



Are prisons cost-effective?

This fact sheet examines how much is spent on the prison system in New South Wales and how effective imprisonment is as compared to other options for responding to crime.

In examining the costs of imprisonment, it is important to consider both *tangible* or monetary costs (including the costs of building, maintaining and running prisons) as well as *hidden* costs (including psychological trauma, the impacts of other family members and impacts on employment and housing). Of course, many of these non-monetary factors also have an economic cost in the long term but these are more difficult to measure.

What are the tangible costs of imprisonment?

The cost of running the NSW prison system is over \$530 million per year, up from \$341 million in 1995-96. This works out to be about \$80 each year for *every person* in New South Wales. In addition to these costs, the Government spends around \$90 million per year on building and maintaining prisons, up from \$49 million in 1995-96.

When the daily costs of various sentencing options are compared, it is easy to see that imprisonment is the most costly of all.

Penalty	Cost per day (\$A)	Information Source
Imprisonment, females	223.03	Bureau of crime statistics and research, (L15) NSW Drug Court Evaluation. (2002).
Imprisonment, males	170.82	Bureau of crime statistics and research, (L15) NSW Drug Court Evaluation. (2002).
Imprisonment, high security	182.59	Bureau of crime statistics and research, (B73) The impact of abolishing short prison sentences. (2002)
Imprisonment, medium security	160.06	Bureau of crime statistics and research, (B73) The impact of abolishing short prison sentences. (2002)
Imprisonment, minimum security	138.93 - 144.67	Bureau of crime statistics and research, (B73) The impact of abolishing short prison sentences. (2002) and Department of Corrective Services in Select Committee Report (2001)
Imprisonment, average offender	160.00	Second Report of the Inquiry into Crime Prevention Through Social Support. (2000)
Imprisonment, short sentence (six months or less)	154.27	Bureau of crime statistics and research, (B73) The impact of abolishing short prison sentences. (2002)



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Penalty	Cost per day (\$A)	Information Source
Drug Court	144.00	Bureau of crime statistics and research, (L15) NSW Drug Court Evaluation. (2002).
Periodic Detention	119.63	Bureau of crime statistics and research, (L15) NSW Drug Court Evaluation. (2002).
Home Detention	56.43 - 59.00	Briefing Paper on the No New Women's Prison Campaign and Prison Costs, and Bureau of Crime Statistics and Research (L15) NSW Drug Court Evaluation
Probation and Parole, general	8.63	Select committee on the increase in prisoner population. (2001)
Parole	5.40	Briefing Paper on the No New Women's Prison Campaign and Prison Costs
Probation	3.95	Briefing Paper on the No New Women's Prison Campaign and Prison Costs
Community service order	3.50-5.50	Second Report of the Inquiry into Crime Prevention Through Social Support. (2000)
(as above)	2.63	Bureau of crime statistics and research, (L15) NSW Drug Court Evaluation. (2002).

These figures do not include the 'one-off' establishment costs to get schemes up and running, which are, of course, higher for prisons than for other options.

The sentencing alternatives listed above are explained in more detail in the *Beyond Bars* fact sheet on Alternatives to Custody. Many of these alternatives are more effective at reducing and preventing re-offending. They deserve particular consideration for minor offenders on short sentences. If alternatives to prison were used instead of prison sentences of under six months, NSW could be saved around \$50 million a year.

What are some of the hidden costs of imprisonment?

The intangible costs of imprisonment are more difficult to calculate, but must be considered in any cost analysis. Impacts such as the loss of housing, difficulty in finding work and poorer health not only impact on the wellbeing of ex-prisoners; they also contribute to the likelihood of reoffending. There is substantial evidence

to suggest that rather than reducing offending behaviour, for the majority of people, prison in fact creates new problems which *increase* the likelihood of re-offending.

