

The Cost of
Violence against
Women and their
Children

March 2009

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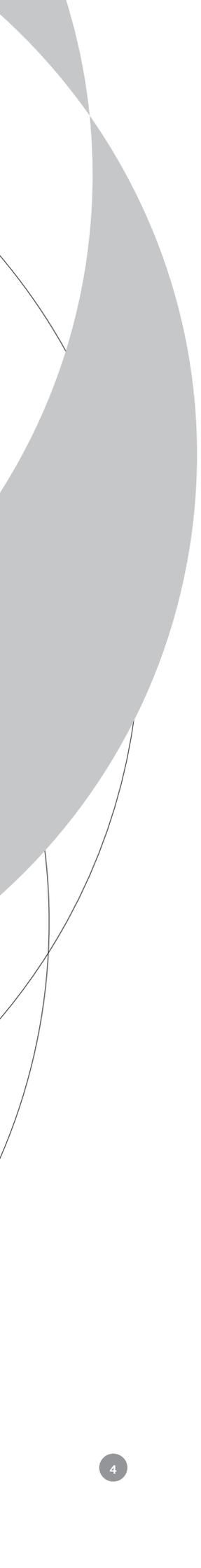
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Contents

Overview	4
1 Introduction.....	11
1.1 Background	11
1.2 Objective.....	12
1.3 Scope	12
1.4 Approach	15
1.5 Notes to the findings.....	15
1.6 Structure of the report	16
2 Analysis foundations.....	19
2.1 Definitions	19
2.2 Classification of costs.....	20
2.2.1 Direct, indirect (and opportunity) costs	20
2.3 Costs of violence and impact of intervention.....	22
2.3.1 Australia	22
2.3.2 International research.....	25
2.3.3 The impact of intervention	26
3 Prevalence of reported violence	31
3.1 Prevalence of violence.....	31
3.2 Women experiencing violence.....	32
3.3 The costs of violence.....	32
4 Pain, suffering and premature mortality	37
4.1 Summary of findings.....	37
4.2 Category description.....	37
4.3 Cost and stakeholder breakdown.....	38
4.4 Plan of Action priorities.....	39
5 Health costs	41
5.1 Summary of findings.....	41
5.2 Category description.....	41
5.3 Cost and stakeholder breakdown.....	41
5.4 Plan of Action priorities.....	42
6 Production-related costs	45
6.1 Summary of findings.....	45
6.2 Category description.....	45
6.3 Cost and stakeholder breakdown.....	45
6.4 Plan of Action priorities.....	46

7	Consumption-related costs	49
7.1	Summary of findings.....	49
7.2	Category description.....	49
7.3	Cost and stakeholder breakdown.....	50
7.4	Plan of Action priorities.....	50
8	Administrative and other costs	53
8.1	Summary of findings.....	53
8.2	Category description.....	53
8.3	Cost and stakeholder breakdown.....	53
8.4	Plan of Action priorities.....	54
9	Second generation costs.....	57
9.1	Summary of Findings	57
9.2	Category description.....	57
9.3	Cost and stakeholder breakdown.....	58
9.4	Plan of Action priorities.....	58
10	Transfer costs.....	61
10.1	Summary of findings.....	61
10.2	Category description.....	61
10.3	Stakeholder breakdown	62
11	Non-domestic violence.....	65
11.1	Introduction.....	65
11.2	The cost of non-domestic violence.....	65
12	The impact of violence on vulnerable groups.....	69
12.1	Introduction.....	69
12.2	Vulnerable groups	69
12.3	The cost of violence on vulnerable groups.....	72
12.3.1	Immigrant and refugee women.....	72
12.3.2	Women with disabilities	72
12.3.3	Aboriginal and Torres Strait Islander women.....	72
12.3.4	Children who witness violence	73
12.4	Plan of Action priorities.....	73
A	Appendix.....	75
	Cost estimate methodology	75
	Estimating prevalence	75
	Cost categories	76
	Estimating non-domestic violence costs	80



Overview

The cost of inaction

Violence against women and their children will cost the Australian economy an estimated \$13.6 billion this year¹. Without appropriate action to address violence against women and their children², an estimated three-quarters of a million Australian women will experience and report violence in the period of 2021-22, costing the Australian economy an estimated \$15.6 billion³. This is more than last year's \$10.4 billion plan by the Australian Government to stimulate the economy in the face of the global financial crisis; more than the Government's \$5.9 billion Education Revolution; and more than three-quarters of the initial budget allocation in 2008-09 of \$20 billion to its Building Australia Fund.

Implementation of *Time for Action: The National Council's Plan for Australia to Reduce Violence against Women and their Children* (the Plan of Action) aims to reduce the levels of violence against women and their children by 2021. For every woman whose experience of violence can be prevented by the Plan of Action, \$20,766 in costs across all affected groups in society are avoided.

To place this in perspective, if the Plan of Action resulted in an average reduction in violence against women and their children of just 10 per cent by 2021-22, some \$1.6 billion in costs to victims/survivors, their friends and families, perpetrators, children, employers, governments and the community could be avoided.

The Plan of Action

Violence against women and their children remains a profound problem and addressing it is one of the greatest challenges for Australia. Around one in three Australian women experience physical violence, and almost one in five women experience sexual violence over their lifetime⁴.

In May 2008, the Australian Government established the National Council to Reduce Violence against Women and their Children (the Council) to provide expert advice on measures to reduce the incidence and impact of sexual assault and domestic and family violence. The first task for the Council was to develop a national plan of action.

The Plan of Action describes the commitment and actions needed to guide all Australians, their governments and communities in reducing violence against women and their children. Implementing the Plan of Action is central to achieving the Government's priorities for women.

¹ Violence against women and their children includes domestic (intimate and ex-intimate partner) and non-domestic violence. Importantly (as with most studies in this field), the estimate captures reported violence only – in other words, unreported violence is not included.

² Violence against women and their children includes domestic and non-domestic violence.

³ Includes domestic violence and non-domestic sexual assault and is comprised of \$7.6 billion in non-financial costs (pain, suffering and premature death) and \$8 billion in financial costs.

⁴ Australian Bureau of Statistics, *Personal Safety Survey*, ABS Cat. No. 4906.0, Canberra, 2005.

The Plan of Action sets out an action agenda until 2021. This timeframe recognises the need for long-term investment and commitment in order to achieve long-term and sustainable change. The aim of this report is to provide indicative estimates of the cost of violence against women and their children in 2021-22 without appropriate action, and the costs that could be avoided by reducing levels of violence.

The cost of violence against women and their children

Violence against women and their children carries an enormous economic cost to society. The cost of domestic violence in Australia was estimated at \$8.1 billion in 2002-03, comprising \$3.5 billion in costs attributable to pain, suffering and premature mortality. The largest cost burden of domestic violence was borne by victims/survivors (\$4 billion)⁵.

This report updates the 2002-03 cost estimates and projects the costs to 2021-22⁶. In updating the estimates, the most recent data has been used as a basis for updating the costs, and in other cases an appropriate escalation factor has been applied (rather than replicating the construction of these costs).

The scope and effort implied in constructing the 2002-03 estimates far exceeds that of this study. The aim is to provide decision-makers with a sense of the scale of this problem and its impact on society, in order to provide another perspective on the need for and benefits of intervention as advocated by the Plan of Action.

The estimates of cost savings are not linked to specific initiatives contained in the Plan of Action. This report does not contain views on the cost-effectiveness of specific initiatives proposed in the Plan of Action. These are areas that could be considered as part of a detailed business case for investment.

Cost categories

There are seven cost categories that comprise the headline cost estimate. These are:

- pain, suffering and premature mortality costs associated with the victims/survivors experience of violence
- health costs include public and private health system costs associated with treating the effects of violence against women

5 Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>.

6 Note that the Access Economics estimate pertains to domestic violence only and includes domestic violence perpetrated against men. The estimates in this report include non-domestic sexual assault and exclude violence perpetrated against men.

- production-related costs, including the cost of being absent from work, and employer administrative costs (for example, employee replacement)
- consumption-related costs, including replacing damaged property, defaulting on bad debts, and the costs of moving
- second generation costs are the costs of children witnessing and living with violence, including child protection services and increased juvenile and adult crime
- administrative and other costs, including police, incarceration, court system costs, counselling, and violence prevention programs
- transfer costs, which are the inefficiencies associated with the payment of government benefits.

The costs are allocated across eight groups within society which bear the costs of violence. These are: victims/survivors; perpetrators; children; friends and family; employers; federal, state/territory and local government; and the rest of the community/society (non-government). Further details, including cost category descriptions and details on the approach taken to update and forecasts these costs, are in the Appendix to this report.

Prevalence of reported violence

The cost estimates in this report have been calculated using a reported prevalence approach based on Australian Bureau of Statistics (ABS) Personal Safety Survey (PSS) data⁷. A prevalence approach measures the costs associated with domestic violence in a specific year, based on the number of women experiencing violence in that year – that is, it includes the costs of all domestic violence occurring in that year. The approach captures reported violence only – in other words, unreported violence is not included.

Implementation of the Plan of Action would likely result in increased awareness of domestic violence against women and their children, leading to an initial increase in the number of cases of reported violence (and an associated increase in costs). However, a reduction in the levels of violence to 2021 is expected as the initiatives gain traction. Without appropriate action, the prevalence of reported violence is assumed to increase on average at a rate consistent with forecast population growth to 2021-22.

⁷ Australian Bureau of Statistics, *Personal Safety Survey*, ABS Cat. No. 4906.0, Canberra, 2005.

Key findings

The cost of violence

Table 1 below summarises the costs of domestic (intimate partner) and non-domestic (non-intimate partner) violence against women and their children by category in 2021-22 without appropriate action.

Category of cost	Cost (\$ million)	Percentage (%)
Pain, suffering and premature mortality	7,530	48
Health	863	5
Production-related	1,181	8
Consumption-related	3,542	23
Administrative and other	1,077	7
Second generation	280	2
Transfer costs	1,104	7
Total⁸	15,577	100
Total (excluding pain, suffering and premature mortality)	8,048	100

Table 1: Summary of costs in 2021-22

Without appropriate action, the total cost of violence against women and their children in 2021-22 is estimated to be \$15.6 billion. The largest contributor is 'pain, suffering and premature mortality', at \$7.5 billion. The remaining costs total \$8.1 billion. The largest part is 'consumption-related' costs at \$3.5 billion. The next largest categories are 'production' and 'administrative and other', at \$1.2 billion and \$1.1 billion respectively.

⁸ Totals hereafter may not sum because of rounding.

Table 2 shows which groups in society bear these costs.

Affected group	Cost (\$ million)	Proportion of total (%)
Victim/survivor	8,127	52
Federal, state and territory governments	2,945	19
Community	1,908	12
Children	1,274	8
Perpetrator	855	6
Employers	456	3
Friends and family	12	0.1
Total	15,577	100

Table 2: Summary of costs to 2021-22 by affected group

Reflecting the large contribution of pain, suffering and premature mortality to total costs, the largest cost burden (\$8.1 billion) is estimated to be borne by victims/survivors of violence. The next largest burdens are on the federal and state/territory governments (\$2.9 billion) and the general community (\$1.9 billion).

Vulnerable groups

The ways in which women and their children experience violence, the options open to them in dealing with violence, and the extent to which they have access to services that meet their needs are shaped by the intersection of gender with factors such as disability, English language fluency, ethnicity, physical location, sexuality, Aboriginal and Torres Strait Islander status, and migration experience⁹. These factors act to increase vulnerability to the risk and effects of violence.

⁹ Stubbs, *Violence Against Women: the Challenge of Diversity for Law, Policy and Practice*. Second National Outlook Symposium: Violence Crime, Property Crime and Public Policy, Australian Institute of Criminology, Canberra, 1997.

The estimated cost of violence perpetrated against women from selected vulnerable groups is presented in Table 3.

	2021-22 (\$ million)
Immigrant and refugee women	4,050
Women with disabilities	3,894
Aboriginal and Torres Strait Islander women	2,161
Children who witness violence	1,554

Table 3: Cost estimates for selected vulnerable groups in 2021-22

Without appropriate action to 2021-22, violence against immigrant and refugee women is estimated to cost the economy just over \$4 billion; against women with disabilities \$3.9 billion; against Aboriginal and Torres Strait Islander women \$2.2 billion; and in relation to children who witness violence \$1.6 billion.

Next steps

Violence against women and their children carries an enormous economic cost to society. The Plan of Action describes the commitment and actions needed to guide all Australians, their governments and communities in reducing this violence. A significant proportion of the costs associated with violence against women and their children to 2021-22 will be avoided with action to implement the Plan of Action initiatives. The costs of the initiatives and the anticipated cost-effectiveness of investment are areas that should be considered as part of a detailed business case for investment.



1 Introduction

1.1 Background

Violence against women and their children remains a profound problem and addressing it is one of the greatest challenges for Australia. Around one in three Australian women experience physical violence and almost one in five women experience sexual violence over their lifetime¹⁰.

In May 2008, the Australian Government established the National Council to Reduce Violence against Women and their Children (the Council) to provide expert advice on measures to reduce the incidence and impact of sexual assault and domestic and family violence. The first task for the Council was to develop a national plan of action.

Time for Action: The National Council's Plan for Australia to Reduce Violence against Women and their Children (the Plan of Action) sends a strong message to the Australian community that violence against women is not acceptable in any form. Its development has the support of a wide range of stakeholders and, most importantly, is built from the many voices of women who have experienced violence.

