

## 6. POTENTIAL IMPACT OF CCS AS A CORRECTION AGENCY

This study has identified the key initiatives and recommendations to enhance CCS's role as a correction agency. This chapter will assess the potential impact of these changes on:

- Prison and CCS population
- Key sentencing goals as identified in the *Sentencing Act 1991*, and
- Cost of the Victorian correction system.

Quantification of the likely impact of the changes is extremely difficult due to

- General lack of data regarding the outcome and impact of programs and services in corrections;
- Complexity of the issues involved;
- Low predicability of the future sentencing behaviour of the judiciary, and
- Uncertainty of the quality and content of initiatives that will be implemented.

The initiatives identified are likely to impact on the population in the correction system and the correction costs. Several initiatives are mutually re-enforcing and a piecemeal implementation will constrain the overall benefits. An integrated and focused implementation combined with holistic cultural change is essential to realise an optimistic outcome.

A scenario-based approach, combined with sensitivity analysis, has been taken to assess the likely impact on population and cost through a financial model. This approach has established the potential range of impact. Secondary research was used to assess the potential impact on the achievement of the sentencing goals.

### 6.1. Impact on Prison and CCS Population

The prison population is projected to rise steadily in the coming years, resulting from an increased rate of reception and longer sentence duration. The prison population in Victoria is expected to exceed current prison design capacity by 1,058 males and 69 females by 2005<sup>110</sup>. A key requirement of this study is to assess the potential for diverting offenders from the prison to CCS. This section details the results of this assessment on the both the prison and CCS population.

Discussions with stakeholders have elicited several prisoner categories with potential for diversion to CCS. The study has analysed the current prison population and assessed the size of the categories with diversion potential. The focus has been on prisoners with short-term sentences (sentences of less than 12 months and sentences of less than 24 months), with the assumption that they are more likely to be diverted. Within the short-term sentences, the categories with higher diversion probability are:

- Justice procedure (breach of suspended sentences, ICOs and parole) and traffic offenders
- Offenders who have committed an offence while under the influence of drugs or to support a drug addiction
- Young offenders aged between 17 and 25
- Indigenous offenders, and
- Low risk offenders without prior imprisonment.

A financial model was developed to simulate the potential impact on future prison population and prison capacity requirements till 2005. Four diversion scenarios were developed for the impact assessment.

The key constraints and assumptions of the model are outlined below.

- Projected prison population is based on John Walker's forecasts, September 2000
- Projected CCS population is based on John Walker's forecasts, October 1999<sup>111</sup>
- The proportion of prisoners identified under each scenario at 30 June 2000 is assumed to remain constant for 2005
- Prison capacity is based on prison design capacity at 3 September 2000

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<sup>110</sup> Victorian Prison Projections 2000, John Walker Crime Trends Analysis, September 2000; Prison capacity and occupancy at 3 September 2000 (provided by OCSC)

<sup>111</sup> 30 June 2004 projected offender population managed by CCS is used as a proxy for 2005

- Prison capacity requirements are assumed to reduce by the number of prisoners diverted
- Offenders diverted from prison will be managed by CCS
- Offenders diverted from prison will receive community-based dispositions that will be twice the length of their potential stay in prison
- Each prisoner diverted is equivalent to one prison year of an offender. For example, four prisoners with consecutive 3-month sentences will need to be diverted to equate to the diversion of one prisoner (as per the model), and
- As decisions are based on 2005 population forecasts, capacity requirements for the interim are not considered.

The four scenarios considered in the model are detailed in the table below.

