. Productivity Commission www.pc.gov.au/ongoing/report-on-government-services/2023/justice/corrective-services

ⁱ Derived using people in prisons with most serious offence/charge illicit drug offence, by total people in prisons. Australian Bureau of Statistics. (2023). Prisoners in Australia. Canberra: Australian Bureau of Statistics www.abs.gov.au/statistics/people/crime-and-justice/prisoners-australia/latest-release

^j Illicit drug offences in NSW receive average sentences 19.72% longer than other offences. Average sentence length derived using an average of Aggregate sentence length and Expected time to serve data for NSW from Australian Bureau of Statistics. (2023). Prisoners in Australia. Canberra: Australian Bureau of Statistics www.abs.gov.au/statistics/people/crime-and-justice/prisoners-australia/latest-release

^k Productivity Commission. (2023). Report on Government Services 2023: Corrective Services. Productivity Commission www.pc.gov.au/ongoing/report-on-government-services/2023/justice/corrective-services

^l Proportion of total community correction days for illicit drug offences, by total community correction days all offences. Derived using BOC SAR data on length of community orders (supervised), NSW Bureau of Crime Statistics and Research, NSW Adult Criminal Sentencing, 2018/19 to 2022/23. Offence division: Illicit drug offences; Year: 21/22 <https://sentencingtool.bocsar.nsw.gov.au>

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² In 2021/22, possess/use offences accounted for 70.9% of all principal offences related to drugs in NSW recorded in the ABS data (see b above). One might argue that there could be substantial police savings if drug use/possess offences were not proceeded with. The analyses here cannot answer the question about the extent of those potential savings because there are no 'per offence type' unit costs available.