The Plan of Action describes the commitment and actions needed to guide all Australians, their governments and communities in reducing violence against women and their children. Implementation of the Plan of Action is central to achieving each of the Government's four priorities for women:

- reducing violence against women
- increasing women's economic independence
- increasing the voice of women in the community
- working in partnership with men to achieve gender equality.

The Plan of Action includes strategies and initiatives that are focused around six key outcomes:

- communities are safe and free from violence
- relationships are respectful
- services meet the needs of women and their children

10 Australian Bureau of Statistics, *Personal Safety Survey*, ABS Cat. No. 4906.0, Canberra, 2005.

- 
- responses are just
 - perpetrators stop their violence
 - systems work together effectively.

The Plan of Action initiatives form a comprehensive suite of interventions to tackle the problem of violence against women and their children, both in terms of responding to violence and early intervention and prevention. Violence against women and their children carries an enormous economic cost to society. A significant proportion of these costs to 2021-22 can be expected to be avoided with the introduction of Plan of Action initiatives.

1.2 Objective

The objective of this report is to present an estimate of the financial and non financial costs associated with violence against women and their children in 2021-22 that may be anticipated if Australians, their governments and communities do not take action by implementing the Plan of Action initiatives. The estimated costs of violence against women and their children is then used to demonstrate the cost reductions that could be achieved with reductions in the levels of violence to 2021-22 as a result of implementing the initiatives.

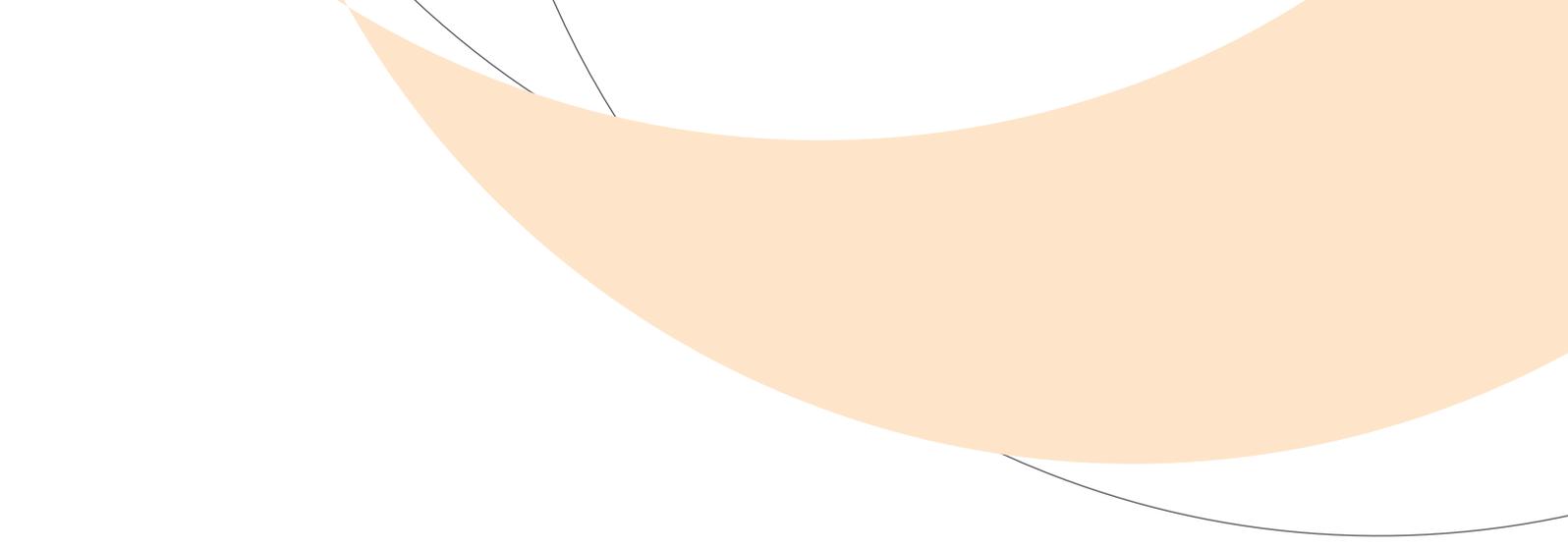
1.3 Scope

Domestic interpersonal violence (as opposed to violence perpetrated by a stranger) has been the focus of most Australian studies. Australia was one of the first countries to attempt to calculate the economic costs of domestic violence. Despite the inadequacy of much of the necessary data, the Australian studies were traditionally more successful in calculating the *direct* costs of domestic violence (examples include the cost of crisis accommodation, legal services, income support, and health and medical services) than in calculating the *indirect* costs of domestic violence (examples include the replacement of lost or damaged household items, and costs associated with changing houses or schools)¹¹.

For this study, KPMG has adopted as a starting point, work undertaken by Access Economics on behalf of the Office of the Status of Women in 2004¹². This work presented an estimate of the costs of domestic violence to the Australian economy, and may generally be regarded as the most recent comprehensive economy-wide estimate of the cost of domestic violence in Australia in 2002-03.

¹¹ Laing and Bobic, *Economic costs of domestic violence*, Australian Domestic and Family Violence Clearinghouse: Literature Review, p 6, 2002, viewed December 2008, http://www.austdvclearinghouse.unsw.edu.au/PDF%20files/Economic_costs_of_DV.pdf

¹² Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I, 2004*, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>



Key features of this methodology included:

- a focus on economic costs, and a clear distinction between economic costs and transfer payments
- use of a prevalence approach that conceptually captures all annual costs of domestic violence and its consequences
- allocation of costs to seven categories:
 - pain, suffering and premature mortality
 - health costs
 - production-related costs
 - consumption-related costs
 - administrative and other costs
 - second generation costs
 - transfer costs.
- allocation of costs to eight groups which bear the costs and pay or receive transfer payments:
 - victim
 - perpetrator
 - children
 - friends and family
 - employer
 - federal government
 - state/territory and local government
 - rest of the community/society (non-government).

This report updates the cost estimates in the Access Economics study and projects the costs to 2021-22 (with estimates presented in 2007-08 dollars). In updating the 2002-03 estimates, we have in some cases sought to use the most recent data as a basis for updating the costs, and in other cases we have used an appropriate escalation factor to update the costs (rather than replicating the construction of these costs), based on sources referenced in the Access Economics report.

The aim in adopting the Access Economics framework is to build on work already done in this area rather than necessarily recreating the estimate from scratch. The scope and effort implied by the Access Economics work far exceeds that of this study. It is therefore not KPMG's intention that the estimates in this report be considered the latest point of reference for researchers and analysts in this field.



Rather, the aim of this report is to provide indicative estimates of the costs of violence against women and their children in 2021-22, and the reduction in costs that might be achieved with a reduction in levels of violence. It is the magnitude of the costs and possible reductions that can be achieved that are emphasised above the actual figures presented. Its purpose is to provide decision-makers with a sense of the scale of this problem and its impact on society, in order to provide another perspective on the need and benefits of intervention as advocated by the Plan of Action.

The caveats placed by Access Economics on the 2002-03 estimates still apply in that the overall findings must be considered indicative (and in some cases speculative) and are conditional on numerous assumptions made during the course of the analysis. A considerable margin of uncertainty surrounds the original estimate (and is retained in this update and forecasting of the estimates to 2021-22). Estimates are based on limited data and on parameters that reflect a large element of judgement¹³.

The project scope involved the following:

- The model was based on desktop analysis. Cost estimates are indicative only, and should be used for informing decisions rather than as a basis for decision-making.
- The Access Economics estimates formed the basis for updated 2007-08 estimates and were used as the basis for projecting costs to 2021-22. Costs are presented in 2007-08 dollars.
- Where sufficient information was not available, or time did not permit the reconstruction of the Access Economics cost estimates, assumptions were adopted based on the best available evidence.
- All assumptions and their bearings on the cost estimates are transparent.
- The analysis adopts a reported prevalence-based approach.
- The economic costs do not include the cost of the Plan of Action initiatives. These costs would be estimated as part of a detailed business case for investment.
- The levels of reduction in violence cited in the report do not necessarily reflect the reduction in violence achievable with the implementation of the Plan of Action. This would form part of a detailed business case for investment.

13 Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=,> pp VI and VIII.

1.4 Approach

The approach to this project involved these key steps:

- 1 Constructing the base case 'prevalence of violence' profile
 - The number of women and children experiencing violence in 2021-22 was calculated using prevalence rates from the Australian Bureau of Statistics Personal Safety Survey¹⁴. Extrapolations to 2021-22 are based on expected population changes for women and age. The total number of victims/survivors therefore takes into account varying population growth of each age category. This provides a baseline for growth in domestic violence up to 2021.
- 2 Constructing the economic costs of violence. This involved:
 - constructing and updating the 2002-03 cost estimates by obtaining relevant data to establish present-day costs on which the forecasting was based and applying appropriate cost escalation factors
 - applying costs to the base case profile to estimate the economic costs of violence against women in 2021-22 if no action is taken
 - deriving a cost per victim/survivor by dividing the total cost by the number of projected victims/survivors in each year.
- 3 Calculating the cost impact. This involved:
 - Applying the cost per victim/survivor to estimate the costs that could be avoided for given reductions in reported violence.

1.5 Notes to the findings

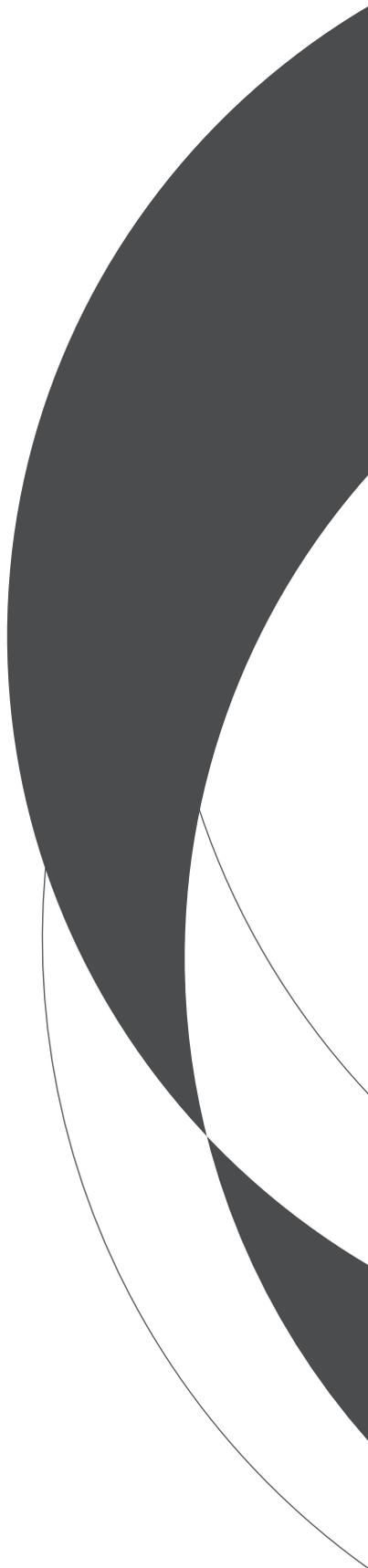
The report presents estimates of the financial and non-financial costs and cost reduction impacts that may be achievable with broad implementation of the Plan of Action. Estimates are indicative only and are not linked to specific initiatives in the Plan. This report is not a submission for funding the Plan of Action. It does not contain views on the cost-effectiveness of specific initiatives proposed in the Plan. These are areas that should be considered as part of any business case for investment.

¹⁴ Australian Bureau of Statistics, *Personal Safety Survey*, ABS Cat. No. 4906.0, Canberra, 2005.

1.6 Structure of the report

The remainder of this report is structured as follows:

- **Section 2** provides a definition of domestic violence that underpins the estimates in this report; outlines the classification of costs used in the report; and briefly summarises previous Australian and international studies on the costs of domestic violence and impact of intervention.
- **Section 3** defines and outlines the prevalence of domestic violence in Australia.
- **Sections 4 to 10** estimate the costs for each cost category (by cost sub-category and by affected group).
- **Section 11** presents the effects of including the costs of non-intimate partner violence.
- **Section 12** identifies the costs of violence against women and their children for selected vulnerable groups.
- **Appendix A** provides details of cost breakdowns and the method used to calculate costs.





2 Analysis foundations

2.1 Definitions

The Plan of Action adopts the United Nations definition of violence against women and children as... *any act of gender-based violence that results in, or is likely to result in physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life*¹⁵.

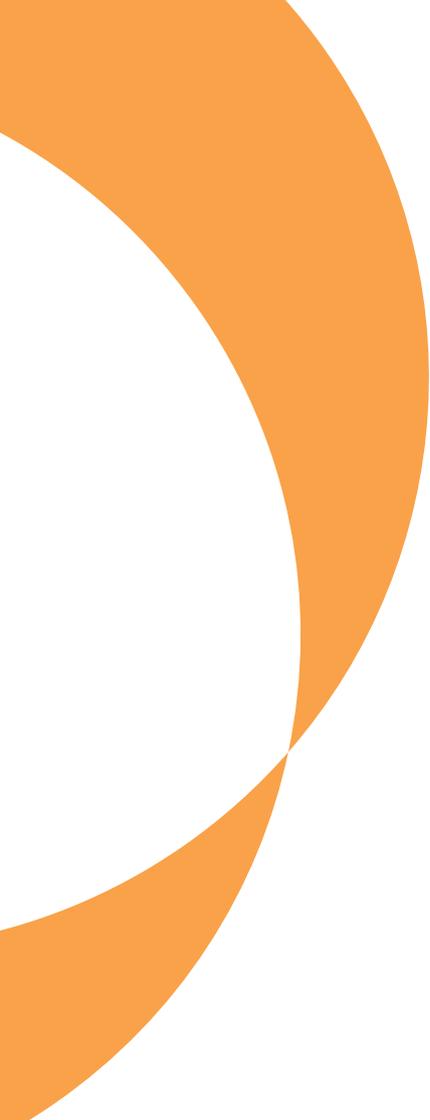
Further information on the type and nature of violence against women and their children encompassed by the Plan of Action are contained in the Plan and include both domestic (intimate partner) and family violence as well as sexual assault perpetrated by a stranger.