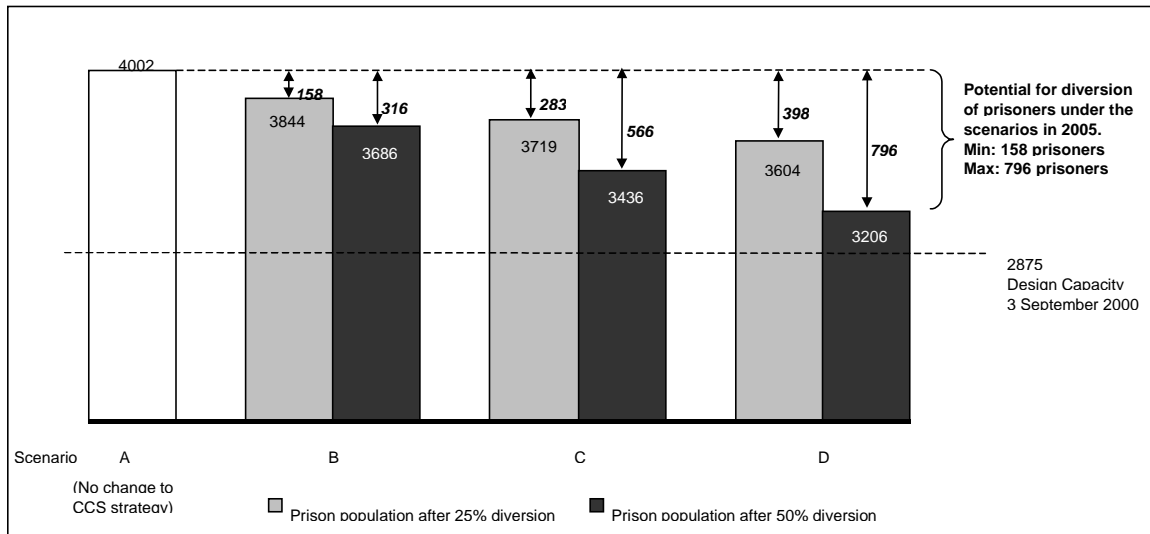
**Table 17. Four scenarios for diversions**

<b>Population diverted/ Scenario</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Sentence duration</b>	N/A	< 24 months	< 12 months	< 24 months
<b>Prisoner characteristics</b>	N/A	<ul style="list-style-type: none"> <li>• No prior imprisonment</li> </ul>	<ul style="list-style-type: none"> <li>• Committed a Justice Procedure offence;</li> <li>• Committed a Traffic offence;</li> <li>• Committed the offence under the influence of drugs or to support a drug addiction;</li> <li>• Aged under 25; or</li> <li>• Indigenous.</li> </ul>	<ul style="list-style-type: none"> <li>• Committed a Justice Procedure offence;</li> <li>• Committed a Traffic offence;</li> <li>• Committed the offence under the influence of drugs or to support a drug addiction;</li> <li>• Aged under 25; or</li> <li>• Indigenous.</li> </ul>
				<b>Total</b>
<b>Forecast 2005 Population</b>				4002
<b>Diversion potential</b>				1592
<b>Proportion of prison population</b>				40%

Based on sensitivities of 25% and 50% (i.e. 25% or 50% of the targeted population can be diverted) for each scenario, the potential for diversion ranges from 158 to 796 offenders. 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).

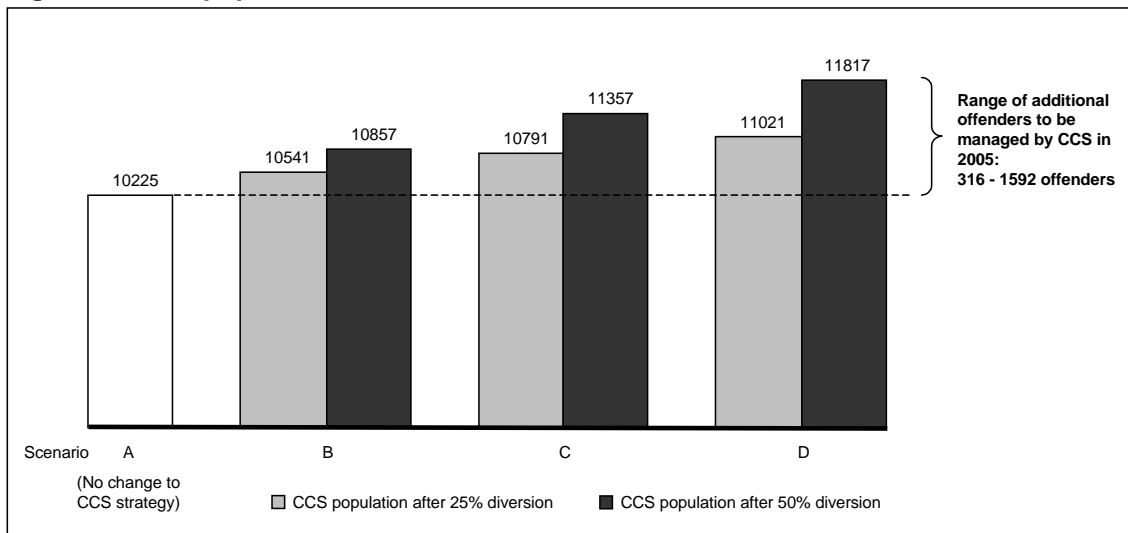
The potential impact on the prison population in 2005 is illustrated below.

**Figure 32. Prisoner population in 2005 under each scenario**



Based on the diversion identified above, the assessed impact on the CCS population is illustrated below.

