

THE AUDIT OFFICE
NEW SOUTH WALES



THE AUDIT OFFICE
OF NEW SOUTH WALES

New South Wales
Auditor-General's Report

Performance Audit

The Effectiveness of Cautioning for
Minor Cannabis Offences

NSW Police Force
NSW Health

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The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the *Public Finance and Audit Act 1983*.

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ISBN 978 1921252 501



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The Legislative Council
Parliament House
Sydney NSW 2000

In accordance with section 38E of the *Public Finance and Audit Act 1983*, I present a report titled **The Effectiveness of Cautioning for Minor Cannabis Offences: NSW Police Force, NSW Health.**

A handwritten signature in black ink, reading 'Peter Achterstraat'.

Peter Achterstraat
Auditor-General
April 2011

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Executive summary

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NSW Auditor-General's Report
The effectiveness of cautioning
for minor cannabis offences

EXECUTIVE SUMMARY

Background

Cautioning aims to divert minor cannabis offenders from the criminal justice system and assist them face their drug problems. In NSW police officers can formally caution people if they are found with 15 grams or less of dried cannabis leaf. This is currently the lowest cannabis limit in Australia allowed for cautioning. People can only be cautioned if they meet specific eligibility criteria. For example, they must admit to the offence and adults cannot have previous offences involving drugs or violence.

The cautioning process differs for adults and young people. Adults are cautioned under the government's Cannabis Cautioning Scheme and are generally cautioned on the spot. First time offenders are not required to seek treatment for their cannabis use but police can suggest they call the drug helpline run by St Vincent's Health Local Area Network. People cautioned a second time must call the helpline for a mandatory education session.

Under the *Young Offenders Act 1997* police can warn, caution or initiate a youth justice conference for young people found with cannabis. Cautioning is the most common police response and involves a formal meeting with the offender and his or her parent or guardian. During the meeting police provide information on the effects of cannabis. Police can also refer young offenders to local drug treatment services, but cannot make them attend.

This performance audit assessed whether cautioning diverts people from the courts and helps reduce their cannabis use. We sought to answer the following questions for adults and young offenders:

- does cautioning divert minor cannabis offenders from the courts?
- does cautioning help offenders consider the ramifications of cannabis use and seek help to reduce their drug use?

Conclusion

Over the last ten years the NSW Police Force (Police) has used cautioning to divert over 39,000 minor cannabis offenders from the courts, saving at least \$20 million in court costs. People cautioned for minor cannabis offences are also less likely to reoffend than those dealt with by the courts.

Adults are more likely to be cautioned for minor cannabis offences today than when cautioning was introduced ten years ago. However this is not the case for young offenders who are more likely to be charged today.

Cautioning may help people think about the consequences of their cannabis use. However few people seek help to reduce it with only 1.6 per cent of offenders contacting the drug helpline under the adult cautioning scheme. And there have been no evaluations yet on whether cautioning reduces drug use in NSW.

Supporting findings

We examined police response to minor cannabis offences over the last ten years and found that:

- adult cautioning has increased at a faster rate than charging
- young offenders now have a one in four chance of being charged for minor cannabis offences, compared to one in five ten years ago
- cautioning rates vary significantly between Police commands.

This means there could be scope for increasing cautioning rates, particularly for young offenders and in some Police regions.

Police say the increase in youth charges could be because young people are not admitting the offence, making them ineligible for a caution. Simplifying Police processes for admitting guilt might help increase the cautioning rate for young offenders.

We found that most police issue cautions appropriately. They follow cautioning guidelines in most cases and can easily access equipment and information needed to issue cautions.

When compared to charging, cautioning keeps people out of the courts for longer. We found that between 2000-01 and 2006-07 over five per cent of adults cautioned for minor cannabis offences appeared in court for a similar offence within two years. This compares to almost 14 per cent for minor cannabis offenders who were initially dealt with by a court.

Cautioning may also help people think about the consequences of their drug use. This is because police provide information on the effects of cannabis when issuing cautions. However very few adult offenders cautioned for cannabis offences call the drug helpline and there is also a risk young offenders are not seeking help for their cannabis use.

To date 0.2 per cent of first time adult offenders have called the drug helpline. The results are better for people cautioned a second time, with almost 38 per cent calling the helpline for the mandatory education session. But this is lower than expected given this is required for second cautions.

Young offenders might not be seeking help for their cannabis use because:

- under current law police cannot attach conditions to youth cautions to make offenders seek help
- just under a quarter of police we surveyed said they refer young people cautioned for cannabis offences to drug treatment
- some regions had limited drug treatment services for young people
- there are few drug treatment services for people aged ten to 15 years.

Given so few people seek help for their drug use, it is not surprising that most police and health staff we spoke to thought cautioning has little impact on drug use. Others said that the low reoffending rate for cautioning indicates offenders are reducing drug use. Although this could also mean offenders get better at avoiding detection.

So overall cautioning has some positive outcomes. It keeps people out of the courts and saves police and court resources. However more needs to be done to increase the number of cannabis offenders getting help for their drug use. Unless this happens, there is a risk that some people may continue using cannabis which will cost the community more in the long term.

Recommendations

Adult offenders

We recommend that the NSW Police Force, in consultation with NSW Health:

1. by December 2012, implement strategies to increase the number of adult offenders contacting the drug helpline. These may include:
 - developing a handout or rewording the caution notice to point out that first time offenders can contact the helpline
 - following up and penalising second caution offenders who do not contact the helpline for the mandatory education session
 - setting targets for the number of first and second time adult offenders contacting the drug helpline (page 20).
2. by April 2013, evaluate whether cautioning reduces the drug use of adults cautioned for minor cannabis offences and recommend ways to improve its effectiveness. This may include making it mandatory for first caution offenders to seek help for their cannabis use (page 18).

We recommend that the NSW Police Force:

3. by December 2011, broaden the eligibility criteria to allow adult offenders with old convictions, that is those capable of becoming spent convictions, to be cautioned for minor cannabis offences (page 16).

We recommend that NSW Health, in consultation with the NSW Police Force:

4. by December 2011, collect information on the profile of adult offenders who have contacted the drug helpline to assist future evaluations of cautioning and its impact on drug use (page 21)
5. by December 2012, develop new ways for adult offenders to contact the drug helpline and seek help for their cannabis use, such as an online education session (page 20).

Young offenders

We recommend that the NSW Police Force:

6. by December 2012, help increase the cautioning rate for young offenders with minor cannabis offences by:
 - reviewing the youth cautioning process to resolve any issues that may prevent its use by police including:
 - processes for obtaining admission of guilt from young people
 - how legal options under the *Young Offenders Act 1997* should be discussed with young people (page 15)
 - developing guidelines and training police on the revised youth cautioning process (page 16).
7. by December 2011, update guidance on the *Young Offenders Act 1997* to inform police that warnings can be issued to young offenders for minor drug offences (page 16).
8. by December 2011, introduce a standard approach for recording the needs of young offenders such as drug use, peers, school and home environment (page 21).

We recommend that the NSW Police Force, in consultation with NSW Health:

9. by December 2012, develop ways to help young offenders seek help for their cannabis use. This may include showing a DVD on cannabis or inviting a drug counsellor to a caution meeting (page 20).
10. by April 2013, evaluate whether cautioning under the *Young Offenders Act 1997* reduces the drug use of young people cautioned for minor drug offences (page 18).

Response from NSW Police Force

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minor cannabis offences
EXECUTIVE SUMMARY



NSW Police Force
www.police.nsw.gov.au

OFFICE OF THE COMMISSIONER

Mr Peter Achterstraat
Auditor-General
The Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Dear Mr Achterstraat,

I am writing with respect to your performance audit report titled, *The effectiveness of cautioning for minor cannabis offences*. Thank you for the opportunity to comment.

The NSW Police Force is fully committed to utilising the Cannabis Cautioning Scheme for adults found in possession of small amounts (under 15 grams) of dried cannabis and implementing cautioning provisions of the *Young Offenders Act* as appropriate.

The NSW Police Force welcomes the findings of the Audit Office which confirm that the Cannabis Cautioning Scheme is effective; police in NSW are using the scheme well, have access to the resources they need and are using their discretion appropriately in keeping with NSW Police Force guidelines. This finding is also supported by the Australian Institute of Criminology who found that in NSW recipients of cannabis cautions have the lowest recidivism rates in the country.

With respect to the report at hand, I note that there were 10 recommendations concerning both adults and young people. I wish to advise that we support the broad intent of those recommendations, albeit not always agreeing with the proposed strategies. The attached document provides comments on each of the recommendations. The NSW Police Force will continue to work collaboratively with NSW Health to address these recommendations.

I understand that senior officers within Drug and Alcohol Coordination, Operational Programs and Policy, Improvement and Planning have been communicating with your office as the audit progressed and trust that they can be of assistance should you require any further information.

