



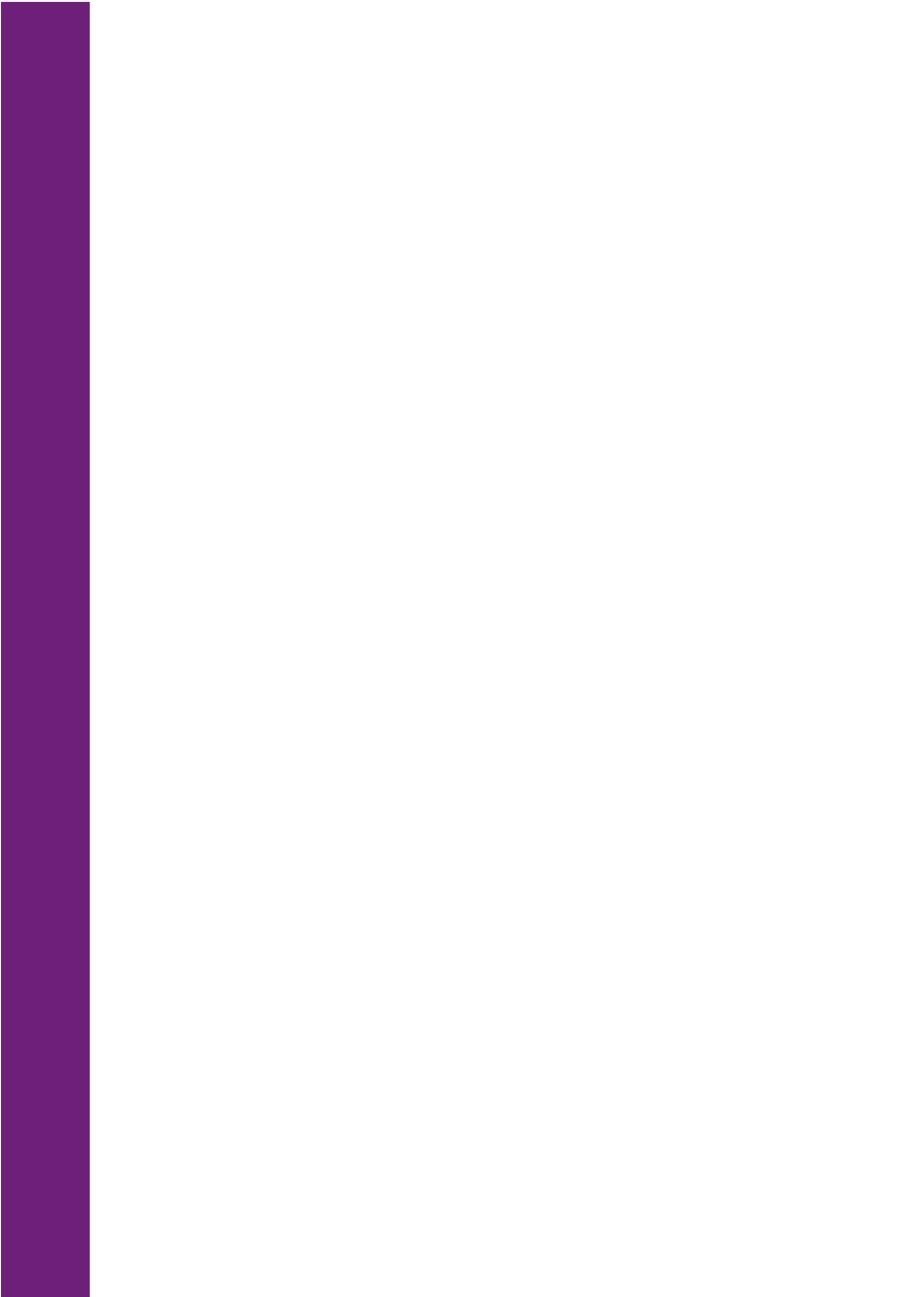
# The cost of violence against women and their children in Australia

## Final Report

This Final Report has been prepared for the  
Department of Social Services

May 2016

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# Contents

Why understanding the total cost of violence against women and their children is critical	1
Our understanding of violence is changing	2
KPMG estimates that the total cost of violence against women and their children in Australia	4
Accounting for the underrepresentation of violence against vulnerable women	8
A continually improving evidence base is required to support reform	11

## Inherent Limitations

This report has been prepared as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the Department of Social Services management and personnel consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

## Third Party Reliance

This report is solely for the purpose set out in the Scope Section and for the Department of Social Services information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of the Department of Social Services in accordance with the terms of KPMG's Engagement Letter dated 21 December 2015. Other than our responsibility to the Department of Social Services, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.



