

EXECUTIVE SUMMARY

The Victorian Government is committed to a strong and effective law and order program.

The Government’s goals for the correctional system are to:

- Restore confidence in Victoria’s community-based corrections system
- Explore and encourage new alternatives to imprisonment
- Provide information and education programs to the judiciary on the full range of sentencing options
- Ensure that adequate training and rehabilitation programs are provided to offenders within and outside the prison, and
- Explore and expand the range of pre and post release programs that may facilitate the rehabilitation of offenders.

The Office of the Correctional Services Commissioner (OCSC) appointed Arthur Andersen to conduct a review of the Community Correctional Services (CCS) to clarify the role, function and services of CCS in the criminal justice system, having regard to the policy aims of the Government.

This final report of the review contains recommendations for CCS to be more strategically positioned in the criminal justice system and be more effective within corrections.

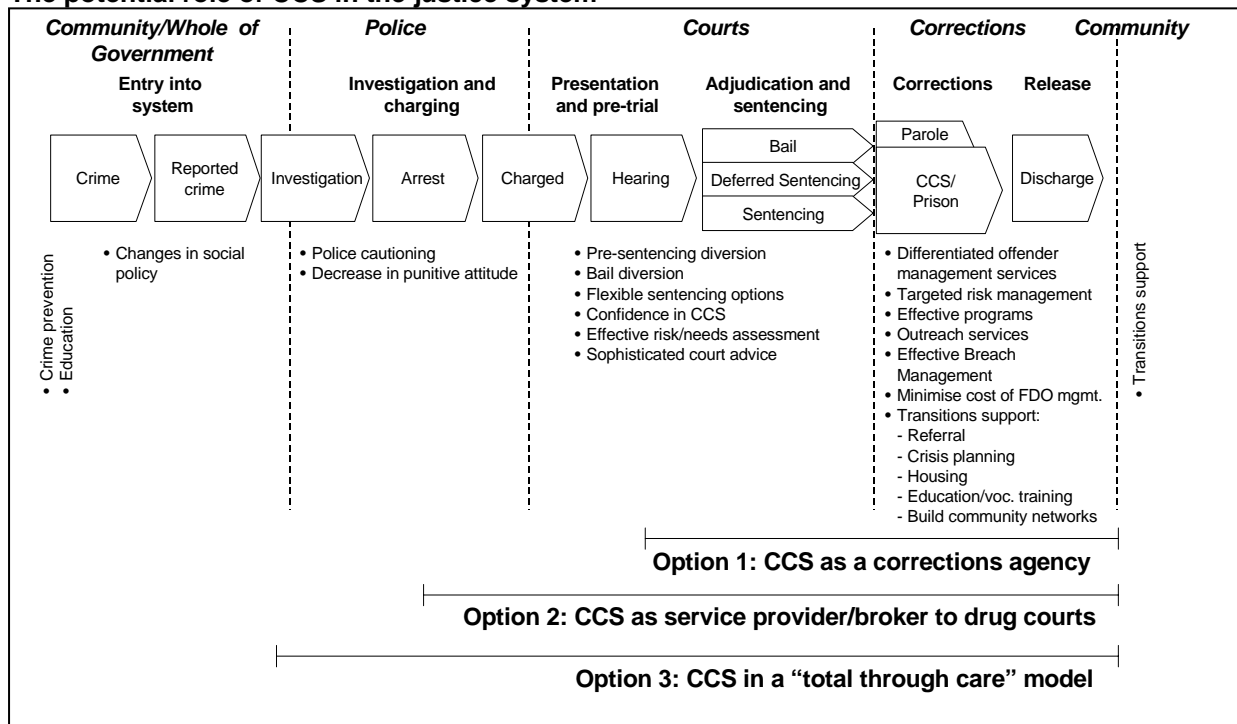
CCS operates in a dynamic environment and is impacted by a complex confluence of social, economic and political factors including the use of drugs, incomplete secondary education, unemployment and punitive attitude of the community.