Yours sincerely,

A P Scipione APM
Commissioner of Police



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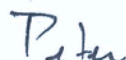
Recommendations	Responsibility	Supported/Rejected	Comment
1. by December 2012 implement strategies to increase the number of adult offenders contacting the drug helpline.	NSW Police Force, in consultation with NSW Health	Not Supported	The recommendation cannot be supported in its current form. However the NSW Police Force is investigating and implementing strategies to increase the expiation rate for cannabis cautions and this will continue to be a strategic priority.
2. by April 2013 evaluate whether cautioning reduces the drug use of adults cautioned for minor cannabis offences and recommend ways to improve its effectiveness.	NSW Police Force, in consultation with NSW Health	Supported subject to funding	To date, this question remains unanswered despite attempts by the NSW Police Force to obtain funding to do so. NSW Police Force will pursue funding to undertake this study which it sees as important in informing practice.
3. by December 2011 broaden the eligibility criteria to allow adult offenders with old convictions, that is those capable of becoming spent convictions, to be cautioned for minor cannabis offences	NSW Police Force	Supported	The NSW Police Force will broaden the eligibility criteria to allow adult offenders with old convictions to be cautioned as part of the Cannabis Cautioning Scheme.
4. by December 2011 collect information on the profile of adult offenders who have contacted the drug helpline to assist future evaluations on cautioning and its impact on drug use	NSW Health, in consultation with NSW Police Force	N/A	The NSW Police Force will assist NSW Health as required.
5. by December 2012 develop new ways for adult offenders to contact the drug helpline and seek help for their cannabis use.	NSW Health, in consultation with NSW Police Force	Not Supported	The recommendation cannot be supported in its current form. The NSW Police Force agrees to explore recommendation five as part of its response to recommendation one, subject to resource constraints but cannot commit to development and implementation by the date suggested.

6. by December 2012 increase the cautioning rate for young offenders with minor cannabis by: a. Reviewing the youth cautioning process to resolve any issues that may prevent its use by b. Developing guidelines and training police on the revised youth cautioning process	NSW Police Force	Not Supported	<p>The recommendation cannot be supported in its current form. The NSW Police Force cannot guarantee an increase in the cautioning rate of young offenders.</p> <p>Nevertheless, the NSW Police Force agrees to review current youth cautioning processes with the view to maximising the use of cautioning options for minor cannabis offenders. In keeping with the intent of the <i>Young Offenders Act</i> police responses need to be proportionate to the offence.</p> <p>Should the review result in amendments to practice and process these would be the subject of revised guidelines and training.</p> <p>The NSW Police Force agrees to update guidance to inform police.</p>
7. by December 2011 update guidance on the Young Offenders Act 1997 to inform police that warnings can be issued to young offenders for minor drug offences.	NSW Police Force	Supported	
8. by December 2011 introduce a standard approach for recording the needs of young offenders such as drug use, peers, school and home environment.	NSW Police Force	Rejected	<p>While the NSW Police Force recognises that these issues would generally be addressed in a cautioning session it does not believe it appropriate that the details of these discussions should be electronically captured in a police record.</p>
9. by December 2012 develop ways to help young offenders seek help for their cannabis use.	NSW Police Force, in consultation with NSW Health	Not Supported	<p>The recommendation cannot be supported in its current form. The recommendation calls for the development of processes in directing young persons to cannabis treatment agencies.</p> <p>The NSW Police Force will explore ways to help young offenders seek help for their cannabis use that are consistent with police core responsibilities. The NSW Police Force cannot guarantee the outcomes specified.</p> <p>The NSW Police Force will, subject to funding, conduct this evaluation.</p>
10. by April 2013 evaluate whether cautioning under the Young Offenders Act 1997 reduces the drug use of young people cautioned for minor drug offences.	NSW Police Force, in consultation with NSW Health	Supported subject to funding	

Response from NSW Health

Our Ref: H10/33819

Mr Peter Achterstraat
Auditor-General
The Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001



Dear Mr Achterstraat

Re: Performance audit – the use of cautioning for minor cannabis offences

Thank you for your letter of 1 March 2011 and the accompanying Final Report of this Performance Audit. I have noted the recommendations made to NSW Health, in addition to those made to the NSW Police Force. The opportunity to provide comment is appreciated.

The Mental Health and Drug & Alcohol Office (MHDAO) in my Department has carefully considered this Performance Audit and reviewed the recommendations for NSW Health. In response to the report, MHDAO has advised me on their understanding of the objectives of the cannabis cautioning scheme and provided a detailed response to the recommendations that apply to NSW Health in consultation with the NSW Police Force.

MHDAO's advice in regards to the NSW Cannabis Cautioning Scheme is that it is an initiative of the NSW Police Force and it was developed to use police intervention to assist offenders to consider the legal and health ramifications of their cannabis use and motivate them to seek treatment and support. Reducing an individual's cannabis use is not an objective of the scheme and therefore should be outside the scope of the performance audit. Any improvements to its effectiveness should be informed by the schemes' objectives; to divert those being cautioned from the court system and encourage them to seek help.

My response to your recommendations for NSW Health follow with comments provided for your consideration.

Recommendation 4: *By December 2011 collect information on the profile of adult offenders who have contacted the drug helpline to assist future evaluations on cautioning and its impact on drug use.*

Supported with qualification

Alcohol and Drug Services at St Vincent's Hospital manages the cannabis information/referral phone line. Advice from the Deputy Director of this service is that currently the cannabis phone line does not collect any profile data on those who contact the service. Significant changes to the database would be required to enable the collection of information on the profile of adults cautioned who contact the cannabis phone line. NSW Health supports this recommendation with qualification that this will require significant resources, the availability of which is currently uncertain.

Recommendation 5: *By December 2012 develop new ways for adult offenders to contact the drug helpline and seek help for their cannabis use such as an online education session.*

Supported

NSW Health currently hosts a cannabis website called 'permanently out of it'. This website provides education and information on cannabis use and details for getting help. A further website called 'your room', an initiative of NSW Health and the St Vincent's Alcohol and Drug Information Service (ADIS), provides education and information on all drugs including cannabis and advice on how to access help and treatment. References to these two websites could be included on all cannabis cautioning notices and provide alternative ways for those cautioned to seek help for their cannabis use.

The Department's MHDAO has also addressed the recommendations for the NSW Police Force that NSW Health may provide consultation and that advice is provided by recommendation number.

Recommendation 1: *By December 2012 implement strategies to increase the number of adult offenders contacting the drug helpline. These may include: - Following up and penalising second caution offenders who do not contact the helpline for the mandatory education session.*

Not Supported

The introduction of a punitive approach to those cautioned who do not contact the helpline is contradictory to the principles of the harm minimisation approach to drug and alcohol intervention. It is operationally difficult to identify contacts as the current helpline does not ask for or record callers' identifying information. The provision of health information to another agency is also of serious concern.

Recommendations 2 and 10: *2: By April 2013 evaluate whether cautioning reduces the drug use of adults cautioned for minor cannabis offences and recommend ways to improve its effectiveness. This may include making it mandatory for first caution offenders to seek help for their cannabis use. 10: By April 2013 evaluate whether cautioning under the Young Offenders Act 1997 reduces the drug use of young people cautioned for minor drug offences.*

Not Supported

As outlined previously cannabis cautioning was not designed to reduce individual's cannabis use and it is considered that this recommendation is outside the scope of the scheme. Any improvements to its effectiveness should be informed by the objectives of the scheme which are to divert those cautioned from the court system and encourage them to seek help.

Recommendation 9: *By December 2012 develop ways to help young offenders seek help for their cannabis use. This may include showing a DVD on cannabis or inviting a drug counsellor to a caution meeting.*

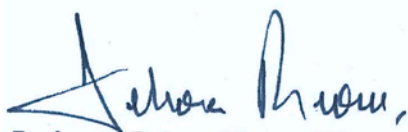
Supported

NSW Health supports developing new ways to assist young offenders to seek help for their cannabis use through the use of DVDs and web based resources. However as the cannabis cautioning scheme is not a treatment intervention the attendance of a drug and alcohol counsellor at a caution meeting is not considered appropriate. Additionally there are not the resources available to support such attendance.

I can assure you of NSW Health's commitment to assisting with implementation of the supported recommendations. However, I would suggest that any significant changes to the cannabis cautioning scheme be negotiated by the lead agency and structured according to the prevailing clinically approved drug and alcohol policy framework and include consideration of access to the required resources.

If you have any further inquiries in regard to this matter please contact David McGrath, Director Mental Health and Drug and Alcohol Programs, NSW Department of Health on 94245718.

Yours sincerely


 Professor Debora Picone AM
 Director-General

23/8/14

Introduction

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NSW Auditor-General's Report
The effectiveness of cautioning
for minor cannabis offences

INTRODUCTION

Cannabis use
costs more than
\$1,600 per user
in health and
crime costs

1. Use of cautioning for minor cannabis offences

1.1 What is cannabis?

Cannabis is a plant whose dried leaves are usually smoked in cigarettes or water pipes. Cannabis use can cause loss of coordination, anxiety, paranoia and hallucinations. It is against the law to grow, possess or use cannabis. Yet it is the most accessible and widely used illicit drug in NSW. In 2007 just over 450,000 people, or eight per cent of people aged 14 and older, said they used cannabis in the past 12 months.

Cannabis use has significant economic and social costs. Long term cannabis use has been linked to mental health problems, memory loss, and throat and lung disease. A 2007 review estimated that the health and crime costs of cannabis use in Australia were over \$3 billion a year or more than \$1,600 per user.

Cannabis also consumes valuable police and court resources. The number of cannabis possession offences increased 26 per cent between 2000-01 and 2009-10. Cannabis also makes up about two thirds of drug possession offences.

1.2 What is government's response to cannabis use?

Over the last ten years state and territory governments have focused on diverting minor drug offenders from the criminal justice system into education or treatment. Instead of charging, police can fine or formally caution people to keep them out of the courts. This frees up police and court resources for more serious offences and aims to break the cycle of drug use.