*Violence against women and their children is a crime and a fundamental breach of human rights. Experiencing violence has significant implications for victims, their children, families, friends, employers and co-workers.*

*The implications of violence can include long term social, health, psychological, financial, and economic damage. **Based on the 2012 Personal Safety Survey (PSS), KPMG estimates that the total cost of violence against women and their children is \$22 billion in 2015-16.***

*However, Aboriginal and Torres Strait Islander women, pregnant women, women with disability, and women experiencing homelessness are underrepresented in the PSS. Taking these groups fully into account **may add \$4 billion to these costs in 2015-16.***



**Liz Forsyth**

Global Lead: Human and Social Services  
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The Australian Government and, state and territory governments are committed, through the Council of Australian Governments (COAG), to the ongoing development of The National Plan to Reduce Violence against Women and their Children 2010-2022 (the National Plan). The National Plan represents an important step towards developing a coordinated approach to reducing violence against women and their children.

Momentum for change is building. Rosie Batty continues her extensive efforts to raising public awareness, the Victorian Royal Commission into Family Violence has put forward 227 recommendations, the Queensland Government has released their report Not Now, Not Ever and the Third Action Plan 2016-2019 – Promising Results will be released this year. Together, these initiatives support the ongoing effort to reduce the frequency and cost of violence against women and children in Australia.

KPMG's estimates highlight the risk of experiencing violence faced by women and the extent of the issue for government's and communities in Australia today:

- 1** This year alone over **1 million** women have or will experience violence, emotional abuse and stalking.
- 2** The cost of violence against women and their children in Australia is **\$22 billion** in 2015-16.
- 3** Victims and survivors bear **\$11.3 billion**, or 52 per cent, of the total costs.
- 4** The Australian Government, state and territory governments bear **\$4.1 billion** or 19 per cent of the total costs.
- 5** The community, children of women experiencing violence, the perpetrators, employers, and friends and family bear **\$6.5 billion**, or 29 per cent, of the total costs.
- 6** Underrepresentation of Aboriginal and Torres Strait Islander women, pregnant women, women with disability, and women who are homeless within national prevalence estimates may add a further **\$4 billion** to the cost of violence against women and their children in Australia in 2015-16.

# Why understanding the total cost of violence against women and their children is critical

Violence against women and their children is a crime and a fundamental breach of human rights. Violence has significant and far-reaching implications for its victims, their children, their families and friends, and the broader Australian economy.

**We estimate that, this year, over 1 million women have or will experience violence, emotional abuse and stalking. Experiencing violence can cause long term social, health, and psychosocial damage, and it can result in death. Violence can also lead to broad financial and economic impacts on individuals and the broader community and economy.**

Addressing the issue of violence against women and their children is complex, and will require generational change and long-term targeted investment into lasting solutions.

The commitment by commonwealth, state and territory governments made through COAG towards the development of the National Plan represented an important step towards developing a national approach to reducing the prevalence of violence. Significant momentum for change has also been created by Rosie Batty's extensive public awareness raising, the 227 recommendations from the Royal Commission into Family Violence (Victoria), and the release of the Queensland Government's report and recommendations *Not Now, Not Ever – Putting an End to Domestic and Family Violence in Queensland*.

The National Plan identified the need for a bigger and better evidence base to inform policy decisions on a state, territory and national level.

Recent reports such as the Australian Bureau of Statistics' (ABS) *Defining the Data Challenge for Family, Domestic and Sexual Violence* have found that understanding the cost of violence is not a simple matter. There are gaps in the available data. These gaps limit our understanding of the frequency and impact of violence for specific groups and in specific geographies. Gaps also limit our understanding of different types of violence.

Our understanding of violence is also changing. As new research and information becomes available, the definition of violence has been refined and expanded. This means our knowledge of the impacts and costs of violence is evolving with new data and information.

