



The cost of family violence in Victoria

Summary Report

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Department of Premier and Cabinet in Victoria

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In 2016, the Royal Commission into Family Violence (RCFV or 'the Royal Commission') recommended the delivery of a "rigorous and consistent measurement of the cost of family violence to Government, the community and individuals". This was one of 227 recommendations set out to reduce and better respond to family violence in Victoria.

KPMG was engaged by the Department of Premier and Cabinet (DPC) to give effect to this recommendation. This has involved developing a consistent methodology to estimate the costs of family violence to governments, individuals, and the community and economy. It has also involved building on the work undertaken by the RCFV and the Victorian Government to apply this methodology to develop cost estimates for 2015-16.

This Summary Report provides an overview of KPMG's findings. This analysis provides one key input to the evidence base to help in giving effect to the Victorian Government's reforms to the family violence service system over the short, medium, and long term. Continuing to strengthen this evidence will also be important in supporting the critical decisions required to support the continued roll-out of the reforms.

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In 2015-16, over **160,000** people were estimated to have experienced family violence in Victoria.

2

The total cost of family violence in Victoria was estimated at **\$5.3 billion** in 2015-16.

3

The costs borne by government for the provision of supports was estimated at **\$1.8 billion**.

4

The costs borne by individuals and their families was estimated at **\$2.6 billion**.

5

The costs borne by the Victorian community and broader economy was estimated at **\$918 million**.

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Family violence shatters lives. It inflicts physical injury, psychological trauma and emotional suffering that impacts victims for the rest of their lives. At its most heinous, family violence is the cause of senseless deaths.

Victorian Government

Ending Family Violence: Victoria's Plan for Change

Beyond the personal harm that family violence causes, it also has a significant economic cost at a societal level. Identifying the economic costs of family violence to individuals, government and the community as a whole is important when considering arguments for increasing government investment to prevent such violence and reduce its long-term impact on victims.

The Royal Commission into Family Violence

Report and Recommendations

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Developing a better understanding of the costs of family violence is a key input to delivering reform

The RCFV identified the need to measure and better understand the costs of family violence in Victoria.

- The RCFV found that understanding the cost of violence is complex, with no consistent method to estimate the costs of family violence in Victoria.
- Accordingly, the RCFV recommended undertaking a “*rigorous and consistent measurement of the cost of family violence to government, the community and individuals*”.

In 2016, the Victorian Government released its 10 year *Plan for Change*, as a first step in the journey toward ending family violence in Victoria.

- The Victorian Government’s commitment to implementing all 227 recommendations of the RCFV is the most significant whole-of-government and system-wide family violence reforms be undertaken in Victoria’s history.
- The *Plan for Change* noted that addressing family violence – in both seeking to reduce family violence, as well as supporting the recovery of victim survivors – requires a coordinated and integrated response from multiple agencies, including police, courts, child protection, housing, counselling and other support services.
- Successfully delivering these complex reforms will also require intensive, targeted, and long term investment coordinated across victim survivors and their families, perpetrators, governments, the sector, and the community.

This Summary Report presents the findings from KPMG’s analysis of the costs family violence in Victoria in 2015-16. This delivers on the RCFV’s recommendation and is a key input to the evidence base for reform.

- KPMG has developed a comprehensive and consistent approach to estimate the costs of family violence in Victoria.
- An exercise of this scope and scale has not been undertaken previously in Victoria.
- Our approach has built upon the work by the RCFV and the Victorian Government, and studies undertaken previously.
- The methodology developed has also been applied to estimate the total cost of family violence in Victoria in 2015-16.
- The work has been undertaken on the basis of the most complete data and information available.
- The methodology and our understanding of the impacts of family violence will be strengthened over time with greater and more consistent data and information.

Scope

KPMG’s scope of work included:

- consideration of existing approaches to estimating the cost of family violence;
- review of data and information availability;
- development of the estimation approach;
- estimation of the costs in 2015-16;
- analysis of costs for diverse groups at higher risk of family violence; and
- advice to strengthen the cost measurement approach over time.

