# Using System Dynamics to Develop Organizational Learning Process: the Neighbourhood Justice Centre in Yarra

By Tim Haslett, School of Integrative Systems, University of Queensland, <u>thaslett@bgpond.net.au</u>; Chris Ballenden, Ponte Consulting; Saroj Godbole, Ponte Consulting; Kerry Walker, Director, Neighbourhood Justice Centre, Melbourne

#### Background

The development of the Neighbourhood Justice Centre (NJC) in the Melbourne suburb of Collingwood is a first for Australia and reflects a universal growing interest in addressing the underlying causes of criminal behaviour and disadvantage as well as improving access to justice.

The NJC project initially arose out of interest in community justice centres overseas, in particular, the Red Hook Justice Centre in Brooklyn, New York. At the core of these models is the concept of partnerships between courts and communities, local and state governments and service providers. Alternative approaches to traditional forms of justice, which are often based on a "get tough on crime" approach, are becoming increasingly widespread. In addition to Redhook there is a similar Centres in North Liverpool and a wide range of community justice operations in the US. The fundamental philosophy is that of therapeutic justice with its emphasis on including the trialling and implementation of problem-solving courts, like drug courts, and restorative justice initiatives<sup>1</sup> and juvenile offenders<sup>2</sup> and often focuses on juvenile offenders<sup>3</sup>.

The paper documents the findings from an intervention in the NJC that involved analysis of the NJC processes using process maps, causal loop diagrams and systems modelling. From this analysis, plans for organizational change were developed through a series of workshops. The paper also documents the change in sense making processes to include ideas of process flow, feedback systems and causation. The processes that were modelled in the NJC have much in common with other case management systems, particularly in hospitals and it appeared likely that the NJC would soon be addressing the problems<sup>4</sup> identified where "the normal mode of operation is beyond their safe design capacity."

The Victorian NJC project was announced by the Attorney-General in April 2005 and implements *A Fairer Victoria* commitment to improve access to justice, particularly for vulnerable members of our community. It also delivers on the Government's commitment to address disadvantage and modernise courts consistent with the Attorney General's 2004 *Justice Statement*.

The *Courts Legislation (Neighbourhood Justice Centre) Act* 2006 received Royal Assent on 15 August 2006 and established the NJC Court as a new division of the Magistrates' Court and the Children's Court. The objective of the legislation was to simplify access to the justice system and applying therapeutic and restorative approaches in the administration of justice.

The NJC is designed to champion a *problem-solving* approach to justice. It focuses on both civil and criminal legal issues in an effort to reduce re-offending and crime rates, to enhance community perceptions of safety and confidence in the justice system and to assist in re-invigorating communities affected by individual and systemic disadvantage.

The NJC was established in the City of Yarra which has one of the highest crime rates in Victoria, with four of its suburbs represented in the top ten postcodes ranked by offence rate per 100,000 population. The suburb of Collingwood, located in the City of Yarra has a crime rate that is more than six times the state-wide average – 52,754 per 100,000 population in comparison with 7,979 per 100,000 for the whole of Victoria.

<sup>&</sup>lt;sup>1</sup> Jeffries (2005)

<sup>&</sup>lt;sup>2</sup> Wemmers and Cyr, (2005)

<sup>&</sup>lt;sup>3</sup> Sironi, et al, (2006).

<sup>&</sup>lt;sup>4</sup> Wolstenholme (2007)



Representative members of the City of Yarra's diverse community

The work that was done during the assignment and the response of the NJC staff to the systems thinking approach taken by the consulting group encouraged the CEO to incorporate the results of the mapping and modelling into the embryonic organizational learning capability of the Centre. A series of workshops were developed using the set of Systems Thinking<sup>5</sup> Tools used by Ponte in the analysis of the processes of the NJC:

- 1. Process Mapping to provide a tool for understanding the micro-level workflow processes within the organization.
- 2. Causal Loop Diagrams<sup>6</sup> (CLDs) to provide a tool for understanding causal relationships and policy dynamics both within the organization and between the organization and its external environment.
- 3. Simulation Modelling to provide a tool for understanding, managing and reengineering the dynamics of the micro level workflow processes and the causal dynamics within the organization.