**The purpose of this Report is to present the findings from KPMG's Detailed Report. Our Detailed Report supports the evidence base informing The National Plan and the Third Action Plan 2016-2019 – Promising Results.**

For the purpose of comparability of results, our approach is consistent with our previous work. However, we have also expanded and updated our approach to reflect the most recent prevalence information, data and research. The Detailed Report updates and extends KPMG's 2009 calculations and analysis for *Estimating the Cost of Violence Against Women and their Children*.

# Our understanding of violence is changing

Developing a better understanding of trends in violence against women and their children is crucial to increasing awareness of its impacts and to creating solution.

Since the publication of the Women’s Safety Survey by the ABS in 1996, the size of the evidence base has grown. The definition and understanding of ‘violence’ has also changed.

Today, the evidence base benefits from insights from sources such as the 2005 and 2012 ABS Personal Safety Survey (PSS), research and publications from the Australian Institute of Health and Welfare (AIHW), the Productivity Commission’s Report on Government Services (ROGS), detailed incidence and service delivery data collected by state and territory governments, and other academic research and publications. Collectively, these new sources provide evidence covering:

- the frequency of violence against women and their children
- different forms of violence and the settings in which violence occurs
- the demographic characteristics and traits of victims and their perpetrators
- the impacts of violence
- in selected cases, patterns of reporting and non-reporting.

Importantly, there is a ‘hidden’ aspect of violence against women and their children. This occurs in cases where victims do not report their experiences to the police, other authorities, service providers, or family and friends.

The PSS provides the most detailed available estimates of the extent of the level of non-reporting, however, other sources (in particular state and territory based incidence data) do not capture these hidden aspects of violence at all.

Table 1 below shows the prevalence of violence against women in Australia, based on the results of the PSS and KPMG calculations provided in the Detailed Report.

**Table 1: Prevalence estimates, based on the PSS 2012**

Primary categories of violence	Prevalence estimates
Physical Assault	263,500
Physical Threat	189,900
Sexual Assault	87,800
Sexual Threat	17,600
<b>Total (physical &amp; sexual)</b>	<b>467,300</b>
Additional categories of violence	Prevalence estimates
Emotional Abuse	272,650
Stalking	237,130
<b>Total (including all violence categories)</b>	<b>1,033,910</b>

Source: ABS Personal Safety Survey 2012; KPMG Detailed Report.

There is not one 'single source of truth' on the prevalence of violence, and although the PSS provides the most consistent source of information, there are limitations in the potential underrepresentation of different cohorts.

Challenges are posed by fragmented and inconsistent data collection and reporting methods. This is evident when comparing trends and impacts over time, comparing insights from different publications, and understanding the representation of specific groups of women and children experiencing violence. Specific groups include: Aboriginal and Torres Strait Islander women, pregnant women, women with disability, and women who are homeless.

In addition to the unique factors facing vulnerable women, there are three broad influences that may impact on the risk of women experiencing violence:

- The relationship between demographic characteristics such as age and the risk of experiencing violence.

For example, young women between the ages of 18 and 24 face the highest risk of experiencing violence, with 12.8 per cent of women in this age group having experienced violence over the last 12 months.<sup>1</sup>

- The relationship between geographical remoteness and the risk of experiencing violence. For example, women who live in rural and remote areas of Australia face a higher risk of experiencing violence. Both the 2012 PSS and the Australian Longitudinal Study on Women's Health show that a higher number of women in rural and remote areas have experienced partner violence compared to women living in capital cities.<sup>2</sup>
- The experience of socioeconomic advantage and disadvantage and the risk of experiencing violence. For example, evidence suggests that level of educational attainment, household income, or employment status may impact on the vulnerability to experiencing violence. However, the evidence across Australia reinforces that violence can happen to any woman in any circumstance.

## How do data limitations impact on the cost estimates?

As a result of the limitations in available data, there are three key areas of consideration in interpreting the cost estimates outlined within this Report.