The key challenges of the Victorian correction system are:

- Rising imprisonment rate and increasing proportion of custodial sanctions compared to community-based sentences
- High breach rates of community-based orders, and
- Rising recidivism rates.

During the course of this review, stakeholders have suggested various roles for CCS in the criminal justice system. These suggestions are incorporated in three key roles for CCS illustrated in the figure below.

The potential role of CCS in the justice system



The focus of the review has been on option 1, CCS as a correction agency.

Options 2 and 3, which both build on option 1, require a significant paradigm shift within the criminal justice system. The Government is encouraged to evaluate the implications of options 2 and 3, as the initial assessment has been encouraging.

The strategy for CCS as a correction agency has three underlying themes:

- A demand management approach to target the population within community corrections
- Targeting of resources towards managing offenders who demonstrate the highest risk to the community, and
- Increasing emphasis on managing offenders as opposed to orders.

The table below illustrates the recommended strategic objectives and selected key initiatives for CCS.

Strategic objectives and selected key initiatives

Strategic Objectives	Selected Key Initiatives
Enhance the legitimacy of community-based sentences	<ul style="list-style-type: none"> • Develop strong risk management practices to supervise offenders in the community • Create options that meet the sentencing needs of the judiciary • Develop a specialist court advice function within CCS • Increase communication with the judiciary, APB and community
Enable offenders to successfully complete their orders	<ul style="list-style-type: none"> • Develop breach management strategies and practices that deliver the common objectives of courts and CCS
Better target CCS resources to high-risk offenders	<ul style="list-style-type: none"> • Develop an empirically based assessment tool that can predict offending behaviour • Use a differentiated offender management approach, which allows CCS to target resources to four identified offender segments: <ol style="list-style-type: none"> 1. Administrative Compliance 2. Order Compliance 3. Risk Management 4. Intensive Case Management
Reduce recidivism by addressing the causes of offending behaviour	<ul style="list-style-type: none"> • Develop and deliver effective programs that impact on the criminogenic needs of offenders • Bridge the gap between custody and release for parolees • Develop strong community networks to support offenders
Minimise the burden of managing FDO's	<ul style="list-style-type: none"> • Reduce the demand for FDO's • Reduce the CCS cost of managing FDO's

To deliver these strategic objectives CCS needs to align both its organisational design and operating model as outlined in the table below.

Operational objectives and key initiatives

Operational Objectives	Key Initiatives
Organise CCS around the differentiated offender management approach	<ul style="list-style-type: none"> • Organise CCO's into four service lines targeting the four offender groups • Adapt the operating model for the varying scale of locations
Align the CCS organisation to deliver the strategic objectives	<ul style="list-style-type: none"> • Strengthen CCS' ability to access and deliver programs • Align the capability of CCS staff • Enable better staff decision making • Develop an outcome based performance management system to guide CCS strategic development

It is difficult to determine the impact of these initiatives on the population and the cost on the correction system due to the absence of quantitative evidence on outcomes. The potential impact of these initiatives, as illustrated by the graphs on the next page, has been derived from a differentiated scenario analysis and tested through sensitivities of the scenarios.