The Access Economics work considered domestic violence only. The cost estimates in this report attempt to capture the costs associated with the more encompassing definition of violence against women and their children envisaged by the Plan of Action. This requires making a distinction between intimate partner and non-intimate partner violence.

The impact of violence against women and their children where the violence is perpetrated by a non-intimate partner presents different costs than for domestic violence. For example, violence perpetrated by a stranger is less likely to occur in the victim/survivor's home and so in these instances the cost of replacing broken and damaged household possessions is not generally incurred by the victim/survivor. Moreover, the children of the victim/survivor are less likely to witness the violence.

KPMG has sought to include the costs of non-domestic violence by assuming that the costs of non-domestic violence are the same as for domestic violence, with the exception that non-domestic violence is less likely to occur in the victim/survivor's home or be witnessed by their children. Second generation costs and consumption costs are therefore excluded from the non-domestic violence estimate. The Access Economics estimate also includes violence perpetrated against men, which is excluded from the KPMG estimate.

¹⁵ Office of the High Commissioner for Human Rights, *United Nations Declaration on the Elimination of Violence against Women*, United Nations, 1993.



2.2 Classification of costs

2.2.1 Direct, indirect (and opportunity) costs

Most studies of this nature seek to estimate direct (or tangible) costs and indirect (or intangible) costs associated with violence. The terms direct or tangible are commonly used interchangeably to refer to the costs associated with the provision of a range of facilities, resources and services to a woman and her children as a result of her being subject to violence¹⁶. Examples are the costs of crisis services, accommodation services, legal services, income support, and health and medical services.

The terms indirect and intangible are also used interchangeably, and refer to the pain, fear and suffering incurred by women and children who live with violence. These costs are sometimes termed the indirect social and psychological costs of violence¹⁷. Examples include replacing damaged or lost household items, replacing school uniforms and equipment when children change schools, and settlement of a partner's bad debts.

A third cost category of opportunity costs has also been adopted. Opportunity costs can be defined as the cost of opportunities which the victim/survivor has lost as a result of being in or leaving a violent relationship. An opportunity cost is the cost foregone when the woman's options are limited by the circumstances in which she finds herself. Examples include the loss of employment and promotion opportunities and quality of life. Opportunity costs are often included as part of indirect costs.

We note that Access Economics in their 2004 study concluded that the distinction between direct and indirect costs was not necessarily useful, given the problems of definition and comparison¹⁸. The cost categories adopted in the 2004 study (and those adopted for this estimate) therefore combine all three types of costs into seven cost categories as shown in Table 4.

¹⁶ KPMG Management Consulting, *Economic Costs of Domestic Violence in Tasmania*, Tasmanian Domestic Violence Advisory Committee, Office of the Status of Women, Hobart, 1994. Cited in Laing, *Australian Studies of the Economic Costs of Domestic Violence*, Australian Domestic and Family Violence Clearinghouse Topics Paper, 2001, p 2.

¹⁷ Laurence and Spalter-Roth, *Measuring the Costs of Domestic Violence Against Women and Cost Effectiveness of Interventions: An initial assessment and proposals for further research*, Institute for Women's Policy Research, Washington, 1996. Cited in Laing, *Australian Studies of the Economic Costs of Domestic Violence*, Australian Domestic and Family Violence Clearinghouse Topics Paper, 2001, p 2.

¹⁸ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>, p 3.

Cost category	Types of costs included
Pain, suffering and premature mortality	Costs of pain and suffering attributable to violence. Costs of premature mortality measured by attributing a statistical value to years of life lost.
Health costs	Includes private and public health costs associated with treating the effects of violence on the victim, perpetrator and children.
Production-related costs	Includes costs associated with: <ul style="list-style-type: none"> • lost production (wages plus profit) from: <ul style="list-style-type: none"> - absenteeism - search and hiring costs - lost productivity of victim, perpetrator, management, co-worker, friends and family - lost unpaid work - retraining costs - permanent loss of labour capacity.
Consumption-related costs	Includes costs associated with: <ul style="list-style-type: none"> • property replacement • settlement of bad debts.
Second generation costs	Includes private and public health costs associated with: <ul style="list-style-type: none"> • childcare • changing schools • counselling • child protection services • remedial/special education • increased future use of government services • increased juvenile and adult crime.

Cost category	Types of costs included
Administrative and other costs	Includes private and public health costs associated with: <ul style="list-style-type: none"> • legal/forensic services • temporary accommodation • paid care • counselling • perpetrator programs • interpreter services • funerals.
Transfer costs	Includes 'deadweight loss' to the economy associated with: <ul style="list-style-type: none"> • government payments and services • victim compensation • lost taxes.

Table 4: Categories of cost¹⁹

The Access Economics report contains further commentary on cost classifications relevant to the method of cost estimation – including economic and non-economic costs, prevention and case costs, short-run and long-run costs, and transfer costs. This may aid in understanding and interpreting the cost estimates in this report.

2.3 Costs of violence and impact of intervention

2.3.1 Australia

Recent studies of the economic costs to Australia have estimated total national costs of domestic violence and other associated fields of study, including child abuse, crime and drug abuse²⁰. The methodology used will naturally vary, depending on the field of study and area of research focus. However, the range highlights the varied coverage of some studies and the variable consideration of the linkages between costs incurred by one entity affecting and driving costs in other areas.

¹⁹ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I and Access Economics*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=->, p 5.

²⁰ Henderson, *Impacts and Costs of Domestic Violence on the Australian Business/Corporate Sector*, Brisbane Lord Mayor's Women's Advisory Committee, Brisbane City Council, 2000; Keatsdale, *The Cost of Child Abuse and Neglect in Australia*, Keatsdale Pty Ltd Management Consultants for the Kids First Foundation 2003; Mayhew, *Counting the Costs of Crime in Australia*, Australian Institute of Criminology, Trends and Issues in Crime and Criminal Justice No. 247, 2003; Collins and Lapsley, *Counting the Cost: Estimates of the social costs of drug abuse in Australia in 1998-9*, National Drug Strategy, Monograph Series No. 49, 2002.

The 2004 Access Economics report classified the costs of domestic violence by seven cost categories, calculating the estimated cost in 2002-03 (see Table 5).

Category	Annual cost, 2002-03	
	\$ million	% of total
Pain, suffering and premature mortality	3,521	44
Consumption-related	2,575	32
Production-related	484	6
Administrative and other	480	6
Transfers	410	5
Health	388	5
Second generation	220	2
Total	8,078	100

Table 5: Summary of annual costs by category²¹

'Pain, suffering and premature mortality' was by far the most costly category at \$3.5 billion, contributing 44 per cent of the total cost of domestic violence. Health costs were \$388 million.

The study estimated that the largest cost burden was borne by victims/survivors of domestic violence at \$4.0 billion, followed by the rest of the community and society at \$1.2 billion and the federal government at \$848 million. Subsequent groups were children (9.5 per cent of total cost), perpetrators (6.9 per cent), state/territory and local governments (6 per cent), employers (2.2 per cent) and friends and family (0.1 per cent)²².

A breakdown of comparable expenditure of government by jurisdictions is unavailable. Using an updated Access Economics cost estimate to state/territory and local government of \$554 million in 2007-08 and population data, in the absence of other data, an estimate of the spend in jurisdictions on domestic violence may be derived as shown in Table 6²³.

²¹ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=->.

²² Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=->.

²³ Updated from 2003-04 to 2007-08 dollars using CPI index from Australian Bureau of Statistics, *Consumer Price Index, Australia, September 2008*, ABS Cat No. 6401.0, Canberra, 2008.

Jurisdiction	Estimated expenditure (\$ million)	% of total
New South Wales	180	33
Victoria	137	25
Queensland	111	20
Western Australia	56	10
South Australia	41	8
Australian Capital Territory	13	2
Northern Territory	9	2
Total	547	100

Table 6: Estimated government expenditure by jurisdiction 2007-08²⁴

This methodology has obvious limitations and should be treated with caution. For example, the NSW Government spent an estimated \$351 million in agency costs in 2007-08 as a result of domestic and family violence²⁵, significantly higher than the NSW state expenditure estimate above²⁶.

The total costs of domestic violence in NSW were estimated at \$1.5 billion in 1990²⁷. The study in NSW found that women bear the greatest share of the economic costs of domestic violence. The federal government was found to bear the largest proportion of government costs, through expenditure on income support, housing and medical costs. State government costs were primarily incurred through the provision of court and legal services, child welfare and family support programs.

²⁴ The Access Economics estimate is broken down proportionately by population in each jurisdiction to estimate the possible expenditure on domestic violence by governments in each jurisdiction.

²⁵ The National Council to Reduce Violence against Women and their Children, *Background Paper to Time for Action: The National Council's Plan for Australia to Reduce Violence against Women and their Children 2009-2021*, Department of Families, Housing, Community Services and Indigenous Affairs, Commonwealth of Australia. Figure is for 2003-04 updated to 2007-08 dollars using consumer price index (CPI) change between 2004-05 and 2007-08 from Australian Bureau of Statistics, *Consumer Price Index, Australia, September 2008*, ABS Cat. No. 6401.0, Canberra, 2008. Tables 1 and 2, CPI: All Groups, Index Numbers and Percentage Changes.

²⁶ ARTD Consultants Pty Ltd, *Coordinating NSW Government Action against Domestic and Family Violence: Final Report*, Department of Premier and Cabinet, NSW Government, Sydney, 2007, viewed November 2008, http://www.dpc.nsw.gov.au/publications/human_services_and_justice_branch/coordinating_nsw_government_action_against_domestic_and_family_violence.

²⁷ Distaff Associates, *Costs of Domestic Violence (Report 073058770)*, Women's Co-ordination Unit, Sydney, 1991. Cited in: Laing and Bobic, *Economic costs of domestic violence*, Australian Domestic and Family Violence Clearinghouse: Literature Review, viewed December 2008, http://www.austdvclearinghouse.unsw.edu.au/PDF%20files/Economic_costs_of_DV.pdf, pp 6. While the estimate is out-dated, KPMG is unaware of more recent comparable State expenditure data.

Using a 'retrospective case study' approach to women's experience of domestic violence in Tasmanian and Northern Territory studies, the direct costs of domestic violence in Tasmania in 1994 were estimated at \$17.6 million and \$8.9 million in the Northern Territory in 1996. Indirect costs were also significant but were not extrapolated to gain a state/territory-wide estimate. The provision of income support comprised the greatest proportion of direct costs, followed by accommodation costs. The government/community sector bore the greatest share of direct costs, while women bore the greatest proportion of indirect costs²⁸.

Other research focused on the qualitative and quantitative costs incurred by business and the corporate sector and attempted to estimate the annual cost of domestic violence to Australian employers²⁹. This research highlighted the need for consideration of linkages. For example, the direct costs to employers are not only end-costs in themselves but also affect other aspects of an organisation, such as distribution and production, which can result in late deliveries, bringing about customer dissatisfaction and lost business. Similarly, costs to women, such as the inability to work caused by domestic violence, have a 'domino-effect' on other sectors of society: income forgone by victims/survivors results in diminished profits for business and decreased tax revenue to government.

2.3.2 International research

Research has also been undertaken internationally on the costs of domestic violence. In the United Kingdom, for example, Professor Walby of the University of Leeds estimated in 2004 the total cost of domestic violence for the state, employers and victims/survivors at around £23 billion a year³⁰. As in Australia, the human and emotional cost borne by victims/survivors through pain and suffering makes up the largest component at over £17 billion. The other costs are broken down as follows:

- lost economic output due to time off work – around £2.7 billion a year. It was estimated that around half of the cost is borne by employers and half by individuals in lost wages.
- criminal justice system – around £1 billion a year (nearly one-quarter of the criminal justice system budget for violent crime). Includes police, prosecution, courts, probation, prison and legal aid.
- health care – around £1.2 billion a year. Includes physical injuries and mental health care.

28 KPMG Management Consulting, *Economic Costs of Domestic Violence in Tasmania*, Tasmanian Domestic Violence Advisory Committee, Office of the Status of Women, Hobart, 1994. Cited in Laing, *Australian Studies of the Economic Costs of Domestic Violence*, Australian Domestic and Family Violence Clearinghouse Topics Paper, 2001, pp 5.

29 Henderson, *Impacts and Costs of Domestic Violence on the Australian Business/Corporate Sector*, Brisbane Lord Mayor's Women's Advisory Committee, Brisbane City Council, 2000. Cited in Laing, *Australian Studies of the Economic Costs of Domestic Violence*, Australian Domestic and Family Violence Clearinghouse Topics Paper, 2001, pp 8.