#### Action Learning within the NJC and beyond.

These three tools provide three distinct platforms for developing organizational learning for process reengineering and policy alignment both within the NJC and with its external stakeholders. In relation to the issues of an organization learning capability within the NJC, there were two related aspects of the NJC operations that would provide a useful focus for developing this capability. There appears to be a consensus that the NJC has become Court centric to an extent that was not envisaged in the original design. This consensus is supported by the work done by Ponte in developing the CLDs indicating that the policy directions and dynamics that the NJC wishes to establish with the local community continue to be very much a work in progress. The simulation modelling indicates that the workload of the Court has increased consistently since the NJC was established and that now some of the operations within the NJC may have reached the limits of their of operating capability.

As the development of NJC's activities appears to become increasingly focused on the administration and distribution of justice, the community outreach and community building activities have not developed at a similar rate. These two issues

<sup>&</sup>lt;sup>5</sup> Systems Thinking is a framework that is based on the belief that the component parts of a system can best be understood in the context of relationships with each other and with other systems, rather than in isolation

<sup>&</sup>lt;sup>6</sup> Causal Loop Diagrams show causal interrelations between variables in a system. (Source: Wikipedia)

are interrelated and interdependent. As increasingly large amounts of time spent on Court activities, available time for community based activities declines.

There are three central elements that the NJC management accepted as the basis for organizational change. The first is that structure determines behaviour. To change the performance of an organization the best approach is to understand the structures that are producing current behaviour and then to design the structures that will produce the desired behaviour. The second is that structural and organizational change can only be brought about by the internal stakeholders. The third is that Systems Thinking provides a powerful set of tools for organizations to understand and implement organizational learning and change.

## **Overseas Experience**

Community justice centres have proven effective in several overseas jurisdictions including the US and more recently the UK. Since the Red Hook Community Justice Centre in New York commenced, there has been a 50% improvement on the national standard of compliance with community-based dispositions, a contribution of more than 79,000 hours of community service to the Red Hook area (some \$400,000 worth of labour), a 300% increase in approval ratings of police, prosecutors and judges and at March 2006 (using 1998 as the baseline data) the number of murders in the area had dropped by 48%, rapes by 79%, robberies by 25% and assaults by 41%. Further, in a survey of 400 defendants, researchers found that at Red Hook, 86% agreed that their case was handled fairly by the court compared to 75% at the centralised court and 90% agreed that they were treated in a way they deserved in the court, compared to 75% at the centralised court.

The NJC has a range of broad and specific objectives that were set by the implementation team and which would underpin the evaluation of the NJC.

Increase the participation of the community in the justice system

- 1. Increase offender accountability and improve justice outcomes by decreasing the rates at which criminal court orders<sup>7</sup>, CBO and ICO are breached.
- 2. Improve community outcomes in response to identified needs
- 3. Improve community outcomes in the administration of justice in the City of Yarra by improving the confidence of participants, including victims, defendants, applicants, witnesses and the local community, in the justice system.
- 4. Improve the administration of justice for NJC court participants
- 5. Modernise Courts by contributing to cultural and procedural change in the justice system.
- 6. Increase community safety by contributing to the reduction of crime in the City of Yarra.<sup>8</sup>
- 7. Increase offender accountability and improve justice outcomes by reducing re-offending rates of participants.

<sup>&</sup>lt;sup>7</sup> These come in two forms: Community Based Orders (CBO) where the offender is required to undertake the unpaid community work hours imposed by the court and report to a Community Corrections Officer and Intensive Correction Orders which includes the conditions of the CBO and any special condition imposed by the court to attend one or more prescribed programs. (Source: Department of Justice website))



Various officials mapping and planning the role of the NJC in the community

The original aims also included a commitment to Action Learning as a methodology and an emphasis on the improvement in performance expected of the NJC. Whilst it was intended that the NJC increase perceptions of safety in the City of Yarra, it was widely recognized that there has not always been a correlation between the reduction of crime and increased perceptions of safety.

It was anticipated that at least half (50-60%) of all usage would be court-related, with the balance of usage being noncourt related, inclusive of community engagement, crime prevention, mediation, group and targeted activities and individual matters raised by residents. This is consistent with the view that the NJC includes a court but that it is not its sole defining feature.



NJC Director Kerry Walker with local community members

The NJC includes a multi-jurisdictional court with on site services (such as legal aid, prosecution services, community corrections services, assessment services, victims services, mediation services, referral and support services), facilities (such as an information hub, spaces for community meetings, child-friendly and quiet areas), and on-site intake or connections with services that are off site (such as housing services, drug and alcohol services, employment services and mental health services).

