

# Smart Justice

“Smart action for a safer community”

## Justice reinvestment: investing in communities not prisons

Research shows that smart investment which tackles the causes of crime can be cost effective. Justice reinvestment is a new approach that redirects money spent on prisons to community-based initiatives which aim to address the underlying causes of crime. It promises to cut crime and save money.

### Harsher sentencing, not crime, is driving prisoner numbers up and costing billions

Over the past decade, Victoria's prison population has increased dramatically, rising 68% from 2004 to 2014.<sup>1</sup> Adjusted for population growth, this represents an increase in the rate of imprisonment of 43.6% in just over ten years.<sup>2</sup> In general, it seems harsher sentencing, driven by sentencing law changes and by changing judicial practice, is the main driver of prison growth.<sup>3</sup> In Victoria, bail and parole changes have also played a role.

Prison is a blunt, harmful and extremely expensive way to try to control crime. There are better and more effective ways of cutting crime.

### Justice reinvestment: cutting crime and saving money

Justice reinvestment redirects money spent on prisons to community-based initiatives which aim to address the underlying causes of crime. In the United States, justice reinvestment is being used to better manage prison spending and redirect some of the savings to community programs that reduce re-offending and the demand to build more prisons.<sup>4</sup>

Research indicates that tackling disadvantage, increasing income equality and providing stable housing and employment opportunities can reduce crime.<sup>5</sup> The money that would have been spent on housing medium to low security prisoners is instead invested in supporting programs and services in local communities which aim to address systemic disadvantage.<sup>6</sup>

### How justice reinvestment could work in Victoria

In response to rising prisoner numbers and serious prison overcrowding, from 2010-2014, the Victorian Government invested more than \$1 billion over to upgrade and increase the capacity of Victoria's prison system.<sup>7</sup> As harsher sentencing sends more people to prison for longer, the Government is building new prisons to accommodate them and pay more operating expenses to maintain them. Prison operating costs have increased by 44% in just two years with the cost of running Victoria's prison system set to top \$1 billion a year excluding construction costs.<sup>8</sup>

It costs around \$98,000 a year to house each prisoner and an estimated \$500,000 per prison bed in construction cost.<sup>9</sup> So if we can divert 1,000 people away from prison, this will generate around \$598 million in savings. These funds could then be reinvested in programs and services that address the causes of crime.

### How justice reinvestment works

Implementing justice reinvestment involves identifying disadvantaged communities to determine where funds can be most effectively allocated.<sup>10</sup> An Australian study showed that in Victoria, 25% of prisoners came from just two percent of postcodes.<sup>11</sup> Entrenched disadvantage is concentrated in a small number of rural centres and urban hubs.<sup>12</sup> There is a significant correlation between key elements of disadvantage such as low income families, incomplete schooling and offending.<sup>13</sup>

Reinvesting prison spending on communities allows a broad range of programs from healthcare, housing, education or job training to be strategically implemented in these identified areas to maximise the potential to reduce crime and reoffending.<sup>14</sup>

## Justice reinvestment saves money

Justice reinvestment provides a viable option as prison expansion costs become unsustainable. By helping to identify the local communities on which to focus, it also promotes the most efficient spending on community development.

By addressing the systemic socio-economic factors contributing to crime, justice reinvestment can provide substantial savings.<sup>15</sup> For example, after successfully implementing a justice reinvestment program, the US state of Kansas saved \$80.2 million over 5 years while Texas achieved a saving of \$210.5 million in 2008-2009. Both states halted the growth of their prison populations by undertaking policies including funding for substance abuse programs and halfway houses for those on parole and increasing access to education opportunities in prisons.<sup>16</sup> They also expanded specialist courts such as drug courts to ensure more effective sentencing by addressing the causes of offending.<sup>17</sup>

## Justice reinvestment is being embraced in the US and the UK

In the United States, justice reinvestment is being used in 17 states to better manage prison spending and redirect some of the savings to community programs that reduce re-offending and the demand to build more prisons. In eight states where justice reinvestment policies have been in place for more than a year, reduced prison populations are expected to result in savings ranging from \$7.7 million over 5 years to \$875 million over 11 years with total projected savings set to total about \$4.6 billion.<sup>18</sup> Kansas has seen a 7.5% reduction in their prison population, and decreases in both parole revocation and reconviction by 48% and 35% respectively.<sup>19</sup>

During the same period of justice reinvestment and prison population reduction, violent crime rates have

dropped by 13% in Kansas and 4% in Texas.<sup>20</sup> While further long term analysis is required to understand the reasons for the drops in crime rates, these figures appear to indicate that justice reinvestment can save money and reduce crime. Similarly, the Justice Committee of the United Kingdom House of Commons has recognised the benefits of justice reinvestment for providing more responsive programs to local needs for services, and in restructuring the organisation and funding of the criminal justice system to reflect the correlation between social exclusion and offending<sup>21</sup>. Justice reinvestment pilots have been implemented in six local UK areas, with the final evaluation reports recently published.<sup>22</sup>