Since April 2000 NSW police officers can caution adults found with 15 grams or less of dried cannabis leaf or equipment such as a water pipe. Young people can be cautioned for possessing 15 grams of cannabis leaf and up to five cannabis plants.

A person can only be cautioned if they meet eligibility criteria. For example adult offenders must:

- have no prior convictions for drugs, sexual assault or violent offences
- have no other offences for which they must face court
- admit the offence and consent to the caution.

If adult offenders do not meet the eligibility criteria police must charge them instead.

Police can deal with young offenders by way of a warning, caution, youth justice conference, or charge. Cautioning is the most common response and involves a formal meeting with the offender and his or her parent or guardian.

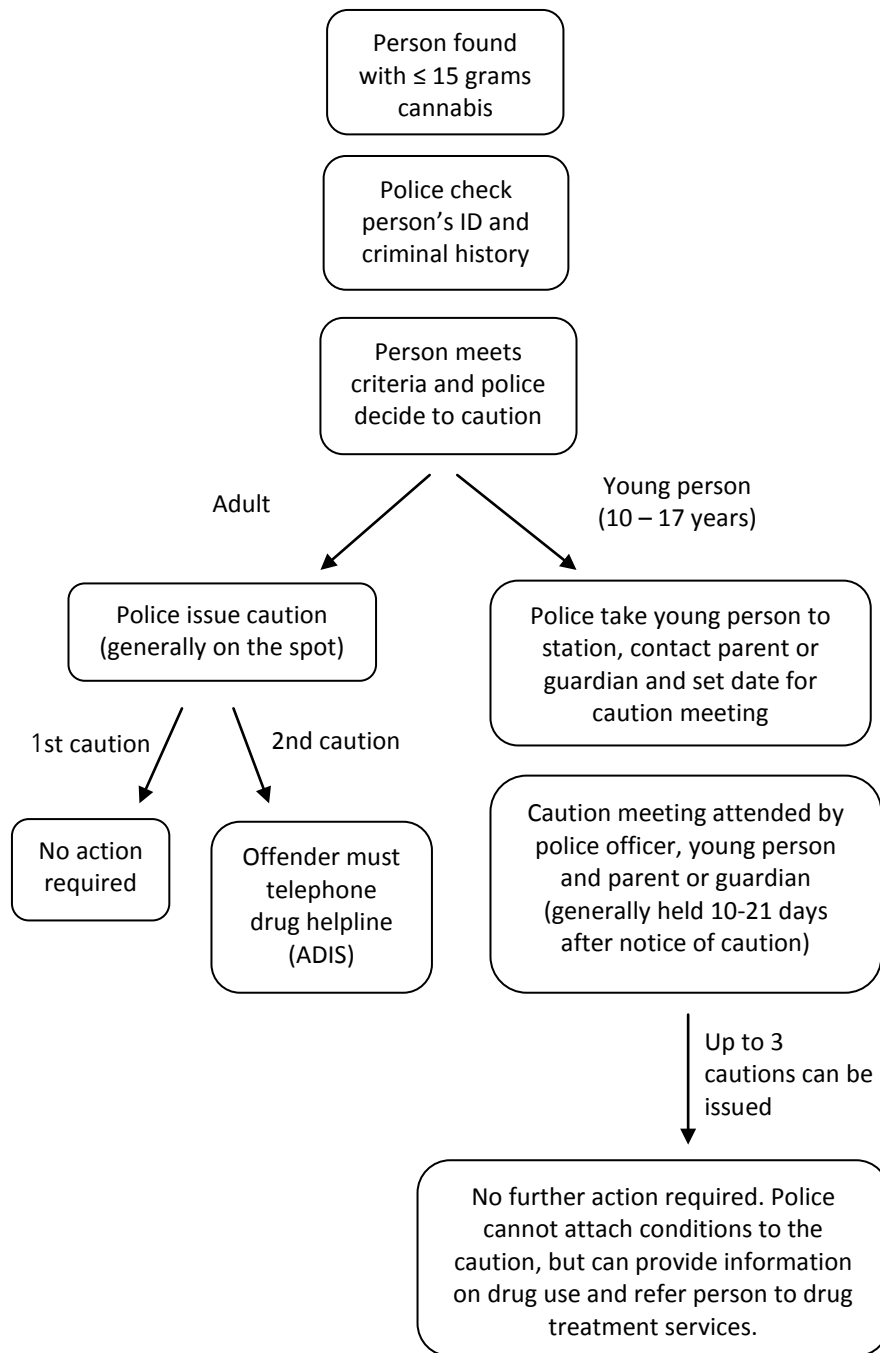
1.3 Is cautioning in NSW similar to other states in Australia?

All jurisdictions in Australia have police drug diversion schemes in place, but they vary regarding:

- whether offenders are fined or cautioned for possessing cannabis
- the type and amount of cannabis allowed to receive a fine or caution
- the type and length of drug education or treatment.

NSW currently has the lowest limit in Australia regarding the amount of cannabis allowed for cautioning. Adult cautioning has both a voluntary and mandatory drug treatment component which is similar to other states. Young offenders can be referred to drug treatment as part of a caution but cannot be made to attend. See Appendix 1 to compare NSW with diversion schemes in other states.

Exhibit 1: Cautioning process in NSW for minor cannabis offences



Source: NSW Police Force Cannabis Cautioning Guidelines, *Young Offenders Act 1997*, Police training material
ADIS is the Alcohol and Drug Information Service run by St Vincent's Health Local Area Network.

Key findings

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NSW Auditor-General's Report
The effectiveness of cautioning
for minor cannabis offences

KEY FINDINGS

Over 39,000 people have been cautioned for cannabis offences saving at least \$20m over the last 10 years

2. Does cautioning divert offenders from the courts?

2.1 Do police monitor whether offenders are diverted from courts?

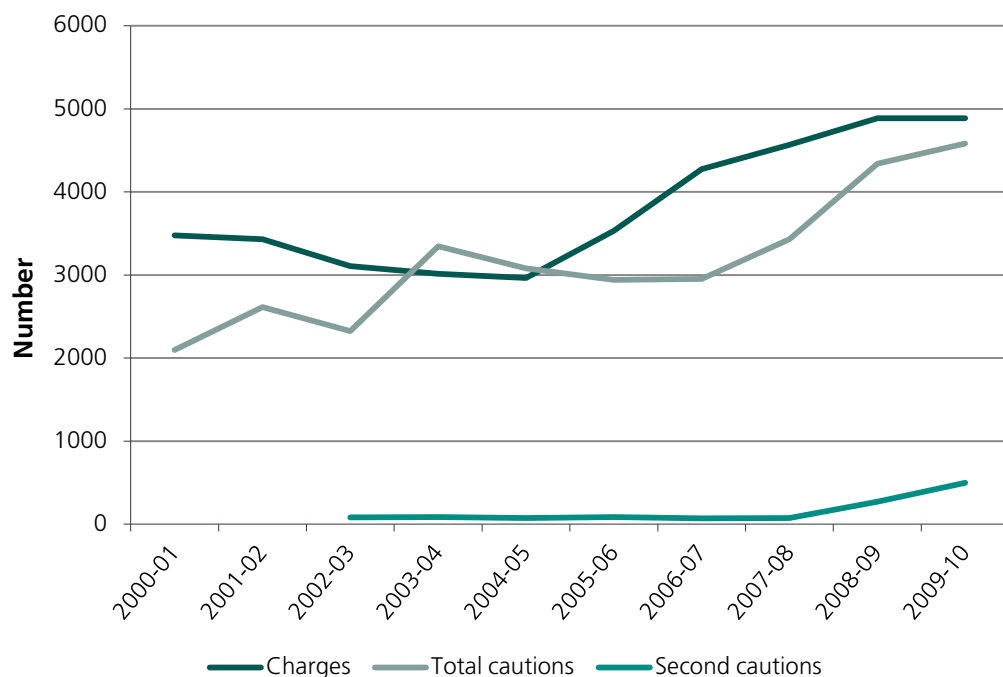
Conclusion

The NSW Police Force has reviewed adult cautioning including diversion, but there have been no reviews of youth cautioning. Adult offenders are more likely to be cautioned today than ten years ago, but this is not the case for young offenders. People who are cautioned are also less likely to reoffend than people dealt with by the courts.

Over the last ten years police officers have cautioned 39,099 people for minor cannabis offences. This includes 31,699 adults and 7,400 young offenders. By dealing with these people away from the courts, we estimate the NSW Government has saved at least \$20 million in court costs.

The number of cautions issued to adults for minor cannabis offences has increased significantly over the last few years, but so has the number of charges.