**Figure 33. CCS population in 2005 under each scenario**



The CCS offender population is expected to rise if diversion from prison is achieved, ranging between 316 and 1,592 additional offenders in 2005.

## 6.2. Impact on the Achievement of Sentencing Goals

This section evaluates the appropriateness of community-based orders to deliver on the sentencing goals for the offender segments identified for diversion.

The purposes of sentencing, as enunciated in the *Sentencing Act 1991*, 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 of two or more of those purposes.

Diversion of the identified group of offenders from prison can only be justified if community-based orders satisfy these objectives in respect of the offenders.

Although the identified initiatives should create increased confidence in CCS, the judiciary and community's perceptions about the ability of community-based orders to meet the sentencing goals may limit the number of offenders that are considered divertable.

The offenders considered for diversion are primarily those who receive short-term sentences. The short-term sentences indicate that they have committed relatively minor offences or may have previously failed on conditional orders. Community-based sanctions can be appropriate for these offenders if the appropriate support and safeguards can be put in place.

**Punishment** – Incarceration is a harsher punishment than community-based sentences for most offenders. It intrudes on a person's liberty by confining them to an institution. Public opinion surveys show that many people believe that imprisonment should primarily be used in relation to offenders convicted of serious and violent crimes. This is supported by several studies as follows

- A 1987 survey of Perth residents<sup>112</sup> indicated that:
  - Only 28% of respondents believed that punishment should be the primary aim of sentencing
  - 75% of respondents preferred a disposition other than imprisonment for offenders with a sentence of less than three months
- Several overseas studies of public opinion have also found that many people believe that prison sentences should be reserved for serious and violent crimes<sup>113</sup>
- A survey conducted by Australian Institute of Criminology indicates that Australians support alternative sentences for less serious offenders<sup>114</sup>.

Public opinion is relevant in determining the appropriateness of a sentence. Indermaur found that 81% of the Australian judges surveyed by him believed that public attitudes should be considered when sentencing offenders<sup>115</sup>.

Community-based sentences can, in practice, be highly onerous and intrusive, in particular for offenders who have family and social responsibility. Complying with a range of sentence conditions which include community work, drug testing, reporting and supervision, while maintaining the normal lifestyle can prove to be extremely challenging. These punitive elements can justify the place of community orders in the hierarchy of retribution.

**Deterrence** – A survey of the Australian judiciary reveals that deterrence is considered as a more important goal for violent offenders than for property offenders<sup>116</sup>. The public's attitude on the importance of deterrence for these offender groups is reversed<sup>117</sup>.

Stakeholder discussions indicate that a large proportion of minor offenders are habitual drug users. Anecdotal evidence suggests that the threat of imprisonment does not act as a deterrent for this group of the offending population. Community orders are also likely to be ineffective deterrents, but are less expensive failures in this respect.

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<sup>112</sup> *Perceptions of Crime Seriousness and Sentencing*, D. Indermaur, 1990

<sup>113</sup> *Factors That Influence Public Perception of Alternatives to Imprisonment – Literature Review*, Justice Strategy Unit, South Australia, July 1998

<sup>114</sup> *How the Public Sees Sentencing: An Australian Survey*, J. Walker, M. Collins & P. Wilson, *Public Attitudes to Sentencing*, 1988, Page 149 – 159

<sup>115</sup> *Perceptions of Crime Seriousness and Sentencing*, D. Indermaur, 1990

<sup>116</sup> *ibid*

<sup>117</sup> *ibid*

**Rehabilitation** – Rehabilitation of offenders is considered as one of the most important goals for young property offenders<sup>118</sup>. Rehabilitation is also ranked highly in most studies conducted on sentencing perception of stakeholders<sup>119</sup>. There is evidence that suggests that community-based orders have been more rehabilitative than imprisonment. This evidence includes:

- CCS has a lower recidivism rate than the prison system in Victoria<sup>120</sup> (refer Table 11)
- Prisons have been found to generally do less in terms of rehabilitating offenders than CCS, and
- Research by McGuire indicates that effective programs delivered in community-based environments can further reduce recidivism<sup>121</sup>.

The intensive case management approach, recommended in the new offender management framework, is likely to increase the impact on rehabilitation<sup>122</sup>. In view of the difficulties of delivering rehabilitative programs in overcrowded prisons where regimes are less flexible, the possibilities of making positive interventions with small groups of difficult cases in the community are much greater. The evidence that prison has more detrimental than positive effects on most offenders reinforces the argument that imprisonment should remain a sanction of last resort, especially where there is some rehabilitative potential.