A comprehensive, consistent approach has been developed to estimate the costs of family violence

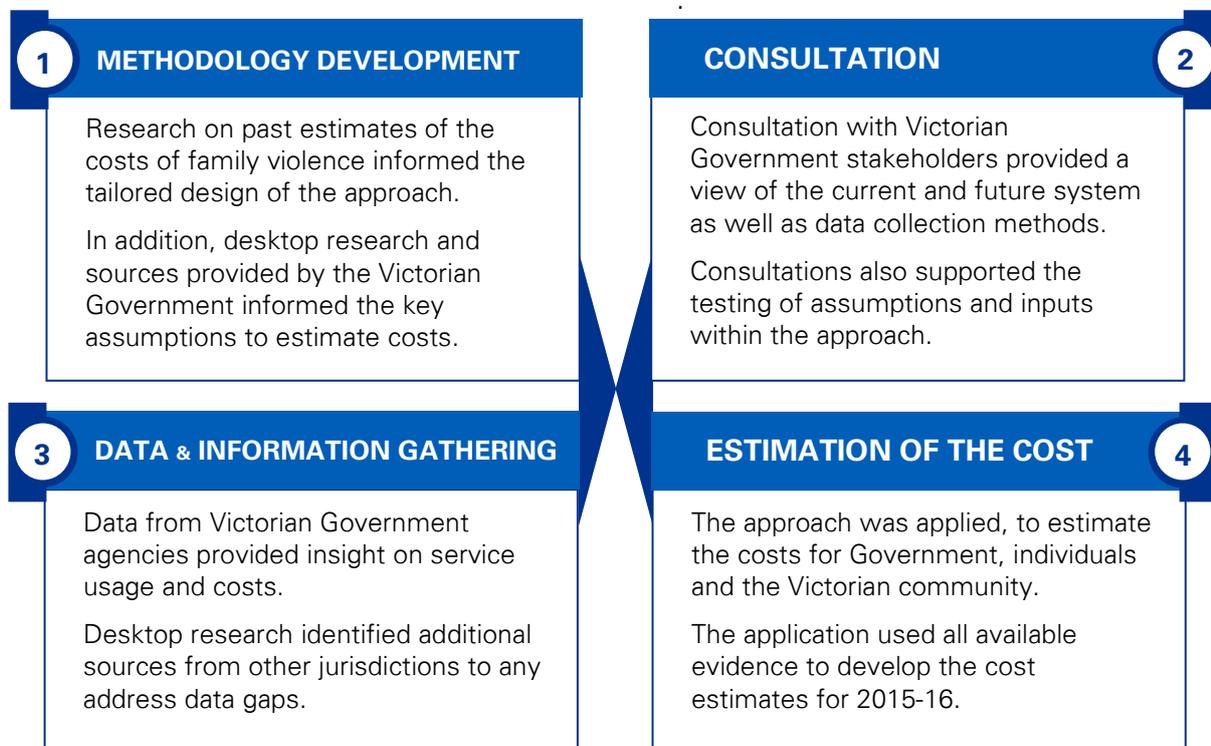
A number of challenges in measuring the costs of family violence were identified by the RCFV, and through prior work undertaken by the Victorian Government:

- A high proportion of family violence is **not reported to police** or service providers, which presents challenges in estimating the true costs of family violence.
- There are **many entry points and pathways** across the service system, which present barriers in identifying the extent of service usage relating to family violence.
- There is currently **insufficient data collected** by Victorian Government agencies on the nature and extent of family violence and associated support services required. There are significant gaps in available data.

It is within this context that KPMG developed a tailored approach to estimate the cost of family violence to governments, communities, and individuals in Victoria.

This approach was designed to be:

- **consistent** with previous approaches to estimating the cost of violence;
- **specific** to the Victorian context, the reform agenda and Victorian service system;
- **evidence-based**, with use of all available sources from the Victorian Government, as well as the extent of evidence from other domestic and international jurisdictions; and
- **whole-of-Government**, with detailed data collection of available sources from all relevant Victorian Government agencies.



KPMG estimates that the total cost of family violence in Victoria was \$5.3 billion in 2015-16

We have separated these costs into three broad categories. These provide a comprehensive basis to understand the sources and drivers of costs associated with family violence in Victoria.