- **Between 2005 and 2012, the PSS expanded the definition of violence.** As a result of this change, the 2012 PSS reports an increase in the prevalence of emotional abuse and stalking. The substantial increase in the cost of violence between 2009 and 2016 is largely attributable to this more detailed understanding of violence.
- **Data reporting regarding violence against women and their children is not always timely.** The 2012 PSS is the most consistent source of national prevalence information. However, our cost estimates may not reflect the most recent trends and experience, and broader evidence should be considered alongside the cost estimates. The need to get faster access to data is a consistent theme in other research and publications and is necessary to strengthen the evidence base. The ABS will publish the 2016 PSS later in 2017.
- **When examining the prevalence of violence against women and their children, we should take into account trends in the rate of deaths resulting from that violence.** Obtaining up to date data on this topic is very challenging. In 2015, the Australian Institute of Criminology (AIC) published data on domestic violence related homicides over the period from 2002-03 to 2011-12. This research found that the rate of homicide was 1.8 per 100,000 of the population in 2001-02, and that this decreased to 1.1 per 100,000 by 2011-12. The decrease was found across all relationship types.<sup>3</sup> Recent data and media on this subject are limited. The Chief Executive Officer of Our Watch suggested in 2015 that the rate of deaths had increased to two women per week, and Destroy the Joint, a community based website, estimates 79 deaths in 2015 (approximately 1.5 deaths per week) and 17 deaths to-date in 2016 (approximately 1.3 deaths per week).

<sup>1</sup> Australian Bureau of Statistics (ABS) 2012, Personal Safety Survey 2012.

<sup>2</sup> Australian Bureau of Statistics (ABS) 2012, Personal Safety Survey 2012 and Mishara, G. et al. 2014, Health and Wellbeing of Women aged 18-23 in 2013 and 1996: Findings from the Australian Longitudinal Study on Women's Health.

<sup>3</sup> Australian Institute of Criminology 2015, *Domestic/family homicide in Australia*.

# KPMG estimates that the total cost of violence against women and their children in Australia is \$22 billion in 2015-16

We estimate the cost of violence against women and their children at \$22 billion in 2015-16. We have separated the costs into seven categories. These relate to the economic and non-economic impact of pain and suffering, and the impacts of violence on the health system, production and consumption, children, the justice and service system, and transfer payments.

In 2009 KPMG estimated that violence against women and their children cost victims, their friends, family and the broader Australian economy \$13.6 billion. The cost associated with *sexual and physical violence* has remained largely consistent with this estimate. However, the portion of the costs resulting from emotional abuse and stalking has changed substantially.

**The increase in the cost of violence between KPMG's 2009 and 2016 reports is largely attributable to the expanded definition of emotional abuse and stalking captured within the PSS.**

The estimates below show the proportion of the total cost associated with physical and sexual violence, and emotional abuse and stalking. They also provide further explanation for the changes in KPMG's costing between 2009 and 2016.

**The cost of physical and sexual violence is estimated at**

**\$12** billion

There is consistency and comparability in the prevalence rates for physical assault, physical threat, sexual assault, and sexual threat. The prevalence for these forms of violence decreased between 2005 and 2012, however, the overall number of victims and cost increased due to population growth.

**The cost of emotional abuse and stalking is estimated at**

**\$10** billion

The definitional change for emotional abuse and stalking resulted in substantially higher prevalence rates within the 2012 PSS. The impact of this can be seen in the increased costs estimated in 2016 where the total proportion of the costs attributable to emotional abuse and stalking is 52 per cent, compared to 30 per cent in 2009.

This has meant the cost of emotional abuse and stalking has risen from approximately \$5 billion to \$10 billion.

# Violence against women costs \$22 billion this year

The most significant cost impact of violence to women and the economy is from pain, suffering and premature mortality, and is estimated at

**\$10.4** billion

Our cost estimate reflects the major ongoing health impacts of violence, including mental health problems and an increased risk of chronic illness and pain, and reproductive health problems. The cost also reflects the higher likelihood of smoking, and alcohol and substance abuse.

The impact of violence on the private and public health systems is estimated to cost victims, their communities and government

**\$1.4** billion

The increased demand for hospital and other health services can impact on the availability of service provision, as well as workforce requirements and levels of utilisation of facilities. As a result, substantial challenges may arise within the health system in planning and ensuring adequate care for victims, as well as the broader community.