The first of a series of three evaluation reports recently identified a series of key emerging issues

- 1. The concept of 'community justice' is complex, with no definitive set of meanings. Some uncertainties and tensions exist within the NJC stemming from differing perspectives on community justice.
- 2. The emerging goals and outcomes of NJC require consideration in terms of articulating the NJC's community impact and what makes a 'successful' Centre.
- 3. The need to match data collection systems and administration with the objectives and philosophy of the NJC.

Staff identified the following as the key challenges faced by the NJC to date:

- 1. The lack of appropriate mechanisms for productively resolving differences in the way various 'parts of the NJC view the role of the Centre and its commitment to therapeutic and restorative approaches to justice
- 2. The implications of expanding case loads upon staff capacity to give (ongoing) meaningful attention to the procedural, therapeutic and restorative ideals of the NJC

#### **Evaluation of the Neighbourhood Justice Centre**

This second point had been identified in projections of the 2005/2006 statistics cited in the *NJC Court Operations Guide*. These showed that if the NJC were to operate on the basis that the court would sit 243 days per year, the NJC Court would be over committed in trying to meet the projected demands of the City of Yarra. As a result of the first evaluation report, the NJC senior management group decided that a thorough analysis of the way in which the NJC processes were meeting (or not meeting) the NJC goals was needed.

There was also recognition that it was time to enhance the action research and learning capability of the Centre. During the first year of operation, there had been a strong emphasis on getting the centre up and running. With the possibility of more NJCs being set up in Victoria, it was hoped that the Collingwood NJC would become a blue print for future development.

One member of the senior management team had had previous experience on a System Dynamics intervention at the Dispute Resolution Centre of Victoria (DSCV) and recommended that such an approach be used at the NJC.

In mid-2008, Ponte Consulting was engaged by the NJC to provide process maps, causal loop diagrams and a simulation model of the processes within the NJC. The senior management was aware that as the NJC was a pilot project, senior officials within the Department of Justice and the Attorney General were becoming increasingly interested in whether the NJC experiment was successful and whether it should be rolled out across the state. To do this would require a very clear understanding of the organizational processes and structures shall be replicated including:

- 1. The identification of key process requirements and
- 2. Opportunities for change that relate to people, process, technology and policy improvements,

While individual processes within the NJC had grown organically for the first twelve months and were working well, there had been no systematic attempt to understand the interaction of those processes. While it was easy to identify how the individual processes related to the NJC goals, in many cases, specific metrics were not available to substantiate this. This is in part a result of a very strong clinical and correctional focus within parts of the NJC and the amount of time and energy that had been necessary to set up a new operation for which there were no existing organizational templates. The strong pressure to deliver clinical and correctional outcomes associated with the activity of the Court meant that less time and energy was devoted to questions of process management and improvement and on bringing together key elements of the external relationships.

It is widely accepted that the mental models and cognitive maps of individuals are fundamental to the way they make sense of their organizations. Individuals in professional organizations such as hospitals and court systems bring a wellestablished set of mental models to their professional and organizational life. These models are case and incident-based and represent the dominant paradigm for dealing with individual clients. The care and treatment of individual clients, be they patients in the hospital or criminals before the justice system, are the primary focus of these organizational systems. Professionals make sense of their work in terms of the primacy of the individual rather in terms of the primacy of process.

Concern for, and indeed knowledge of, the importance of organizational processes is not a strong element of the mental models and sense making of professional staff in these organizations. This is in the functioning of these organizations, where the focus is on directing resources to individual cases. Bringing about change from a case and incident-based approach to a process oriented approach requires changes both in the structures of the organization and the structures of the mental models of the individuals who work in those organizations.

At a practical level, there are number of tools that can be used to develop professionals' sense making to include an understanding of organizational structures and processes. Three such methods are process mapping, causal loop diagramming and systems modelling. Each of these approaches provides different insights into organizational structure and process.

# **Process Mapping in NJC**

The first phase of the consulting assignment was to develop 23 process maps of the key processes of the NJC, which are shown in Figure 1.

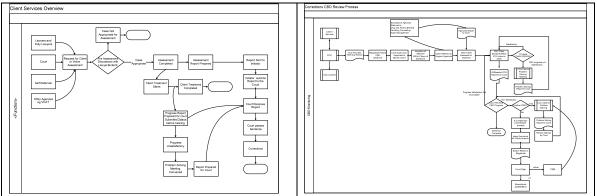


Figure 1: Process maps for the NJC

These maps were developed after 28 interviews conducted with NJC management responsible for Client Services, the Magistrates Court and Correctional Services. The interesting development from this process was the acknowledgement from the NJC staff, that this most simple of systems analysis represented a quite different way of making sense of their organization. While they were obviously aware of the process by which cases moved through the system, their fundamental orientation was case management. Process mapping provided a tangible and formal means of thinking about their organizational processes.