## Justice reinvestment in Australia

Four parliamentary committee reports have recommended state governments consider or trial justice reinvestment programs.<sup>23</sup> Similarly organisations like the Australian Human Rights Commission have recognised the potential of justice reinvestment to reduce over-representation of Aboriginal and Torres Strait Islander peoples in the criminal justice system given it can target high recidivism rates and patterns of intergenerational offending through its community based approach.<sup>24</sup>

A justice reinvestment approach is now being tried in two towns in New South Wales; Cowra and Bourke.<sup>25</sup>

## Smart Justice Solutions

- Greater investment in programs that tackle the causes of crime like justice reinvestment rather than greater investment in prisons.
- Research, evaluation and pilot programs to determine the viability and impact of justice reinvestment in Victoria.

*This factsheet was produced on 16 April 2012 and updated on 2 July 2015*

1. Australian Bureau of Statistics, Corrective Services, cat. no. 4512.0 (2014).
2. Above n 1. Year average figures used except for 2014 where June 2014 figure used.
3. See our Smart Justice factsheet 'More prisons are not the answer to reducing crime' (2014).
4. For e.g.: Council of State Governments Justice Center Justice reinvestment State Brief: Kansas (2007). See also notes 18-20 below.
5. Weatherburn, *Law and Order in Australia: Rhetoric and Reality* (2004) 179-182; 190-197.
6. Schwartz, Building Communities not Prisons: Justice Reinvestment and Indigenous Over-Imprisonment, *Australian Indigenous Law Review*, 14, 1 (2010) 2.
7. Based on calculation from Minister for Corrections (2014), Maximum security expansion opens at the Metropolitan Remand Centre, media release, 15 August 2014.
8. Victorian Budget 15/16 (2015), Budget paper 3, Output Initiatives- Department of Justice and Regulation, Table 1.14, 83.
9. For example in 2014, the Government signed a \$670 million dollar contract to build a 1,300 bed prison- a cost of over \$515,000 per bed: *Coalition Government signs contract for new Ravenhall prison* (Media Release 16 September 2014) The real net operating expenditure per Victorian prisoner is \$269.56, see: Productivity Commission, Report on Government Services (2014), Table 8A.9. In contrast, the real net operating expenditure per community corrections offender per day is only \$26.97.
10. 'Making our Prisons Work', Community Development and Justice Standing Committee, Parliament of Western Australia (2010).
11. Vinson, *Community adversity and resilience* (2004) Table 3.1, 49.
12. *Dropping off the edge* (2015) Victoria Factsheet.
13. Vinson, *Dropping off the edge*, (2015), Table 4-4, 64.
14. Above n 6, 5.
15. Above n 6, 3.
16. Above n 4 and State Brief: Texas 5.
17. See State Profiles at: [www.justicereinvestment.org/states](http://www.justicereinvestment.org/states).
18. The Urban Institute, *Justice Reinvestment Initiative State Assessment Report* (2014) 3-4
19. Above n 15, 47-48.
20. See: Uniform Crime Reports 2009 & 2010, Federal Bureau of Investigation, Table 4.
21. Justice Committee, House of Commons, UK, Cutting Crime: The Case for Justice reinvestment, First Report (2009) [237], [240].
22. House of Commons Justice Committee *Crime reduction policies: a co-ordinated approach?* First Report of Session 2014-15, 57; Ministry of Justice (UK) *Local Justice reinvestment pilot: Final process evaluation report* (2015). Note that at page 45, the report cites the limited availability of local evidence to support the cost-benefit evaluation.
23. The Senate and Constitutional Affairs Committee References Committee, Access to Justice Report (2009) 110. The Standing Committee on Environment and Public Affairs, Legislative Council of Western Australia, *Inquiry into the transportation of detained persons: the implementation of the Coroner's recommendations in relation to the death of Mr Ward and related matters*, 2011. Senate Legal and Constitutional Affairs Committee; *Value of a justice reinvestment approach to criminal justice in Australia*, 2013. Law Reform, Drugs and Crime Prevention Committee, Parliament of Victoria, *Inquiry into the supply and use of methamphetamines, particularly Ice, in Victoria*, Final Report, 2014.
24. Australian Human Rights Commission *Social Justice Report* (2010) 47.
25. For further information see: <http://www.nirs.org.au/blog/NEWS/article/34329/justice-reinvestment-trial-in-Bourke.html> and <http://ncis.anu.edu.au/cowra>.