The impact of violence against women and their children on production and the business sector is estimated to cost

**\$1.9** billion

The most significant proportion of this cost was from victim absenteeism from paid and unpaid work and the inability to perform household tasks and voluntary work, which is estimated at \$860 million. In addition, it is estimated that perpetrator absenteeism will cost \$443 million and additional management costs, including search, hiring and training replacements, will total \$96 million.

The experience of violence can substantially effect a victim's economic opportunities, which is reflected in the significance of costs associated with consumption related activities. We estimate this cost at

**\$4.4** billion

In particular, the impact of loss of economies of scale due to the breakdown of larger households as well as the financial consequences of substantial property damage can have a compounding effect by increasing disadvantage and financial inequality. Emerging research into 'economic abuse' indicates that where economic inequality and financial control within partner relationships exist, the victim (or their family and friends) may bear significant additional costs. The control of economic resources by one partner can impact the long-term financial security and independence of women and their children.

The second generational impacts from violence against women and their children is estimated to cost the Australian economy

**\$3333** million

Children who are exposed to acts of abuse or violence in the home experience significant lifelong impact. These impacts can include potential psychological and behavioural issues, child abuse, health issues, and other effects on wellbeing and development. Over the longer term, this may contribute to impacts on economic outcomes, including reduced productivity, additional welfare provision, medical costs, and unemployment.

The impact of violence against women and their children on the justice, services and funeral sectors is estimated to cost the Australian economy

**\$1.7** billion

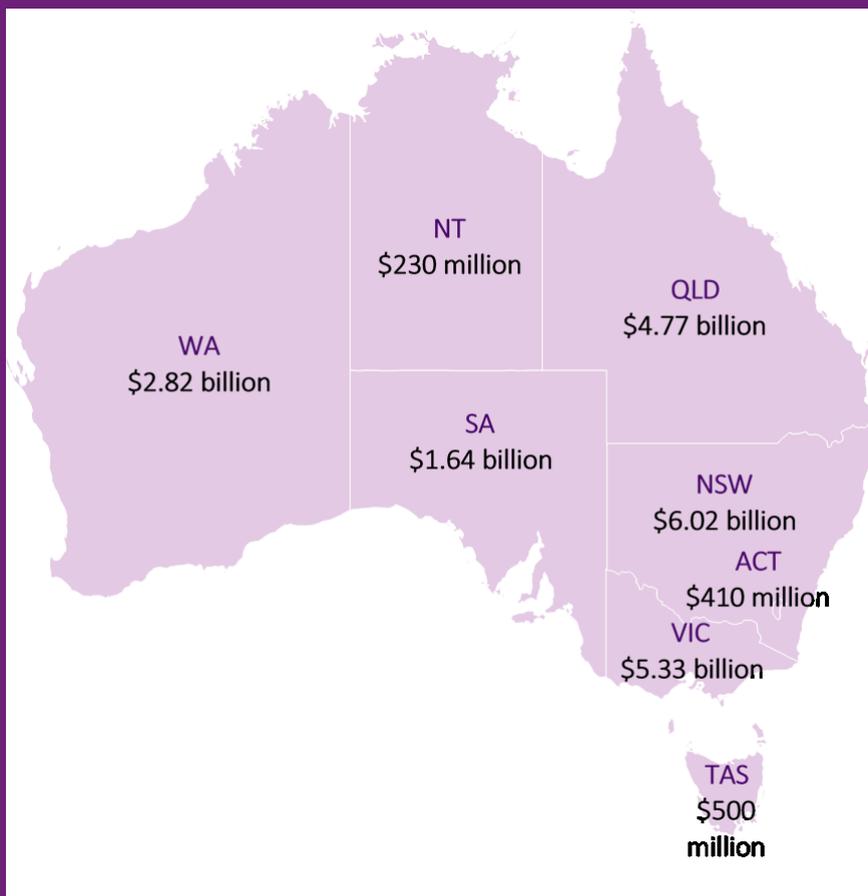
These services are critical for reducing the prevalence of violence and promoting preventative approaches. As such the increased cost for these services linked with measurable outcomes can be understood as an important step in effectively punishing perpetrators and providing women with the support they require in times of need.

Transfer costs resulting from violence against women and their children is estimated to cost the Australian economy

**\$1.6** billion

These costs are associated with transfer payments, and the associated cost to government in administering taxation revenue – these include:

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



The distribution of the total estimated costs of violence against women and their children differs across States and Territories. Prevalence rates from the 2012 PSS are broadly similar to the distribution of the total population across the jurisdictions.