The second phase of the project was to develop a series of causal loop diagrams connecting these processes to the NJC goals. Many of these activities were related closely to the fundamental goals of the NJC but also demonstrated the dominance of the Court-centric activities that the process maps had identified.

There are three main reasons for using CLDs<sup>9</sup>:

- 1. Quickly capturing a hypothesis about the cause of dynamics
- 2. Eliciting or capturing mental models
- 3. Communicating important feedback that is responsible for a problem

The initial process mapping exercise had clearly distinguished the well-established processes related to Magistrates Court. When the NJC was first established, not everyone had had experience of working in the court system. The Magistrate was new to the role, the Justice Officers and the Manager of Client Services had no Magistrates Court experience and only one member of Client Services had previous Court experience. This was in stark contrast to the appointees from Victoria Legal Aid, Police, Registry and Corrections staff who had significant experience in the Courts.

Because the NJC was the first to be established in Victoria, no one had experience in working in this style of problemsolving and therapeutic court. As the simulation modelling was later to show, workloads had been steadily increasing, particularly in relation to the case flow from the Magistrates Court, which was increasingly dominating the time of the staff of the NJC at the expense of those activities designed to increase community involvement in the justice process.

The causal diagrams were designed to capture the dynamics particularly associated with the community involvement aspects of the NJC and represented an exploration of the mental models that the NJC staff in relation to those goals.

The first CLD identified the fundamental strategic thrust of the NJC, which is to reduce crime in the City of Yarra. This takes two forms. The first is to prevent crime within the City of Yarra, much of which is committed by non-residents. The focus here is on reducing the antecedents of crime, such as people leaving computers in parked cars and unlit areas within housing estates providing a venue for drug dealing. The second is to reduce crimes committed by citizens of Yarra and to reduce the chances of these citizens re-offending through the application of therapeutic and restorative justice. This process is shown in Loop 1. Loop 2 indicates the role of the NJC's crime prevention activities, which are designed not only to prevent crime by citizens of Yarra but also crime by non-residents.

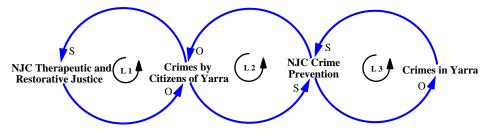


Figure 2: Role of Therapeutic and Restorative Justice and Crime Prevention

The original plans for the NJC envisaged that 50% of its activities would be spent on non-Court related matters particularly in relation to crime prevention and community involvement. The CLD in Figure 3 indicates the two processes by which this was to be undertaken. The loop is driven by two activities: the formation of Community Safety Bodies in response to community sensitivity to crime and by the activity of CPAG (The community partnerships and accountability group later renamed the Community Justice Advisory Group). The activities of these two groups were designed to decrease the likelihood of crime being committed by dealing with the environmental antecedents of crime.

<sup>&</sup>lt;sup>9</sup> Sterman (2000)

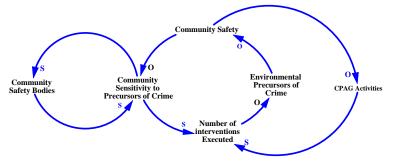


Figure 3: Crime prevention and community involvement

The next CLD shows the positive impact of the approach taken in the NJC where greater knowledge on the part of the Magistrate is a positive loop that contributes to perceptions of fairness and community confidence in the court while also reducing offences by citizens of Yarra through the use of CBOs and ICOs.

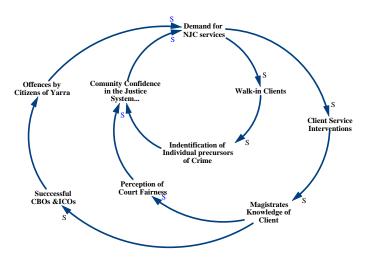


Figure 4: Inter-organizational dynamics of the NJC

The CLD in Figure 4 depicts the dynamic between the operations of the NJC and its client group and the impact that NJC activities will have on community perceptions. One of the central concerns of the NJC was the development of community perceptions of the fairness of the Court operations within the NJC. This was seen as a central driver for the demand for NJC services within the community and from the local police stations who referred cases to the Magistrates Court in the NJC.