30 Walby, *The Cost of Domestic Violence, Women and Equality Unit Research Summary*, 2004, viewed December 2008, <http://www.equalities.gov.uk/pdf/Summ%20cost%20of%20domestic%20violence%20Sep%2004.pdf>.

- civil legal services – over £0.3 billion a year. Includes legal actions such as injunctions and divorce
- social services – nearly £0.25 billion a year, overwhelmingly related to children
- housing and refuges – £0.16 billion a year.

Professor Walby found the costs of domestic violence are partly borne by the state and the wider society, partly by the individual victims/survivors, and partly by employers. She allocated the burden at £2.9 billion a year for the state, around £19 billion a year for victims/survivors, and £1.3 billion a year for employers.

A New Zealand study indicated that the annual cost of family violence in that country was at least NZ\$1.2 billion³¹. In 1993-94 this was more than the NZ\$1 billion earned from wool exports; nearly as much as the NZ\$1.4 billion spent on unemployment benefits; and around half the NZ\$2.5 billion earned from forestry exports.

Both these international studies emphasise that the costs of domestic violence are just as significant abroad, in terms of both the economic costs borne by the state and society, and the costs borne by individual victims/survivors, relatives and businesses.

2.3.3 The impact of intervention

While a number of studies have sought to calculate the cost of domestic violence, there is little information which identifies and analyses the impacts of government intervention on the costs of domestic violence. Information that is available is primarily international.

During 2002, the European Union defined seven indicators which identify the extent and nature of partner violence within the member states. The indicators are being used as a surveillance and evaluation tool for implementation of measures and methods to reduce violence against women. Denmark is one of the first countries to publish such analysis.

Denmark has observed significant falls in some indicators of violence over a relatively short period: from 2000 to 2005, a 30 per cent decline in domestic violence was observed following the implementation of actions plans in 2002-2004 and 2005-2008 to stop violence against women³². However, this has been countered by an increase in overall violence statistics which still appear to be climbing, with little indication of when they will plateau; between 2000 and 2005, an approximate increase of 8 per cent was observed. This is not an altogether unexpected outcome, given that government intervention increases awareness and can have the effect of increasing reported violence.

³¹ Snively, 'The New Zealand Economic Cost of Family Violence', *Social Policy Journal of New Zealand* (4), 1995. Cited in: Laing and Bobic, *Economic costs of domestic violence*, Australian Domestic and Family Violence Clearinghouse: Literature Review, 2002, viewed December 2008, http://www.austdvclearinghouse.unsw.edu.au/PDF%20files/Economic_costs_of_DV.pdf, pp 7.

³² National Institute of Public Health Denmark, *Men's violence against women: Extent, characteristics and the measures against violence 2007*, English summary, 2008.

In Norway, a government action plan on domestic violence was implemented in 2004. While the number of formal reports of domestic violence increased from 3,890 cases in 2003 to 4,348 cases in 2005, this was not attributed to an increase in violence but was seen rather as an indication that more women were contacting the police as a result of greater openness about the problem and less stigma associated with being a victim of violence in couples³³.

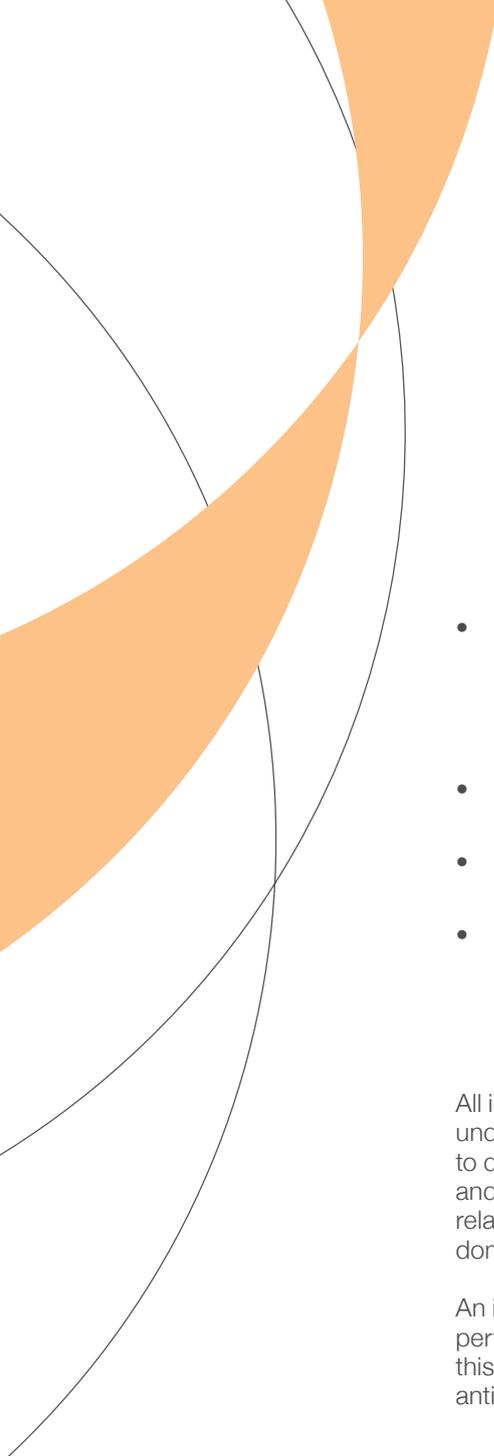
In the United Kingdom, the Home Office (in partnership with the Prime Minister's Delivery Unit) developed a National Domestic Violence Delivery Plan for 2005-06. A number of 'proxy' indicators against which the government intends to measure the medium- to long-term success of the strategy were identified and are yet to be fully measured against intervention, but provide an indication for trends in domestic violence at this point:

- *Homicides as a result of domestic violence:* On average in the UK, two women a week are killed by a partner or ex-partner³⁴. Since 1997, trends in domestic violence homicides have been broadly level and although an upward trend can be detected in recent years, the numbers are too small to be statistically significant. In the medium to long term, a downward trend would be desired as agencies begin to focus more on early intervention and protection.
- *Headline prevalence of domestic violence:* Measured by the British Crime Survey Inter-Personal Violence module, which estimates the extent of domestic violence, sexual assault and stalking in England and Wales. The general trend remains the same, with between 18 and 25 per cent of violent crime being domestic violence-related.
- *Numbers of a) young people and b) all people who think that violence is acceptable in some circumstances:* Research from 1998 showed that one in five young men and one in 10 young women thought that violence towards a partner was acceptable in some situations³⁵. While there is no information on trends, these figures will be used as the baseline to measure this indicator annually using the Office of National Statistics Survey. It is hoped levels of acceptance will reduce as levels of awareness increase.
- *Percentage of domestic violence incidents with a power of arrest where an arrest was made related to the incident and, of this, the percentage of partner-on-partner violence:* Since April 2004, this has been a Statutory Indicator in the Policing Performance Assessment Framework. The objective is that the underlying trend will be upwards, with increased training and guidance for frontline police officers.

33 United Nations Committee on the Elimination of Discrimination against Women, *List of issues and questions with regard to the consideration of periodic reports: Norway*, Pre-session working group, Thirty-ninth session, 2007.

34 United Kingdom Home Office, *Crime in England and Wales 2001/02 – Supplementary Volume and Crime in England and Wales 2002/03*, United Kingdom Government Home Office, 2003.

35 Mullender, *Young People's Attitudes Towards Violence, Sex and Relationships: A Survey and Focus Group Study*, Zero Tolerance Charitable Trust, 1998.

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- *The number of domestic violence offenders brought to justice:* This will measure outcomes in the criminal justice system. The number of offenders successfully prosecuted would hopefully increase, and the ratio of successful prosecutions to arrests would increase too, as evidence-gathering and support for victims/survivors improves.
 - *The number of civil orders made:* In 2003, around 30,000 non-molestation and occupation orders were issued and about 4,500 undertakings were given.
 - *Actions against domestic violence:* The average number of refuge places per 10,000 population was 0.5 in both 2001-02 and 2002-03 and 0.96 in 2003-04³⁶.
 - *Victim satisfaction with the support they have received from key agencies:* Data will be gathered from a sample of those who said they were victims in the British Crime Survey Inter-Personal Violence module and a pool of victims from refuges. It will be produced on the government's behalf by Women's Aid, as responses will need to be sensitive to the needs of victims.

All identified international models of costing interventions are as yet relatively undeveloped in their formulation and implementation, and more time is required to draw concrete conclusions as to what this would likely mean for costing impacts and timings of Australian measures. One clear theme is that most nations have a relatively 'fluid' approach to measuring outcomes for national strategies on reducing domestic violence.

An important component of the Plan of Action will be the establishment of key performance indicators linked to desired outcomes, so that progress in addressing this problem can effectively be monitored, measured and evaluated against anticipated outcomes identified in the business case for investment.

³⁶ United Kingdom Government, *Domestic Violence: A National Report*, 2005.





3 Prevalence of reported violence

3.1 Prevalence of violence

The costs of a particular condition in a given year can be estimated using a prevalence approach or an incidence approach. The difference between the approaches relates to how they each capture the occurrence of the condition, which in this case is violence against women and their children.

- A prevalence approach measures the costs associated with domestic violence in a specific year, based on the number of women experiencing violence in that year. That is, it includes the costs of all domestic violence occurring in that year.
- An incidence approach measures the lifetime costs (net present value of current and future costs) associated with domestic violence in a given year, based on the number of new cases of violence in that year. That is, it includes the costs of domestic violence occurring in that year for the first time.

While an incidence approach is “... useful for modelling the progress of a disease and its costs over time, it is less useful in the case of domestic violence which has no typical pattern, either of the nature of the abuse or in the types and frequency of services used³⁷.”

The cost estimates in this report have been calculated using a reported prevalence approach based on Australian Bureau of Statistics (ABS) Personal Safety Survey (PSS) data³⁸. Importantly (as with most studies in this field), the approach captures reported violence only – in other words, unreported violence is not included.

37 Laurence and Spalter-Roth, *Measuring the Costs of Domestic Violence Against Women and Cost Effectiveness of Interventions: An initial assessment and proposals for further research*, Institute for Women's Policy Research, Washington, 1996, cited in Laing, *Australian Studies of the Economic Costs of Domestic Violence*, Australian Domestic and Family Violence Clearinghouse Topics Paper, 2001, pp 17.

38 Australian Bureau of Statistics, *Personal Safety Survey*, ABS Cat, No. 4906.0, Canberra, 2005.

3.2 Women experiencing violence

Based on population estimates in Australia, Table 7 shows the estimated number of women who will report violence in 2021-22 if no action is taken.

	2021-22
Physical assault	194,817
Sexual assault	31,061
Sexual threat	44,069
Stalking	8,322
Emotional abuse	212,824
Total victims/survivors (domestic)	385,426
Total victims/survivors (non-domestic)	362,057
Total victims/survivors³⁹	747,483

Table 7: Women experiencing reported domestic violence⁴⁰

The estimated number of women who will experience and report domestic violence in 2021-22 is 385,426. Most of this will be in the form of emotional abuse (55 per cent) followed by physical assault (51 per cent). A further 362,057 women will experience non-domestic violence (available data prevents the same breakdown by type of violence as for domestic violence). Without appropriate action, some 747,483 women will experience and report violence in 2021-22.

3.3 The costs of violence

The following sections detail the costs of violence based on the prevalence of reported violence shown above to 2021-22. The sections provide details for each of the seven major cost categories and show the impact in terms the cost sub-categories and who bears the cost.

³⁹ Australian research indicates that most violence against women is by way of sexual assault and domestic and family violence, most of which is perpetrated by intimate partners and in the home. This is not reflected in the estimates in this report which indicate that domestic violence represents just over half of total violence. This is possibly due to definitional issues: for example stalking, harassment and emotional abuse represent a significant proportion of violence but are not always included in definitions of violence.

⁴⁰ The number of victims/survivors in 2021-22 is estimated by applying the rate of growth in prevalence between 1996 and 2005 obtained from the Personal Safety Survey data to the number of victims/survivors presented in the Access Economics report. The number of perpetrators and children who witness domestic violence is derived from the number of victims/survivors.

All figures relate to domestic violence, unless otherwise indicated. In many cases, the available data prevents a break down of the costs of non-domestic violence to the same level of detail that is possible for domestic violence. Section 11 presents the effects of including the costs of non-intimate partner violence on total costs of violence.

We note that with the implementation of the Plan of Action and increased awareness of the costs of domestic violence against women and their children, there is likely to be an initial increase in the number of cases of reported violence (and an associated increase in costs). However, a reduction in levels of violence over time can be expected as the initiatives gain traction. This pattern of prevalence in reported violence is presented for illustrative purposes only in Figure 1.