Violence can happen to any woman in any circumstance. Importantly, Rosie Batty's extensive public awareness campaigning has shed light on the impact of violence on women of all socio-demographic status.

At the same time, evidence also shows that some groups of women face a higher risk of violence. It is important we identify women with greater vulnerability to violence to ensure that tailored services help to prevent violence and crisis support is available in times of need.

# Accounting for the underrepresentation of violence against vulnerable women in the PSS may add \$4 billion to the cost of violence against women and their children in Australia in 2015-16

While all women can experience violence, recent developments in research and data suggest that women across specific groups, geographies, and settings may face a higher risk of experiencing violence over their lifetime.<sup>4</sup> These cohorts include, but are not limited to, Aboriginal and Torres Strait Islander women, pregnant women, women with disability, and women who are homeless.

In some cases, the prevalence estimates within the ABS PSS may not fully represent the greater risks across these groups of women. This means that our central cost calculations may underestimate the total costs associated with violence against women and their children in Australia.

KPMG has undertaken additional research and analysis, including the preparation of high level analysis to illustrate the cost implications of potential underrepresentation of these cohorts within the ABS PSS. Indicative estimates of the additional costs, based on available evidence of underrepresentation of prevalence within the PSS, has been undertaken for Aboriginal and Torres Strait Islander women, pregnant women, women with disability, and women experiencing homelessness.<sup>5</sup>

We provide more detailed results from our research within the main body of the Detailed Report around broader groups where data was insufficient to estimate these additional costs.

## Why the additional cost estimates may still underestimate the total cost of violence

Our additional cost estimates should be considered preliminary, and in conjunction with the supporting research and the limitations outlined in the main body of the Detailed Report. However, we believe our estimates are still conservative, specifically, because they do not consider

- the extent of potential underreporting of violence
- the potential need for more intensive service provision and support in the event of experiencing violence

potential underrepresentation of certain groups where data is insufficient to undertake a similar cost estimation, for example women from culturally and linguistically diverse backgrounds, and women who are lesbian, gay, bisexual, transgender, intersex or queer.

<sup>4</sup> In support of the main cost estimates, KPMG has undertaken detailed supplementary research and analysis to compare and contrast the available evidence. In addition, KPMG has drawn on this evidence to provide illustrations of the potential costs of violence for women across different cohorts and settings. These costs are provided for illustrative purposes and should be considered alongside the limitations in the scope and scale of the underlying data, as outlined in the main body of the Detailed Report.

<sup>5</sup> These estimates have been based on the available evidence in respect of prevalence, together with the average cost of violence per victim estimated through the main costing exercise. They are illustrative in nature and are subject to limitations that are outlined in detail within the main body of our report.

# Violence against vulnerable women costs an additional \$4 billion this year

Aboriginal and Torres Strait Islander women are at a significantly higher risk of experiencing violence over the course of their life.

Underrepresentation in the prevalence of physical and sexual violence against Aboriginal and Torres Strait Islander women within the PSS may result in an additional costs of

**\$1.2** billion

The 2008 ABS National Aboriginal and Torres Strait Islander Social Survey found that Aboriginal and Torres Strait Islander women are at least four times more likely to experience violence than the rest of the population. Approximately 23 per cent of Aboriginal and Torres Strait Islander women experiencing physical violence in a 12 month period, as opposed to 4.6 per cent for non-Aboriginal and non-Torres Strait Islander women.

There is significant underreporting of sexual and physical assault among Aboriginal and Torres Strait Islander women. Research suggests that approximately 88 per cent of violence experienced by Aboriginal and Torres Strait Islander women is not disclosed to police, with a further study suggesting non-reporting may be as high as 90 per cent.

The risk of violence is higher for pregnant women during pregnancy and in the period after childbirth. We estimate the additional cost of violence against pregnant women is approximately

**\$821** million

The 2012 PSS found that 21.7 per cent of women reported experiencing violence during pregnancy, and that for 13.3 per cent of women, the violence occurred for the first time during pregnancy. While this figure is relatively high, it represents a decrease from the 2015 rate of 16.8 per cent.