The fundamental operating assumption of the NJC is that the therapeutic and restorative justice processes lead to better long-term outcomes, intensive crime prevention and rehabilitation. The rehabilitation process is specifically focused around the success of Community-Based Orders (CBOs) and Intensive Correction Orders (ICOs).

The final causal diagram indicates the reinforcing loop that incorporates the Community Based Orders and the delivery of therapeutic services. It also includes two elements of this causal diagram that are specific to the NJC: the use of problem solving meetings and correctional services reviews to detect and rectify breaches of CBOs and ICOs.

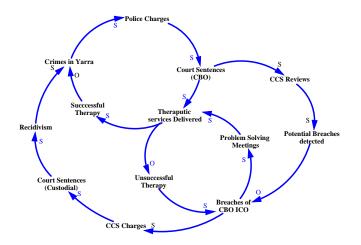


Figure 5: Community based orders and therapeutic services

# The Model: Capturing the Dynamics of Case Flows

The simulation model that was developed for the NJC was designed to show the *behaviour over time* of the NJC system. Figure 6 shows the complexity of the four systems in the NJC: the Magistrates Court, Crimes and Family Violence, Victorian Civil and Administration Appeals Tribunal (VCAT) and the Victims of Crime Assistance Tribunal (VOCAT).

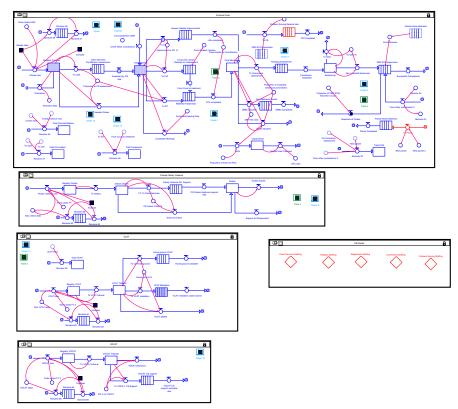


Figure 6: The model of the Court systems

The Court sub-model is a series of different processes that are essentially unrelated except for the impact they have upon the client services area. These processes are the Magistrates Court, VCAT, VOCAT and Crimes Family Violence. The sectors are administrative main chains<sup>10</sup>. There is also a sector that models the Human Resources dynamics of the NJC

<sup>&</sup>lt;sup>10</sup> Richmond (2001).

system. The model of the Magistrates Court is complex and is best understood when broken into its component parts: the Registry, Client Services, the Adjournment Processes, Problem Solving, and the Supervision of Court Orders. The first section of the model has been dealt with in the introductory comments.

## **The Criminal Court**

In the simplified example below, cases flow into the Registry and then to Client Services for assessment and then to the Court for the First Mention. In some situations cases leave the NJC system as under the successful Diversions program<sup>11</sup>. The alternative pathways for cases are shown in the pathway of Unassessed Cases, which bypass the Client Services assessment on their way to First Mention.

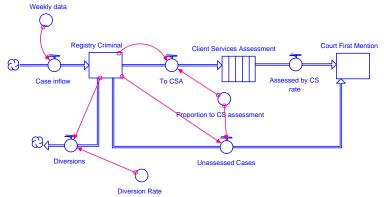
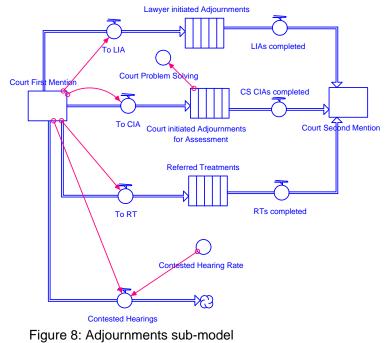


Figure 7: Registry and Client Services

The second section is between the First and Second Mentions in the Magistrates Court. There are four flows between these two stocks. The first is Contested Hearings, which leave the NJC for the Melbourne Magistrates Court. The NJC court only hears guilty pleas because it does not have the capacity to hear contested matters. The three other flows are different pathways through to Second Mention and all constitute some form of adjournment. These three flows are modelled separately because they have a different impact on the workload of Client Services. Adjournments requested by client's lawyer have no input from Client Services. The two other flows require Assessment and Treatment and these two processes are modelled separately. Both of these flows represent processes unique to the NJC and involve intervention by the Client Service group, which brings recommendations for treatment before the sentencing Magistrate.