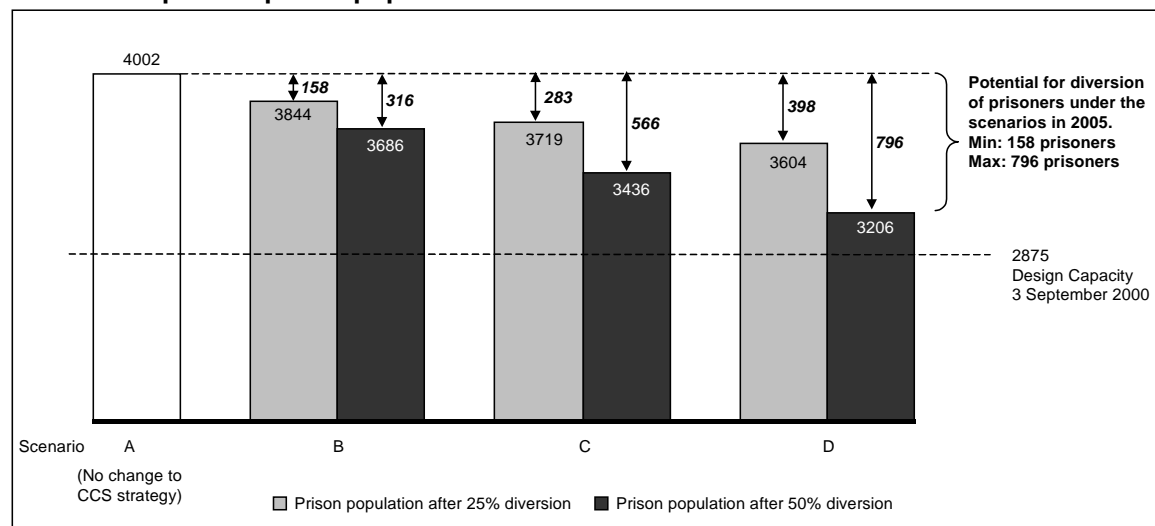
The four scenarios outlined in the table and figures below differ by the targeted prison population to be diverted. Scenario A outlines the prison population and the respective cost of corrections in 2005 if there is no diversion.

Four scenarios

Population diverted/ Scenario	A	B	C	D
Sentence duration	N/A	< 24 months	< 12 months	< 24 months
Prisoner characteristics	N/A	<ul style="list-style-type: none"> No prior imprisonment 	<ul style="list-style-type: none"> Committed a Justice Procedure offence; Committed a Traffic offence; Committed the offence under the influence of drugs or to support a drug addiction; Aged under 25; or Indigenous. 	<ul style="list-style-type: none"> Committed a Justice Procedure offence; Committed a Traffic offence; Committed the offence under the influence of drugs or to support a drug addiction; Aged under 25; or Indigenous.

The potential prisoners diverted from prisons to community-based orders in 2005, due to the recommended strategy, range from 158 to 796. Even if the upper range of diversion is achieved, there will still be a shortfall in prison capacity. The shortfall, however, can be substantially reduced through diversion, in turn reducing the number and/or size of new prisons (or prison expansions).

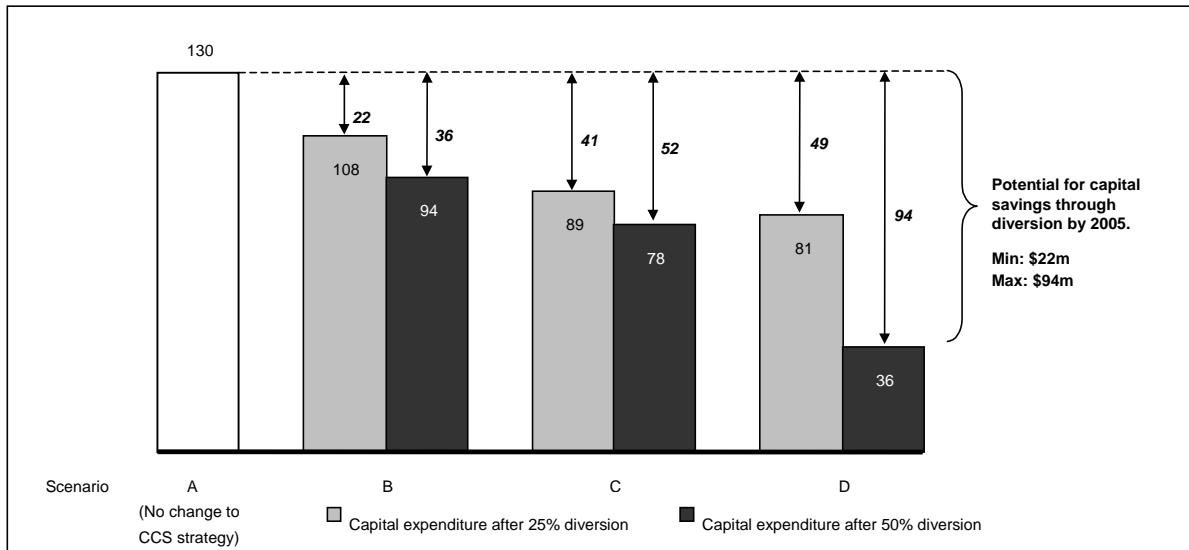
Potential impact on prison population in 2005¹