These results are significant, given that the experience of domestic violence during pregnancy and childbirth heightens the vulnerability of pregnant women. In these cases, violence against women may also have critical implications on the health and safety of the pregnant mother, the unborn child, and the long term physical and psychological health of the mother and child.

Women with disability face a higher risk of experiencing violence, and are also likely to experience violence at a more severe level and over a longer period. It is estimated that the additional cost of violence against women with disability is approximately

**\$1.7** billion

One out of three individuals who seek specialist homelessness services results from experiencing domestic violence.

It is estimated that women who experience homelessness as a result of violence has an additional cost of approximately

**\$407** million

People with disability are often more vulnerable in society, due to diminished or limited physical, cognitive, and intellectual capacity, as well as greater dependence on others for financial and physical support. It has been suggested that women with disabilities are 40 per cent more likely to be the victims of domestic violence than women without disabilities, and more than 70 per cent of women with disabilities have been victims of violent sexual encounters at some time in their lives.

Research suggests that women with disability may also face barriers to reporting violence and seeking support, with contributing factors likely to include financial or care dependency, or limited ability to access appropriate services without the intervention of a carer or family member.

Detailed service data from the Australian Institute of Health and Welfare (AIHW) which identifies the reason for women accessing women's homeless shelters and refuges established that one in three individuals required assistance from specialist homelessness service organisations due to domestic violence, with 64 per cent of victims being female.

Between 2011-12 and 2014-15, the number of women accessing community services increased by 16 per cent.

This is partly the result of an increase in service provision, particularly in Victoria. Across the same time period, single parent households with a child or children accounted for the majority of this increase in the request for services.

The most common reason why women accessed community services was for short term or emergency accommodation (42 per cent), followed.

# A continually improving evidence base is required to support reform

Using the work outlined in this Report, KPMG has prepared a brief approach to assist the Department identify the steps required to support the implementation of the National Plan and the development of the Third Action Plan. The approach sets out five areas relating to the expansion and strengthening of the evidence base.



## More collaboration and integration of reporting across states and territories is critical

Nationally consistent data collection and collation activities, including the identification and measurement of violence, will result in better comparative analysis of the nature, risk and impact of violence across geographical areas. This is important if we are to develop:

- a more consistent understanding of both the prevalence and incidence of violence against women. This is pivotal to understanding the trends in violence and the individual and societal cost of violence
- greater consistency of definitions, reporting methods, and the collection of data across the jurisdictions. This will improve the comparability of trends over time.



## Strengthen our understanding of the economic impacts of violence

Understanding the prevalence and incidence of violence, as well as opportunities to further refine and extend methodological approaches to estimating the cost of violence will be important to support evidence-based policy decisions. This could include:

- improving our understanding of sector specific costs as consistent data becomes available across states and territories, particularly health care delivery and justice services
- understanding the impact of economic abuse on the financial security and independence on women experiencing violence
- ongoing improvements to the costing approach to determine cost differentials for vulnerable and diverse groups of women who experience violence.

3

**We should strengthen our understanding of the impact of socio-demographic and geographic characteristics**

Understanding the interdependencies between socio-demographic and geographic factors is pivotal to mapping the experience and impact of violence across specific groups of women. With a stronger understanding, we could

- identify relevant demographic groups and the relationship between socio-demographic characteristics, geography, and the experience of violence
- develop an understanding of the best services and supports for women experiencing violence in these groups.

4

**It is important to strengthen our understanding of the risk of experiencing violence by vulnerable groups**

Recognition of the different level of risk faced by vulnerable cohorts in experiencing violence over the course of their life is important to developing opportunities for targeted services and more informed policy making. This can include

- further analysis into the groups that have been found to face a higher risk of experiencing violence, while acknowledging that for many of these groups, the heightened risk is in line with trends for other areas of demand within the human services sector
- ongoing research into the experience of violence for vulnerable cohorts, with each of these groups requiring targeted research, data and analysis to determine relevant causes, impacts and trends.

5

**We should strengthen our understanding of the links between, and impacts of, violence on the broader services system**

Recognition of how the experience of violence intersects with other areas of the service system will help identify the broader demand for services and opportunities for prevention. For example service provision for homelessness, mental health, and the justice sector is important to better inform integrated policy decision making.



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