**Denunciation** – Imprisonment is a highly symbolic denunciatory sanction. A sentence of imprisonment may assuage public opinion in the short-term, but its impact is short-term in this respect. Whilst community-based sanctions do not carry the same condemnatory message, denunciation should not be regarded as the primary or overwhelming aim of sentencing, overriding the other aims, particularly in relation to the less serious range of offences.

**Protection of the community** – Prisons are effective in incapacitating offenders while they remain in custody. However, this form of protection is limited and short-sighted. It is limited in the sense that most prisoners will be released back into the community. Short terms of imprisonment do little for the offender and provide only a short respite for the community from their actions. The best form of long-term protection for a community is to reduce the causes of offending behaviour. Though most community-based options do contain some incapacitative elements, such as home detention and supervision, the best form of community protection is obtained by providing effective programs. Combined with a good risk management strategy, intensive supervision for high risk cases and the possibility of short terms of custodial care for some categories of clients, community orders can be highly effective in creating a safer community.

Thus, despite the lack of quantitative information about the impact of the recommended initiatives on the achievement of the sentencing goals, it can be argued that increasing community-based sentences in relation to the targeted groups of offenders can achieve the objectives of the *Sentencing Act 1991*.

### 6.3 Cost Impact

Based on prisoner growth forecasts, the Victorian Government will need to spend

- About \$130-147 million on the construction of new prisons and/or expansion of existing facilities by 2005, and
- Around \$164 million on prison operating costs in 2005.

Through the use of diversionary programs, the Government can achieve significant cost savings. As prison operating costs are substantially higher than operating costs of CCS, diversion from prison can realise significant savings in net annual operating costs. Prisons are expensive to build and maintain. Community-based sanctions do not involve the use of expensive assets. Diversion can markedly reduce the capital investment required in corrections by reducing additional capacity creation in prisons.

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<sup>118</sup> *Perceptions of Crime Seriousness and Sentencing*, D. Indermaur, 1990

<sup>119</sup> *Factors That Influence Public Perception of Alternatives to Imprisonment – Literature Review*, Justice Strategy Unit, South Australia, July 1998

<sup>120</sup> *Report on Government Services*

<sup>121</sup> *What Works: Reducing Reoffending, Guidelines From Research and Practice*, J. McGuire, 1996

<sup>122</sup> *ibid*

This section assesses the impact of diversion on capital requirements, and prison and CCS operating costs. The assessment is based on the following key assumptions:

- Prison operating costs are based on publicly operated prisons only
- Operating costs per prisoner are based on average direct prisoner costs plus an apportionment of prison overhead costs as at June 2000.
- The model is based on average cost of maintaining a prisoner for a year with full capacity utilisation in 2005. Marginal costs have not been used because:
  - Current Victorian prison population exceeds design capacity
  - The impact of diversion will be an off-set against requirements for future capacity
  - Forecast population is expected to equal the design capacity in the scenarios. Where capacity is fully utilised, the sum of average costs and the sum of marginal costs are equal.

Due to the use of average costs, the model has limited application as an operational decision-making tool for interim periods

- Real operating costs have been used in the model with the assumption that these costs do not change over the forecast period. The impact of inflation is not considered
- Operating costs for male prisons are considered applicable for female prisons
- Prison operating costs are segmented by security level, as indicated below

Security level	A	B	C
Average annual operating cost per prisoner at 30 June 2000	\$53,601	\$37,394	\$36,297

- CCS operating costs are based on a the Costing Project of CCS Reservoir by Richard Randla, 1998/99
- Offenders diverted to CCS are assumed to incur costs equivalent to that of an ICO, currently estimated at around \$4,000 per offender per annum
- The duration of the sentence of an offender diverted from the prison is assumed to double in the community-based sanction
- Costs of expanding existing prisons are based on “300 Bed Prison Infrastructure Report” prepared by Bovis Australia in September 1999<sup>123</sup>
- Construction of new prisons are based on cost estimates provided by Michael Milesi from Sinclair Knight Merz, September 2000, and are indicative only, and
- Scenarios from section 5.1 on population are used to estimate the potential range of impact on costs. These scenarios are repeated in the table below.