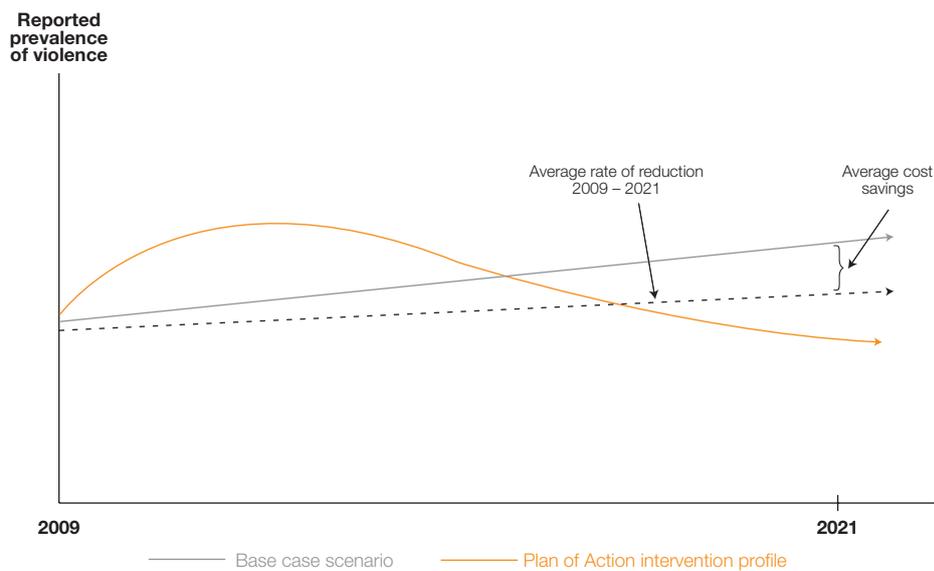
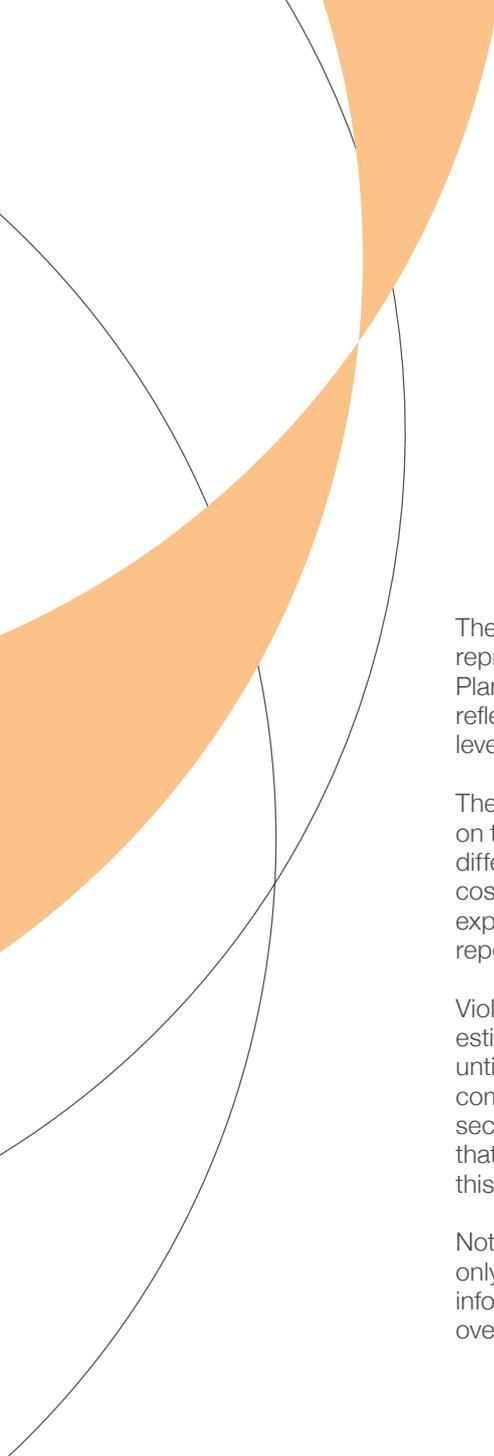


Figure 1: Profile of women experiencing violence (for illustrative purposes only)



The expected number of women experiencing violence if no action is taken is represented by the grey profile. The number of women experiencing violence if the Plan of Action is implemented is represented by the orange profile. The orange profile reflects the anticipated increase in reporting of violence initially, followed by reduced levels of violence over time as the initiatives take effect.

The gap between the two profiles represents the additional cost or saving (depending on the particular year). The average savings are represented by the average of the difference between the grey and orange profiles over the total period. The avoided costs referred to in this report are the costs associated with victims/survivors' experience of violence that are avoided, regardless of changes in aggregate levels of reported violence (which could be increasing or decreasing at the time of prevention).

Violence against women and their children will cost the Australian economy an estimated \$13.6 billion in 2008-09⁴¹. The Plan of Action sets out an action agenda until 2021. This timeframe recognises the need for long-term investment and commitment in order to achieve long-term and sustainable change. The following sections present the estimated costs of violence against women and their children that can be anticipated to 2021-22 without appropriate action to address this problem.

Note that the following sections 4-10 present the costs relating to domestic violence only and differ from the costs presented in the overview. Section 11 provides information on how the costs of non-domestic violence are incorporated into the overall cost estimate.

⁴¹ Violence against women and their children includes domestic (intimate and ex-intimate partner) and non-domestic violence.





4 Pain, suffering and premature mortality

4.1 Summary of findings

Table 8 summarises costs in 2021-22 for domestic violence against women and their children resulting from pain, suffering and premature mortality without intervention. Further details of the method for calculating cost estimates are in Appendix A.

Structural	2021-22 (\$ million)
Total cost of pain, suffering and premature mortality	3,883

Table 8: Cost of pain, suffering and premature mortality in 2021-22⁴²

Without the Plan of Action interventions, the cost of pain, suffering and premature mortality is estimated at \$3.9 billion in 2021-22. For every woman whose experience of violence is prevented as a result of the Plan of Action intervention, \$10,073 in pain, suffering and premature mortality costs can be avoided. This equates to \$388 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

4.2 Category description

This category includes the less tangible costs of pain, suffering and premature death associated with domestic violence. The non-financial Disability Adjusted Life Year (DALY) approach⁴³ is used to measure the years of life lost due to premature mortality and years of healthy life lost through pain and suffering. DALYs are then converted to a dollar figure by assigning a value to a statistical life year. Access Economics estimated the cost of pain, suffering and premature death was \$3.5 billion in 2002-03⁴⁴.

42 All figures are in 2007-08 dollars.

43 The DALY approach was developed by the World Health Organisation, World Bank and Harvard University. For further information on the methodology, see http://www.who.int/healthinfo/global_burden_disease/en/index.html

44 Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=-> p 30.

4.3 Cost and stakeholder breakdown

Table 9 summarises the cost of pain, suffering and premature death associated with victims/survivors of domestic violence.

	\$ million	% of total
Depression	1,141	29
Anxiety	875	23
Suicide	475	12
Alcohol	380	10
Tobacco	376	10
Drug use	189	5
Femicide	156	4
Physical injuries	139	4
Cervical cancer	60	1
Eating disorders	51	1
Sexually transmitted diseases	22	1
Total	3,864⁴⁵	100

Table 9: Breakdown of pain, suffering and premature mortality costs in 2021-22⁴⁶

Without appropriate action to address violence against women and their children, the cost of pain, suffering and premature death could reach over \$3.8 billion in 2021-22. The main contributor to these costs (assuming no change in cost composition) is likely to be depression at 29 per cent of total costs, followed by anxiety at 23 per cent and suicide at 12 per cent.

⁴⁵ This figure excludes health and productivity costs which are captured in other cost categories.

⁴⁶ All figures are in 2007-08 dollars.

Table 10 summarises who will bear the cost of pain, suffering and premature death associated with domestic violence.

	\$ million	% of total
Victim/survivor	3,668	94.4
Children	211	5.4
Perpetrator	4	0.2
Total⁴⁷	3,883⁴⁸	100

Table 10: Cost of pain, suffering and premature mortality by affected group in 2021-22

Without appropriate action to address violence against women and their children, the cost of pain, suffering and premature death in 2021-22 will be borne primarily by the victims/survivors at almost \$3.7 billion (94 per cent). Children will also bear considerable costs of \$211 million (5 per cent), followed by perpetrators at \$4 million (0.2 per cent).

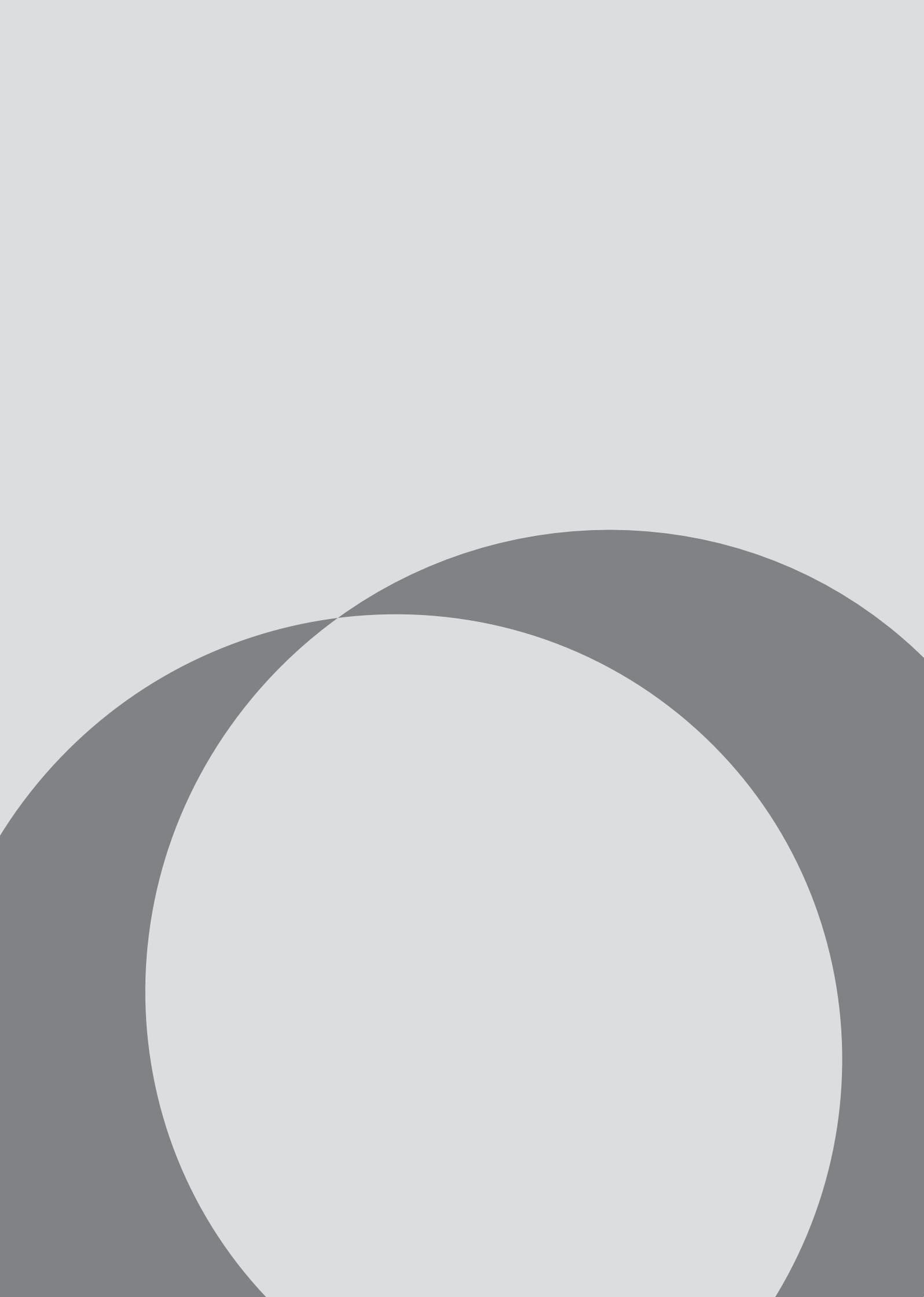
4.4 Plan of Action priorities

The Plan of Action advocates a range of actions designed to reduce the costs of pain, suffering and premature death as a result of violence against women. For example, the Plan of Action advocates the establishment of homicide/fatality review processes in each jurisdiction to review deaths that result from violence against women and their children.

If the review processes were established and review findings incorporated into ways of addressing violence against women and their children, \$10,073 could be saved in costs associated with pain, suffering and premature death for every woman whose experience of violence is prevented.

⁴⁷ All figures are in 2007-08 dollars.

⁴⁸ Totals for victims, perpetrators and children are net of respective costs associated with health and productivity.



5 Health costs

5.1 Summary of findings

Table 11 summarises health costs in 2021-22 resulting from domestic violence against women and their children.

	2021-22 (\$ million)
Total health costs	445

Table 11: Health costs in 2021-22⁴⁹

Without the Plan of Action interventions, the costs of health-related expenditure are estimated at \$445 million in 2021-22. For every woman whose experience of violence is prevented as a result of the Plan of Action, \$1,154 in health costs can be avoided. This equates to \$45 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

5.2 Category description

This category includes public and private health system costs associated with treating the effects of domestic violence, such as physical injuries, depression, anxiety, alcohol abuse and smoking. Access Economics estimated total health costs for female victims, perpetrators of violence and children at \$388 million in 2002-03⁵⁰.

5.3 Cost and stakeholder breakdown

Without appropriate action to address violence against women and their children, health costs could reach \$445 million in 2021-22.

49 All figures are in 2007-08 dollars.

50 Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=,pp.34>.

Table 12 summarises who will bear the cost of suffering associated with domestic violence.

	\$ million	% of total
Federal and state/territory governments	305	68
Victim/survivor	87	20
Community/society	51	11
Perpetrator	2	1
Total	445	100

Table 12: Health costs by affected group in 2021-22⁵¹

Without appropriate action to address violence against women and their children, health costs in 2021-22 will be borne primarily by federal and state/territory governments at \$305 million (68 per cent). Victims/survivors will also bear considerable costs of \$87 million (20 per cent).