Exhibit 2: Cautions and charges issued to adult cannabis offenders



Source: NSW Police Force, COPS data

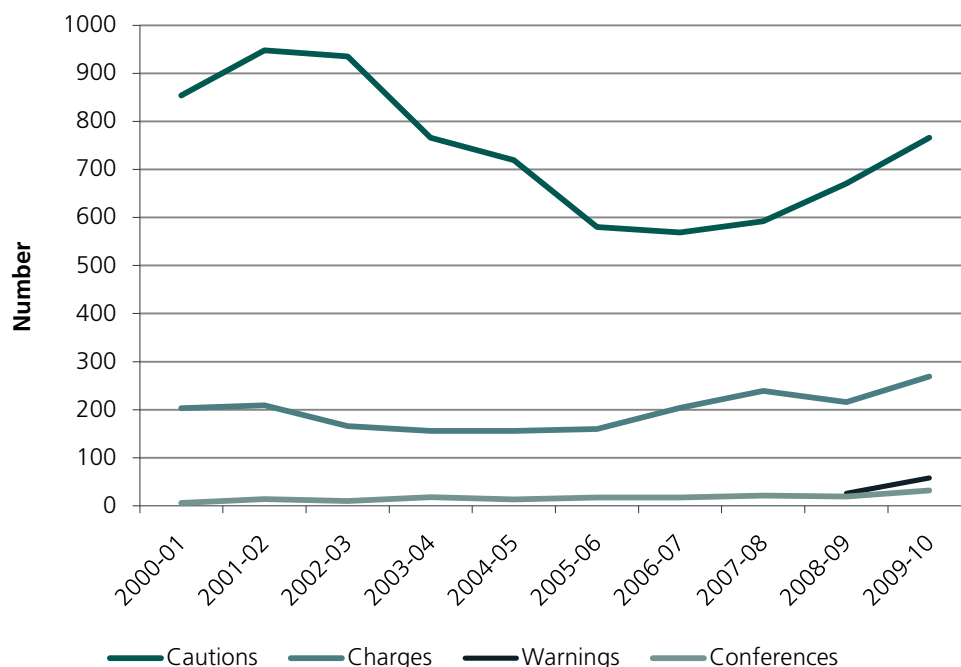
Charges refer to offences involving 15 grams or less of cannabis leaf. Cautions include offences for cannabis possession, use, and equipment.

Cautioning has increased at a faster rate than charging. This means that adult offenders are more likely to be cautioned now than ten years ago. This is a good result, as it means an increasing proportion of people are being diverted from the criminal justice system.

Police use of drug dogs may partly explain the rise in minor cannabis offences. The total number of drug dog detections today is significantly higher than in 2002 when laws regulating drug dogs were introduced.

The number of youth cautions has increased since 2007-08, however less young offenders are cautioned now than ten years ago.

Exhibit 3: Police response to young offenders found with cannabis



Young offenders are more likely to be charged today than 10 years ago

Source: NSW Police Force, COPS data

Charges refer to offences involving 15 grams or less of cannabis leaf. Conferences, cautions, and warnings include offences for cannabis possession, use, and equipment.

The NSW Police Force advises that warnings were not recorded until 2009.

Although the youth cautioning rate is falling, the number of youth warnings, conferences and charges has increased.

Young offenders now have a one in four chance of being charged for minor cannabis offences, compared to one in five ten years ago. The reason for this is unclear. It could relate to the type of offender. That is, there could be more young people with extensive criminal histories who do not meet the criteria. Or police could be using their discretion to charge more often.

Police say the increase in charges could be because young people are not admitting the offence, making them ineligible for a caution. Unlike cautioning, charges do not need an admission of guilt.

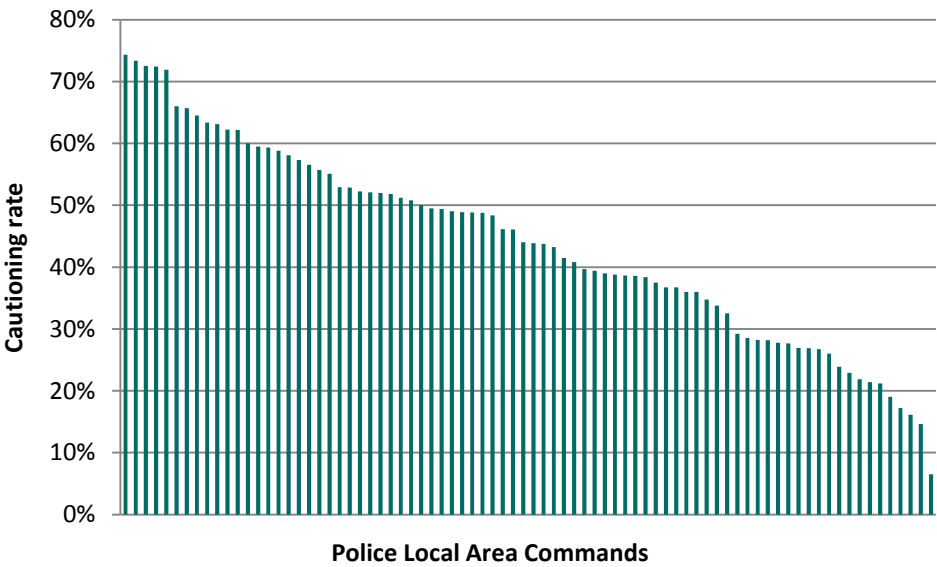
The admission process for youth cautions is more time consuming than for adult cautions. Adults can be cautioned on the spot, but young offenders are taken into custody at the station where their parents are contacted and they are given the chance to receive legal advice. At this point the young offender may refuse to be interviewed by police despite admitting to the offence when they were caught.

Police say they must charge offenders if this occurs, although they realise this might not be the best outcome for the young person. Likewise, discussing legal options under the *Young Offenders Act 1997* could be difficult as they do not want to induce young offenders to act a certain way.

The cautioning rate varies significantly between police commands

We also found that cautioning rates for adults and young offenders varied significantly between Local Area Commands (LACs).

Exhibit 4: Adult cautioning rate by LAC 2009-10



Source: NSW Police Force, COPS data
The cautioning rate refers to the proportion of adult offenders caught with ≤ 15 grams of cannabis who were cautioned rather than charged by police. See Appendix 2 for a list of cautioning rates by LAC for both adults and young offenders.

Police said cautioning rates varied due to:

- differing demographics making some people ineligible for a caution
- the results of targeted operations involving drug dogs.

Exhibit 5: Differences in cautioning rates

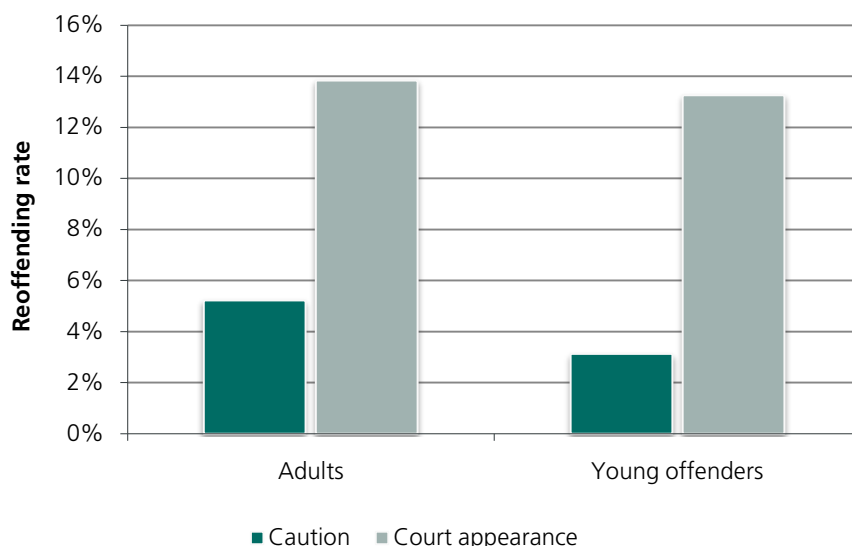
	Tweed-Byron LAC	Barwon LAC (Moree)
2009-10 cautioning rate (adult offenders)	73%	39%
Characteristics of the LAC (such as its location, people, socioeconomic status, environment)	Transient population Holiday makers Music festivals	More stable population Higher crime rates
Number of cannabis cautions issued as result of targeted operations	164 (1 operation at a music festival)	15 (2 highway operations)

Source: NSW Police Force, COPS data, LAC audit interviews

Although these factors affect cautioning rates, they alone cannot explain the large variation between LACs. This means there could be scope for increasing cautioning rates in some regions.

We found that cautioning also keeps people out of the criminal justice system in the long term. People cautioned for minor cannabis offences are less likely to reoffend than those dealt with by a court. This also shows that cautioning is targeting minor offenders as intended.

Exhibit 6: Average reoffending rate 2000-01 to 2006-07



Source: NSW Bureau of Crime Statistics and Research

Graph relates to the proportion of adults and young offenders who were cautioned or appeared in court for minor cannabis offences, who later appeared in court for a similar offence within two years.

These results compare favourably with police diversion schemes in other parts of Australia. In 2008 the Australian Institute of Criminology found that adults cautioned for minor cannabis offences in NSW had the lowest post-diversion reoffending in Australia. However NSW offenders also were less likely to have a criminal history than offenders in other states.

Police and NSW Health regularly monitor cautioning activity for adult offenders and report key data to the Commonwealth Government as part of its drug diversion program. The NSW Police Force has also reviewed adult cautioning twice since its inception and changed practices as a result. For example, police now use one caution book for both first and second cautions, previously there were two.

Police youth liaison officers in each LAC also monitor the number of youth cautions. However Police have not yet reviewed youth cautioning to uncover any operational issues and assess how well it is being implemented in line with the *Young Offenders Act 1997*. Given the overall decrease in youth cautioning, a review might help find out how well current practices are working.

Recommendation

We recommend that by December 2012, the NSW Police Force review the youth cautioning process to resolve any issues that may prevent its use by police including:

- processes for obtaining admission of guilt from young people
- how legal options under the *Young Offenders Act 1997* should be discussed with young people.

Cautioned people are less likely to reoffend than those dealt with by a court

Most police officers follow cautioning guidelines

2.2 Are cautioning guidelines followed?

Conclusion

Police follow cautioning guidelines for most incidents involving minor cannabis offences.