<sup>11</sup> The success of diversions programs in Victoria is reported by Sironi et al (2005).

After second mention a number of cases leave the court, either on good behaviour bonds or as result of fines being imposed. The Fines process includes the workload imposed on Registry by Unpaid Fines, some of which are subsequently collected. Those cases that do not leave the court process are then assessed by Corrections and returned to the Magistrate for sentencing.

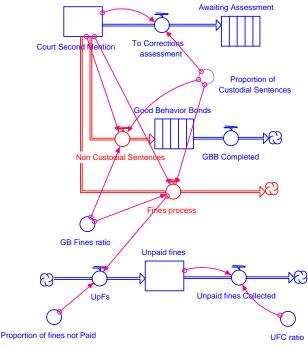


Figure 9: Outputs from Magistrates Court

The final part of the process constitutes a significant proportion of the work of Corrections. After sentencing, a number of cases received custodial sentences and leave the NJC system. The remainder are subject to CBO and ICO supervision. During this period of supervision a number of cases are referred to Problem Solving, another unique NJC process designed to identify and solve problems likely to lead to breaches of orders and a re-appearance in court. This process, where cases are simultaneously under corrections supervision and in the problem-solving process, is a *co-flow,* where two flows run simultaneously and in parallel. During this process, a number of cases come to the NJC from other jurisdictions as result of convictions of citizens of the Yarra in these other jurisdictions. In addition, there is a co-flow of parole supervision that can also include cases from other jurisdictions. At the time of writing this report, the practice of receiving parole cases from other jurisdictions had been ended but a number of cases remained in the system and would remain so for the next 12 months.

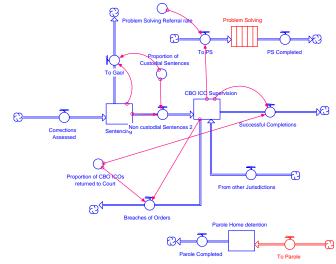


Figure 10: Post-sentencing processes



The NJC Magistrates Court in session

## **The Simulation Results**

The input to the system is the cases supplied by the NJC from the mention book, which is prepared by local police and lists the individual charged with an offence. Existing data covered the first 48 weeks of operation data and was projected for another 48-week projection with a predicted 10% increase.

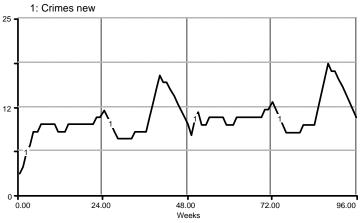


Figure 11: Projection for new criminal cases in 2009

The first observation was that there had been a spike in cases in December for which there appeared to be no explanation. Possible causes were a spike in the crime rate before Christmas or Police clearing a backlog of cases before the summer break. The spike had significant workload implications for Client Services but particularly for Corrections if a) it were part of a pattern and b) because, while Client Services deal with clients within a two-week period, Corrections clients stay in the system for between 12 and 18 months.

#### Impact on Case Loads

The model also simulates the impact of caseload on staff workloads in the Registry, Client Services and Correctional Services areas. As shown in Figure 12, these have been increasing and it was predicted that the workload would come close to the NJC operational capacity. Anecdotal evidence suggests that operational targets are being met but that the workload, particularly for Correctional Services was approaching a critical level. The figures below indicate the projected workloads with a 10% increase in cases coming into the NJC.

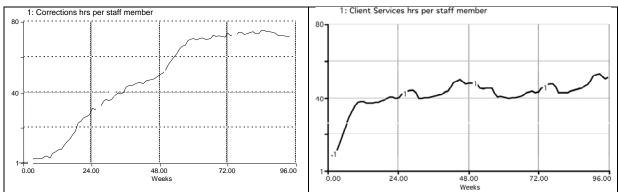


Figure 12: Workload projections for Corrections and Client Services

The increase in the workload for Corrections reflects the time clients spend in the system completing CBOs and ICOs and the lag between sentence and completion. The implication for the design of future NJCs is that Corrections staffing level will need to be increased for over 18 months to cope with the lagged workload from both non-custodial sentences and Good Behaviour Bonds (GBBs).