¹Scenarios and model based on assumptions outlined in chapter 6

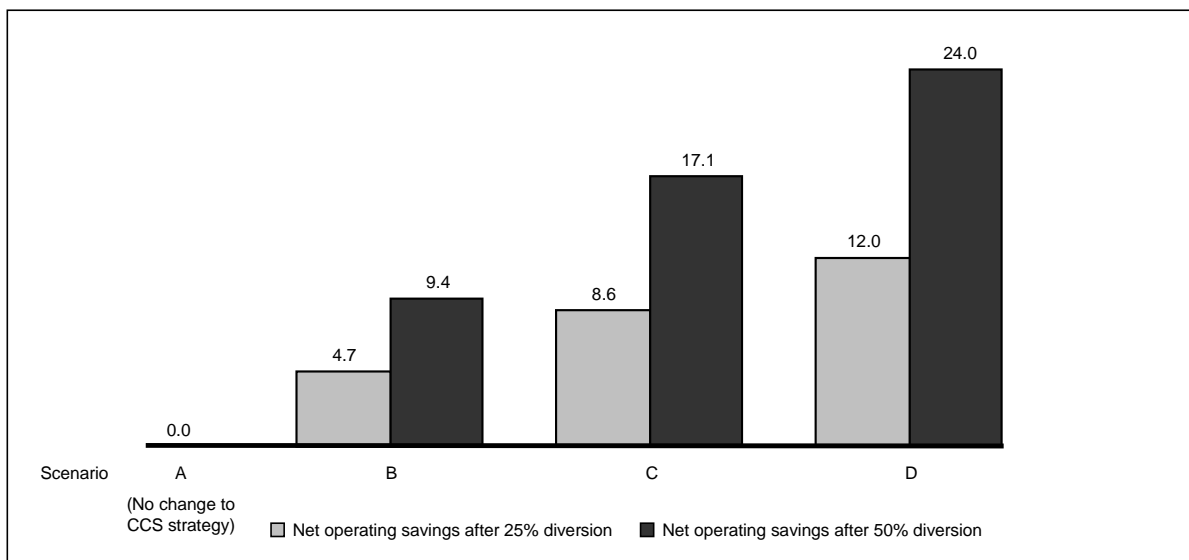
Capital investment in new prisons and/or expanding existing facilities is expected to fall if diversion is achieved. The Government could save between \$22 and \$94 million in capital investment over the next 5 years, while successfully meeting projected prison capacity requirements.

Potential impact on capital investment for prisons till 2005 (real \$ million)*



The reduction in annual operating costs in 2005 ranges from \$4.7 million to \$24 million. This model does not include the additional cost of the initiatives. Although CCS costs are expected to rise, due to the increased offender population and sophisticated service delivery, the fall in prison operating costs more than adequately compensates for this rise. This will result in net operating savings for the Victorian correction system. There is further benefit to be achieved due to lower recidivism rates resulting from the initiatives although some benefits will be compromised by bracket creep.

Potential impact on annual operating costs for corrections in 2005 (real \$ million)*



Three key success factors are vital to achieve the outcomes of this strategy:

- A sophisticated program management approach with strong project management skills
- Emphasis on change management to enable the organisational and individual transition
- Strong leadership with a shared vision to achieve the outcomes.