Police receive adequate guidance on cautioning adult offenders, however more can be done to remind them about how drug offences can be dealt with under the *Young Offenders Act 1997*.

Police guidelines on cautioning adult offenders are easily accessible and can be found on the Police intranet and in caution books. The last mandatory training was in 2000 when cautioning was introduced. However LACs can use various training materials including a DVD on drug diversion, and an updated training package on adult cautioning.

Police officers responsible for issuing youth cautions receive mandatory training on the *Young Offender Act 1997* and how it should be implemented by police. However the guidance provided to other police officers is less clear. There is some guidance on youth cautioning including a fact sheet and cautioning scenario in the diversion DVD. However this mainly covers the requirements of the Act, rather than Police cautioning processes.

We also found that guidance is needed on the use of warnings for drug offences. Most police we spoke to did not know that young offenders could be warned for possessing or using cannabis. Police guidance for drug offences focuses on cautions and conferences only.

It is important that all police, not just specialist youth officers, have clear guidelines on cautioning and other diversion options such as warnings. This should include any changes Police make to the caution process after reviewing youth cautioning as discussed earlier.

We found that most police comply with cautioning guidelines. Processes for checking incidents include:

- verification and random checking by supervisors
- reviews of second cautions by the Drug and Alcohol Unit
- referral of youth matters to youth liaison officers.

We reviewed a sample of minor cannabis offences and found that 84 per cent of adult cautions and 97 per cent of youth cautions met the eligibility criteria. People who did not meet the criteria but were cautioned had:

- previous drug or violent offences (such as assault or robbery)
- more than 15 grams of cannabis (for example, 55 grams).

In one of these incidents the person's prior drug offences occurred more than 14 years ago. This is an area where it might be appropriate to broaden the criteria. If offences occur some time ago, sending people to court again for minor offences might put their rehabilitation at risk.

Recommendations

We recommend that the NSW Police Force:

- by December 2012, develop guidelines and train police on the revised youth cautioning process
- by December 2011, update guidance on the *Young Offenders Act 1997* to inform police that warnings can be issued to young offenders for minor drug offences
- by December 2011, broaden the eligibility criteria to allow adult offenders with old convictions, that is those capable of becoming spent convictions, to be cautioned for minor cannabis offences.

Most cautioning
equipment and
information is
easily available

2.3 Is cautioning equipment and information easily available?

Conclusion

In general police can easily access relevant equipment and information in the field needed to issue cautions.

We found that police can access the relevant equipment needed to issue cautions, including caution books, scales, and drug bags. For example:

- caution books are in first response cars
- supervisors can bring scales or drug bags to the field on request
- mobile vans containing all equipment are used for operations.

If scales are unavailable guidelines also allow police officers to estimate drug weight.

Exhibit 7: Weight sample (15g) and caution notice



Source: NSW Police Force

Sample is dried parsley which is used for police training.

We found that police can easily access information to identify offenders and check their criminal history. They can use Police radio or mobile data terminals in their cars. Police have also recently introduced mobile fingerprint scanners to help identify people.

Police enter incidents at the end of each shift to ensure they have access to the most recent information on offenders. Second cautions can also be highlighted in red to make it easier for police to see previous cautions.

Police said that the cautioning process for adults was straight forward with generally few delays. Youth cautions take longer to issue. In our review of cannabis offences we found that less than a quarter of youth caution meetings were held between ten to 21 days after the notice to caution as suggested under the *Young Offenders Act 1997*. However almost two thirds were within six weeks of the offence. The main reasons for delays were:

- the young offender's parent or guardian could not be contacted
- the young offender or his/her parent did not attend caution meeting.

These delays are outside police officers' control. Nonetheless, police said they would generally give young offenders another chance to attend a caution meeting before escalating the matter to a charge.

The impact of cautioning on drug use has not yet been reviewed

3. Does cautioning reduce offenders' cannabis use?

3.1 Do staff monitor whether intervention reduces cannabis use?

Conclusion

Police and health staff do not monitor whether cautioning reduces offenders' cannabis use.

Neither Police nor Health have evaluated whether cautioning reduces drug use. However we asked staff for their views on the impact of cautioning on cannabis use.

Exhibit 8: Views on whether cautioning reduces cannabis use

"Cautioning has no impact as cannabis is not seen as a serious crime, its use is accepted in society."

"It doesn't work because there are no penalties."

"Cautioning might only work for young people that come from good families that would not normally have contact with police."

"Cautioning is like getting hit on the head with a wet lettuce, users will not change because of a caution."

"Maybe it will help the rich kids but not us streeties"

Source: Interviews with police, health and youth support staff, street kids

Most staff said cautioning does not change offenders' drug use, except perhaps young people with no criminal record. Others said that the low reoffending rate for cautioning indicates offenders are reducing drug use. Although this could also mean offenders are getting better at avoiding detection.

Police suggested the following ways to improve the cautioning process and reduce drug use:

- making young offenders attend education or treatment as part of their caution (not allowed under current law)
- inviting a drug counsellor to a youth caution meeting or showing a DVD on the effects of cannabis
- penalising adult offenders who do not contact the helpline so they are forced to seek help (such as a fine or charge).

In addition, any money collected through fines could go towards the costs of cannabis use and invested in drug treatment.

Queensland has had some success in reducing drug use through its cautioning scheme which involves mandatory face-to-face counselling for all offenders found with cannabis. A 2009 study found that the number of people recently using cannabis fell by over 18 per cent post diversion. Western Australia is introducing a similar approach where offenders can elect to attend a one-on-one drug intervention session or be dealt with by the courts.

Evaluating whether cautioning reduces drug use will help staff determine the best approaches to adopt.

Recommendations

We recommend that the NSW Police Force, in consultation with NSW Health:

- by April 2013, evaluate whether cautioning reduces the drug use of adults cautioned for minor cannabis offences and recommend ways to improve its effectiveness. This may include making it mandatory for first caution offenders to seek help for their cannabis use.
- by April 2013, evaluate whether cautioning under the *Young Offenders Act 1997* reduces the drug use of young people cautioned for minor drug offenders.

Less than two
 in five adult
 offenders call
 the helpline as
 required

3.2 Do cannabis offenders seek help for their cannabis use?

Conclusion

Cautioning may make people consider the ramifications of their cannabis use however very few people seek help to reduce it.

When issuing a caution, police officers provide offenders with information on the legal and health consequences of cannabis. For example:

- the back of the adult caution notice has information on the effects of cannabis
- police officers provide brochures on drug use to young offenders.

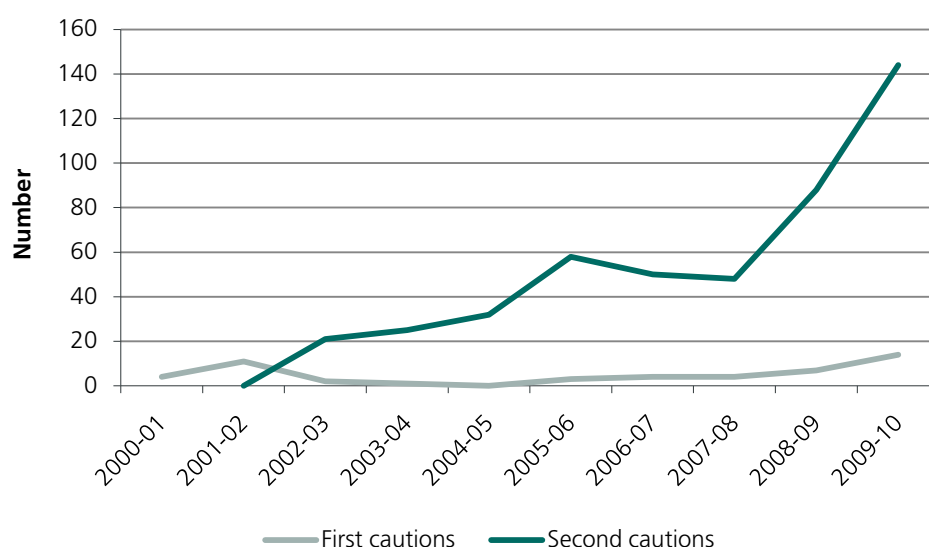
First time adult offenders are not required to seek treatment but can call the drug helpline mentioned on the caution notice. People issued with a second caution must contact the helpline for a mandatory education session. Overall only 1.6 per cent of all adult offenders who received a caution in the last ten years called the helpline. The call rate differs for first and second cautions:

- 0.2 per cent of first caution offenders called the helpline
- 38 per cent of second caution offenders called the helpline.

The low call rate for first time offenders is not unexpected given they are not required to call the helpline. However the caution notice only mentions the helpline with regard to second cautions. A first time offender would not know they could call it unless advised by police.

The call rate for second cautions is better but still falls short given calling the helpline is mandatory. Although the overall call rate is low, the number of helpline callers has risen significantly over the last two years which is promising.

Exhibit 9: Number of first and second caution callers to drug helpline



Source: Data provided by the Alcohol and Drug Information Service

Police and helpline counsellors said the reasons offenders may not call the helpline could include:

- people see cannabis as minor and do not think they have a problem
- people might forget to call the helpline
- there is no sanction if offenders do not call the helpline.

