Reducing Reoffending and Social Impact Investment in Australia

The 3rd World Congress on Probation
Japan 2017

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September 2017
In October 2015 there were around 16,000 offenders managed in the community. Community numbers had been stable for a long time and had even declined from previous years. In April 2017, following a period of unprecedented growth, the total reached 19,000 for the first time.

- Social Impact Investment is delivered within a broader reducing reoffending strategy.
- Main focus in managing offenders in the community is reducing reoffending and community safety.
  - Management practices are informed by International and Australian evidence.
  - These practices include the Risk Needs Responsively (RNR) Principles and impact of further offending on the community; clear service delivery standards incorporating RNR and the impact of further offending.
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- Evidence based supervision
  - Incorporates risk of re offending and the consequences of further reoffending on the community
  - Supervision defined as ‘intervention’ and ‘monitoring’
  - Risk of reoffending informs ‘intervention’ and consequences informs ‘monitoring’
  - Tools developed to assist officers and clear standards established
The Risk, Needs and Responsivity Model Works

First element of supervision

- Who: Offenders assessed at the higher end of the risk of reoffending spectrum

- What: Factors (*needs*) linked to criminal thinking and behaviour;

- How: Practice Guide for Intervention (new); Offence based group programs (EQUIPS); referral to Government and non government agencies

- Informs ‘interventions’ delivered to offenders
Where does mental health and cognitive impairment fit into this supervision model?

- Aspects of responsivity which need to be addressed
  - Addressing these issues alone will not change offending behaviour

Where do housing, employment and education fit into this model?

- Protective factors
  - Addressing housing, employment and education alone will not change offending behaviour

These services are delivered by other Government agencies and the Non-Government sector.
Consequences of re-offending

Second element in supervision for Community Corrections

- Impact on the community of further offending assessed and informs ‘monitoring’
- Order type informs monitoring eg Parole vs Community Based Order
- Standards set for frequency of contact with offender, home visits, reporting to office, drug testing, third party checks, including service providers are determined by the ‘consequences’ of re-offending
When you bring all this together what does the management of offenders in the community look like?
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<th>Consequences of offending or breach (CIA)</th>
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Likelihood of reoffending (LSI-R)
Social Impact Investment: Support Services Targeting Offenders
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- Social Impact Investment is a new form of contracting services
- It is leading innovation in the way social services are contracted and delivered
- Bringing together capital and expertise from the public, private and social sectors to deliver better outcomes
- Investment will finance the service delivered
- First Social Impact Investment in Australia aimed at reducing parolee reoffending and incarceration
- Contributes to Government’s 2019 commitment to reduce reoffending by 5%
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- Is in partnership with not-for-profit groups ACSO and Arbias to deliver the OnTracc support services.
- Supported by a joint investment from National Australia Bank (NAB) and ACSO providing working capital.
- Returns to NAB and ACSO are dependent on the performance of OnTracc.
  - Supports higher risk inmates exiting custody (parolees).
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- **Target**: 3,900 parolees over the next 5 years
- **Implemented on the 1 September 2016**
- **OnTracc** will boost services to adult parolees with a medium to high risk of reoffending
- **OnTracc** fills a gap in and compliments existing services to reduce the rate of reoffending and re-incarceration
- **Support services to target first 16 weeks of parole**
- **Services delivered in collaboration with Community Corrections**

**Social Impact Investment for Reducing Reoffending............OnTracc**
In October 2015 there were around 16,000 offenders managed in the community. Community numbers had been stable for a long time and had even declined from previous years. In April 2017, following a period of unprecedented growth the total reached 19,000 for the first time.

- **The Request For Tender (RFT):**
  - Service to be delivered non prescriptive
  - Provides for innovation
  - Invites proponents to provide solutions to address the ‘problem’

- **Joint Development Phase** provides an opportunity to:
  - Seek additional data to assist in developing the scope of services
  - Better understand the risks
  - Calibrate services and costs associated with adjusted service/business model
  - Develop and calibrate the outcome and payment schedule
  - To reach a mutual agreement progressing to contract or not as the case may be

- Risks are borne by all parties, i.e. government, the service provider and the financier
- Payment is outcome based
- Outcome measure - Reduction in reoffending

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**How does Social Impact Investment differ to other government contracts**

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Negotiating a Social Impact Investment Requires:

- Negotiations more complex as involves multiple parties on either side of the negotiating table
- Higher degree of collaboration as the risks are high for all parties
- Requires a greater level of trust being developed between all parties
- The development of a true partnership between all parties
- Each party around the negotiating table has multiple stakeholders:
  - Government: three key agency involved
  - Service provider: three organisations
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- Reducing Reoffending is the ‘social outcome’ measured
- Requires a matched control group
- Reoffending rate of ‘treatment group’ will be compared with the ‘control group’
- The reoffending rate is negotiated in the Joint Development Phase and forms part of the contract

Successful achievement of the social outcome (reducing reoffending):
- Government will reimburse the initial investment required to deliver the service and share the net financial benefits generated by the programme
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- There will be 5 groups of offenders referred to OnTracc over a 12 month period that will be measured individually.

- The performance of the program will be measured by the rate of re-incarceration for each group of offenders in the 12 months following their release from custody.

- Rate of return varies depending on performance.

- The NSW Bureau of Crime Statistics and Research is evaluating the program.
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- NSW Bureau of Crime Statistics and Research randomly allocating offenders for referral and the control group
- On target with numbers
- Governance structure established:
  - Monthly meetings at Officer level: to manage operational issues and interface between agencies
  - Quarterly meetings at Executive level
  - Out of session resolution of issues at Officer and Executive level
- Measurement of performance with the first group available in December 2018
In Summary.....
Social Impact Investment

- Offers Government a new model to finance services, leading the way in how social services are financed and delivered

- Offers an innovative way to bring together capital and expertise from the public, private and social sectors to deliver better outcomes