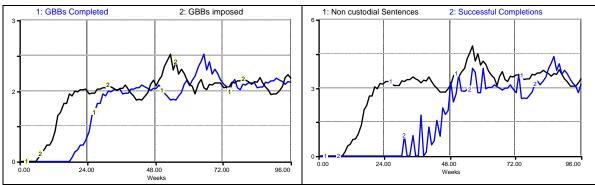


Figure 13: Lagged effect for Good Behaviour Bonds and Non-custodial sentences

While the model produces data for all of these processes, there are a number of metrics that need to be developed to demonstrate the effectiveness of the NJC system.

- The number of clients who are assessed and treated by Client Services who go on to successfully complete CBOs or ICOs.
- The number of CBOs and ICOs relative to other Magistrates Courts
- Recidivism rates amongst those who have been treated within the NJC process

# Starting the Organizational Learning/Change Process in NJC

The senior management of the NJC decided to run a series of 5 half-day workshops to embed the learning from the consulting project. The focus of the workshops was on two major processes The first was based on using the CLDs to examine the necessary policy re-alignments to enable the NJC to meet the broad ranging community-based goals described in the documentation on Service Delivery Models from 2006, particularly those relating to community

involvement in the justice process. This work involved developing specific skills related to CLDs with a group of senior managers responsible for policy development within the NJC.

The second was to restructure and streamline the Court processes within the NJC to enhance the service delivery principle that justice should be more immediate than delayed to meet and be objectives set out in the *Courts Legislation* (Neighbourhood Justice Centre) Act 2006: "simplifying access to the justice system and applying therapeutic and restorative approaches and new ministration of justice". This involved developing specific skills with stock-flow-rate diagrams with the senior managers responsible for the operations within the NJC and potentially with the members of the NJC Project Team.

The second of these was probably the more appropriate given because it created the space necessary to develop the wider ranging community-based goals of the NJC. It also had the advantage of beginning the process of understanding the systemic outputs necessary for a thoroughgoing evaluation of the NJC operations.

It was also hoped that during the workshops, the staff would gain a workable level of knowledge in the Systems Thinking skills used during the consulting assignment. The staff attended the workshops were familiar with the report from the consulting project and as a result of a set of extensive interviews had some familiarity with process mapping, causal loop diagramming and, to a lesser extent, stock-flow-rate diagrams. The initial diagrams that Ponte Consulting had developed around the original organizational goals were presented. The participants were asked to develop a new set of goals in the light of their experiences over the previous two years and then to drool causal diagrams for those goals. When developing the goals the participants were asked to think in terms of "elevator statements". An elevator statement is the one you make when a senior manager gets into the lift with you and says "What you working on?" You know she's getting out in 10 floors so the statement has to be very brief and concise, hence "elevator statement". The groups came up with three new goals for the NJC:

- 1. A Fair Go for All
- 2. Reducing Re-Offending
- 3. Taking the Law Back to the Village

The groups developed three CLDs, shown in Figure 14 that indicated how these goals would be met.

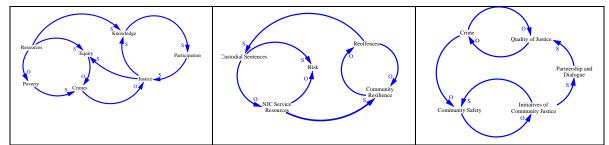


Figure 14: Three CLDs illustrating Goals: A Fair Go for All, Reducing Re-offence and Taking the Law back to the Village.

It was also hoped that the workshops would provide a set of skills that would allow learning and reflection about existing NJC processes. This was in response to a general belief that the learning processes within the organization were still very much in their infancy. As part of this, participants are encouraged to keep diaries of what they had learned during the workshops and follow-up interviews and review of the diaries produced the following feedback about both individual and organizational learning.

One of the clinical psychologists in the Client Services team had found the concept of behaviour over time particularly useful and begun thinking of patterns of behaviour in his clients in terms of stock-flow-rate diagrams with inflows and outflows and accumulations and drawing them to explain clients to his colleagues.

The Registrar of the Court had found the discussions of the dynamics of cooling coffee<sup>12</sup> particularly useful in exposing the different ways that people thought about problems and processes and the huge diversity in the way people thought about even the simplest of problems. He also saw the potential for using systems thinking for dealing with complex problems.

At an organizational level, he felt that the new leadership group would be able to use Systems Thinking to help them with the big decisions affecting the whole system. However, he was unable to give any specific examples of how these techniques have been used in the previous three months.