Young offenders may not be seeking treatment

There is also a risk that young offenders are not seeking help for their cannabis use. This is because:

- the law prevents conditions being attached to cautions which means young offenders cannot be made to seek help
- just under one quarter of police we surveyed said they refer young cannabis offenders to drug treatment.

Police do not collect referral data therefore we do not know how many young offenders are referred to services through cautioning. We visited a treatment and support service in four Police commands. None recalled receiving any police referrals. But this may not be the case in all areas. We found a drug service in another command that works closely with police and receives referrals through the Your Choice program.

Exhibit 10: Your Choice Program – Mid North Coast LAC

Your Choice has been operating in Port Macquarie Police command since 2004-05. Originally for young people with alcohol offences, it now includes an illicit drug component. Young offenders and their parents must attend a 2.5 hour education session. A counsellor from the local cannabis clinic talks about the effects of illicit drugs. Police ran eight programs in 2010 and referred about 50 young people cautioned for cannabis offences.

Source: Mid North Coast Local Area Command and NSW Cannabis Clinic

Although not mandatory for cannabis offenders, Your Choice works because it is a program run by local police and health staff. Police book young people onto the program and send out reminder notices. Unless other Police commands have similar programs, they can only suggest a young person seek help for their cannabis use. It is up to the young person and his or her parents to contact the drug service.

Under current law, young offenders can only be made to seek help as part of a youth justice conference. By this stage they may already have had three cautions. Both police and health staff thought this was too late to make a difference. This could also explain why they thought cautioning had little impact on drug use given current practices.

Most police wished they could make young offenders attend treatment as part of their caution. This is currently an option in four Australian states and territories. Yet there might be other things police can do within the law. They can increase referrals to drug treatment as part of cautioning, invite a drug counsellor to a caution meeting, or show a DVD on the effects of cannabis.

Recommendations

We recommend that by December 2012, the NSW Police Force in consultation with NSW Health, implement strategies to increase the number of adult offenders contacting the drug helpline. These may include:

- developing a handout or rewording the caution notice to point out that first time offenders can contact the helpline
- following up and penalising second caution offenders who do not contact the helpline for the mandatory education session
- setting targets for the number of first and second time adult offenders contacting the drug helpline.

We recommend that by December 2012, NSW Health in consultation with the NSW Police Force, develop new ways for adult offenders to contact the drug helpline and seek help for their cannabis use, such as an online education session.

We recommend that by December 2012, the NSW Police Force in consultation with NSW Health, develop ways to help young offenders seek help for their cannabis use. This may include showing a DVD on cannabis or inviting a drug counsellor to a caution meeting.

Basic offender data is collected but there is limited information on their drug use

3.3 Is data collected on the profile of cautioned offenders?

Conclusion

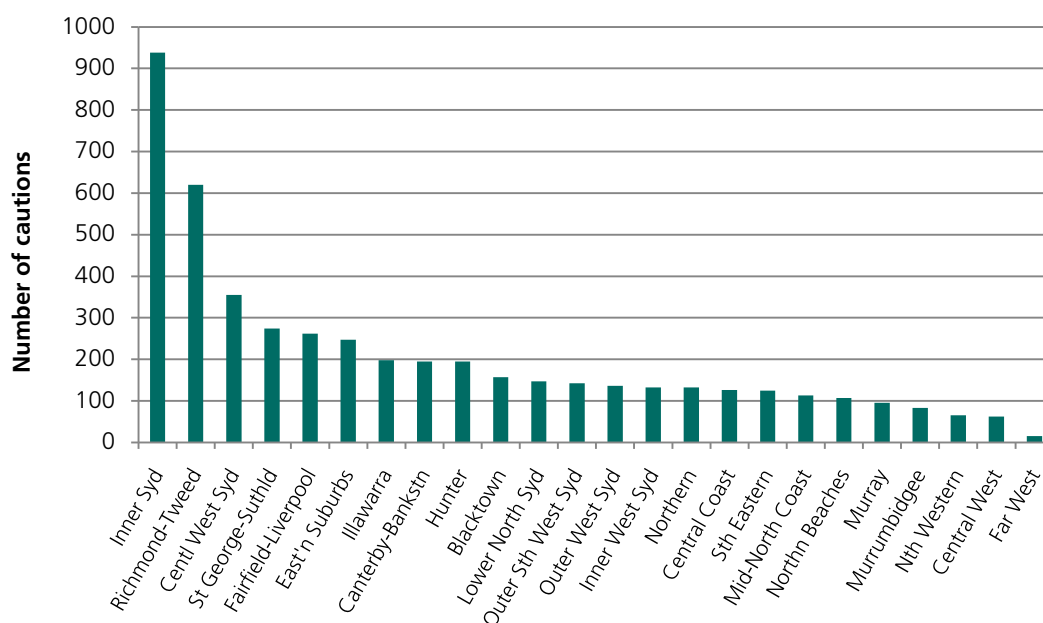
Police youth liaison officers and helpline counsellors record basic data on offenders. Other information such as offenders drug use is not always collected although this may be discussed with offenders when identifying their needs.

Knowing who offenders are and why they have offended may help identify the best ways to reduce their drug use.

Police officers and helpline counsellors collect basic data on offenders such as age and gender. We reviewed cautions issued for minor cannabis offences in 2009-10 and found that:

- half of adult offenders were aged between 18 and 24
- 94 per cent of young offenders were aged between 14 and 17
- most people were found with cannabis outdoors or on public transport
- most cautions were issued in Inner Sydney and Richmond-Tweed.

Exhibit 11: Adult and youth cautions by location 2009-10, NSW



Source: NSW Bureau of Crime Statistics and Research

Police and helpline counsellors also try to identify an offender's needs by discussing their drug use, work or home environment. Police may record this information for young offenders but there is no standard approach for capturing this. For example in our review of cannabis offences only 20 per cent had comments on young offenders' drug use.

Analysing this information will help agencies develop targeted strategies to better address offenders' drug abuse.

Recommendations

We recommend that by December 2011, the NSW Police Force introduce a standard approach for recording the needs of young offenders such as drug use, peers, school and home environment.

We recommend that by December 2011, NSW Health in consultation with the NSW Police Force, collect information on the profile of adult offenders who have contacted the drug helpline to assist future evaluations of cautioning and its impact on drug use.

Few drug
treatment services
in some regions
and for offenders
aged 10 to 15

3.4 Are a range of treatment options available?

Conclusion

The drug helpline offers a range of treatment and support options for adult offenders. However not all young offenders can find help for their cannabis use due to their age or where they live.

The drug helpline offers a range of treatment and support services to adult offenders including education, counselling, and referral to other support services.

Unlike adult cautioning, there is no one place to refer young offenders. Police find out about services through their own research and local networks. Most police said that while drug and alcohol services were available, there were some gaps including:

- few drug treatment services for people aged ten to 15
- few drug treatment services in some Police commands.

Exhibit 12: Case studies of service gaps

Matthew lives in Tweed Heads and is 13 years old. He has been offending since he was 11 and has been cautioned and attended youth justice conferences for assault, stealing and drug offences. Despite there being drug treatment services in the area no service will take him due to his age. Only the local Police and Community Youth Club will accept him but it does not offer drug treatment.

Mary lives in Moree and is 16 years old. She has been using cannabis daily for two years. She was recently cautioned for possessing cannabis and told police that she wanted to stop using. Police want to refer her to the local health centre however the waiting list is too long. And the local drug rehabilitation centre generally only takes adults.

Source: Events based on example incidents discussed with police during interviews, and COPS incident review

A dependent cannabis user costs more than \$11,000 each year in health and crime costs. To assist these people reduce their drug use, NSW Health has set up six cannabis clinics across NSW for people aged 16 and older. A 2007 evaluation of the clinics found that 76 per cent of cannabis users had either stopped or reduced their drug use.

This is a good result. Police should be encouraged to refer young offenders to these clinics if there is one in their area. Police officers can also contact the helpline counsellors, who have a database of drug and alcohol services, to find out what other services may be available for young offenders in their area.

Police and Health should consider these service gaps and treatment options when developing new ways to help young offenders address their drug use.

Appendices

Appendix 1: Police diversion programs for cannabis offences by jurisdiction

State	Cannabis limit	Eligibility criteria (other offences)	Legal action	Drug education and treatment
ADULTS				
NSW	15 grams	No concurrent offence for which they must face court No prior convictions involving drugs, violence or sexual offences	Maximum of two cautions	Mandatory education session for 2 nd caution.
VIC	50 grams	No concurrent offences, but can have one prior illicit drug diversion or cannabis caution	Maximum of two cannabis cautions or one caution and one illicit drug diversion	Provision of educational material and information on drug treatment services.
QLD	50 grams	No prior indictable offences or prison sentences involving drugs No prior convictions involving violent offences	Maximum of one caution	Mandatory assessment, education and counselling session.
TAS	No threshold	No concurrent offences involving violence No more than 3 drug events in 10 years including cautions	Maximum of three cautions	Mandatory face-to-face education for 2 nd caution. Mandatory assessment and treatment for 3 rd caution.
SA	100 grams	No criteria	Fine up to \$300	-
ACT	25 grams	No violent offences committed at the same time as the drug offence	Diversion to treatment or fine of \$100	If diverted, mandatory assessment and optional referral to a treatment.
NT	50 grams	No criminal drug offences or violent offences No concurrent property offences against a person	Diversion to treatment or fine of \$200	If diverted, mandatory assessment and treatment.
WA ¹	30 grams	No previous convictions for violent offences or serious drug offences	Fine up to \$150 or mandatory treatment	Option to attend treatment instead of fine. Mandatory education or charge for third offence.
YOUNG OFFENDERS				
NSW	15 grams	Police must consider seriousness of the offence, and the number and nature of previous offences	Warning, caution or youth justice conference	Optional referral to drug treatment.
VIC	No threshold	No sexual offences	Warning or caution	Optional referral to drug treatment.
QLD	50 grams	Adult program as above	Diversion under adult scheme or Youth caution or conference	If diverted under adult scheme, mandatory assessment, education and counselling.
TAS	No threshold	Adult program as above No conditions youth program	Warning, caution, conference	Optional education and assessment under adult program.
SA	100 grams	No criteria	Diversion to drug assessment Caution if diversion not completed	Mandatory assessment, further treatment optional.
ACT	25 grams	Adult program as above No conditions youth program	Fine of \$100 or Warning, caution, conference	Mandatory assessment, optional referral under adult program.
NT	50 grams	No criminal drug offences or violent offences No concurrent property offences against a person	Diversion to treatment or formal caution	If diverted, mandatory assessment and treatment. Optional referral to treatment.
WA ¹	No threshold	-	Caution or referral to youth justice team.	-

