

Reducing Reoffending and Social Impact Investment in Australia

The 3rd World Congress on Probation
Japan 2017

Context of Social Impact Invest

- 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

Community Corrections Service Delivery Model for Supervision

- 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

**Community supervision...
Evidence on 'What Works'...**

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

**Community
supervision.....Responsivity and
Protective factors**

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

**Community Supervision....
consequences of further
offending**

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?

Consequences of offending or breach (CIA)	High	<p>High consequence High monitoring</p> <p>Low risk Low intervention</p>	<p>High consequence High monitoring</p> <p>Moderate risk Moderate intervention</p>	<p>Highest consequence Highest monitoring</p> <p>Highest risk Highest intervention</p>
	Medium	<p>Moderate consequence Moderate monitoring</p> <p>Low risk Low intervention</p>	<p>Moderate consequence Moderate monitoring</p> <p>Moderate risk Moderate intervention</p>	<p>Moderate consequence Moderate monitoring</p> <p>Moderate risk Moderate intervention</p>
	Low	<p>Low consequence Low monitoring</p> <p>Lowest risk Lowest intervention</p>	<p>High consequence High monitoring</p> <p>Moderate risk Moderate intervention</p>	<p>Low consequence Low monitoring</p> <p>High risk High intervention</p>
		Low	Medium	High
Likelihood of reoffending (LSI-R)				



**Social Impact Investment:
Support Services Targeting Offenders**

Social Impact Investment

- 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%

Social Impact Investment for Reducing ReoffendingOnTracc

- 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)

Social Impact Investment for Reducing Reoffending.....OnTracc

- 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

How does Social Impact Investment differ to other government contracts

- 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

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

Social Outcome Measured

- 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

Social Outcome Measured

- 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

Social Impact Investment12 months on

- 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