

Cost-benefit analysis of a program for youth in detention centres

Estimating the costs and benefits of providing
training to adolescents in youth detention centres

**LOCATION**

Brisbane, QLD

CLIENT

The Right Direction

COST-BENEFIT ANALYSIS

Background

NineSquared worked with The Right Direction Australia to help them estimate the costs and benefits of providing training to adolescents in youth detention centres. The training, which is delivered by veterans of the Australian Defence Force, is designed to help young offenders in detention improve their communication and social skills. In doing so, the probability of reoffending decreases and the outlook for the young offenders improves. This includes increasing their opportunities to find employment or achieve higher levels of education.

The Right Direction sought to develop a case for their work that could be provide the basis for on-going discussions with Government and other philanthropic funding agencies. Funding from these agencies would allow The Right Direction to expand their training footprint and offer more youth access to their program. We undertook to assist them in this endeavour by developing a high level assessment of the potential costs and benefits of The Right Direction program which could then be used as part of their case for additional funding.

Our role

Our approach included an assessment of the overall cost of program delivery. Importantly, it also sought to understand the outcomes of similar programs and to determine the likely impact of the work being delivered by The Right Direction. In particular, we estimated the long-term impact of discouraging even a small number of youth offenders from a career in crime. These impacts can be significant and include the reduction in future criminal activity together with reductions in the costs associated with police investigation and the justice system and the cost of incarceration.

Key to estimating the impacts of this program was a detailed understanding of the potential magnitude of impacts and the likelihood of reduced reoffending attributable to the program. This involved an extensive literature review and ongoing engagement with the Right Direction team to ensure the analysis represented the program accurately.

The benefits of helping a young person to get the skills to participate in society in a lawful way were found to far outweigh the cost of delivering the program. Headline results were calculated, such as economic net present value and benefit-cost ratio. Findings of the assessment were documented in a technical report, with a summary provided for inclusion in funding submissions. Sensitivity and scenario tests were developed to provide an understanding of the potential range of impacts, including changes in economic conditions and changes in program success rates.

NineSquared worked with The Right Direction as part of its program to give back to the community through our pro-bono program.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people