Provision of support to individuals by governments

 **\$1.8** billion

Costs borne by the Victorian and Commonwealth Governments incorporate costs of services to respond to, and reduce family violence, including prevention, early intervention responses, and crisis responses.

Impacts for individuals and their families

 **\$2.6** billion

Costs to individuals and families include the economic and non-economic impact of pain and suffering, and other impacts including the cost of time off work, property damage, and support for children.

Costs to the community and broader economy

 **\$918** million

Costs to the community and economy include workforce impacts, costs to businesses, transfer costs, and other economic and non-economic costs borne by the community and broader economy.

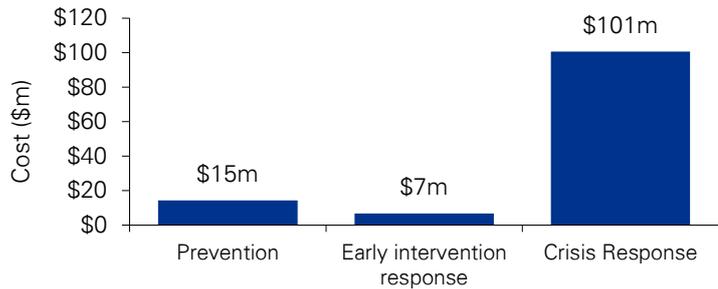


The provision of supports was estimated to cost governments \$1.8 billion in 2015-16

Service delivery in Victoria was estimated to cost \$1.7 billion for the Victorian Government, and \$39 million for the Commonwealth Government in 2015-16.

Specialist family violence services
\$159 million

This covers the spectrum of specialist services that are targeted to those experiencing family violence.



Note: an additional \$36 million was also spent on other initiatives within specialist family violence services.

Justice services
\$1,107 million

Justice services are provided to both prevent and respond to family violence. This includes costs for:

- Victoria Police;
- the Victorian and Commonwealth court systems; and
- legal support services, such as Legal Aid and the Office of Public Prosecutions.

Child and family services
\$307 million

A range of child and family services are accessed due to family violence, including the programs and services within:

- Child FIRST and Family Services; and
- Child Protection and Out-of-Home Care.

Broader services
\$206 million

Broader services are accessible by the general population, but may be sought as a result of family violence. These services include:

- housing and homelessness;
- maternal and child health;
- school-based services, including counselling; and
- general health and emergency services, mental health, drug, and alcohol services.

Given limitations in the reporting of family violence indicators in current data collection, this is likely to be a conservative estimate of the attributable costs for broader services.



Costs to individuals and their families were estimated at \$2.6 billion in 2015-16

The most significant cost for individuals and their families is the cost of the pain and suffering borne by victim survivors, which includes short-term and long-term physical and psychological impacts resulting from experiences of family violence.

Pain, suffering and
premature mortality

\$2.2 billion

This includes costs associated with the long-term health impacts of family violence, and the increased risk of mental ill-health. This therefore includes long-term physical impacts as well as psychological impacts and non-physical effects. These impacts may extend well beyond experiences of violence, with increased feelings of fear and anxiety among victim survivors and impacts to an individual's quality of life.

An individual may forgo income where unpaid leave is taken as a result of family violence. This may include, for example, recovery time taken outside of sick leave, or leave taken to attend court as a witness.

Lost income due to family
violence

\$333 million

Property damage
from family violence

\$52 million

The damage of personal property, as an act of violence or caused by a violent incident, can have a significant impact on the assets of the individual or household, resulting in costs to replace goods and material possessions. The impacts can also be more significant where victim survivors may not have adequate financial means to replace or repair damaged property, thus contributing to further impacts to people's standard of living.



Costs to the community and economy were estimated at \$918 million in 2015-16

This includes direct costs to businesses and employers, as well as economic and non-economic costs borne by the broader community and economy.

Lost economies of scale due
to family violence

\$403 million

Family violence can force victim survivors to relocate if they reside with the perpetrator, causing a loss of economies of scale and increased individual costs that may, in turn, affect consumption spending patterns. This can substantially affect a victim survivor's economic opportunities.