5.4 Plan of Action priorities

The Plan of Action advocates a range of actions that are designed to reduce health costs associated with violence against women. The Plan of Action proposes:

- the development and implementation of model codes of practice to ensure that there is consistency, transparency and accountability between sectors (health, community, legal) in delivering services that respond to sexual assault, domestic and family violence.
- the establishment of a professional national telephone and online crisis support service for anyone in Australia who has experienced, or is at risk of, sexual assault and/or domestic and family violence. The service should integrate and coordinate with existing services in all states and territories, offer professional counselling, provide information and referrals, use best practice technology, link with other 1800 numbers, have direct links with relevant local and state services, and provide professional supervision and advice to staff in services in isolated and remote areas.
- Develop a national evaluation approach to assess the effectiveness of service responses to women and their children who have experienced violence, including women with disabilities, living in a range of settings.

⁵¹ All figures are in 2007-08 dollars.



6 Production-related costs

6.1 Summary of findings

Table 13 summarises production-related costs in 2021-22 resulting from domestic violence against women and their children.

	2021-22 (\$ million)
Total production-related costs	609

Table 13: Production-related costs in 2021-22⁵²

Without the Plan of Action interventions, production-related costs are estimated at \$609 million in 2021-22. For every woman whose experience of violence is prevented as a result of the Plan of Action intervention in a particular year, \$1,581 in production-related costs can be avoided. This equates to \$61 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

6.2 Category description

This category includes the costs of short- and long-term productivity losses associated with domestic violence. Short-term productivity losses include temporary absenteeism from paid and unpaid work and employer administrative costs, while long-term losses reflect a permanent loss of the worker (homicide and premature death). Access Economics estimated the total cost of lost productivity was \$484 million in 2002-03⁵³.

6.3 Cost and stakeholder breakdown

Without appropriate action to address violence against women and their children, production-related costs could reach \$609 million in 2021-22. The main contributor to these costs is likely to be costs relating to homicide and premature death at 30 per cent of total costs, followed by victims/survivors' absenteeism from work at 29 per cent.

⁵² All figures are in 2007-08 dollars.

⁵³ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>, pp 43.

Table 14 summarises who will bear the production-related associated with domestic violence.

	\$ million	% of total
Employers	235	39
Community/society	172	28
Victim/survivor	112	18
Perpetrator	90	15
Total	609	100

Table 14: Production-related costs by affected group in 2021-22⁵⁴

Without appropriate action to address violence against women and their children, production-related costs in 2021-22 will be borne primarily by employers at \$235 million (39 per cent). The community will also bear considerable costs of \$172 million (28 per cent) followed by victims/survivors at \$112 million (18 per cent).

6.4 Plan of Action priorities

The Plan of Action advocates a range of actions designed to reduce production related costs associated with violence against women, for example, by ensuring that the Government's response to the Commonwealth Parliament's Gender Pay Equity Inquiry addresses the links with violence against women. This will be achieved by women's Ministers, nationally, making representations to the Gender Pay Equity Inquiry and the Pensions Review, asking that the inter-relationship between violence against woman, lack of economic independence and gender inequality be considered as part of their reviews, and addressed within their recommendations.

⁵⁴ All figures are in 2007-08 dollars.



7 Consumption-related costs

7.1 Summary of findings

Table 15 summarises consumption-related costs in 2021-22 resulting from domestic violence against women and their children.

	2021-22 (\$ million)
Total consumption-related costs	3,542

Table 15: Consumption-related costs in 2021-22⁵⁵

Without the Plan of Action interventions, consumption-related costs are estimated at \$3.5 billion in 2021-22. For every woman whose experience of violence is prevented as a result of the Plan of Action, \$9,190 in consumption-related costs can be avoided. This equates to \$354 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

7.2 Category description

This category includes short-term costs of replacing damaged property and defaulting on a bad debt, and the long-term cost arising from the loss of economies of scale in consumption (owing to reduced average household size). Access Economics estimated total consumption-related costs were \$2.6 billion in 2002-03⁵⁶.

⁵⁵ All figures are in 2007-08 dollars.

⁵⁶ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=,> pp 46.

7.3 Cost and stakeholder breakdown

Table 16 summarises consumption-related costs associated with domestic violence.

	\$ million	% of total
Economies of scale in consumption	3,340	94
Damaged/destroyed property	202	6
Total	3,542	100

Table 16: Breakdown of consumption-related costs in 2021-22⁵⁷

Without appropriate action to address violence against women and their children, consumption-related costs could reach \$3.5 billion in 2021-22. The main contributor to these costs is likely to be the change in economies of scale at 94 per cent of the total costs. Consumption-related costs are assumed to be borne entirely by the victim/survivor and family and friends.

7.4 Plan of Action priorities

The Plan of Action advocates a range of actions that will particularly impact on consumption related costs:

- strengthen media and internet standards to address sexualised and denigrating representations of women, and minimise the impact of the persistent exposure to representations of violence in childhood and adolescence
- developing, trialling, implementing and evaluating educational programs in a range of settings, based on best practice principles, for pre-schoolers, children, adolescents and adults that encourage respectful relationships and protective behaviours
- building on and targeting existing resources, programs and services to help parents and primary caregivers provide positive parenting by supporting their children to develop respectful relationships
- increasing the availability, range and evaluation of perpetrator programs that meet standard principles, particularly in rural and remote areas.

⁵⁷ All figures are in 2007-08 dollars.



8 Administrative and other costs

8.1 Summary of findings

Table 17 summarises administrative and other costs in 2021-22 resulting from domestic violence against women and their children.

	2021-22 (\$ million)
Total administrative and other costs	555

Table 17: Administrative and other costs in 2021-22⁵⁸

Without the Plan of Action interventions, administrative and other costs are estimated at \$555 million in 2021-22. For every woman whose experience of violence is prevented as a result of the Plan of Action, \$1,441 in administrative and other costs can be avoided. This equates to \$56 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

8.2 Category description

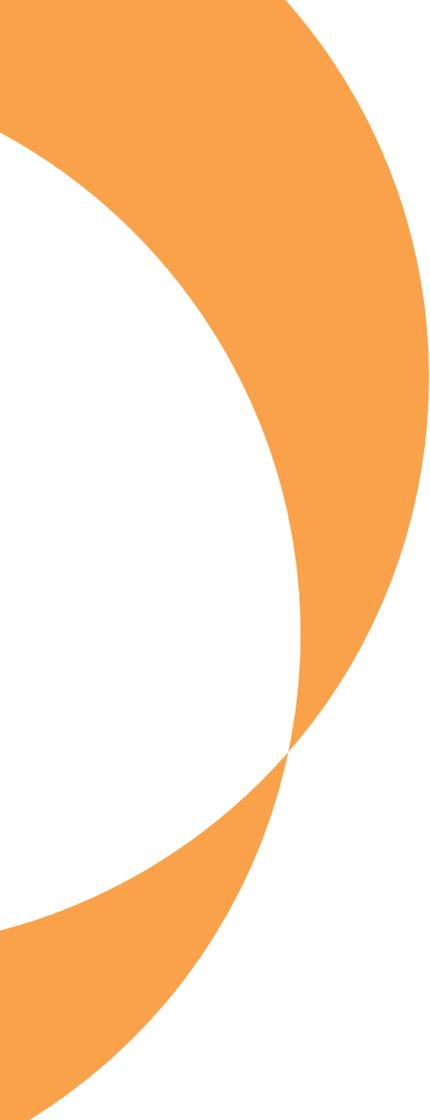
This category includes legal system costs (such as incarceration, court system and private legal costs), temporary accommodation costs, and other costs (such as counselling, perpetrator programs, and imputed carer costs). Access Economics estimated total administrative and other costs were \$480 million in 2002-03⁵⁹.

8.3 Cost and stakeholder breakdown

Without appropriate action to address violence against women and their children, administrative and other costs could reach \$555 million in 2021-22. The main contributions to these costs are likely to be legal system costs at 58 per cent of total costs, followed by other administrative costs (counselling, perpetrator programs etc) at 22 per cent, and temporary accommodation at 20 per cent.

⁵⁸ All figures are in 2007-08 dollars.

⁵⁹ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>, pp 54 and 57-58.



Without appropriate action to address violence against women and their children, administrative and other costs in 2021-22 will be borne primarily by government at \$500 million (90 per cent) and the community at \$46 million (8 per cent of the total costs).

8.4 Plan of Action priorities

The Plan of Action advocates a range of initiatives which will have a particular impact on administrative costs. These include:

- establishing a reference for the Australian Law Reform Commission to examine present state/territory domestic and family violence and child protection legislation and federal family law, and propose solutions to ensure that these laws work together to protect women and their children from violence
- establishing a mechanism to enable the automatic national registration of domestic and family violence protection orders and subsequent variations adaptations and modifications occurring anywhere in Australia or New Zealand
- establishing or building on emerging homicide/fatality review processes in all states and territories to review deaths that result from domestic and family violence so as to identify factors leading to these deaths, improve system responses and respond to service gaps
- commissioning the production of a model Bench Book, in consultation with jurisdictions and as part of a national professional development program for judicial officers on sexual assault and domestic and family violence
- continuing to trial and evaluate supplementary legal processes in the area of Aboriginal and Torres Strait Islander family violence and sexual assault, such as restorative justice, which are driven by Aboriginal and Torres Strait Islander communities.



9 Second generation costs

9.1 Summary of Findings

Table 18 summarises second generation costs in 2021-22 resulting from domestic violence against women and their children.

	2021-22 (\$ million)
Total administrative and other costs	280

Table 18: Second generation costs in 2021-22⁶⁰

Without the Plan of Action interventions, second generation costs are estimated at \$280 million in 2021-22. For every woman whose experience of violence is prevented as a result of the Plan of Action, \$725 in second generation costs can be avoided. This equates to \$28 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

9.2 Category description

This category includes short-term costs of providing protection and other services (such as child protection services, childcare and remedial/special education) to children of relationships where there is domestic violence, and longer-term costs imposed on society by these children as they grow older (such as increased crime and future use of government services). Access Economics estimated total second generation costs were \$220 million in 2002-03⁶¹.

⁶⁰ All figures are in 2007-08 dollars.

⁶¹ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>. pp 47.

9.3 Cost and stakeholder breakdown

Table 19 summarises second generation costs associated with domestic violence.

	\$ million	% of total
Increased adult crime	107	38
Increased juvenile crime	53	19
Childcare	50	18
Out-of-home care	39	14
Child protection	21	8
Changing schools	9	3
Special/remedial education	1	0
Total	280	100

Table 19: Breakdown of second generation costs in 2021-22⁶²

Without appropriate action to address violence against women and their children, second generation costs could be \$280 million in 2021-22. The main contributor to these costs is likely to be the increase in crime committed as adults by children who witness violence, at 38 per cent of total costs, followed by the increase in juvenile crime at 19 per cent.

Without appropriate action to address violence against women and their children, second generation costs in 2021-22 will be borne primarily by government.

9.4 Plan of Action priorities

The Plan of Action advocates more help for parents and primary care-givers to provide positive parenting by supporting their children to develop respectful relationships. If this initiative were implemented, \$725 could be saved in second generation costs for every woman whose experience of violence was prevented.

⁶² All figures are in 2007-08 dollars.



10 Transfer costs

10.1 Summary of findings

Table 20 summarises transfer costs in 2021-22 resulting from domestic violence against women and their children.

	2021-22 (\$ million)
Total transfer costs	569

Table 20: Transfer costs in 2021-22⁶³

Without the Plan of Action interventions, transfer costs are estimated at \$569 million in 2021-22.

10.2 Category description

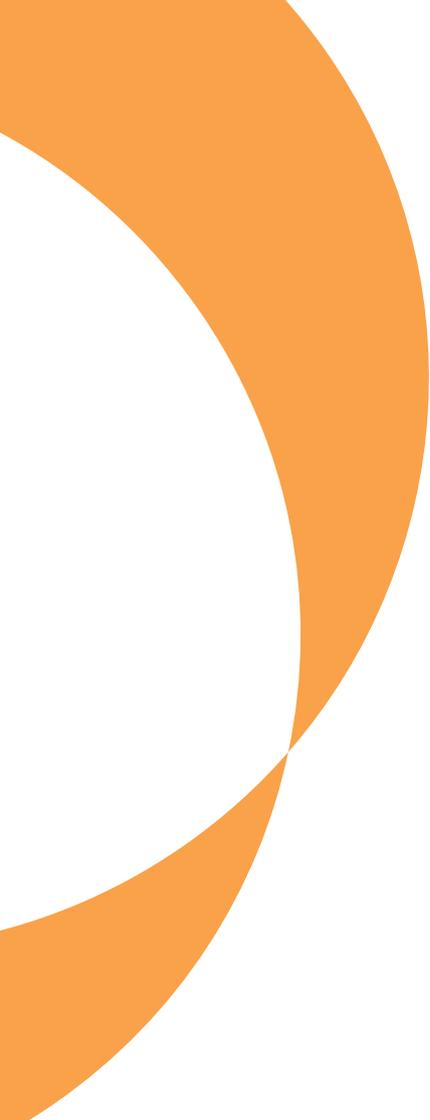
Transfer payments such as government benefits and taxes represent a shift in payments from one group in society to another. They do not therefore represent a net cost to society and are not included in the analysis⁶⁴. However, the taxes by their very nature, create distortions and inefficiencies in the economy which do impose a cost.