*Scenarios and model based on assumptions outlined in chapter 6

The challenges being addressed by the correction system are endemic in our society. The Government will need to take a long-term approach, persist with a concerted effort and be prepared to realise the benefits of the recommended initiatives over time.

1. INTRODUCTION

1.1. Background of the Review

The Victorian Government is committed to a strong and effective law and order program. A just and safe community achieved through tough measures on crime and its causes is the cornerstone of its policy in this area². Key directions to deliver on the law and order policy in Victoria are effective sentencing options that:

- Deter potential offenders from committing crime
- Treat offenders in a just and humane manner
- Encourage offenders to adopt law abiding lifestyles
- Divert non-violent offenders from prison
- Break the link between crime and drugs, and
- Improve the transition of offenders and parolees so that they successfully reintegrate within the community.

A Drugs Policy, Crime Prevention and Corrections Sub-Committee of the Cabinet has been established to advise the Government on a “whole of government approach” to meet these challenges.

A key role for the criminal justice system, as enunciated by the Government, is to provide correctional programs that are effective in reducing recidivism and enhancing opportunities for offenders to successfully reintegrate into the community. The Government believes that a range of sentencing options, with graduated restrictions on individual liberty, should be available for less serious offences and offenders, so that imprisonment remains a sentence of last resort. In this respect, the Government’s goals are to:

- Restore confidence in Victoria’s community-based corrections system
- Explore and encourage new alternatives to imprisonment such as home detention and residential community-based detention
- Provide information and education programs to the judiciary on the full range of sentencing options
- Ensure that adequate training and rehabilitation programs are provided to offenders within and outside the prison, and
- Explore and expand the range of pre and post release programs that may facilitate the rehabilitation of offenders³.

The Government believes that this approach will also lower the economic burden of the criminal justice system to the community, while ensuring that Victoria is, and perceives itself to be, safe.

1.2. Purpose of the Review

Community Correctional Services (CCS) is a business unit within CORE – the Public Correctional Enterprise. CORE is a Service Agency within the Department of Justice, Victoria. CCS is responsible for managing community-based sanctions for adult⁴ offenders⁵ in Victoria. CCS is now faced with the challenge of spearheading the Government’s efforts in delivering its strategy on corrections.

The Office of the Correctional Services Commissioner (OCSC) of the Department of Justice, Victoria, appointed Arthur Andersen to conduct a review of the ability of CCS to deliver on the Government’s strategy. This is the final report of the study conducted by Arthur Andersen in conjunction with the OCSC and CORE-CCS.

² Australian Labor Party (1999), *Labor Party Policy – A Safe and Just Society*, at http://www.vic.alp.org.au/policy/platform/plat7_1.html

³ *ibid*

⁴ Currently aged 17 years and over, although this will change to aged 18 years and over with the implementation of initiatives recently announced regarding increasing Juvenile Justice’s jurisdiction to include offenders aged 17 years old.

⁵ Offenders are people serving community-based dispositions (ie. not in prison)

1.3. Scope of the Review

The Terms of Reference⁶ for the review (detailed in Appendix 3) cover a broad range of issues that include:

- Determining the requirements of a modern and flexible system of sentencing options to be used by the judiciary and the Adult Parole Board (APB) to achieve the goals of punishment, community safety, deterrence, denunciation and rehabilitation
- Assessing current sentencing arrangements
- Analysing the current CCS offender population
- Identifying prisoners who could potentially be diverted to CCS
- Defining key client target groups which should be supervised/managed within the community, and
- Clarifying the CCS role, function and operating model that best enable the achievement of the Government's policy directions.

1.3.1. Modern and Flexible System of Sentencing Options

The *Sentencing Act* 1991⁷ states that the purposes of sentencing are:

- To punish the offender to an extent and in a manner which is just in all of the circumstances; or
- To deter the offender or other persons from committing offences of the same or a similar character; or
- To establish conditions within which it is considered by the court that the rehabilitation of the offender may be facilitated; or
- To manifest the denunciation by the court of the type of conduct in which the offender engaged; or
- To protect the community from the offender, or
- A combination or two or more of these purposes.