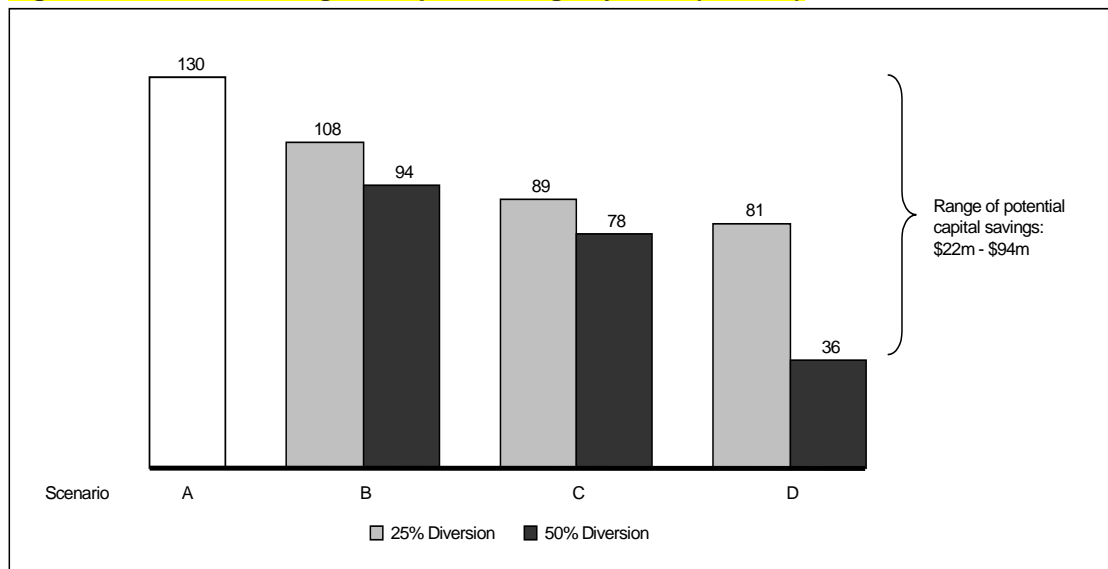
<sup>123</sup> Department of Justice – Services Condition Report, Vovis McLachan, August 2000

Table 18. Scenarios

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

The potential impact on prison capital costs is illustrated in the graph below.

**Figure 34. Estimated range of capital savings by 2005 (real \$m)**



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.

**Figure 35. Estimated net operating cost savings in 2005 (real \$m)**

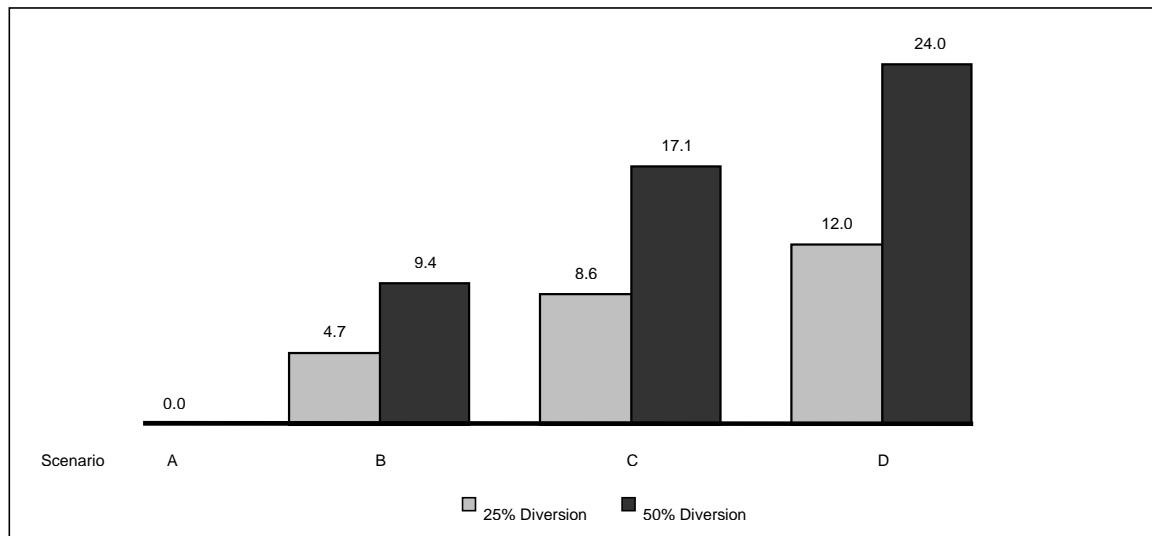


Figure 35 above illustrates that from 2005, the Government could potentially save between \$4.7 and \$24 million in annual operating costs through the use of initiatives identified in this study. Although CCS costs are expected to rise, due to the increased offender population and sophisticated service 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. This indicates that the savings will more than compensate for the rise in CCS costs, due to the identified initiatives. There is further benefit to be achieved due to lower recidivism rates resulting from the initiatives although some benefits will be compensated with bracket creep.