Violence against women and their children results in reduced tax revenue and a requirement to collect extra tax dollars including for:

- loss of income tax of victims/survivors, perpetrators and employers
- additional induced social welfare payments
- victim compensation payments and other government services.

63 All figures are in 2007-08 dollars.

64 However, transfer payments are relevant in any distributional analysis of costs and benefits.



The collection of these additional tax dollars creates the distortion or inefficiency in the economy. The cost of this inefficiency is often called the 'deadweight loss' or 'excess tax burden', which is a net loss to society.

Deadweight loss occurs when the loss to consumers and producers caused by the tax (i.e. the amount of a good or service that would have been consumed or produced, but for the tax) exceeds the revenue obtained from the tax. Access Economics estimated the total cost of transfers was \$410 million in 2002-03⁶⁵.

10.3 Stakeholder breakdown

The distortions and inefficiencies to the economy that result from transfers and the cost of raising additional taxation to cover this loss are borne almost entirely by government.

⁶⁵ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=,pp> 60.



11 Non-domestic violence

11.1 Introduction

The Access Economics work considered domestic violence only. The cost estimates in this report attempt to capture the costs associated with the more encompassing definition of violence against women and their children envisaged by the Plan of Action. This requires making a distinction between intimate partner and non-intimate partner violence.

The cost estimates in sections 4 to 10 of this report refer to the cost of domestic violence only. These costs do not include the costs of non-domestic violence, or violence perpetrated by a stranger. This is because the available data prevents a breakdown of the costs of non-domestic violence to the same level of detail as is possible for domestic violence. However, excluding non-domestic violence significantly understates the total cost of violence against women and children.

This section presents the effects of including the costs of non-domestic partner violence on total costs of violence.

11.2 The cost of non-domestic violence

The impact of violence against women and their children where the violence is perpetrated by a non-intimate partner presents different costs than for domestic violence. KPMG has sought to cost non-domestic violence by excluding irrelevant cost categories.

For example, violence perpetrated by a stranger is less likely to occur in the victim/survivor's home, so the cost of replacing broken and damaged household possessions is generally not an issue. The children of the victim/survivor are also less likely to witness non-domestic violence. The relevant cost categories excluded from non-domestic violence are therefore 'second generation costs' and 'consumption costs' (see Appendix A for further details).

In order to estimate a total cost to the economy, the \$5.7 billion cost of non-intimate partner related violence is allocated proportionally across each relevant cost category. The breakdown of cost by category is presented in Table 21.

Category of cost	Domestic violence costs (\$ million)	Non-domestic violence costs (\$ million)	Total cost (\$ million)
Pain, suffering and premature mortality	3,883	3,647	7,530
Consumption-related	3,542	0	3,542
Production-related	609	572	1,181
Transfer costs	569	535	1,104
Administrative and other	555	522	1,077
Health	445	418	863
Second generation	280	0	280
Total	9,883	5,694	15,577

Table 21: Domestic violence, non-domestic violence and total costs by category⁶⁶

Costs of non-domestic violence can also be allocated proportionally by stakeholder group. Removing the costs not associated with non-domestic violence, the allocation of costs is in the same proportion as for domestic violence.

⁶⁶ All figures are in 2007-08 dollars.

Table 22 shows the total costs by stakeholder.

Affected group	Domestic violence costs (\$ million)	Non-domestic violence costs (\$ million)	Total cost (\$ million)
Victim/survivor	4,489	3,638	8,127
Federal, state and territory governments	1,654	1,291	2,945
Community	1,655	253	1,908
Children	1,076	198	1,274
Perpetrator	764	91	855
Employers	235	221	456
Friends and family	10	2	12
Total	9,883	5,694	15,577

Table 22: Domestic violence, non-domestic violence and total costs by stakeholder group⁶⁷

⁶⁷ All figures are in 2007-08 dollars.



12 The impact of violence on vulnerable groups

12.1 Introduction

The Plan of Action recognises that women are not a homogenous group, so a 'one-size-fits-all' approach to battling the problem is not effective. The Plan focuses on helping women in a range of circumstances and from a range of backgrounds within Australia to live free from violence and the threat of violence.

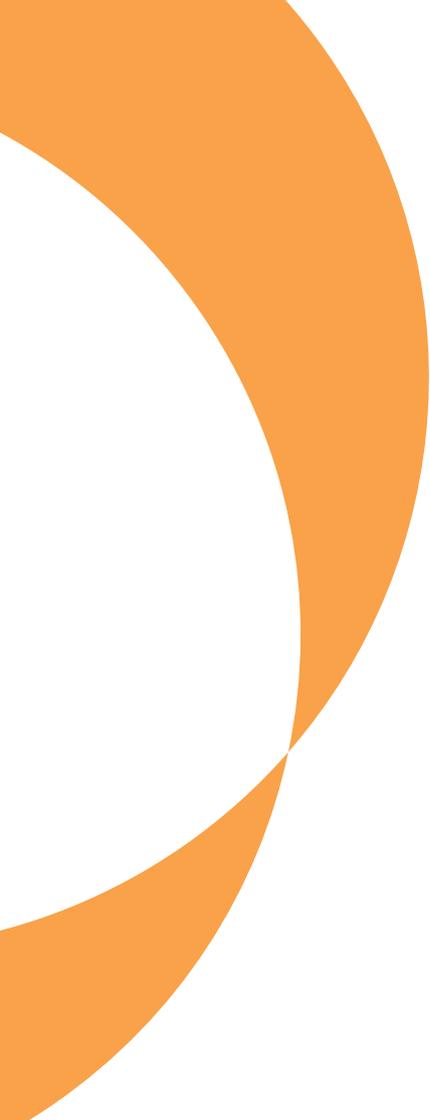
Certain groups of women in society are more vulnerable to experiencing violence than others. Often a direct causal link between a woman's circumstances and the woman experiencing violence is known to exist, but is difficult to establish and quantify owing to limitations in available data and the way in which the data is collected.

Nevertheless, it is important to appreciate the costs of violence as they affect women who are more vulnerable to it, as a means of informing decision-makers on the most appropriate and cost-effective interventions on reducing levels of violence. This section attempts to identify the costs of violence against women and their children for selected vulnerable groups.

12.2 Vulnerable groups

The ways in which women and their children experience violence, the options open to them in dealing with violence, and the extent to which they have access to services that meet their needs are shaped by the intersection of gender with factors such as disability, English language fluency, ethnicity, physical location, sexuality, Aboriginal and Torres Strait Islander identity, and migration experience⁶⁸. These factors act to increase vulnerability to the risk and effects of violence.

68 Stubbs, *Violence Against Women: the Challenge of Diversity for Law, Policy and Practice*. Second National Outlook Symposium: Violence Crime, Property Crime and Public Policy, Australian Institute of Criminology Canberra, 1997.



The main vulnerable groups include:

- *Young women*: in 2005, more than 950,000 Australian women reported they were sexually abused before the age of 15⁶⁹.
- *Children of women who experience violence*: almost one in four children in Australia have witnessed violence against their mother or stepmother⁷⁰. Where violence occurred between current partners, more than one-quarter of incidents involved children witnessing the violence. In situations of violence between former partners, more than one-third of cases involved the children witnessing the violence⁷¹.
- *Aboriginal and Torres Strait Islander women*: Indigenous women report higher levels of physical violence than non-Aboriginal and non-Torres Strait Islander women, and are more likely to experience sexual violence and sustain injury⁷².
- *Women with disabilities*: women with disabilities are more likely to experience partner or sexual violence, more severely, and over a longer period than women without disabilities⁷³.
- *Women who live in rural and remote areas*: there is evidence of a higher reported incidence of sexual assault and domestic and family violence in rural and remote communities than in urban Australia⁷⁴.
- *Women identifying as lesbian, bisexual, transgender or intersex*: more than one-third of women identifying as lesbian, bisexual, transgender or intersex have been in a relationship where their partner abused them⁷⁵.

69 Quadara, *Responding to Young People Disclosing Sexual Assault*, Australian Institute of Family Studies, 2008.

70 Crime Research Centre and Donovan Research, *Young people and domestic violence: national research on young people's attitudes to and experiences of domestic violence*, Commonwealth Attorney-General's Department, 2001. Cited in Indermaur, *Young Australians and domestic violence*, Trends and Issues in Crime and Criminal Justice Number 195, Australian Institute of Criminology, Canberra, 2001.

71 Australian Bureau of Statistics, *Personal Safety Survey*, ABS Cat. No. 4906.0, Canberra, 2005.

72 See for example: Al-Yaman, Van Doeland and Wallis, *Family Violence Among Aboriginal and Torres Strait Islander Peoples*, AIHW cat. no. FHW 17, Australian Institute of Health and Welfare, Canberra, 2006; Wild and Anderson, *Ampe Akelyerneman Meke Mekarle: Little Children are Sacred – Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse*, Northern Territory Government, Darwin, 2007; New South Wales Attorney-General's Department, *Breaking the Silence: Creating the Future. Addressing Child Sexual Assault in Aboriginal Communities in New South Wales*, Report of the New South Wales Aboriginal Child Sexual Assault Taskforce, New South Wales Government, Sydney, 2006; Human Rights and Equal Opportunity Commission, *Ending family violence and abuse in Aboriginal and Torres Strait Islander communities: Key Issues, An overview paper of research and findings by the Human Rights and Equal Opportunity Commission 2001-2006*, Commonwealth of Australia, Sydney, 2006; Mouzos and Makkai, *Women's Experiences of Male Violence: Findings from the Australian component of the International Violence Against Women Survey (IWAWS)*, Australian Institute of Criminology, Research and Public Policy Series No.56., 2004; and Lievore, *Non-reporting and Hidden Recording of Sexual Assault: An International Literature Review*, Australian Institute of Criminology, Report for the Commonwealth Office for the Status of Women, 2003. viewed November 2008, <http://www.aic.gov.au/publications/reports/2003-06-review.pdf>

73 Murray and Powell, *Sexual assault and adults with a disability: enabling recognition, disclosure and a just response*, ACSSA Issues 9 2008.

74 Women Services Network, *Domestic violence in regional Australia: a Literature Review*, A Report for the Commonwealth Department of Transport and Regional Services, 2000.

75 Pitts, Smith, Mitchell and Patel, *Private Lives: A report on the health and wellbeing of GLBTI Australians*, Gay and Lesbian Health Victoria and the Australian Research Centre in Sex, Health and Society, Monograph Series no. 57, March 2006.

- *Immigrant and refugee women:* women from immigrant and refugee backgrounds are more likely to be murdered as a result of domestic and family violence and are less likely to receive appropriate assistance when they try to leave a violent relationship⁷⁶.
- *Women who are pregnant:* most women who experience violence from their partner first experience it during pregnancy. This is not to say that there is a direct causal relationship between violence and pregnancy, but rather a complex relationship that increases women's vulnerability⁷⁷.
- *Women who experience economic hardship and poverty:* women are generally at greater risk of poverty than men both because of disadvantages experienced by women in the workforce (Australian women earn 84 cents for every dollar earned by men⁷⁸), and perpetrators of violence exacerbating financial and economic dependencies through controlling behaviour⁷⁹.
- *Women who experience homelessness:* one in five women seeking supported accommodation is escaping violence at home⁸⁰. Sexual assault is the primary reason that young women become homeless and the state of homelessness increases their vulnerability to further abuse. Aboriginal and Torres Strait Islander women are more likely to become homeless after a sexual assault; leaving their homes to stay with extended family members contributes to overcrowding and puts them and their children at risk of further victimisation.

In principle, it is possible to calculate the proportion of the costs of violence against women and children that relate to the vulnerable groups above, where the proportion of victims/survivors of violence in each of the groups can be identified from the available prevalence data.

Unfortunately, in most cases the requirements for performing this calculation exceeded the limitations of the data. Nevertheless, where reasonably reliable data could be obtained to inform an assumption as to the proportion of women who experience violence who fall into the vulnerable group categories, a cost has been estimated for the following groups:

- immigrant and refugee women
- women with disabilities
- Aboriginal and Torres Strait Islander women
- children who witness and live with violence.

⁷⁶ Dimopoulos and Assafiri 'Pathologising NESB women and the construction of the 'cultural defence', *Point of contact: Responding to children and domestic violence*, Partnerships Against Domestic Violence, Commonwealth of Australia, Canberra, 2004.

⁷⁷ Taft, Violence against women in pregnancy and after childbirth: Current knowledge and issues in health care responses, Centre for the Study of Mothers' and Children's Health, La Trobe University. Issues Paper 6, Australian Domestic and Family Violence Clearinghouse, New South Wales, 2002.

⁷⁸ Australian Bureau of Statistics, *Average Weekly Earnings*, ABS Cat. No. 6302.0, Commonwealth of Australia, Canberra, 2008.

⁷⁹ The National Council to Reduce Violence Against Women and their Children, *Background Paper to Time for Action: the National Council's Plan for Australia to Reduce Violence against Women and their Children*, Department of Families, Housing, Community Services and Indigenous Affairs, Commonwealth of Australia, 2009.

⁸⁰ Australian Institute of Health and Welfare (AIHW), *Homeless people in SAAP: SAAP National Data Collection Annual Report 2006-07*. SAAP NDCA report series 12. cat. no. HOU 185. Canberra, 2008.

12.3 The cost of violence on vulnerable groups

The estimated cost of violence (domestic and non-domestic) perpetrated against women from selected vulnerable groups is presented in Table 23.