The cost to employers for staff absences or replacements includes:

- costs associated with time off work that is attributable to family violence – this includes, for example, costs associated with individuals taking paid leave (annual, sick, or family violence leave), or time off work to attend court or other justice-related procedures; and
- costs related to general business processes – this included, for example, management costs associated with processing leave, or search, hiring and training functions required to support additional or replacement staff.

Cost of staff
absences or
replacements

\$60 million

Transfer costs attributable
to family violence

\$385 million

Transfer costs include income support and lost taxes attributable to family violence, as well as the increased administration costs and economic inefficiencies associated with the collection of additional tax revenue.

Family violence can happen to anyone in any circumstance, and every experience and the associated impacts are unique.

At the same time, evidence also shows that some groups experience additional impacts as a result of family violence. It is important we understand the impacts for these groups to ensure that tailored services work to prevent and respond to violence, with appropriate support for all Victorians in times of need.

The costs of family violence differ for specific diverse groups within the Victorian community

Whilst family violence is pervasive to all groups, every experience is complex and unique. There is no single experience of family violence.

At the same time, there are a number of recognised diverse groups in the community who may experience additional challenges associated with family violence.

These diverse groups may:

- have a **higher risk** of experiencing family violence;
- face **multiple and intersecting barriers** in accessing family violence and related services, for example where individuals have limited literacy skills, or where individuals reside in a regional or remote area with limited support services;
- have **higher rates of under-reporting** or 'hidden' experiences of family violence, for example male victims, or people from lesbian, gay, bisexual, trans and gender diverse and intersex communities;
- be a group with **higher risk factors across human and social services** generally, for example people with disabilities, older people or children and young people.

These challenges indicate an individual's experience may be influenced by a complex range of interdependent factors, which can add to the impact of family violence for these groups.

For these diverse groups, this presents additional challenges in measuring and costing the impacts of family violence.

These challenges include:

- the **intersection of different risk factors** for individuals who belong to multiple diverse groups;
- the **minimal information collected** on diverse groups limits use of current data on family violence and service usage. Moreover, current levels of available information vary for each diverse group; and
- the **extent of family violence** is not well understood for some diverse groups, given the limitations of population-wide surveys, and limited research on the true extent of family violence.

Accordingly, there is a need for a greater evidence-based understanding of the intersecting impacts of family violence for these groups.

KPMG has undertaken additional research and analysis, including the preparation of indicative estimates, to illustrate the costs borne by specific groups within the Victorian community.

- Given data limitations, a distinct approach has been used to develop the indicative estimates of the costs of family violence for diverse groups.
- These results are not comparable to the cost estimates detailed previously. They also cannot be totalled across diverse groups given intersections of people across groups and a lack of available data to fully understand these intersections.

Available evidence suggests the costs borne by diverse groups are significant

To better understand the impacts of family violence on diverse groups, indicative estimates were developed based on the best available data and information, together with supplementary domestic and international research.

Aboriginal and Torres Strait Islander people are at a significantly higher risk of experiencing violence, have a higher level of under-reporting of violence, and are often not identified in current data. It is estimated that the cost for this diverse group was in the order of:

\$330 million

Culturally and linguistically diverse refers to people 'migrants, refugees and humanitarian entrants, international students, unaccompanied minors, trafficked women and tourists'.⁴ It is estimated that the cost of family violence in 2015-16 for this diverse group was in the order of:

\$1,620 million

In Victoria, between 2008-09 to 2013-14, the number of police-recorded family violence incidents relating to those identifying as Aboriginal increased by 100.6 per cent, compared to 53.6 per cent for non-Aboriginal family violence incident reports.¹

There is also significant under-reporting, with some studies indicating that in Australia, between 88-90 per cent of violence experienced by Aboriginal and Torres Strait Islander women is not disclosed to police.² This compares to 70 per cent for the broader population, as indicated in the Personal Safety Survey.³

Aboriginal and Torres Strait Islander people are often not asked about their cultural background when accessing services, including police and courts. Further, where this information is collected, data may be inaccurately collected and/or is not shared.

People from culturally and linguistically diverse backgrounds have a significant level of under-reporting which may be due to victim survivors being unaware of their rights, what constitutes family violence, the supports and help that is available, or the fear or shame of leaving a violent home.