Source: Audit Office research

¹ A new law (yet to be proclaimed) will introduce a diversion scheme for both adults and young offenders. Fines will no longer apply. People found with ≤10 grams of cannabis can elect to attend a one-on-one drug intervention session or be dealt with by the courts.

Appendix 2: Cautioning rates by NSW Police Local Area Command (LAC)

ADULT OFFENDERS

LAC	2009-10	LAC	2009-10	LAC	2009-10
EASTERN SUBURBS	74.32%	HURSTVILLE	51.22%	FAR SOUTH COAST	36.72%
NORTH SHORE	73.33%	BURWOOD	50.81%	BLACKTOWN	36.00%
TWEED/BYRON	72.52%	THE ROCKS	50.00%	MARRICKVILLE	36.00%
THE HILLS	72.41%	ST MARYS	49.48%	LIVERPOOL	34.78%
HARBOURSIDE	71.93%	ASHFIELD	49.40%	NEW ENGLAND	33.78%
CITY CENTRAL	65.99%	KURING GAI	49.04%	GRIFFITH	32.56%
EASTWOOD	65.71%	BLUE MOUNTAINS	48.89%	BARRIER	29.23%
ROSE BAY	64.52%	ST GEORGE	48.84%	WAGGA WAGGA	28.57%
MIRANDA	63.37%	LEICHHARDT	48.78%	PORT STEPHENS	28.26%
NEWTOWN	63.10%	SUTHERLAND	48.39%	SHOALHAVEN	28.18%
CAMPSIE	62.25%	CAMPBELLTOWN	46.15%	CANNOBOLAS	27.78%
FAIRFIELD	62.18%	LAKE ILLAWARRA	46.10%	COOTAMUNDRA	27.69%
BOTANY BAY	60.00%	KINGS CROSS	44.01%	ORANA	26.92%
DENILIQUIN	59.50%	ROSEHILL	43.86%	COFFS/CLARENCE	26.90%
MANLY	59.32%	SURRY HILLS	43.78%	PARRAMATTA	26.73%
BANKSTOWN	58.82%	HOLROYD	43.24%	LAKE MACQUARIE	26.00%
NORTHERN BEACHES	58.11%	REDFERN	41.51%	NEWCASTLE CITY	23.91%
GLADESVILLE	57.33%	TUGGERAH LAKES	40.82%	ALBURY	22.92%
MT DRUITT	56.52%	BRISBANE WATER	39.69%	CENTRAL HUNTER	21.85%
FLEMINGTON	55.71%	CABRAMATTA	39.39%	LACHLAN	21.43%
RICHMOND	55.08%	MONARO	38.98%	MID NORTH COAST	21.21%
EASTERN BEACHES	52.94%	PENRITH	38.78%	QUAKERS HILL	19.05%
GREEN VALLEY	52.86%	BARWON	38.64%	CASTLEREAGH	17.24%
MACQUARIE FIELDS	52.22%	OXLEY	38.60%	CHIFLEY	16.13%
HAWKESBURY	52.11%	GOULBURN	38.37%	HUNTER VALLEY	14.63%
CAMDEN	52.00%	MUDGEE	37.50%	MANNING/GREAT LAKES	6.49%
DARLING RIVER	51.85%	WOLLONGONG	36.73%		

Source: NSW Police Force, COPS data

Notes

Cautioning rate: refers to the proportion of adult offenders caught with ≤15g of cannabis who were cautioned rather than charged by police.

ie number of cannabis cautions / (number of cannabis cautions + charges for ≤15g cannabis) x 100

Excludes cautions issued by other Police commands such as traffic support and major crime commands.

Excludes cautions where the drug amount was not recorded in COPS, therefore cautioning rate may be higher in some LACs.

See page 14 for more information on the differences in cautioning rates.

YOUNG OFFENDERS					
LAC	2009-10	LAC	2009-10	LAC	2009-10
NEWTOWN	100.00%	EASTWOOD	75.00%	SHOALHAVEN	57.14%
SURRY HILLS	100.00%	ROSEHILL	75.00%	BARRIER	57.14%
NORTHERN BEACHES	100.00%	COFFS/CLARENCE	71.05%	OXLEY	57.14%
HUNTER VALLEY	100.00%	LAKE ILLAWARRA	70.59%	PENRITH	55.56%
COOTAMUNDRA	100.00%	NEWCASTLE CITY	70.37%	SUTHERLAND	52.94%
HURSTVILLE	94.44%	RICHMOND	68.42%	EASTERN SUBURBS	50.00%
WOLLONGONG	92.86%	KURING GAI	68.18%	HARBOURSIDE	50.00%
MT DRUITT	92.31%	MID NORTH COAST	67.86%	HOLROYD	50.00%
MACQUARIE FIELDS	90.00%	BURWOOD	66.67%	MARRICKVILLE	50.00%
TUGGERAH LAKES	90.00%	PORT STEPHENS	66.67%	MANNING/GREAT LAKES	50.00%
GREEN VALLEY	88.89%	CHIFLEY	66.67%	CASTLEREAGH	50.00%
MIRANDA	88.24%	TWEED/BYRON	65.52%	ORANA	50.00%
ASHFIELD	87.50%	CENTRAL HUNTER	63.64%	FLEMINGTON	45.45%
FAR SOUTH COAST	83.33%	NEW ENGLAND	63.64%	THE HILLS	42.86%
BOTANY BAY	81.82%	KINGS CROSS	62.50%	BLUE MOUNTAINS	40.00%
CAMDEN	81.82%	LEICHHARDT	62.50%	HAWKESBURY	40.00%
QUAKERS HILL	80.00%	FAIRFIELD	62.50%	CANOBOLAS	37.50%
CABRAMATTA	80.00%	ALBURY	62.50%	BLACKTOWN	28.57%
CAMPBELLTOWN	80.00%	BANKSTOWN	61.54%	PARRAMATTA	25.00%
DENILIQUIN	80.00%	CAMPSIE	61.54%	ST MARYS	25.00%
GOULBURN	80.00%	CITY CENTRAL	61.11%	LIVERPOOL	25.00%
MUDGEE	80.00%	GLADESVILLE	60.00%	BARWON	22.22%
LAKE MACQUARIE	78.95%	MANLY	60.00%	THE ROCKS	0.00%
NORTH SHORE	78.57%	BRISBANE WATER	57.89%	WAGGA WAGGA	0.00%
EASTERN BEACHES	77.78%	REDFERN	57.14%	DARLING RIVER	0.00%
ROSE BAY	77.78%	ST GEORGE	57.14%	LACHLAN	0.00%
GRIFFITH	77.78%	MONARO	57.14%		

Source: NSW Police Force, COPS data

Notes

Care should be exercised when comparing LACs due to the small number of youth cautions issued in each LAC (from 0 – 27 youth cautions per LAC).

Cautioning rate: refers to the proportion of young offenders caught with ≤15g cannabis who were cautioned rather than charged or issued a youth warning or conference.

ie number of youth cannabis cautions / (total number of YOA actions + charges for ≤15g cannabis) x 100

YOA actions refers to warnings, cautions and conferences under the *Young Offenders Act 1997*.

Excludes cautions for possessing cannabis plants and cautions issued by other Police commands such as traffic support and major crime commands.

Excludes cautions where the drug amount was not recorded in COPS, therefore cautioning rate may be higher in some LACs.

Appendix 3: About the Audit

Audit objective

This performance audit assessed whether cautioning diverts minor cannabis offenders from the criminal justice system and reduces their drug use.

Lines of inquiry

We sought to answer the following questions:

- does the NSW Police Force use cautioning to divert minor cannabis offenders from the courts?
- does cautioning help offenders consider the ramifications of cannabis use and seek treatment and support to reduce their drug use?

Audit scope

This audit focused on both adult and young offenders.

The activities audited included:

- police cautioning of cannabis offences under the Cannabis Cautioning Scheme and *Young Offenders Act 1997*
- treatment and support services for people cautioned for minor cannabis offences, in particular the Alcohol and Drug Information Service (ADIS) who are contacted by adult offenders.

Where available we obtained data for the last ten years.

Audit criteria

In answering the lines of inquiry, we used the following audit criteria (the 'what should be') to judge performance. We based these standards on our research of current thinking and guidance on better practice. They have been discussed, and wherever possible, agreed with those we are auditing.