The project team was asked to analyse the use of the sentencing hierarchy and the requirements for community-based sanctions to meet the above purposes of the *Sentencing Act*.

Balancing the philosophies within the *Sentencing Act* in practice are difficult. The *Sentencing Act* does not prioritise its purposes, except in respect of serious and violent offenders. The judiciary is required to interpret the legislation, and apply the sentencing hierarchy in a manner that conforms to the Act, taking account of the:

- Severity of the offence/s committed,
- Circumstances of the offender,
- Circumstances of any victim of the offence, and
- The offenders culpability and degree of responsibility for the offence.

The recommendations arising from this study have been developed to reflect the views of a range of stakeholders, including the judiciary. The Department of Justice has also commissioned a review of aspects of the *Sentencing Act*, which will take into account the recommendations contained in this study, in the broader context of sentencing as a whole.

1.3.2. Define Key Target Groups

CCS is currently responsible for managing all community-based sanctions for adult offenders in Victoria. The Government's view is that some offenders currently in prison may more appropriately be dealt with by community-based sanctions while still meeting the purposes of the *Sentencing Act* and maintaining a safe community. The study has assessed the demographics of the prison and CCS population⁸ as well as the sentencing practices of magistrates in order to develop recommendations that identify the appropriate population for CCS.

The likely impact on achievement of sentencing goals and the economic burden of corrections under these scenarios have been included in the report.

⁶ See Appendix 3

⁷ s. 5(1)

⁸ See Appendices 16-17 for demographic profile and trends in the prisoner and CCS populations

While the likely target group for CCS can be defined, diverting offenders in that likely target group from imprisonment requires a broad range of initiatives for CCS and the whole criminal justice system. Although these initiatives are illustrated in the report, limited information about their practical effectiveness is available. The project team has recommended pilots and/or further research to study the impact of these resource intensive initiatives.

1.3.3. CCS Role, Function and Operating Model

CCS currently functions as a corrections agency. Stakeholder consultation and research have revealed that CCS has the potential to participate in:

- Early intervention and pre-sentencing diversion schemes
- Holistic management of offenders through the criminal justice continuum, and
- Alternative court-based approaches to addressing offending behaviour.

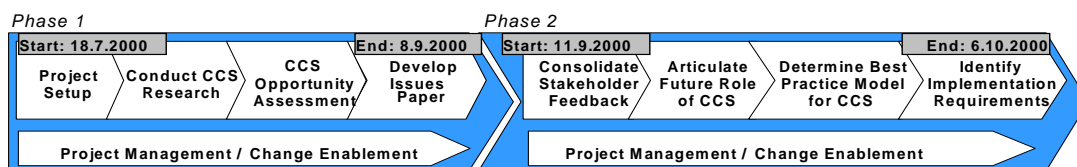
Although these ideas are reflected in this report, the OCSC and Steering Committee have requested that the primary focus of the team be to evaluate the role of CCS within the corrections system rather than within the criminal justice system as a whole. We believe that:

- CCS will continue to perform its role within corrections despite any changes to its scope
- Alternative justice models, such as drug courts, and alternative ways of managing offenders, such as total throughcare, need a system-wide impact assessment which is beyond the scope of this project, and
- The development of alternative models requires significant changes within the criminal justice system, which have a long gestation period.

CCS, as a corrections agency, has to balance the competing tensions between a social control and a social welfare perspective. Developing an operating model for CCS to meet the Government's objectives is an essential component of this study. This operating model should be aligned with the initiatives that enable CCS to achieve the Government's objectives. This model must evolve as the initiatives are implemented and it must cater for the ongoing business at hand. The report includes the actions needed to develop the future service delivery model for CCS. The policies and procedures to implement this model will need to be developed and carefully implemented.

