

## Request for Costing an Election Commitment

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| <b>Name of proposal:</b>                | Increase support services for people who would like to address their dependence on drugs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Person requesting costing:</b>       | Shane Rattenbury MLA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Date of request:</b>                 | 9 October 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Summary of proposal:</b>             | An immediate baseline funding boost to double the annual funding for drug and alcohol treatment services to \$40 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Issue the proposal will address:</b> | <p>For many years, ATODA (Alcohol, Tobacco and Other Drug Association ACT) - the peak body for drug and alcohol issues in the ACT - has been calling for increased investment in vital services on behalf of its 23 member organisations that provide treatment and services.</p> <p>The Drug and Alcohol Court also relies on the availability of withdrawal and rehabilitation programs and beds, and it is critical that these services have timely capacity.</p> <p>We also believe it is important that treatment beds and services are available for people wishing to address their drug dependence as soon as possible, rather than needing to wait for 4-8 weeks for appropriate support to become available.</p> <p>Further information on our 'Reducing harm from drug and alcohol use' initiative is available at:<br/> <a href="https://greens.org.au/act/reducing-harm-drugs-alcohol">https://greens.org.au/act/reducing-harm-drugs-alcohol</a></p> |

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

This proposal is based on the assumption that the ACT Government currently provides approximately \$20 million per annum to drug and alcohol services, and will continue to provide that level of funding as a baseline over the forward years.

This proposal will double this existing funding base.

Funding for the 2020-21 year is reduced due to cover part of the year.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

|                               | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total   |
|-------------------------------|---------|---------|---------|---------|---------|
|                               | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  |
| <b>Revenue<sup>(a)</sup></b>  |         |         |         |         |         |
| <b>Expenses<sup>(a)</sup></b> | -5,000  | -20,000 | -20,000 | -20,000 | -65,000 |
| <b>Capital</b>                |         |         |         |         |         |

|                                                                                                                                                                                                                                                                                                                                                                                             |  |  |  |  |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|
| <b>Depreciation</b>                                                                                                                                                                                                                                                                                                                                                                         |  |  |  |  |  |
| (a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.                                                                                                                                                                                                                                                     |  |  |  |  |  |
| Has any specific information or data been utilised in generating the proposal?                                                                                                                                                                                                                                                                                                              |  |  |  |  |  |
| Yes. The Alcohol, Tobacco and Other Drugs Association of the ACT Submission to the ACT Budget Consultation 2020 – 2021: <a href="http://www.atoda.org.au/wp-content/uploads/2019/12/ATODA-Budget-Submission-2020-2021_Funding-and-infrastructure-crisis.pdf">http://www.atoda.org.au/wp-content/uploads/2019/12/ATODA-Budget-Submission-2020-2021_Funding-and-infrastructure-crisis.pdf</a> |  |  |  |  |  |
| Where relevant, is funding for the proposal to be demand driven or a capped amount?                                                                                                                                                                                                                                                                                                         |  |  |  |  |  |
| Capped.                                                                                                                                                                                                                                                                                                                                                                                     |  |  |  |  |  |
| Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?                                                                                                                           |  |  |  |  |  |
| There is potential to seek Commonwealth funding to support this initiative.                                                                                                                                                                                                                                                                                                                 |  |  |  |  |  |
| Will funding/the cost require indexation?                                                                                                                                                                                                                                                                                                                                                   |  |  |  |  |  |
| This proposal doubles community sector funding. Any increases in wages during this time are factored into the increased funding amount.                                                                                                                                                                                                                                                     |  |  |  |  |  |
| Who will administer the proposal?                                                                                                                                                                                                                                                                                                                                                           |  |  |  |  |  |
| The ACT Health Directorate.                                                                                                                                                                                                                                                                                                                                                                 |  |  |  |  |  |
| How will the proposal be administered?                                                                                                                                                                                                                                                                                                                                                      |  |  |  |  |  |
| The items in the proposal will be managed in line with existing practices.                                                                                                                                                                                                                                                                                                                  |  |  |  |  |  |
| Is the proposal part of a broader package?                                                                                                                                                                                                                                                                                                                                                  |  |  |  |  |  |
| Yes. 'Reducing harm from drug and alcohol use': <a href="https://greens.org.au/act/reducing-harm-drugs-alcohol">https://greens.org.au/act/reducing-harm-drugs-alcohol</a>                                                                                                                                                                                                                   |  |  |  |  |  |
| Has an allowance been made for expenses necessary to support the implementation of this proposal?                                                                                                                                                                                                                                                                                           |  |  |  |  |  |
| <ul style="list-style-type: none"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>                                                                                                                                                                                  |  |  |  |  |  |
| Administration of the funds will be managed with existing resources.                                                                                                                                                                                                                                                                                                                        |  |  |  |  |  |
| Will the proposal generate savings or offsets?                                                                                                                                                                                                                                                                                                                                              |  |  |  |  |  |
| No.                                                                                                                                                                                                                                                                                                                                                                                         |  |  |  |  |  |
| Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?                                                                                                                                                                                                                               |  |  |  |  |  |
| No.                                                                                                                                                                                                                                                                                                                                                                                         |  |  |  |  |  |
| What are the community impacts associated with the proposal? Who and how many people will be affected?                                                                                                                                                                                                                                                                                      |  |  |  |  |  |
| This proposal will dramatically reduce long wait times for rehabilitation and detoxification services and support people to lead more meaningful lives, with fewer negative impacts on their family and community. This will <a href="#">fund therapeutic support services, including</a>                                                                                                   |  |  |  |  |  |

[inpatient beds and improving existing infrastructure.](#)

Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?

No.

What is the intended implementation date of the proposal?

Early 2021

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.

Early 2021

Will the proposal cease, and if so, when?

June 2024. Ongoing funding will be required to maintain increased level of service.

Is there any additional information relevant to this proposal?

The specialist alcohol and other drug service system in the ACT, and nationally, operates within the context of chronic and historical underfunding. The compounding effect of ongoing under resourcing that doesn't meet demonstrated community demand, without any cost benchmarking, has resulted in a significant undersupply of alcohol and other drug treatment capacity. Underfunding the sector has also led to increased drug dependence in our community, with a wide range of social and economic impacts, including costs to our criminal justice and corrections system as well as on families and community members.