

The costs and benefits of the Magistrates' Early Referral into Treatment (MERIT) program

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SUMMARY

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BACKGROUND

The Magistrates' Early Referral into Treatment (MERIT) program is a voluntary, pre-plea program for adults in 62 NSW Local Courts. Participants have their court matters deferred for 12 weeks while they undergo drug and/or alcohol treatment. The program aims to improve participant health and reduce their risk of reoffending. It may also help participants demonstrate their potential for rehabilitation before sentencing.

We use justice, mortality, emergency department, hospital admissions, and ambulance data for 9,874 court appearances involving a MERIT referral and 322,711 court appearances for eligible defendants not referred to MERIT between 2012 and 2017. We then compare the outcomes for a matched group of MERIT and non-MERIT defendants against the cost of MERIT staffing, administration, and outpatient treatment in 2019 dollars.

KEYWORDS

Drug diversion

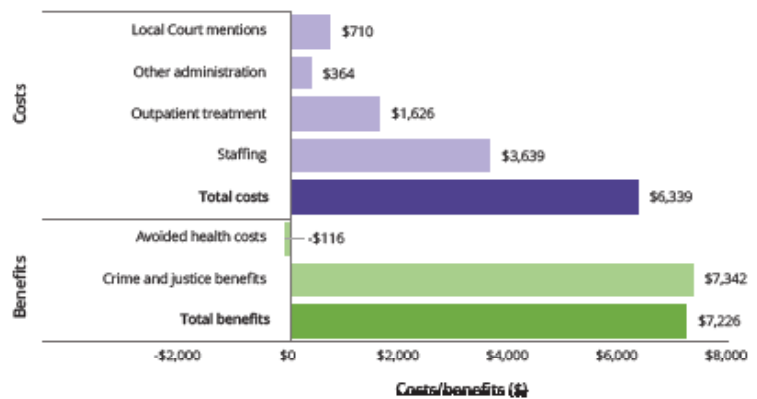
Cost-benefit analysis

Propensity score matching

Recidivism

KEY FINDINGS

Figure 1. The average costs and benefits of a referral to MERIT, present \$2019



Note: Present \$2019 values are estimated by applying the NSW Government standard 5% discount rate. All values quoted in this summary document are present \$2019.

Figure 1 shows our estimates of the average costs and benefits in the two years after referral to the program. Our findings estimate the key benefits of a referral to MERIT to include:

- \$4,552 in avoided prison costs over two years, from those referred to MERIT spending 22 fewer days in custody than those not referred to MERIT
- \$1,185 in avoided community corrections costs and \$1,069 in avoided victim costs, from those referred to MERIT committing 0.32 fewer reoffences in the first year after referral compared to those not referred to the program
- \$116 in additional ambulance and emergency department costs.

Comparing these benefits to the estimated cost of MERIT of \$6,339, the program results in a net present value of \$887, equivalent to a return of \$1.14 per dollar spent on the program. These results are robust to choices of discount rate and uncertainty in our statistical estimates.

CONCLUSION

The MERIT program's criminal justice benefits exceed the costs of the program, despite the program also being associated with slight increases in health service usage.