1.4. Methodology

A two phased methodology, as shown below, was used to conduct this study.



The key aspects of this methodology were:

- The initial phase of the review was an opportunity assessment phase, which culminated in an Issues Paper⁹, sent to stakeholders on 8 September 2000
- Feedback on the Issues Paper, the results of a CCS staff survey¹⁰, quantitative and qualitative analysis, and synthesis of issues were used to develop this report, and
- Soliciting stakeholder feedback and managing their expectations was a core element of our methodology, to ensure that the project received consistent support. In phase 1, approximately 170 stakeholders were consulted¹¹ (individually or in groups).

⁹ See Appendix 7

¹⁰ See Appendix 5

¹¹ See Appendix 6

During **Phase 1**, research and analysis were conducted in the following primary areas:

- Profile and trends in the prison and CCS population – This involved extracting data from the PIMS¹² and OASIS¹³ systems used by correctional providers. This data was analysed to assess the prison and CCS population demographics to determine the characteristics of the groups that CCS could target as well as to assess the impact of diversion
- Order and offence trends – This involved analysing data from the Magistrates Court¹⁴
- Impact of the legislative, judicial and sentencing practices – Several discussions and interviews were conducted with the judiciary, the APB and key academics to solicit their view on the sentencing hierarchy, how it is applied in practice, its deficiencies and opportunities for its enhancement, and
- Assessment of CCS operations – The operating model, case management practices, program requirements and availability as well as human resource functions were assessed. Views of the staff were solicited through a survey. Documentation on CCS and previous studies (both internal and external) were reviewed.

Extensive secondary research was conducted to understand the legislative framework as well as innovative community corrections models, processes and programs in other Australian and international jurisdictions.

The issues and opportunities identified during this phase were compiled in an Issues Paper and released for public comment. The Issues Paper sought feedback on potential roles for CCS, enhancements to sentencing options and opportunities to better service the client population. 30 submissions¹⁵ were received from community groups, members of the judiciary as well as the divisions and personnel of government agencies.

In **Phase 2** promising practices were evaluated and synthesised to develop a range of new initiatives. Feedback from the CCS staff survey and submissions to the Issues Paper were incorporated. Data and secondary research were used to support the recommendations, where possible. However, several recommendations have been made despite the lack of statistical evidence regarding potential outcomes.

The recommendations are structured in the following areas:

- Scope of the role of CCS within the justice system
- Key themes for CCS in the future
- Key problems and strategic objectives
- Initiatives to achieve the strategic objectives, and
- Recommendations and actions for each initiative.

A high level action plan to implement the initiatives was also developed to phase the recommendations based on their criticality and ability to deliver benefits.

The entire project has been underpinned by extensive stakeholder consultation and management. This has been crucial, given the sensitivity of the issues involved and the support needed to implement the initiatives. There were three groups of stakeholders:

- A Steering Committee¹⁶ consisting of key individuals from the Magistrates' Court, APB, Department of Justice, Department of Human Services, the University of Melbourne and Arthur Andersen whose function was to guide the project direction and sign off on deliverables
- Key individuals from all areas for consultation through interviews, surveys and group discussions numbering over 170 individuals, and
- Individuals and organisations who were interested in making submissions to the Issues Paper.

Nationally and internationally, the evaluation literature regarding corrections is weak. There is a paucity of reliable data on the impact of correctional measures that can be translated to the Victorian

¹² Prisoner Information Management System (PIMS)

¹³ Offender Automated Search and Information System (OASIS)

¹⁴ See Appendix 15

¹⁵ See Appendix 8

¹⁶ See Appendix 4

context. This has been confounded by the inability of the OASIS and PIMS systems to reveal timely data. The lack of statistical evidence regarding the impact and outcomes of practices, programs and models has been a barrier to evaluating 'best practice' options. Best practice recommendations are therefore based on quantitative and qualitative information regarding input and process issues, as well as secondary research and anecdotal evidence on outcome and likely impact.