Loss of Housing

Many people lose housing as a consequence of their contact with the criminal justice system, meaning that many ex-prisoners become homeless on release from custody. Most ex-prisoners and recidivists who return to prison claim that a lack of suitable housing is one of the main reasons why they end up back in gaol, yet public housing in NSW has no special provisions for ex-prisoners.

Health

The incidence of drug related deaths and suicide is abnormally high for recently released prisoners especially women. This is one indicator of the failure of our prison system to address the health needs of inmates.

For people who enter prison with the need for detoxification and rehabilitation, prison is often ineffective. Poor resourcing of drug and alcohol programs, the availability of drugs in prison, boredom, the stress of daily prison life, as well



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as the absence of community and family support, can make stopping drug use very difficult. There are many inmates whose drug use worsens while they are inside. For others, prison may be the first time that they use illicit drugs.

Prison is a harsh and often brutal environment. Intimidation, rape, violence, self-harm and suicide are common occurrences in NSW prisons. For those offenders with mental and intellectual disabilities this atmosphere is particularly difficult. For some offenders new mental health problems such as depression and paranoia arise in response to the brutality of the prison system.

The level of mental health problems and disorders is 3 to 4 times higher among inmates than that of the general Australian population. People frequently leave prison traumatised, depressed and angry. This is not a useful starting point for those who wish to make a fresh start. (See the *Beyond Bars* fact sheet on mental health for more information on these issues.)

Prison also generates physical health costs. For example, prisoners are at very high risk of acquiring hepatitis C whilst in custody because of the prevalence of drugs and the absence of safe injecting equipment.

Employment and Esteem Post Release

Those offenders who experience prison are frequently burdened by the stigma attached to being an 'ex-con.' Their employment prospects are often severely and sometimes permanently damaged.

In addition to this stigma, a period of imprisonment can make already dislocated and marginalised people feel even more alienated from the broader community and can weaken personal identity, confidence and motivation.

This exclusion from the workforce and from community life heighten the risk of social isolation

and poverty, which in turn significantly increase the risk of re-offending.

The Separation of Families and Children.

The family dislocation caused by imprisonment has obvious social and emotional costs, including increased risks of family break-ups and disruption for children. Children may have to relocate or enter the care of the state. Some studies have shown that children of prisoners are much less likely to complete secondary school, more likely to be come homeless unemployed and more likely to come into contact with the juvenile justice or criminal justice system. Of course, these impacts also have economic costs for the community.

Family dislocation also has an impact on the likelihood of re-offending, as indicated in evidence to the NSW upper house inquiry into children of prisoners:

"Although the literature on controlling or reducing recidivism is dismal, the little literature that there is suggests that maintaining community ties is absolutely essential in maintaining the bond between the prisoner and his family...these bonds are central to any attempt to try and reduce recidivism". (evidence of D Weatherburn, Bureau of Crime Statistics & Research)

The Increased Likelihood of Crime as a result of Imprisonment.

As indicated above, prison has many negative effects that can influence the risk of re-offending. Because of the many damaging effects of imprisonment, it could be argued that incarceration in fact *increases* the chances of many offenders committing further crimes upon release.

Crime itself is costly in many ways tangible monetary ways. Besides obvious costs such



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as damage to property, costs also include the expense of building new prisons, increased insurance premiums and hidden costs such as the increase in community fear and the break down in community cohesion.

Conclusions

In summary, prisons are expensive to build, maintain and operate but they also have intangible costs for prisoners and communities. Perhaps most importantly, these costs can increase the likelihood of re-offending, making prison a questionable and costly means of responding to many forms of crime.

If less money was spent on prisons, in favour of expenditure on health, housing and community services, we could expect to have a greater impact on crime in the long term. As recognised in a fact sheet recently published by the Department of Community Services, one 27-year US study showed that for every \$1 invested in services to help families with young children, \$4 was saved within three years on child protection, health, education and justice systems. By the time the children were adults, \$7 had been saved.

It is time for New South Wales to respond to the weight of this evidence.

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