For line of inquiry 1, we assessed the extent to which:

- police officers caution offenders for cannabis possession and related equipment offences as per guidelines
- police officers have access to adequate equipment and information on offenders to enable them to issue cautions
- police check offender compliance with the scheme, including whether offenders are diverted from the courts.

For line of inquiry 2, we assessed the extent to which:

- offenders issued with a cannabis caution contact ADIS or other relevant treatment service as required under the scheme
- staff collect data on the profile of offenders issued with cannabis cautions
- there are treatment and support options available which meet the needs of cannabis offenders
- staff monitor whether intervention reduces drug use.

Audit exclusions

The audit did not specifically examine:

- NSW Drug Summit initiatives and diversion programs other than cannabis cautioning
- the appropriateness of police and magistrate decisions on cannabis possession offences
- the operation/administration of treatment and support services
- funding and reporting arrangements with the Commonwealth for Illicit Drug Diversion Initiative (IDDI) projects.

Audit approach

We acquired subject matter expertise by:

- interviewing head office staff from the NSW Police Force/NSW Health responsible for:
 - policies on cannabis cautioning and support services
 - monitoring cannabis cautioning activity and outcomes
- interviewing police officers responsible for cautioning offenders
- interviewing health staff responsible for treating cannabis offenders
- interviewing streets kids who were cannabis users
- reviewing guidelines and training on cannabis cautioning
- reviewing monitoring reports and evaluations
- surveying Police Youth Liaison Officers
- analysing data on cautioning and diversion outcomes.

We reviewed a sample of minor cannabis offences, specifically:

- adults – 50 cautions and 20 charges (15g cannabis or less)
- young offenders – 30 cautions and 10 charges (15g cannabis or less).

We also examined approaches in other jurisdictions. This included Australian states and territories, New Zealand, the United Kingdom, and other countries with police drug diversion programs.

Audit sample

We visited four NSW Police Local Area Commands (LACs):

- Barwon LAC, Moree
- Coffs Clarence LAC, Coffs Harbour
- Tweed Byron LAC, Tweed Heads
- City Central LAC, Sydney.

Our LAC selection was based on the number of cannabis possession offences and the cautioning rate. In each LAC we also visited a treatment and support service to which young offenders can be referred.

Audit selection

We use a strategic approach to selecting performance audits which balances our performance audit program to reflect issues of interest to Parliament and the community. Details of our approach to selecting topics and our forward program are available on our website.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standards ASAE 3500 on performance auditing, and to reflect current thinking on performance auditing practices. We produce our audits under a quality management system certified to International Standard ISO 9001. Our processes have also been designed to comply with the auditing requirements specified in the *Public Finance and Audit Act 1983*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the NSW Police Force and NSW Health and in particular our liaison officers Ms Penny Cheverall and Mr Andrew Putt. We also wish to thank staff who participated in our site visits to LACs and youth support services for providing valuable information on cannabis cautioning in their region.

Audit team

Our team leader for the performance audit was Tiffany Blackett, who was assisted by Vanessa Bailey. Jane Tebbatt and Giulia Vitetta provided direction and quality assurance.

Audit cost

Including staff costs, printing costs and overheads, the estimated cost of the audit is \$198,400.

Performance auditing

28

NSW Auditor-General's Report
*The effectiveness of cautioning
for minor cannabis offences*

PERFORMANCE AUDITING

What are performance audits?

Performance audits determine whether an agency is carrying out its activities effectively, and doing so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of a government agency or consider particular issues which affect the whole public sector. They cannot question the merits of Government policy objectives.

The Auditor-General's mandate to undertake performance audits is set out in the *Public Finance and Audit Act 1983*.

Why do we conduct performance audits?

Performance audits provide independent assurance to Parliament and the public that government funds are being spent efficiently, economically or effectively and in accordance with the law.

Through their recommendations, performance audits seek to improve the efficiency and effectiveness of government agencies so that the community receives value for money from government services.

Performance audits also focus on assisting accountability processes by holding managers to account for agency performance.

Performance audits are selected at the discretion of the Auditor-General who seeks input from Parliamentarians, the public, agencies and Audit Office research.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing. They can take up to nine months to complete, depending on the audit's scope.

During the planning phase the audit team develops an understanding of agency activities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the agency or program activities are assessed. Criteria may be based on best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork the audit team meets with agency management to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with agency management to check that facts presented in the draft report are accurate and that recommendations are practical and appropriate.

A final report is then provided to the CEO for comment. The relevant Minister and the Treasurer are also provided with a copy of the final report. The report tabled in Parliament includes a response from the CEO on the report's conclusion and recommendations. In multiple agency performance audits there may be responses from more than one agency or from a nominated coordinating agency.

Do we check to see if recommendations have been implemented?

Following the tabling of the report in Parliament, agencies are requested to advise the Audit Office on action taken, or proposed, against each of the report's recommendations. It is usual for agency audit committees to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament's Public Accounts Committee (PAC) to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report is tabled. These reports are available on the Parliamentary website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

Internal quality control review of each audit ensures compliance with Australian assurance standards. Periodic review by other Audit Offices tests our activities against best practice. We are also subject to independent audits of our quality management system to maintain certification under ISO 9001.

The PAC is also responsible for overseeing the performance of the Audit Office and conducts a review of our operations every three years. The review's report is tabled in Parliament and available on its website.

Who pays for performance audits?

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.

Performance audit reports

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
211	NSW Police Force NSW Health	<i>The Effectiveness of Cautioning for Minor Cannabis Offences</i>	April 2011
210	NSW Health	<i>Mental Health Workforce</i>	16 December 2010
209	Department of Premier and Cabinet	<i>Sick leave</i>	8 December 2010
208	Department of Industry and Investment	<i>Coal Mining Royalties</i>	30 November 2010
207	Whole of Government electronic information security	<i>Electronic Information Security</i>	20 October 2010
206	NSW Health NSW Ambulance Service	<i>Helicopter Emergency Medical Service Contract</i>	22 September 2010
205	Department of Environment, Climate Change and Water	<i>Protecting the Environment: Pollution Incidents</i>	15 September 2010
204	Corrective Services NSW	<i>Home Detention</i>	8 September 2010
203	Australian Museum	<i>Knowing the Collections</i>	1 September 2010
202	Industry & Investment NSW Homebush Motor Racing Authority Events NSW	<i>Government Investment in V8 Supercar Races at Sydney Olympic Park</i>	23 June 2010
201	Department of Premier and Cabinet	<i>Severance Payments to Special Temporary Employees</i>	16 June 2010
200	Department of Human Services - Ageing, Disability and Home Care	<i>Access to Overnight Centre-Based Disability Respite</i>	5 May 2010
199	Department of Premier and Cabinet NSW Treasury WorkCover NSW	<i>Injury Management in the NSW Public Sector</i>	31 March 2010
198	NSW Transport and Infrastructure	<i>Improving the Performance of Metropolitan Bus Services</i>	10 March 2010
197	Roads and Traffic Authority of NSW	<i>Improving Road Safety: School Zones</i>	25 February 2010
196	NSW Commission for Children and Young People	<i>Working with Children Check</i>	24 February 2010
195	NSW Police Force NSW Department of Health	<i>Managing Forensic Analysis – Fingerprints and DNA</i>	10 February 2010
194	Department of Premier and Cabinet Department of Services, Technology and Administration NSW Treasury	<i>Government Advertising</i>	10 December 2009
193	Roads and Traffic Authority of NSW	<i>Handback of the M4 Tollway</i>	27 October 2009
192	Department of Services, Technology and Administration	<i>Government Licensing Project</i>	7 October 2009
191	Land and Property Management Authority Maritime Authority of NSW	<i>Administering Domestic Waterfront Tenancies</i>	23 September 2009
190	Department of Environment, Climate Change and Water NSW Environmental Trust	<i>Environmental Grants Administration</i>	26 August 2009

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189	NSW Attorney General's Department NSW Department of Health NSW Police Force	<i>Helping Aboriginal Defendants through MERIT</i>	5 August 2009
187	Roads and Traffic Authority of NSW	<i>Improving Road Safety – Heavy Vehicles</i>	13 May 2009
186	Grants	<i>Grants Administration</i>	6 May 2009
185	Forests NSW	<i>Sustaining Native Forest Operations</i>	29 April 2009
184	NSW Police Force	<i>Managing Injured Police</i>	10 December 2008
183	Department of Education and Training	<i>Improving Literacy and Numeracy in NSW Public Schools</i>	22 October 2008
182	Department of Health	<i>Delivering Health Care out of Hospitals</i>	24 September 2008
181	Department of Environment and Climate Change	<i>Recycling and Reuse of Waste in the NSW Public Sector</i>	11 June 2008
180	Follow-up of 2003 Performance Audit	<i>Protecting Our Rivers</i>	21 May 2008
179	NSW Office of Liquor, Gaming and Racing; NSW Police Force	<i>Working with Hotels and Clubs to reduce alcohol-related crime</i>	23 April 2008
178	Greyhound and Harness Racing Regulatory Authority	<i>Managing the Amalgamation of the Greyhound and Harness Racing Regulatory Authority</i>	3 April 2008
177	Office of the Director of Public Prosecutions	<i>Efficiency of the Office of the Director of Public Prosecutions</i>	26 March 2008

Performance audits on our website

A list of performance audits tabled or published since March 1997, as well as those currently in progress, can be found on our website www.audit.nsw.gov.au.