The rookies and pros<sup>13</sup> model had clearly been useful in helping the senior managers think about the retention of organizational memory. They were aware that the accumulation of knowledge of the processes of the new and innovative NJC system could only take place during the operation of the organization, namely two years. The people who began working in the organization brought no organizational memory that was useful to meet the new goals with the NJC. This meant that there was a significant rookie factor present for all of the new staff when the NJC was established in 2006. Establishing the new processes and culture for the innovative approach to justice that the NJC represented was a significant task that had been made more difficult by significant levels of staff turnover. In the six months to the time of writing, the Registry had three resignations from five staff members. All of these resignations were to take promotions within the courts portfolio of DoJ. New staff members included the Registrar and Deputy Registrar. In addition, the original Systems Thinking Champion within NJC was departing for an overseas appointment.

There was also recognition that the success of the NJC would be a two-edged sword in terms of maintaining experienced staffing levels. Discussions were beginning about establishing new NJC's in Victoria and it was clear that the Collinwood NJC staff would be high on the head-hunters list. This would lead to an exacerbation of the rookie problem and to a decline in performance of the original NJC.

In addition to the CLD on staffing matters, one participant produced an interesting diagram of the impact of punitive management behaviour. Significantly, this participant had a number of insights into the benefits of the workshops particular in relation to a new set of tools for thinking through policy issues.

# "In terms of policy issues, I feel we have been using 2-D tools to deal with 3-D problems"

In particular, she commented that the dilemmas concerning change in the Justice system were drawn into high relief at the NJC where processes for involvement of the community in the NJC's justice processes were still in their infancy compared with the robust, well-established and old systems and processes of the traditional justice system. This impacted on the battle that the NJC had been incorporating innovation into its work where the processes for the Magistrates court were well developed within the new centre but the processes and systems to support innovation and learning was still emerging.

This participant was not a permanent member of the NJC but was seconded from another Department within DOJ and was seeking to establish systems thinking and learning structures there. Perhaps significantly, her manager had been involved in developing systems thinking capabilities in the Department of Justice in the UK.

The NJC now confronts a number of challenges. The first is to consolidate the experience and learning from the first two years of operation to poll the basis from which to drive innovation and change particularly in relationship to the

<sup>&</sup>lt;sup>12</sup> The rate at which coffee cools can be demonstrated to be an exponential decrease. Many people have quite different (and wrong) mental models of how coffee cools. Newton's law of cooling shows that the cooling rate is approximately proportional to the difference between the hot coffee temperature and the ambient temperature. This example is used to show how people act under different, and often flawed, mental models.

<sup>&</sup>lt;sup>13</sup> This model shows the effect of new recruits (rookies) coming up to speed with the more experiences staff (pros). Even the most experienced worked become rookies for some period of time when taking up a new position. A large number of rookies at one time can have a marked impact on organizational performance.

development of community involvement in the processes of justice. This will involve the establishment of robust learning processes and the adoption of the rigorous processes of systems thinking to understand the issues of structure and behaviour now manifest in the organization.

The second challenge is related. It is to provide a blueprint that will be useful in the structure of future NJCs. The original philosophy of the NJC was that this was an experiment from which the justice community would learn particularly about the operation of community and therapeutic justice. If this is to occur, it will require a task force drawn from senior management who have the time and energy to focus defining the goals, objectives and structures that would allow future NJC's to benefit from the experience of the first NJC.

The third challenge is to be able to meet the first two challenges in the face of potentially disruptive rates of staffing turnover and increasing workloads across the organization. The danger already manifest is that as this pressure comes on to the organization, the systems that are well established and well developed, those of the traditional Magistrates Court, will further dominate the processes of the NJC. If this happens the high ideals of the NJC will not be met.

The fourth challenge is the development of a "blueprint" for new NJCs. The core processes for the Magistrates Court of the Collingwood NJC are well established and easy to model and evaluate. The community engagement processes have been slower to show results and have, necessarily, been more amorphous. As a result, the modelling necessary for providing a blueprint for future development cannot yet be done. The partnerships with local community groups that provide the basis for projects that reflect the core business of the NJC are still developing.

There is another fundamental difficulty in the development of the blueprint. Using the Collingwood NJC as a blueprint for developments in other areas pre-supposes that the development of community involvement in the justice system will necessarily be the same across the board. It is unlikely that this will be the case and using he current NJC as a blueprint may stifle innovation in new and developing centres.

The final, and in many ways most significant, problem is to develop an organization for the expansion of the NJC processes and to ensure that this organization, as distinct from the individual courts, has a built-in and formal capacity for learning and innovation.

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