The 2012 Personal Safety Survey found that 1.6 per cent of women who did not report the most recent incident of sexual assault did not report the offence because of cultural or language reasons.⁵

¹ State of Victoria 2016, *Royal Commission into Family Violence: Report and recommendations*, Volume V, Parl Paper No 132 (2014-16) 11.

² Australian Institute of Criminology 2003, *Non-recording and Hidden Recording of Sexual Assault*.

³ Australian Bureau of Statistics (ABS) 2012, *Personal Safety Survey 2012*.

⁴ State of Victoria 2016, *Royal Commission into Family Violence: Report and recommendations*, Volume V, Parl Paper No 132 (2014-16), 99.

⁵ Australian Bureau of Statistics (ABS) 2012, *Personal Safety Survey 2012*.

People with disability have a significantly higher rate of experiencing family violence compared to people without a disability. It is estimated that the cost of family violence in 2015-16 for this diverse group was in the order of:

\$1,210 million

There is a higher rate of prevalence of family violence for people living in rural, regional or remote areas. It is estimated that the cost of family violence in 2015-16 for this diverse group was in the order of:

\$1,200 million

Older people may experience different forms of family violence than other age groups, particularly due to their reliance on others for financial or care reasons. It is estimated that the cost of family violence in 2015-16 for this diverse group was in the order of:

\$870 million

For people with disability, the leading causes of violence are the social norms, structures and practices that privilege people without disability, while discriminating against people with disability. This can affect their ability to participate in everyday life and cause social isolation, which can make them more likely to experience violence and limit their ability to access required supports and services.

Some estimates suggest that women with a disability are 40 per cent more likely to be victims of violence by an intimate partner than women who do not have a disability.⁶

People living in rural, regional or remote areas have an increased risk of experiencing family violence. Geographic location may limit access to services and supports and/or ability to seek support safely and confidentially.

Some estimates suggest that 60 per cent of women from remote areas who leave the family home after a violent episode return to the family home, compared to a rate of 30 per cent across the whole of Australia.⁷

The 2012 Personal Safety Survey estimated for all women who had experienced violence in the last 12 months, 1.5 per cent were over the age of 65.⁸ While the prevalence rate may be lower for older women, they are more likely to experience different forms of family violence compared to other age groups.

It is estimated that family violence affects five to six per cent of older people in Australia. This is in comparison to international studies, which range from one to ten per cent.⁹

⁶ Brownridge, D. 2006, 'Partner violence against women with disabilities: Prevalence, risks and explanations', *Violence against Women*.

⁷ State of Victoria 2016, *Royal Commission into Family Violence: Report and recommendations*, Volume V, Parl Paper No 132 (2014-16), 219.

⁸ Australian Bureau of Statistics (ABS) 2012, *Personal Safety Survey 2012*.

⁹ State of Victoria 2016, *Royal Commission into Family Violence: Report and recommendations*, Volume V, Parl Paper No 132 (2014-16), 69.

Improvements in the evidence base will strengthen our understanding of these impacts

The continual improvement of the evidence base will be critical to developing cost estimates that are increasingly rigorous and consistent in future years. KPMG has built on the findings of the Royal Commission to identify specific areas to strengthen the evidence base over time.



Greater consistency in data collection and reporting between agencies and providers

There is a need to ensure clear and consistent data processes are embedded within Government agencies and service providers alike. This will need to align with changes in the structure and functions of the family violence and related service system as the reforms are implemented over time.



Increased collaboration between agencies

Increased collaboration between agencies will increase the capacity of Government as a whole to collect and manage consistent data, and support evidence based decision making. Cross-agency collaboration will better ensure individuals have a clearer and more defined pathway through the system.



Increased data collection for diverse groups

The current evidence base for understanding the experience of family violence for diverse groups is highly varied across groups. Government departments, agencies and service providers could consider commencing data collection for cohorts for which there is minimal data and information currently available, and increasing data collection for which there is partial data and information currently available.



Further improvement in the approach to cost estimation with better data and insights over time

Further refinements will be necessary over the longer term to reflect changes in family violence system design, as well as the reform implementation. These changes should be incorporated alongside additional, and more sophisticated data, given improved reporting and collection arrangements over time.



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