	2021-22 (\$ million)
Immigrant and refugee women	4,050
Women with disabilities	3,894
Aboriginal and Torres Strait Islander women	2,161
Children who witness violence	1,554

Table 23: Cost estimates for selected vulnerable groups in 2021-22

12.3.1 Immigrant and refugee women

Without intervention, the cost of violence perpetrated against immigrant and refugee women is estimated at \$4 billion in 2021-22 across the seven cost categories, representing 26 per cent of the total cost of violence in 2021-22⁸¹.

12.3.2 Women with disabilities

Without intervention, the cost of violence perpetrated against women with disabilities is estimated at almost \$3.9 billion in 2021-22 across the seven cost categories, representing 25 per cent of the total cost of violence in 2021-22⁸².

12.3.3 Aboriginal and Torres Strait Islander women

Without intervention, the cost of violence perpetrated against Aboriginal and Torres Strait Islander women is estimated at \$2.2 billion in 2021-22 across the seven cost categories. This is based on the estimate that up to 40 per cent of indigenous women will have experienced domestic violence over the past 12 months, and the unit cost of domestic violence of \$20,766⁸³.

81 Derived from the ABS Personal Safety Survey.

82 It is reported in Murray and Powell, *Sexual assault and adults with a disability: enabling recognition, disclosure and a just response*, ACSSA Issues 9, 2008 that 25 per cent of Victorian women who reported sexual assault to the police had a disability, 15 per cent had an intellectual disability, and 5.9 per cent had a physical disability. Without further reliable estimates, this proportion is used across all violence types, recognising that women with disabilities are likely to be over-represented.

83 The 2004 National Drug Strategy Household Survey (NDSHS) covered 30,000 Australians, of whom 463 (1.5 per cent) identified themselves as Aboriginal or Torres Strait Islander. The survey findings estimated that 42 per cent of indigenous people had experienced violence in the past 12 months.

12.3.4 Children who witness violence

Without intervention, the cost attributed to victims/survivors' children witnessing violence is estimated at \$1.6 billion⁸⁴ in 2021-22, representing 10 per cent of the total cost of violence.

For every woman who does not experience intimate partner violence as a result of Plan of Action intervention, \$3,518 in costs associated with their children can be avoided. This equates to \$155 million in reduced costs if levels of violence could be reduced by just 10 per cent by 2021-22.

12.4 Plan of Action priorities

The Plan of Action identifies the following priorities specific to, or elements that are specific to, vulnerable groups of women:

- help parents and primary caregivers to provide positive parenting by supporting their children to develop respectful relationships
- work with local communities to collaboratively plan, develop, design and implement local responses to sexual assault and domestic and family violence
- provide funding to support a national network of locally-developed healing centres for Aboriginal and Torres Strait Islander communities and other emerging initiatives and support centres in urban, regional, rural, remote and isolated communities to address their experiences of trauma and violence
- ensure children who are living with, or have lived with, sexual assault and/or domestic and family violence do not have their safety, wellbeing, support and counselling needs compromised, and that all interventions are in accord with the safety and wellbeing of their mothers.

⁸⁴ Includes \$1.3 billion for children as a stakeholder and \$280 million for second generation costs.



A Appendix

Cost estimate methodology

The cost estimate methodology in this report broadly adopts the same approach as that taken by Access Economics in 2004⁸⁵. However, the scope and effort implied in constructing the 2002-03 estimates far exceeds that of this study. The aim is to provide decision-makers with a sense of the scale of this problem and its impact on society, in order to provide another perspective on the need and benefits of intervention as advocated by the Plan of Action.

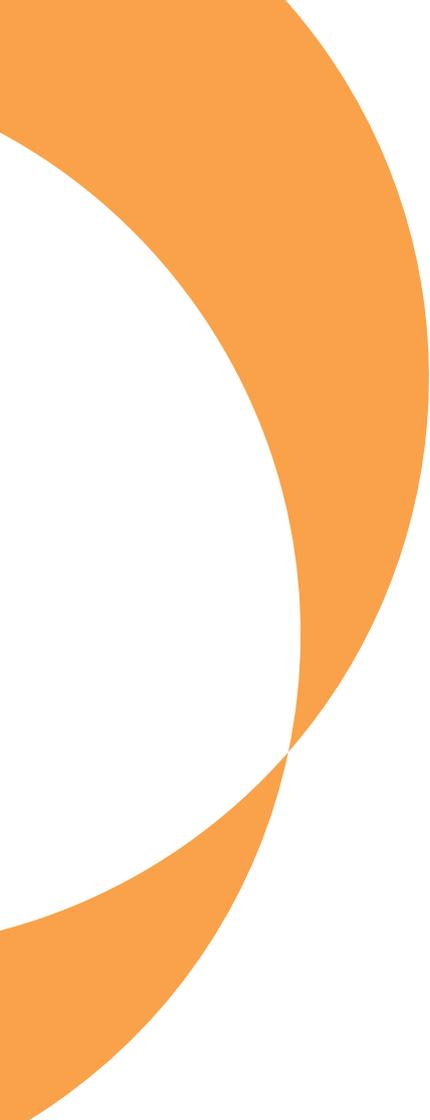
This report updates the 2002-03 cost estimates and projects the costs to 2021-22⁸⁶. In updating the estimates, the most recent data has been used as a basis for updating the costs, and in other cases an appropriate escalation factor has been applied (rather than replicating the construction of these costs). The cost estimates in this report are not directly comparable to the Access Economics figure, as the figures in this report include non-domestic violence and exclude violence perpetrated against men.

Estimating prevalence

The 2005 Personal Safety Survey (PSS) conducted by the Australian Bureau of Statistics (ABS) provides the most up-to-date prevalence estimates of people who experience violence and harassment. The Women's Safety Survey covers the same broad topics and is the basis for the Access Economics report. Analysis of the two surveys suggests that between 1996 and 2005 there was a drop in the number of reported violence cases. This report seeks to update the Access Economics prevalence data by applying this trend in order to establish a base case in 2007-08. In the absence of reliable trend data to further project out to 2021-22, the report assumes that holding all else constant, the number of victims/survivors of violence against women will trend upwards with population growth estimates obtained from the ABS.

⁸⁵ Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part I* and Access Economics, *The Cost of Domestic Violence to the Australian Economy: Part II*, 2004, viewed December 2008, <http://www.accesseconomics.com.au/publicationsreports/showreport.php?id=23&searchfor=2004&searchby=>, pp 54 and 57-58.

⁸⁶ Note that the Access Economics estimate pertains to domestic violence only and includes domestic violence perpetrated against men. The estimates in this report include non-domestic sexual assault and exclude violence perpetrated against men.



Cost categories

The methodology combines both top-down and bottom-up approaches in order to estimate the costs that are relevant to each cost category. A top-down approach typically involves estimating a proportion of the total costs which can be attributed to domestic violence, whereas a bottom up approach involves applying a unit cost to the number of cases (victims/survivors, children or perpetrators).

KPMG has applied a number of techniques to update the Access Economics estimates in 2002-03 to reflect 2007-08. These techniques were based on two core themes: the change in prevalence of domestic violence, and the general increase in costs over time.

Where the required data was not available, a growth rate was applied to reflect the change in prevalence between 2002-03 and 2007-08. In the absence of other reliable cost drivers, costs were escalated, using the inflation rate over the same period. This method was typically applied to the top-down approaches adopted by Access Economics.

Where comparable data was available, KPMG sought to apply the numbers of cases to the new cost estimates. This method was applied to the bottom-up unit costs.

Once the estimates for 2007-08 were calculated, forecasts to 2021-22 were based on an average population growth of 1.1 per cent per annum⁸⁷ and are presented in 2007-08 dollars.

⁸⁷ Australian Bureau of Statistics, *Population Projections Australia*, ABS Cat. No. 3222.0, Commonwealth of Australia, 2006.

Table 24 shows the techniques applied to each cost category.

Category	Access Economics methodology	Escalation factor
Pain, suffering and premature mortality	<p>DALYs (Years of Life Lost + Years of Life Lost due to disability) are calculated using Australian Institute of Health and Welfare (AIHW) data. Extrapolations to 2002-03 are then based on ABS population changes for women by age between 1996 and 2003.</p> <p>Once the number of DALYs is established for 2002-03, the value of a life-year is applied to assign a cost to suffering associated with domestic violence for victims/survivors.</p>	<p>Domestic violence (DV) population growth estimated as the difference between Womens Safety Survey (WSS) and Personal Safety Survey (PSS) DV population (-6 per cent) and applied to DALYs.</p> <p>Value of life is presented in 2007-08 dollars.</p> <p>2021-22 estimates are based on population growth of 1.1% per annum.</p>
Health	<p>Access Economics 2004 estimates the health-related costs based on a top-down process using 2001 costing data obtained from the Disease Cost Impact Study (DCIS). The costing data is disaggregated by age, gender and disease category. Attributable fractions relating to domestic violence for each disease category are applied to the data to determine health costs that can be attributed to domestic violence. A health inflation index obtained from AIHW is applied to the 2001 estimates.</p>	<p>Health inflation rate is applied to account for increases in the cost of service provision and DV population growth to account for change in uptake of services.</p> <p>2021-22 estimates are based on population growth of 1.1% per annum.</p>

Category	Access Economics methodology	Escalation factor
Production-related	<p>Unit cost estimates (including average weekly salary) are sourced from WSS/PSS and other international studies. For each line item categorised under production-related costs, a specific unit cost is multiplied by the number of victims/survivors.</p> <p>The number of victims/survivors in each category is determined using ratios from other studies which are applied to the domestic violence population estimates (WSS/PSS).</p>	<p>DV population growth estimates are applied to the number of victims/survivors estimated for 2007-08. Unit costs (using CPI and wage inflation index) are inflated to 2007-08 dollars.</p> <p>2021-22 estimates are based on population growth of 1.1% per annum.</p>
Consumption-related	<p>Short-run consumption costs are estimated by applying a unit cost to the number of victims/survivors who experience damage to property.</p> <p>Long-run costs estimate the proportion of victims/survivors who experience a loss in household disposable income as a result of domestic violence.</p>	<p>DV population growth estimates are applied to the number of victims/survivors and CPI growth in the unit cost of property damage.</p> <p>2021-22 estimates are based on population growth of 1.1% per annum.</p>
Administrative and other	<p>Administration costs are the combination of a number of legal system, accommodation and other government program costs. The total number of individuals that have contact with the system in 2002-03 as a result of domestic violence are based on international studies and government sources. Unit costs are applied to these estimates.</p>	<p>DV population growth estimates are applied to the number of victims/survivors estimated for 2007-08 and the CPI index is used to account for the increase in cost.</p> <p>2021-22 estimates are based on population growth of 1.1% per annum.</p>

Category	Access Economics methodology	Escalation factor
Second generation	<p>A unit costing approach is used based on population estimates sourced from WSS/PSS and cost estimates sourced from other international studies.</p> <p>A top-down approach is taken to estimate the increased cost of juvenile and adult crime as a result of domestic violence. The cost of juvenile and adult crime is presented as a proportion of total crime.</p>	<p>DV population growth estimates are applied to the number of victims/survivors estimated for 2007-08 and the CPI index is applied to the unit cost of service provision to children.</p> <p>The cost of juvenile and adult crime is escalated based on growth in the number of children who witness domestic violence and the CPI index.</p> <p>2021-22 estimates are based on population growth of 1.1% per annum.</p>
Transfers	<p>Transfer costs refer to the inefficiencies created by taxation in the economy. This is known as a dead-weight loss and is estimated to cost 28.75 per cent of the total transfer amount.</p>	<p>Transfers are estimated from inflated induced government payments, the sum of government services (estimated in the previous cost categories), updated victim compensation figures and a taxation rate applied to personal and company earnings (estimated in the previous cost categories).</p>

Table 24: Categories of cost

Estimating non-domestic violence costs

In order to capture the full cost of violence against women, this report includes victims/survivors who experience violence not only by their intimate partner but also by a family member, acquaintance or stranger. A number of studies have estimated the cost of violence — and more specifically sexual assault — to the economy. However, given the differences in estimation techniques, they are not directly comparable to the domestic violence costs estimated in this report. For this reason, the cost categories described above that are relevant to non-domestic violence are included and the individual cost categories that are irrelevant to non-domestic violence are excluded⁸⁸.

For the cost categories relevant to non-domestic violence, unit costs are calculated on the total domestic violence population of 385,426. Table 25 presents the relevant cost category by unit cost.

Cost category	Average cost per victim (\$)
Pain, suffering and premature mortality	10,073
Health	1,154
Productivity	1,581
Administrative and other	1,441
Transfers	1,477
Non-domestic violence unit cost	15,726

Table 25: Unit cost estimates by cost category⁸⁹

The estimated unit cost of each victim of non-domestic violence is \$15,726. Thus for every woman who does not experience non-domestic violence as a result of the Plan of Action intervention in a particular year, \$15,726 across the economy can be avoided. Based on an estimated population of those who experience non-domestic violence, the total cost to the economy is \$5.7 billion. Allocating this total to the respective stakeholders is based on the same proportions as domestic violence, excluding the effects of consumption and second generation costs.

⁸⁸ Excluded cost categories include consumption and second generation costs, as these costs are specifically related to the household. This is a conservative estimate, as non-domestic violence may influence victims/survivors' children or household income.

⁸⁹ All figures are in 2007-08 dollars.

